



**THE ACCELERATED SCHOOLS**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2024**

**A NONPROFIT PUBLIC BENEFIT CORPORATION  
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOLS**

Accelerated (Charter No. 0045)  
Wallis Annenberg High (Charter No. 0538)  
Accelerated Charter Elementary (Charter No. 0539)

**THE ACCELERATED SCHOOLS  
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JUNE 30, 2024**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
The Accelerated Schools  
Los Angeles, California

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

#### **Opinion**

We have audited the accompanying financial statements of The Accelerated Schools (the "Organization") which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Accelerated Schools as of June 30, 2024, 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.

#### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Accelerated Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management 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.

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 Accelerated Schools' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement 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. Misstatements 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Accelerated Schools' internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Accelerated Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 Information**

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2024, on our consideration of the Organization'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 of the Organization'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 Organization's internal control over financial reporting and compliance.

*Christy White, Inc.*

San Diego, California  
December 15, 2024

**THE ACCELERATED SCHOOLS**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

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**ASSETS**

Current assets	
Cash and cash equivalents	\$ 4,949,829
Investments	32,572,914
Accounts receivable	7,208,572
Prepaid expenses	403,329
Total current assets	<u>45,134,644</u>
Noncurrent assets	
Right-of-use asset	238,435
Capital assets, net	65,704,642
Total noncurrent assets	<u>65,943,077</u>
<b>Total Assets</b>	<u>\$ 111,077,721</u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable	\$ 4,454,398
Deferred revenue	8,929,344
Operating lease liability	243,586
Loan payable	8,675,944
Total liabilities	<u>22,303,272</u>
Net assets	
Without donor restrictions	<u>88,774,449</u>
Total net assets	<u>88,774,449</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 111,077,721</u>

The notes to the financial statements are an integral part of this statement.

**THE ACCELERATED SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

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	<u>Without Donor Restrictions</u>
<b>SUPPORT AND REVENUES</b>	
Federal and state support and revenues	
Local control funding formula, state aid	\$ 18,631,021
Federal revenues	8,131,123
Other state revenues	<u>5,399,527</u>
Total federal and state support and revenues	<u>32,161,671</u>
Local support and revenues	
Payments in lieu of property taxes	6,404,077
Grants and donations	133,707
Investment income, net	3,211,956
Other local revenues	<u>51,008</u>
Total local support and revenues	<u>9,800,748</u>
<b>Total Support and Revenues</b>	<u>41,962,419</u>
 <b>EXPENSES</b>	
Program services	34,106,245
Management and general	<u>7,405,377</u>
<b>Total Expenses</b>	<u>41,511,622</u>
 <b>CHANGE IN NET ASSETS</b>	 450,797
 <b>Net Assets - Beginning</b>	 <u>88,323,652</u>
 <b>Net Assets - Ending</b>	 <u>\$ 88,774,449</u>

The notes to the financial statements are an integral part of this statement.

**THE ACCELERATED SCHOOLS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

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	Program Services	Management and General	Total
<b>EXPENSES</b>			
Personnel expenses			
Certificated salaries	\$ 12,708,045	\$ -	\$ 12,708,045
Non-certificated salaries	1,371,082	3,504,475	4,875,557
Pension plan contributions	1,983,458	78,959	2,062,417
Payroll taxes	282,043	268,628	550,671
Other employee benefits	1,809,883	344,662	2,154,545
Total personnel expenses	<u>18,154,511</u>	<u>4,196,724</u>	<u>22,351,235</u>
Non-personnel expenses			
Books and supplies	2,399,738	236,834	2,636,572
Insurance	-	235,779	235,779
Facilities	1,939,627	420,886	2,360,513
Professional services	8,407,016	1,635,396	10,042,412
Interest expense	-	178,170	178,170
Depreciation	2,091,971	82,540	2,174,511
Fees to authorizing agency	615,919	-	615,919
Other operating expenses	497,463	419,048	916,511
Total non-personnel expenses	<u>15,951,734</u>	<u>3,208,653</u>	<u>19,160,387</u>
<b>Total Expenses</b>	<u>\$ 34,106,245</u>	<u>\$ 7,405,377</u>	<u>\$ 41,511,622</u>

The notes to the financial statements are an integral part of this statement.



**THE ACCELERATED SCHOOLS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 450,797
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Noncash items	
Depreciation	2,174,511
Unrealized (gain)/loss on investments	(2,692,708)
(Increase) decrease in operating assets	
Accounts receivable	2,198,840
Prepaid expenses	(244,561)
Prepaid rent	(10,216,893)
Increase (decrease) in operating liabilities	
Accounts payable	(237,340)
Deferred revenue	8,693,208
<b>Net cash provided by (used in) operating activities</b>	<u>125,854</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	(598,574)
Purchase of capital assets	(961,727)
<b>Net cash provided by (used in) investing activities</b>	<u>(1,560,301)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on loan payable	(308,373)
<b>Net cash provided by (used in) financing activities</b>	<u>(308,373)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,742,820)
<b>Cash and cash equivalents - Beginning</b>	<u>6,692,649</u>
<b>Cash and cash equivalents - Ending</b>	<u>\$ 4,949,829</u>
<b>SUPPLEMENTAL DISCLOSURE</b>	
Cash paid for interest	<u>\$ 178,170</u>

The notes to the financial statements are an integral part of this statement.

