

CALIFORNIA ONLINE PUBLIC SCHOOLS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025

OPERATING CHARTER SCHOOLS:

CALIFORNIA CONNECTIONS ACADEMY CENTRAL VALLEY: #0804
CALIFORNIA CONNECTIONS ACADEMY NORTH BAY: #1653
CALIFORNIA CONNECTIONS ACADEMY SOUTHERN CALIFORNIA: #0664
CALIFORNIA CONNECTIONS ACADEMY NORTHERN CALIFORNIA: #1398
CALIFORNIA CONNECTIONS ACADEMY CENTRAL COAST: #2031
CALIFORNIA CONNECTIONS ACADEMY MONTEREY BAY: #2056



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**CALIFORNIA ONLINE PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF FUNCTIONAL EXPENSES	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
SCHEDULE OF INSTRUCTIONAL TIME	16
SCHEDULE OF AVERAGE DAILY ATTENDANCE	18
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	20
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	21
NOTES TO SUPPLEMENTARY INFORMATION	22
OTHER INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	23
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	25
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	27
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE	30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	34
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	39



INDEPENDENT AUDITORS' REPORT

Board of Directors
California Online Public Schools
San Juan Capistrano, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of California Online Public Schools (the Organization), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses 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 Organization as of June 30, 2025, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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; and for 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 Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 GAAS 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.

In performing an audit in accordance with GAAS 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 Organization's 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 Organization's 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 Organization's financial statements as a whole. The Organization locations columns: Central Valley, North Bay, Southern California, Northern California, Central Coast, Monterey Bay, and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents) accompanying supplementary schedules, and the accompanying 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* are presented for purposes of additional analysis and are 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 auditors' 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 a report dated December 15, 2025 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 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.



CliftonLarsonAllen LLP

Ontario, California
December 15, 2025

**CALIFORNIA ONLINE PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025**

	Central Valley	North Bay	Southern California	Northern California	Central Coast	Monterey Bay	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 6,995,218	\$ 1,732,942	\$ 12,107,768	\$ 6,372,509	\$ 547,712	\$ 1,024,778	\$ -	\$ 28,780,927
Accounts Receivable - State and Federal	3,206,993	452,909	5,502,235	7,248,730	728,892	1,078,222	-	18,217,981
Accounts Receivable - Other	-	-	73,562	-	-	-	-	73,562
Intercompany Receivables	3,109	-	11,270,942	49,867	35,018	5,871	(11,364,807)	-
Prepaid Expenses and Other Assets	86,041	16,315	549,052	173,716	14,086	51,129	-	890,339
Total Current Assets	10,291,361	2,202,166	29,503,559	13,844,822	1,325,708	2,160,000	(11,364,807)	47,962,809
LONG-TERM ASSETS								
Deposits	100	-	21,287	-	-	-	-	21,387
Property, Plant, and Equipment, Net	-	-	17,706	32,693	-	-	-	50,399
Operating Right-of-Use Assets, Net	121,284	30,321	939,950	318,370	15,160	90,963	-	1,516,048
Total Long-Term Assets	121,384	30,321	978,943	351,063	15,160	90,963	-	1,587,834
Total Assets	<u>\$ 10,412,745</u>	<u>\$ 2,232,487</u>	<u>\$ 30,482,502</u>	<u>\$ 14,195,885</u>	<u>\$ 1,340,868</u>	<u>\$ 2,250,963</u>	<u>\$ (11,364,807)</u>	<u>\$ 49,550,643</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ 655,789	\$ 154,172	\$ 5,198,348	\$ 1,624,502	\$ 69,759	\$ 347,076	\$ -	\$ 8,049,646
Intercompany Payables	2,995,298	577,633	-	5,736,591	834,069	1,221,216	(11,364,807)	-
Deferred Revenue	1,710,235	399,990	7,193,081	2,605,247	154,752	231,179	-	12,294,484
Operating Lease Liabilities, Current	34,353	8,588	266,239	90,177	4,294	25,765	-	429,416
Total Current Liabilities	5,395,675	1,140,383	12,657,668	10,056,517	1,062,874	1,825,236	(11,364,807)	20,773,546
LONG-TERM LIABILITIES								
Operating Lease Liabilities, Net	90,310	22,578	699,903	237,065	11,289	67,732	-	1,128,877
Total Long-Term Liabilities	90,310	22,578	699,903	237,065	11,289	67,732	-	1,128,877
Total Liabilities	5,485,985	1,162,961	13,357,571	10,293,582	1,074,163	1,892,968	(11,364,807)	21,902,423
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>4,926,760</u>	<u>1,069,526</u>	<u>17,124,931</u>	<u>3,902,303</u>	<u>266,705</u>	<u>357,995</u>	<u>-</u>	<u>27,648,220</u>
Total Liabilities and Net Assets	<u>\$ 10,412,745</u>	<u>\$ 2,232,487</u>	<u>\$ 30,482,502</u>	<u>\$ 14,195,885</u>	<u>\$ 1,340,868</u>	<u>\$ 2,250,963</u>	<u>\$ (11,364,807)</u>	<u>\$ 49,550,643</u>