**THE ACCELERATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Accelerated Schools (the “Organization”) was formed as a nonprofit public benefit corporation on May 24, 1999. The specific purpose of the corporation is to manage, operate, guide, and direct educational institutions. The Organization operates three public charter schools: The Accelerated School (TAS), Wallis Annenberg High School (WAHS), and Accelerated Charter Elementary School (ACES). Each school is authorized to operate as a public school through the Los Angeles Unified School District (the “authorizing agency” or “LAUSD”) through an approved charter petition. Additional information on each school is as follows:

Charter	Charter No.	Start of School	Petition End Date*	Grades Served
TAS	0045	Fall 1994	6/30/2027	TK - 8
WAHS	0538	Fall 2003	6/30/2026	9 - 12
ACES	0539	Fall 2004	6/30/2026	TK - 6

\*As a result of AB 130 and SB 114, the charter petition end dates have been extended.

Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public. The Organization’s mission statement is: *The Accelerated Schools will graduate students who are prepared to succeed at the university and career of their choice who will enter the workplace as informed and productive employees, entrepreneurs, community leaders, and will act as responsible citizens.*

**B. Basis of Accounting**

The Organization’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

**C. Financial Statement Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. The Accelerated Schools reports information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions* – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net assets with donor restrictions* – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As part of its operation of public charter schools, The Accelerated Schools also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is only used to the extent that internal accounting for multiple charter school or other program operations is necessary and is not used for external financial statement presentation.

**THE ACCELERATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

**E. Contributions**

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

**F. In Lieu of Property Tax Revenue**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on no later than December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to The Accelerated Schools. Revenues are recognized by the Organization when earned.

**G. Functional Expenses**

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management’s estimates.

**H. Cash and Cash Equivalents**

The Accelerated Schools considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

**I. Investments**

The Organization’s method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

**THE ACCELERATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Receivables and Allowances**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2024, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

**K. Capital Assets**

The Accelerated Schools has adopted a policy to capitalize asset purchases over \$5,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

**L. Deferred Revenue**

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

**M. Income Taxes**

The Accelerated Schools is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a financial institution, the Organization is not required to register with the California Attorney General as a charity.

The Organization's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Organization's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

**N. Fair Value Measurements**

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**THE ACCELERATED SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2024**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**O. Lease Arrangements**

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee’s right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, as of June 30, 2024, consists of the following:

Cash in banks, non-interest bearing	\$ 3,033,216
Cash in Local Agency Investment Fund	1,507,112
Cash in banks, interest bearing	409,001
Cash on hand or awaiting deposit	500
<b>Total Cash and Cash Equivalents</b>	<b>\$ 4,949,829</b>

**Cash in Banks – Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, an organization’s deposits may not be returned to it. The Accelerated Schools does not have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank. At June 30, 2024, \$3,000,079 of The Accelerated Schools’ bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held at one or more banks.

**NOTE 3 – INVESTMENTS**

The following table provides a description and sets forth, by level within the fair value hierarchy explained in Note 1N, the Organization’s investments as of June 30, 2024. Investments as of June 30, 2024 are presented on the statement of financial position at the market value noted below.

	Market Value	Fair Value Classification			At Cost
		Level 1	Level 2	Level 3	
Fixed income securities	\$ 18,946,531	\$ 18,946,531	\$ -	\$ -	\$ 19,694,223
Alternative assets	2,016,895	2,016,895	-	-	2,114,106
Equity securities	11,609,488	11,609,488	-	-	9,689,657
<b>Total Investments</b>	<b>\$ 32,572,914</b>	<b>\$ 32,572,914</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,497,986</b>

Additionally, investment return for the year ended June 30, 2024, was as follows:

Interest and dividends	\$ 1,031,219
Realized gain/(loss)	(391,342)
Unrealized gain/(loss)	2,692,708
Investment fees	(120,629)
<b>Net Investment Income</b>	<b>\$ 3,211,956</b>

**THE ACCELERATED SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2024**

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2024, consists of the following:

Local control funding sources, state aid	\$ 4,836,402
Federal sources	1,698,076
Other state sources	496,197
In lieu property tax payments	130,798
Other local sources	47,099
<b>Total Accounts Receivable</b>	<u>\$ 7,208,572</u>

**NOTE 5 – CAPITAL ASSETS**

A summary of activity related to capital assets during the year ended June 30, 2024 consists of the following:

	July 1, 2023	Additions	Disposals	June 30, 2024
Property and equipment				
Land	\$ 5,520,853	\$ -	\$ -	\$ 5,520,853
Buildings and improvements	81,531,811	379,682	-	81,911,493
Furniture and equipment	4,133,209	129,956	135	4,263,030
Construction in progress	127,543	452,089	-	579,632
Total property and equipment	<u>91,313,416</u>	<u>961,727</u>	<u>135</u>	<u>92,275,008</u>
Less accumulated depreciation	<u>(24,395,990)</u>	<u>(2,174,511)</u>	<u>(135)</u>	<u>(26,570,366)</u>
<b>Capital Assets, net</b>	<u>\$ 66,917,426</u>	<u>\$ (1,212,784)</u>	<u>\$ -</u>	<u>\$ 65,704,642</u>

During the year ended June 30, 2024, the Organization made purchases of capital asset additions in the amount of \$961,727. Depreciation expense of \$2,174,511 was also recorded during the year.

**NOTE 6 – ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2024, consists of the following:

Due to grantor government	\$ 2,387,481
Vendor payables	1,266,654
Salaries and benefits	800,263
<b>Total Accounts Payable</b>	<u>\$ 4,454,398</u>

**NOTE 7 – DEFERRED REVENUE**

Deferred revenue as of June 30, 2024, consists of conditional contributions from the following sources in which funding was received yet qualifying expenditures or other conditions of funding have not yet been met.

Federal sources	\$ 22,905
State sources	8,906,439
<b>Total Deferred Revenue</b>	<u>\$ 8,929,344</u>

**THE ACCELERATED SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2024**

**NOTE 8 – OPERATING LEASE**

The Organization entered into a lease agreement for the use of equipment. The lease agreement covers a term beginning October 1, 2022 through September 30, 2027. At June 30, 2024, the right-of-use asset was \$238,435 and the operating lease liability was \$243,586. The Organization has accounted for this lease agreement using a discount rate of 2.9%. The associated asset and liability are amortized over the term remaining of the lease as follows:

Fiscal Year Ending June 30,	Operating Lease Liability	Right-of-Use Asset
2025	\$ 120,780	\$ 120,780
2026	58,980	58,980
2027	58,980	58,980
2028	14,745	14,745
Subtotal	253,485	253,485
NPV adjustment	(9,899)	(9,899)
Prepaid rent	-	(5,151)
<b>Total</b>	<b>\$ 243,586</b>	<b>\$ 238,435</b>

**NOTE 9 – LOAN PAYABLE**

The Organization has entered into an agreement under the Charter School Facilities Program of the California School Finance Authority (CSFA). Under this agreement, the Organization was awarded funding for facilities, of which 50% is in the form of a loan. The loan has an interest rate of 2% and maturity date of September 1, 2046. During the fiscal year ended June 30, 2024, the Organization made payments of \$486,544, which included \$308,373 of principal and \$178,171 of interest expense. As of June 30, 2024, the outstanding balance on the loan was \$8,675,944. Repayment obligations on the above referenced debt are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 278,445	\$ 208,099	\$ 486,544
2026	320,942	165,603	486,545
2027	327,416	159,128	486,544
2028	334,021	152,523	486,544
2029	342,463	144,081	486,544
Thereafter	7,072,657	1,306,706	8,379,363
<b>Total</b>	<b>\$ 8,675,944</b>	<b>\$ 2,136,140</b>	<b>\$ 10,812,084</b>

**NOTE 10 – NET ASSETS**

As of June 30, 2024, the Organization did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Organization. At June 30, 2024, the Organization's net assets without donor restrictions consists of the following:

Net investment in capital assets	\$ 57,028,698
Undesignated	31,745,751
<b>Total Net Assets without Donor Restrictions</b>	<b>\$ 88,774,449</b>

**THE ACCELERATED SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2024**

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**NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization’s financial assets as of June 30, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action. The Accelerated Schools maintains a line of credit (as mentioned in Note 13) which could be drawn upon to ensure financial assets are available as general expenditures and other obligations become due.

Financial Assets	
Cash and cash equivalents	\$ 4,949,829
Investments	32,572,914
Accounts receivable	7,208,572
Prepaid expenses	403,329
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	<u>(8,929,344)</u>
<b>Financial Assets available to meet cash needs</b>	
<b>for expenditures within one year</b>	<b><u>\$ 36,205,300</u></b>

**NOTE 12 – EMPLOYEE RETIREMENT PLANS**

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by an agency of the State of California. In accordance with *California Education Code 47605*, charter schools have the option of participating in such plan if an election to participate is specified within the charter petition. The Organization has made such election. Certificated employees are members of the California State Teachers’ Retirement System (CalSTRS). The Organization also offers social security as an alternative plan to all employees who may not qualify for CalSTRS. Additional information about CalSTRS is as follows:

**Plan Description**

The Accelerated Schools contributes to the California State Teachers’ Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. 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. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard; Sacramento, California 95826.

**Funding Policy**

Active plan members are required to contribute 10.25% or 10.205% of their 2023-24 salary depending on the employee’s membership date in the plan. The required employer contribution rate for fiscal year 2023-24 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization’s contributions to CalSTRS for the fiscal year ended June 30, 2024 was \$2,062,417; 100% of the required contribution.

**On-Behalf Payments**

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for The Accelerated Schools is estimated at \$1,058,696. The on-behalf payment amount is computed as the proportionate share of total 2022-23 State on-behalf contributions.



**THE ACCELERATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

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**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

**Charter School Authorization**

As mentioned in Note 1A, the charter schools operated by The Accelerated Schools are approved to operate as public charter schools through authorization by the Los Angeles Unified School District. As such, the charter schools are subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

On July 9, 2021, the Governor of California approved Assembly Bill 130 (AB 130). Effective July 1, 2021, AB 130 added a provision within the California Education Code (EC) whereby all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years. As a result, the charter petition end dates were extended to June 30, 2025 for ACES and WAHS and to June 30, 2026 for TAS. Additionally, on July 10, 2023, the Governor of California approved Senate Bill 114 (SB 114), which amended EC 47607.4. The EC was amended to add “all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year.” As a result, the charter petition end dates are extended to June 30, 2026 for ACES and WAHS and to June 30, 2027 for TAS.

The Organization makes payments to the authorizing agency to provide required services for special education and other purchased services in addition to fees for oversight. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources. Total fees for oversight amounted to \$246,469 and total expenses for special education amounted to \$369,450 for the fiscal year ending June 30, 2024.