**CALIFORNIA ONLINE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	Central Valley	North Bay	Southern California	Northern California	Central Coast	Monterey Bay	Total
REVENUES WITHOUT DONOR RESTRICTIONS							
State Revenue:							
State Aid	\$ 10,230,058	\$ 1,229,111	\$ 11,474,590	\$ 16,841,698	\$ 576,469	\$ 2,472,258	\$ 42,824,184
Other State Revenue	1,082,842	261,976	9,242,682	3,022,073	266,008	1,078,819	14,954,400
Federal Revenue:							
Grants and Entitlements	474,111	97,734	2,361,048	765,870	51,368	193,695	3,943,826
Local Revenue:							
In-Lieu Property Tax Revenue	666,831	752,922	40,054,655	2,890,841	821,970	3,201,376	48,388,595
Investment Income	11,133	3,893	65,042	61,096	31,435	21,264	193,863
Total Revenues	<u>12,464,975</u>	<u>2,345,636</u>	<u>63,198,017</u>	<u>23,581,578</u>	<u>1,747,250</u>	<u>6,967,412</u>	<u>110,304,868</u>
EXPENSES							
Program Services	8,821,144	1,688,510	48,947,561	17,839,425	1,344,139	5,417,880	84,058,659
Management and General	2,511,706	486,854	13,974,907	5,241,545	393,004	1,510,385	24,118,401
Total Expenses	<u>11,332,850</u>	<u>2,175,364</u>	<u>62,922,468</u>	<u>23,080,970</u>	<u>1,737,143</u>	<u>6,928,265</u>	<u>108,177,060</u>
CHANGE IN NET ASSETS	1,132,125	170,272	275,549	500,608	10,107	39,147	2,127,808
Net Assets Without Donor Restrictions - Beginning of Year	<u>3,794,635</u>	<u>899,254</u>	<u>16,849,382</u>	<u>3,401,695</u>	<u>256,598</u>	<u>318,848</u>	<u>25,520,412</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ 4,926,760</u>	<u>\$ 1,069,526</u>	<u>\$ 17,124,931</u>	<u>\$ 3,902,303</u>	<u>\$ 266,705</u>	<u>\$ 357,995</u>	<u>\$ 27,648,220</u>