The Organization holds a ninety-nine year lease with LAUSD for the use of its facilities in Los Angeles for \$1 per year. The Organization has prepaid the total lease amount of \$99.

**Governmental Funds**

The Accelerated Schools 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 expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

**Multiemployer Defined Benefit Plan Participation**

Under current law on multiemployer defined benefit plans, the Organization’s voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Organization to make payments to the plan, which would approximate the Organization’s proportionate share of the multiemployer plan’s unfunded vested liabilities. The Organization does not currently intend to withdraw from CalSTRS. Refer to Note 12 for additional information on employee retirement plans.

**Line of Credit**

The Accelerated Schools obtained a revolving line of credit with J.P. Morgan Bank in the amount of \$3,000,000. The Organization grants the bank a continuing lien and security interest in any and all deposits as security for full and punctual payment. The Organization had no outstanding loan payable under this line of credit as of June 30, 2024 nor had it drawn upon the line of credit at any point during the year.

**Pending or Threatened Litigation**

The Organization is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Organization as of June 30, 2024.

**THE ACCELERATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2024**

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**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

**Complaint Investigation**

As a recipient of federal financial assistance from the U.S. Department of Education, the Organization is required to comply with federal regulations under the Civil Rights Act of 1964. The Organization may be subject to investigations by the Office of Civil Rights (OCR) in response to any complaints filed against it. As of the date that the financial statements were available to be issued, the outcome of any pending or potential investigations cannot be determined.

**NOTE 14 – DONATED GOODS AND SERVICES**

**Use of Volunteers**

During the year, many parents, administrators and other individuals donated significant amounts of time and services to The Accelerated Schools in an effort to advance the Organization's programs and objectives. These services have not been recorded in the Organization's financial statements because they do not meet the criteria required by generally accepted accounting principles.

**Donated Items**

The Organization did not receive any donated nonfinancial items during the fiscal year ended June 30, 2024.

**NOTE 15 – RELATED PARTY TRANSACTIONS**

**The Accelerated Schools Foundation**

The Accelerated Schools Foundation (the "Foundation") is a separate 501(c)(3) public charity that was established as a supporting organization of The Accelerated Schools. The Foundation's Director is also the Board President for the Organization and the Organization's Chief Business Official serves as the Foundation's Chief Financial Officer. During the year ended June 30, 2024, the Organization did not have any transactions with the Foundation.

**Interagency Activity**

As mentioned in Note 1A, the Organization operates three public charter schools. The Organization also operates a home office for administrative support to the charter schools. Interagency service fees are determined based on a student enrollment allocation. During the year ended June 30, 2024, the home office recorded revenue from service fees of \$3,023,138 and the charter schools collectively reported the same amount as a management and general expense. At June 30, 2024, ACES reported an interagency receivable of \$1,433,413 due from TAS and WAHS; TAS and WAHS have conversely reported this amount as an interagency payable. The operating units of the Organization (charter schools and home office) are encompassed within the one reporting entity. As such, interagency transactions and balances are eliminated in the financial statements by charter within the supplementary information.

**NOTE 16 – SUBSEQUENT EVENTS**

The Accelerated Schools has evaluated subsequent events for the period from June 30, 2024 through December 15, 2024, the date the financial statements were available to be issued. Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

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## **SUPPLEMENTARY INFORMATION**

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**THE ACCELERATED SCHOOLS  
STATEMENT OF FINANCIAL POSITION BY CHARTER SCHOOL  
JUNE 30, 2024**

	Charter No.	0045	0538	0539			
		Accelerated	Wallis Annenberg High	Accelerated Charter Elem.	Home Office	Eliminations	Total
<b>ASSETS</b>							
Current assets							
Cash and cash equivalents	\$	1,537,327	\$ 171,363	\$ 2,930,972	\$ 310,167	\$ -	\$ 4,949,829
Investments		8,631,084	14,690,877	9,250,953	-	-	32,572,914
Accounts receivable		3,142,359	1,818,628	2,247,585	-	-	7,208,572
Prepaid expenses		163,991	138,470	96,738	4,130	-	403,329
Interagency receivable		-	-	1,433,413	-	(1,433,413)	-
Total current assets		<u>13,474,761</u>	<u>16,819,338</u>	<u>15,959,661</u>	<u>314,297</u>	<u>(1,433,413)</u>	<u>45,134,644</u>
Noncurrent assets							
Right-of-use asset		238,435	-	-	-	-	238,435
Capital assets, net		<u>35,115,562</u>	<u>809,051</u>	<u>29,779,260</u>	<u>769</u>	<u>-</u>	<u>65,704,642</u>
Total noncurrent assets		<u>35,353,997</u>	<u>809,051</u>	<u>29,779,260</u>	<u>769</u>	<u>-</u>	<u>65,943,077</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>48,828,758</u></b>	<b><u>17,628,389</u></b>	<b><u>45,738,921</u></b>	<b><u>315,066</u></b>	<b><u>(1,433,413)</u></b>	<b><u>\$ 111,077,721</u></b>
<b>LIABILITIES AND NET ASSETS</b>							
Liabilities							
Accounts payable	\$	2,261,486	\$ 872,716	\$ 1,200,200	\$ 119,996	\$ -	\$ 4,454,398
Interagency payable		210,496	1,222,917	-	-	(1,433,413)	-
Deferred revenue		4,333,705	1,457,495	3,138,144	-	-	8,929,344
Operating lease liability		243,586	-	-	-	-	243,586
Loan payable		-	-	8,675,944	-	-	8,675,944
Total liabilities		<u>7,049,273</u>	<u>3,553,128</u>	<u>13,014,288</u>	<u>119,996</u>	<u>(1,433,413)</u>	<u>22,303,272</u>
Net assets							
Without donor restrictions		<u>41,779,485</u>	<u>14,075,261</u>	<u>32,724,633</u>	<u>195,070</u>	<u>-</u>	<u>88,774,449</u>
Total net assets		<u>41,779,485</u>	<u>14,075,261</u>	<u>32,724,633</u>	<u>195,070</u>	<u>-</u>	<u>88,774,449</u>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>48,828,758</u></b>	<b><u>17,628,389</u></b>	<b><u>45,738,921</u></b>	<b><u>315,066</u></b>	<b><u>(1,433,413)</u></b>	<b><u>\$ 111,077,721</u></b>

**THE ACCELERATED SCHOOLS  
STATEMENT OF ACTIVITIES BY CHARTER SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2024**

	Charter No.	0045	0538	0539	Home Office	Eliminations	Total
		Accelerated	Wallis Annenberg High	Accelerated Charter Elem.			
<b>WITHOUT DONOR RESTRICTIONS</b>							
<b>SUPPORT AND REVENUES</b>							
Federal and state support and revenues							
Local control funding formula, state aid	\$	7,665,411	\$ 5,563,399	\$ 5,402,211	\$ -	\$ -	\$ 18,631,021
Federal revenues		3,609,758	1,861,172	2,660,193	-	-	8,131,123
Other state revenues		2,824,832	759,728	1,814,967	-	-	5,399,527
Total federal and state support and revenues		14,100,001	8,184,299	9,877,371	-	-	32,161,671
Local support and revenues							
Payments in lieu of property taxes		2,820,244	1,653,334	1,930,499	-	-	6,404,077
Grants and donations		61,311	46,127	26,269	-	-	133,707
Investment income, net		852,342	1,447,305	912,309	-	-	3,211,956
Other local revenues		37,247	13,761	-	3,023,138	(3,023,138)	51,008
Total local support and revenues		3,771,144	3,160,527	2,869,077	3,023,138	(3,023,138)	9,800,748
<b>Total Support and Revenues</b>		17,871,145	11,344,826	12,746,448	3,023,138	(3,023,138)	41,962,419
<b>EXPENSES</b>							
Program services		15,607,788	7,985,873	9,497,027	1,015,557	-	34,106,245
Management and general		3,908,841	2,173,435	2,423,786	1,922,453	(3,023,138)	7,405,377
<b>Total Expenses</b>		19,516,629	10,159,308	11,920,813	2,938,010	(3,023,138)	41,511,622
<b>CHANGE IN NET ASSETS</b>		(1,645,484)	1,185,518	825,635	85,128	-	450,797
<b>Net Assets - Beginning</b>		43,424,969	12,889,743	31,898,998	109,942	-	88,323,652
<b>Net Assets - Ending</b>	\$	41,779,485	\$ 14,075,261	\$ 32,724,633	\$ 195,070	\$ -	\$ 88,774,449

**THE ACCELERATED SCHOOLS  
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2024**

	Accelerated (Charter No. 0045)			Wallis Annenberg High (Charter No. 0538)			Accelerated Charter Elem. (Charter No. 0539)		
	Program Services	Management and General	Total	Program Services	Management and General	Total	Program Services	Management and General	Total
<b>EXPENSES</b>									
Personnel expenses									
Certificated salaries	\$ 4,991,321	\$ -	\$ 4,991,321	\$ 3,891,955	\$ -	\$ 3,891,955	\$ 2,778,277	\$ -	\$ 2,778,277
Non-certificated salaries	647,933	1,271,695	1,919,628	252,401	664,628	917,029	470,748	625,598	1,096,346
Pension plan contributions	1,123,824	-	1,123,824	615,793	-	615,793	428,784	-	428,784
Payroll taxes	125,247	96,523	221,770	76,424	50,654	127,078	75,947	46,917	122,864
Employee benefits	887,340	200,103	1,087,443	477,309	76,546	553,855	353,230	68,013	421,243
Total personnel expenses	7,775,665	1,568,321	9,343,986	5,313,882	791,828	6,105,710	4,106,986	740,528	4,847,514
Non-personnel expenses									
Books and supplies	1,118,321	106,398	1,224,719	712,205	67,101	779,306	558,476	53,440	611,916
Insurance	-	101,385	101,385	-	63,660	63,660	-	70,734	70,734
Facilities	891,770	213,237	1,105,007	532,484	83,266	615,750	506,853	124,383	631,236
Professional services	4,219,383	1,752,472	5,971,855	1,023,454	1,055,122	2,078,576	3,160,938	1,120,887	4,281,825
Interest expense	-	-	-	-	-	-	-	178,170	178,170
Depreciation	1,177,538	31,217	1,208,755	74,021	23,446	97,467	840,412	27,391	867,803
Fees to authorizing agency	262,839	-	262,839	168,747	-	168,747	184,333	-	184,333
Other operating expenses	162,272	135,811	298,083	161,080	89,012	250,092	139,029	108,253	247,282
Total non-personnel expenses	7,832,123	2,340,520	10,172,643	2,671,991	1,381,607	4,053,598	5,390,041	1,683,258	7,073,299
<b>Total Expenses</b>	<b>\$ 15,607,788</b>	<b>\$ 3,908,841</b>	<b>\$ 19,516,629</b>	<b>\$ 7,985,873</b>	<b>\$ 2,173,435</b>	<b>\$ 10,159,308</b>	<b>\$ 9,497,027</b>	<b>\$ 2,423,786</b>	<b>\$ 11,920,813</b>