See accompanying Notes to Financial Statements.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Central Valley	North Bay	Southern California	Northern California	Central Coast	Monterey Bay	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	\$ 1,132,125	\$ 170,272	\$ 275,549	\$ 500,608	\$ 10,107	\$ 39,147	\$ 2,127,808
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation	-	-	2,169	56,045	-	-	58,214
Noncash Lease Expense	1,919	480	14,879	5,040	240	1,439	23,997
Change in Operating Assets:							
Accounts Receivable - Federal and State	(423,291)	(57,281)	2,300,095	754,344	(567,432)	1,401,342	3,407,777
Accounts Receivable - Other	-	-	11,059	-	-	-	11,059
Intercompany Receivables	1,367,853	-	(6,484,102)	408,191	(829)	(5,871)	(4,714,758)
Prepaid Expenses and Other Assets	103,791	18,885	776,869	251,390	16,894	82,569	1,250,398
Deposits	-	-	(1,000)	-	-	-	(1,000)
Change in Operating Liabilities:							
Accounts Payable and Accrued Liabilities	(1,436,533)	(229,001)	(6,644,283)	(3,231,355)	(82,871)	(381,757)	(12,005,800)
Intercompany Payables	2,955,041	(144,304)	(1,816,125)	5,736,591	(77,731)	(1,938,714)	4,714,758
Deferred Revenue	32,933	(30,466)	(2,573,859)	(596,032)	(81,063)	(307,947)	(3,556,434)
Net Cash Provided (Used) by Operating Activities	<u>3,733,838</u>	<u>(271,415)</u>	<u>(14,138,749)</u>	<u>3,884,822</u>	<u>(782,685)</u>	<u>(1,109,792)</u>	<u>(8,683,981)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>3,733,838</u>	<u>(271,415)</u>	<u>(14,138,749)</u>	<u>3,884,822</u>	<u>(782,685)</u>	<u>(1,109,792)</u>	<u>(8,683,981)</u>
Cash and Cash Equivalents - Beginning of Year	<u>3,261,380</u>	<u>2,004,357</u>	<u>26,246,517</u>	<u>2,487,687</u>	<u>1,330,397</u>	<u>2,134,570</u>	<u>37,464,908</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 6,995,218</u></u>	<u><u>\$ 1,732,942</u></u>	<u><u>\$ 12,107,768</u></u>	<u><u>\$ 6,372,509</u></u>	<u><u>\$ 547,712</u></u>	<u><u>\$ 1,024,778</u></u>	<u><u>\$ 28,780,927</u></u>

See accompanying Notes to Financial Statements.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services	Management and General	Total Expenses
Salaries and Wages	\$ 54,191,314	\$ 7,844,246	\$ 62,035,560
Pension Expenses	8,013,327	821,653	8,834,980
Other Employee Benefits	7,731,308	1,134,871	8,866,179
Payroll Taxes	1,249,885	183,469	1,433,354
Legal Expenses	-	370,113	370,113
Accounting Expenses	-	2,297,433	2,297,433
Other Fees for Services	8,771,765	316,750	9,088,515
Advertising and Promotion Expenses	-	1,240,574	1,240,574
Office Expenses	674,096	4,125,591	4,799,687
Information Technology Expenses	855,513	2,942,946	3,798,459
Occupancy Expenses	448,212	564,227	1,012,439
Travel Expenses	-	895,107	895,107
Conference and Meeting Expenses	251,307	-	251,307
Depreciation Expense	-	58,214	58,214
Insurance Expenses	258,818	44,959	303,777
Other Expenses	12,210	1,278,248	1,290,458
Instructional Materials	1,600,904	-	1,600,904
	<u>\$ 84,058,659</u>	<u>\$ 24,118,401</u>	<u>\$ 108,177,060</u>
Total	<u>\$ 84,058,659</u>	<u>\$ 24,118,401</u>	<u>\$ 108,177,060</u>

See accompanying Notes to Financial Statements.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

California Online Public Schools (the Organization) is a nonprofit public benefit corporation under the laws of the State of California for the purpose of managing and operating public charter schools. The Organization is economically dependent on state and federal funding.

Any of the charters may be revoked by their respective authorizing district for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Accounting

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

Basis of Presentation

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

Use of Estimates

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

Functional Allocation of Expenses

Costs of providing the Organization'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. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, office expenses, and other expenses, which are tracked by separate subgroups directly coded to program or supporting services.