	Home Office			Organization Total		
	Program Services	Management and General	Total	Program Services	Management and General	Total
<b>EXPENSES</b>						
Personnel expenses						
Certificated salaries	\$ 1,046,492	\$ -	\$ 1,046,492	\$ 12,708,045	\$ -	\$ 12,708,045
Non-certificated salaries	-	942,554	942,554	1,371,082	3,504,475	4,875,557
Pension plan contributions	(184,943)	78,959	(105,984)	1,983,458	78,959	2,062,417
Payroll taxes	4,425	74,534	78,959	282,043	268,628	550,671
Employee benefits	92,004	-	92,004	1,809,883	344,662	2,154,545
Total personnel expenses	957,978	1,096,047	2,054,025	18,154,511	4,196,724	22,351,235
Non-personnel expenses						
Books and supplies	10,736	9,895	20,631	2,399,738	236,834	2,636,572
Insurance	-	-	-	-	235,779	235,779
Facilities	8,520	-	8,520	1,939,627	420,886	2,360,513
Professional services	3,241	730,053	733,294	8,407,016	1,635,396	10,042,412
Interest expense	-	-	-	-	178,170	178,170
Depreciation	-	486	486	2,091,971	82,540	2,174,511
Fees to authorizing agency	-	-	-	615,919	-	615,919
Other operating expenses	35,082	85,972	121,054	497,463	419,048	916,511
Total non-personnel expenses	57,579	826,406	883,985	15,951,734	3,208,653	19,160,387
<b>Total Expenses</b>	<b>\$ 1,015,557</b>	<b>\$ 1,922,453</b>	<b>\$ 2,938,010</b>	<b>\$ 34,106,245</b>	<b>\$ 7,405,377</b>	<b>\$ 41,511,622</b>

**THE ACCELERATED SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The Organization has not elected to use the 10 percent de minimis indirect cost rate.

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION:</b>			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected [1]	84.010	14329	\$ 746,680
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	75,435
Title III, English Learner Student Program	84.365	14346	86,243
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	61,004
Title IV, Part B, 21st Century Community Learning Centers Program [1]	84.287	14349	1,025,381
<i>COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:</i>			
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	12,820
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	2,606,631
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	1,009,693
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	192,446
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	38,048
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	86,429
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	218,365
Subtotal Education Stabilization Fund Discretionary Grants			4,164,432
<i>Passed through Los Angeles Unified School District:</i>			
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	409,735
<b>Total U. S. Department of Education</b>			6,568,910
<b>U. S. DEPARTMENT OF AGRICULTURE:</b>			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	520,706
National School Lunch Program	10.555	13391	1,002,882
Subtotal Child Nutrition Cluster			1,523,588
<b>Total U. S. Department of Agriculture</b>			1,523,588
<b>Total Federal Expenditures</b>			\$ 8,092,498

[1] - Major Program

**THE ACCELERATED SCHOOLS  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. 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 and in different programs.

	Accelerated (No. 0045)		Wallis Annenberg High (No. 0538)		Accelerated Charter Elem. (No. 0539)	
	Second Period		Second Period		Second Period	
	Report	Annual Report	Report	Annual Report	Report	Annual Report
	Classroom-Based		Classroom-Based		Classroom-Based	
<b>Grade Span</b>						
Regular						
Kindergarten* through third	229.38	228.46	-	-	297.44	295.63
Fourth through sixth	209.94	209.08	-	-	188.12	187.64
Seventh through eighth	257.34	257.56	-	-	-	-
Ninth through twelfth	-	-	416.69	414.99	-	-
Special education						
Kindergarten through third	1.11	1.11	-	-	-	-
Seventh through eighth	0.41	0.51	-	-	-	-
Ninth through twelfth	-	-	1.97	1.94	-	-
<b>Total Average Daily Attendance - Classroom-Based</b>	<b>698.18</b>	<b>696.72</b>	<b>418.66</b>	<b>416.93</b>	<b>485.56</b>	<b>483.27</b>
	Nonclassroom-Based		Nonclassroom-Based		Nonclassroom-Based	
<b>Grade Span</b>						
Regular						
Kindergarten* through third	0.38	0.29	-	-	1.81	1.52
Fourth through sixth	0.28	0.22	-	-	0.91	0.78
Ninth through twelfth	-	-	0.34	0.26	-	-
<b>Total Average Daily Attendance - Nonclassroom-Based</b>	<b>0.66</b>	<b>0.51</b>	<b>0.34</b>	<b>0.26</b>	<b>2.72</b>	<b>2.30</b>
<b>Total Average Daily Attendance</b>	<b>698.84</b>	<b>697.23</b>	<b>419.00</b>	<b>417.19</b>	<b>488.28</b>	<b>485.57</b>

\*Includes Transitional Kindergarten (TK)



**THE ACCELERATED SCHOOLS  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2024**

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This schedule presents information on the amount of instructional time offered per grade level by the charter schools operated by The Accelerated Schools and whether the charter schools complied with the provisions of *Education Code Section 47612.5*.

<b>Charter Name</b>	<b>Minutes</b>	<b>2023-24</b>	<b>2023-24</b>	
<b>Grade Level</b>	<b>Requirement</b>	<b>Instructional</b>	<b>Number of</b>	<b>Status</b>
		<b>Minutes</b>	<b>Days</b>	
<b>Accelerated (Charter No. 0045)</b>				
Kindergarten*	36,000	57,510	180	Complied
Grade 1	50,400	58,410	180	Complied
Grade 2	50,400	58,410	180	Complied
Grade 3	50,400	61,110	180	Complied
Grade 4	54,000	61,110	180	Complied
Grade 5	54,000	61,110	180	Complied
Grade 6	54,000	64,220	180	Complied
Grade 7	54,000	64,220	180	Complied
Grade 8	54,000	64,220	180	Complied
<b>Wallis Annenberg High (Charter No. 0538)</b>				
Grade 9	64,800	65,800	180	Complied
Grade 10	64,800	65,800	180	Complied
Grade 11	64,800	65,800	180	Complied
Grade 12	64,800	65,800	180	Complied
<b>Accelerated Charter Elementary (Charter No. 0539)</b>				
Kindergarten*	36,000	60,700	180	Complied
Grade 1	50,400	58,900	180	Complied
Grade 2	50,400	58,900	180	Complied
Grade 3	50,400	58,900	180	Complied
Grade 4	54,000	60,700	180	Complied
Grade 5	54,000	60,700	180	Complied
Grade 6	54,000	60,700	180	Complied

\*Includes Transitional Kindergarten (TK)

**THE ACCELERATED SCHOOLS  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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This schedule provides the information necessary to reconcile net position in the Charter Schools Enterprise Fund reported on the Annual Financial and Budget Report (Unaudited Actuals) to net assets on the audited financial statements.

Charter No.	<u>0045</u>	<u>0538</u>	<u>0539</u>
	<u>Accelerated</u>	<u>Wallis Annenberg High</u>	<u>Accelerated Charter Elem.</u>
June 30, 2024, net position in Charter Schools Enterprise Fund per Annual Financial and Budget Report (Unaudited Actuals)	<u>\$ 41,618,866</u>	<u>\$ 14,017,253</u>	<u>\$ 32,650,576</u>
Adjustments:			
Increase (decrease) in total net assets:			
Client reallocations after UA reporting	<u>160,619</u>	<u>58,008</u>	<u>74,057</u>
June 30, 2024, net assets per audited financial statements	<u>\$ 41,779,485</u>	<u>\$ 14,075,261</u>	<u>\$ 32,724,633</u>

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## **OTHER INFORMATION**

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**THE ACCELERATED SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2024**

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This schedule provides information about the local education agency (LEA or charter school), including the charter school authorizing agency, grades served, members of the governing body, and members of the administration.

The Accelerated Schools, located in Los Angeles County, was formed as a nonprofit public benefit corporation on May 24, 1999. The Accelerated Schools operates three charter schools, all of which are authorized to operate as a charter school through the Los Angeles Unified School District. The charter schools include: The Accelerated School (TAS or “Accelerated”), Wallis Annenberg High School (WAHS), and Accelerated Charter Elementary School (ACES). Additional information for each school is as follows followed by the board of trustees and administration:

Charter	Charter No.	Start of School	Petition End Date*	Grades Served
TAS	0045	Fall 1994	6/30/2027	TK - 8
WAHS	0538	Fall 2003	6/30/2026	9 - 12
ACES	0539	Fall 2004	6/30/2026	TK - 6

*\*As a result of AB 130 and SB 114, the charter petition end dates have been extended.*

**BOARD OF TRUSTEES**

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Name	Office	Term Expiration
Leonard Rabinowitz	President	December 31, 2025
Peter B. Morrison	Vice President	December 31, 2026
Lawrence Picus, Ph.D.	Trustee	December 31, 2026
Binti P. Yost	Trustee	December 31, 2025
Lindsay Berz	Trustee	December 31, 2024
Brittany Brooks	Trustee	December 31, 2024
Mario De La Cruz	Trustee	December 31, 2024

**ADMINISTRATION**

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Debbie Kukta <i>Chief Business Officer</i>	Grace Lee-Chang <i>Chief Executive Officer</i>	Cynthia Foley, Ed.D. <i>Chief Human Resources Officer</i>
Francis Reading <i>Director of Elementary Education</i>	Robert French <i>Director of Human Resources</i>	Lenita Lugo <i>Director of Access, Equity, and Compliance</i>
Brian James, Ed.D. <i>Head of Collage and Career Readiness</i>	Lucy Hilarides <i>Principal, TAS (TK-8)</i>	David Tran <i>Head of Academics and Faculty Affairs</i>

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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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**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**Independent Auditors' Report

To the Board of Trustees of  
The Accelerated Schools  
Los Angeles, California

We have audited, 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, the financial statements of The Accelerated Schools (the "Organization") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated December 15, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

## **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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christy White, Inc.*

San Diego, California  
December 15, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

To the Board of Trustees of  
The Accelerated Schools  
Los Angeles, California

**Report on Compliance for Each Major Federal Program****Opinion on Each Major Federal Program**

We have audited The Accelerated Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Accelerated Schools' major federal programs for the year ended June 30, 2024. The Accelerated Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Accelerated Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

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 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Accelerated Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Accelerated Schools' compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Accelerated Schools' federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Accelerated Schools' compliance based on our audit.