Cash and Cash Equivalents

The Organization 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.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

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

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

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

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Accounts Receivable

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed but not received as of June 30, 2025. Due from federal and state governments consists of funds due from federal and state governments as of June 30, 2025. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased, or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The Organization capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the Organization. The entire compensated absences liability is reported on the statement of financial position. Employees of the Organization are paid for days or hours worked based upon Board-approved schedules which include vacation. For employees who work 10 months per year, sick leave is accumulated up to 32 hours per year, up to a maximum total of 64 hours. For employees who work 12 months per year, sick leave is accumulated up to 40 hours per year, up to a maximum total of 80 hours. Sick leave with pay is provided when employees are absent for health reasons. Unused sick leave is forfeited upon termination of employment.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by the Organization 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.

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 Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2025, the Organization has conditional grants of \$12,613,499 of which \$12,294,484 is recognized as deferred revenue in the statement of financial position.

Other Revenue

Other revenue consists primarily of reimbursement for mandated state testing and other services. The performance obligation for providing these services is simultaneously received and consumed by the students; therefore, the revenue is recognized over the time consumed.

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 Organization 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.

CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization 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 Organization is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Organization files an exempt school return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Leases

The Organization leases operating and office facilities. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through December 15, 2025, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of \$47,072,470.

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

NOTE 3 CONCENTRATION OF CREDIT RISK

The Organization maintains bank accounts with financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization at times has deposits in excess of the FDIC insurance limit in these accounts. The Organization has not incurred losses related to these deposits.

The Organization maintains cash in the Orange County Treasury and Santa Barbara County Treasury (collectively referred to as the County). The County pools these funds with those of other educational organizations in the county and invests the cash. These pooled funds are carried at costs which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or collateralized. The fair value of the Organization's deposits in this pool as of June 30, 2025, as provided by the pool sponsor was \$586,544.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was \$58,214 for the year ended June 30, 2025.

The components of property, plant, and equipment as of June 30, 2025 are as follows:

Leasehold Improvements	\$ 168,135
Furniture, Fixtures, and Equipment	<u>32,522</u>
Total	200,657
Less: Accumulated Depreciation and Amortization	<u>(150,258)</u>
Total Property, Plant, and Equipment	<u><u>\$ 50,399</u></u>

NOTE 5 EMPLOYEE RETIREMENT

Multiemployer Defined Benefit Pension Plans

Qualified employees are covered under multiemployer defined benefit pension plans maintained by agencies of the State of California.

The risks of participating in this multiemployer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature, and (c) if the Organization chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from this multiemployer plan.

State Teachers' Retirement System (STRS)

Plan Description

The Organization contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer 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, 2024 total STRS plan net assets are \$341 billion, the total actuarial present value of accumulated plan benefits is \$482 billion, contributions from all employers totaled \$8.577 billion, and the plan is 76.7% funded. The Organization 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.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS) (Continued)

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The Organization's contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2023	\$ 5,207,792	100%
2024	\$ 4,846,913	100%
2025	\$ 8,834,980	100%

NOTE 6 OPERATING LEASES – ASC 842

The Organization leases operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through August 2029. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the Organization to pay real estate taxes, insurance, and repairs. Some lease agreements also require the Organization to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2025, the Organization believes it was in compliance with all ratios and covenants.

The following table provides quantitative information concerning the Organization's lease for the year ended June 30, 2025:

Lease Cost:	
Operating Lease Cost	\$ 439,110
Other Information:	
Cash Paid for Amounts Included in the	
Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 415,711
Weighted-Average Remaining Lease Term - Operating Leases	3.9 Years
Weighted-Average Discount Rate - Operating Leases	4.26%

CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 6 OPERATING LEASES – ASC 842 (CONTINUED)

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2026	\$ 429,416
2027	444,044
2028	373,798
2029	386,881
2030	<u>64,662</u>
Total Lease Payments	1,698,801
Less: Interest	<u>(140,508)</u>
Present Value of Lease Liabilities	<u><u>\$ 1,558,293</u></u>

NOTE 7 CONTINGENCIES, RISKS AND UNCERTAINTIES

The Organization 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.

In the normal course of business, the Organization is subject to legal claims. After consultation with the Organization's legal counsel, management of the Organization is of the opinion that liabilities, if any, arising from such claims would not have a material effect on the Organization's financial position.

SUPPLEMENTARY INFORMATION

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2025**

	Required Instructional Days	Traditional Calendar Days	Status
Central Valley			
Grade K	175	180	In compliance
Grade 1	175	180	In compliance
Grade 2	175	180	In compliance
Grade 3	175	180	In compliance
Grade 4	175	180	In compliance
Grade 5	175	180	In compliance
Grade 6	175	180	In compliance
Grade 7	175	180	In compliance
Grade 8	175	180	In compliance
Grade 9	175	180	In compliance
Grade 10	175	180	In compliance
Grade 11	175	180	In compliance
Grade 12	175	180	In compliance
North Bay			
Grade K	175	180	In compliance
Grade 1	175	180	In compliance
Grade 2	175	180	In compliance
Grade 3	175	180	In compliance
Grade 4	175	180	In compliance
Grade 5	175	180	In compliance
Grade 6	175	180	In compliance
Grade 7	175	180	In compliance
Grade 8	175	180	In compliance
Grade 9	175	180	In compliance
Grade 10	175	180	In compliance
Grade 11	175	180	In compliance
Grade 12	175	180	In compliance
Southern California			
Grade K	175	180	In compliance
Grade 1	175	180	In compliance
Grade 2	175	180	In compliance
Grade 3	175	180	In compliance
Grade 4	175	180	In compliance
Grade 5	175	180	In compliance
Grade 6	175	180	In compliance
Grade 7	175	180	In compliance
Grade 8	175	180	In compliance
Grade 9	175	180	In compliance
Grade 10	175	180	In compliance
Grade 11	175	180	In compliance
Grade 12	175	180	In compliance

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Required Instructional Days	Traditional Calendar Days	Status
Northern California			
Grade K	175	180	In compliance
Grade 1	175	180	In compliance
Grade 2	175	180	In compliance
Grade 3	175	180	In compliance
Grade 4	175	180	In compliance
Grade 5	175	180	In compliance
Grade 6	175	180	In compliance
Grade 7	175	180	In compliance
Grade 8	175	180	In compliance
Grade 9	175	180	In compliance
Grade 10	175	180	In compliance
Grade 11	175	180	In compliance
Grade 12	175	180	In compliance
Central Coast			
Grade K	175	180	In compliance
Grade 1	175	180	In compliance
Grade 2	175	180	In compliance
Grade 3	175	180	In compliance
Grade 4	175	180	In compliance
Grade 5	175	180	In compliance
Grade 6	175	180	In compliance
Grade 7	175	180	In compliance
Grade 8	175	180	In compliance
Grade 9	175	180	In compliance
Grade 10	175	180	In compliance
Grade 11	175	180	In compliance
Grade 12	175	180	In compliance
Monterey Bay			
Grade K	175	180	In compliance
Grade 1	175	180	In compliance
Grade 2	175	180	In compliance
Grade 3	175	180	In compliance
Grade 4	175	180	In compliance
Grade 5	175	180	In compliance
Grade 6	175	180	In compliance
Grade 7	175	180	In compliance
Grade 8	175	180	In compliance
Grade 9	175	180	In compliance
Grade 10	175	180	In compliance
Grade 11	175	180	In compliance
Grade 12	175	180	In compliance