## **Auditor's Responsibilities for the Audit of Compliance (continued)**

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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about The Accelerated Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Accelerated Schools' compliance with the compliance requirements referred to above and performing such procedures as we consider necessary in the circumstances.
- Obtain an understanding of The Accelerated Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Accelerated Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this 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. Accordingly, this report is not suitable for any other purpose.

*Christy White, Inc.*

San Diego, California  
December 15, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL  
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

To the Board of Trustees of  
The Accelerated Schools  
Los Angeles, California

**Report on State Compliance****Opinion on State Compliance**

We have audited The Accelerated Schools' compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to The Accelerated Schools' state program requirements for the fiscal year ended June 30, 2024. Reference to The Accelerated Schools within this letter is inclusive of Accelerated (Charter No. 0045), Wallis Annenberg High (Charter No. 0538), and Accelerated Charter Elementary (Charter No. 0539).

In our opinion, The Accelerated Schools complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2024, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

**Basis for Opinion on State Compliance**

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of The Accelerated Schools and to meet certain ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance. Our audit does not provide a legal determination of The Accelerated Schools' compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Accelerated Schools' state programs.

**Auditor's Responsibilities for the Audit for State Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Accelerated Schools' compliance based on our audit.

**Auditor’s Responsibilities for the Audit for State Compliance (continued)**

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 generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about The Accelerated Schools' compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Accelerated Schools' compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Accelerated Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of The Accelerated Schools' internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine The Accelerated Schools' compliance with the state laws and regulations to the following items:

Description	Charter No.	Procedures Performed		
		0045 TAS	0538 WAHS	0539 ACES
<b>School Districts, County Offices of Education and Charter Schools</b>				
Proposition 28 Arts and Music in Schools		Yes	Yes	Yes
After/Before School Education and Safety Program		Yes	Not applicable	Yes
Proper Expenditure of Education Protection Account Funds		Yes	Yes	Yes
Unduplicated Local Control Funding Formula Pupil Counts		Yes	Yes	Yes
Local Control and Accountability Plan		Yes	Yes	Yes
Independent Study-Course Based		Not applicable	Not applicable	Not applicable
Immunizations		Yes	Yes	Yes
Educator Effectiveness		Yes	Yes	Yes
Expanded Learning Opportunities Grant (ELO-G)		Yes	Yes	Yes
Career Technical Education Incentive Grant		Not applicable	Not applicable	Not applicable
Expanded Learning Opportunities Program		Yes	Not applicable	Yes
Transitional Kindergarten		Yes	Not applicable	Yes
<b>Charter Schools</b>				
Attendance		Yes	Yes	Yes
Mode of Instruction		Yes	Yes	Yes
Nonclassroom-Based Instruction/Independent Study		No*	No*	No*
Determination of Funding for Nonclassroom-Based Instruction		Not applicable	Not applicable	Not applicable
Annual Instructional Minutes – Classroom Based		Yes	Yes	Yes
Charter School Facility Grant Program		Yes	Not applicable	Not applicable

\*We did not perform testing of Nonclassroom-Based Instruction/Independent Study because reported average daily attendance (ADA) was not material for any charter school.

“Not applicable” is used in the table above to indicate that the charter school either did not receive program funding or did not otherwise operate the program during the fiscal year.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies or material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Christy White, Inc.*

San Diego, California  
December 15, 2024

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## **FINDINGS AND QUESTIONED COSTS SECTION**

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**THE ACCELERATED SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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**PART I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**Federal Awards**

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.287	Title IV, Part B, 21st CCLC Program
84.010	Title I, Part A

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**State Awards**

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2023-24 Guide for Annual Audits of California K-12 Local Education Agencies</i> ?	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**THE ACCELERATED SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

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All audit year findings, if any, are assigned an appropriate finding code as follows:

<b>FIVE DIGIT CODE</b>	<b>AB 3627 FINDING TYPE</b>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
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

**PART II – FINANCIAL STATEMENT FINDINGS**

There were no audit findings related to the financial statements for the year ended June 30, 2024.

**PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no audit findings and questioned costs related to federal awards for the year ended June 30, 2024.

**PART IV – STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2024.

**THE ACCELERATED SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

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**PART V – SUMMARY OF PRIOR AUDIT FINDINGS**

This section presents the status of actions taken by the Organization on each of the findings and recommendations reported in the prior year audit. There was one audit finding reported in the year ended June 30, 2023, which related to state awards.

**FINDING 2023-001: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000)**

**Summary:** Students classified as English learners (EL) or free or reduced-price meal eligible (FRPM) and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

One (1) student reviewed for audit at The Accelerated School (“TAS”, Charter No. 0045) was classified as FRPM; however, documentation determined that this student did not qualify for this status. The error was noted for only the one charter school from a total FRPM population of twenty-five (25) students at TAS. Based on an extrapolation of the error rate across the remaining impacted student population, a total error of 7 students has been determined for the unduplicated LCFF pupil count for TAS.

A negative fiscal impact of \$4,131 has been determined based on the following audit penalty calculator supplied by the California Department of Education (CDE). This was not a repeat audit finding from the previous year. It was recommended that charter school staff ensure supporting documentation for each students’ designation is thoroughly reviewed and data is timely reported or amended when submitting CALPADS data. It was also recommend to provide additional guidance to families for accurate use of household income forms.

**Current Status:** Implemented.