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2025**

	Second Period Report		Audit Adjustments		Second Period Report (Audited)	
	Classroom		Classroom		Classroom	
	Based	Total	Based	Total	Based	Total
Central Valley						
Grades TK/K-3	-	157.82	-	-	-	157.82
Grades 4-6	-	121.94	-	-	-	121.94
Grades 7-8	-	163.84	-	-	-	163.84
Grades 9-12	-	340.60	-	(0.05)	-	340.55
ADA Totals	-	784.20	-	(0.05)	-	784.15
North Bay						
Grades TK/K-3	-	25.55	-	-	-	25.55
Grades 4-6	-	21.22	-	-	-	21.22
Grades 7-8	-	27.21	-	-	-	27.21
Grades 9-12	-	79.26	-	-	-	79.26
ADA Totals	-	153.24	-	-	-	153.24
Southern California						
Grades TK/K-3	-	729.54	-	-	-	729.54
Grades 4-6	-	637.17	-	-	-	637.17
Grades 7-8	-	653.34	-	-	-	653.34
Grades 9-12	-	1,998.29	-	-	-	1,998.29
ADA Totals	-	4,018.34	-	-	-	4,018.34
Northern California						
Grades TK/K-3	-	280.82	-	-	-	280.82
Grades 4-6	-	217.05	-	-	-	217.05
Grades 7-8	-	253.29	-	-	-	253.29
Grades 9-12	-	784.02	-	(0.65)	-	783.37
ADA Totals	-	1,535.18	-	(0.65)	-	1,534.53
Central Coast						
Grades TK/K-3	-	16.95	-	-	-	16.95
Grades 4-6	-	21.57	-	-	-	21.57
Grades 7-8	-	17.66	-	-	-	17.66
Grades 9-12	-	59.84	-	-	-	59.84
ADA Totals	-	116.02	-	-	-	116.02
Monterey Bay						
Grades TK/K-3	-	61.68	-	-	-	61.68
Grades 4-6	-	62.49	-	-	-	62.49
Grades 7-8	-	81.73	-	-	-	81.73
Grades 9-12	-	248.43	-	(0.02)	-	248.41
ADA Totals	-	454.33	-	(0.02)	-	454.31

CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Annual Report		Audit Adjustments		Annual Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
Central Valley						
Grades TK/K-3	-	160.63	-	-	-	160.63
Grades 4-6	-	126.14	-	-	-	126.14
Grades 7-8	-	172.68	-	-	-	172.68
Grades 9-12	-	354.22	-	(0.03)	-	354.19
ADA Totals	-	813.67	-	(0.03)	-	813.64
North Bay						
Grades TK/K-3	-	26.28	-	-	-	26.28
Grades 4-6	-	21.93	-	-	-	21.93
Grades 7-8	-	29.26	-	-	-	29.26
Grades 9-12	-	84.37	-	-	-	84.37
ADA Totals	-	161.84	-	-	-	161.84
Southern California						
Grades TK/K-3	-	735.44	-	-	-	735.44
Grades 4-6	-	654.47	-	-	-	654.47
Grades 7-8	-	681.08	-	-	-	681.08
Grades 9-12	-	2,049.48	-	-	-	2,049.48
ADA Totals	-	4,120.47	-	-	-	4,120.47
Northern California						
Grades TK/K-3	-	282.82	-	-	-	282.82
Grades 4-6	-	218.81	-	-	-	218.81
Grades 7-8	-	261.67	-	-	-	261.67
Grades 9-12	-	812.79	-	(0.63)	-	812.16
ADA Totals	-	1,576.09	-	(0.63)	-	1,575.46
Central Coast						
Grades TK/K-3	-	19.06	-	-	-	19.06
Grades 4-6	-	21.93	-	-	-	21.93
Grades 7-8	-	18.88	-	-	-	18.88
Grades 9-12	-	62.13	-	-	-	62.13
ADA Totals	-	122.00	-	-	-	122.00
Monterey Bay						
Grades TK/K-3	-	63.46	-	-	-	63.46
Grades 4-6	-	64.16	-	-	-	64.16
Grades 7-8	-	85.92	-	-	-	85.92
Grades 9-12	-	254.38	-	(0.02)	-	254.36
ADA Totals	-	467.92	-	(0.02)	-	467.90

CALIFORNIA ONLINE PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

	Central Valley	North Bay	Southern California	Northern California	Central Coast	Monterey Bay	Total
June 30, 2025 Annual Financial Report Fund Balances (Net Assets)	\$ 5,017,118	\$ 1,086,583	\$ 17,779,200	\$ 4,115,814	\$ 270,417	\$ 396,025	\$ 28,665,157
Adjustments and Reclassifications:							
Increase (Decrease) of Fund Balance (Net Assets):							
Accounts Receivable - Federal and State	433,499	81,163	(4,666,884)	38,657	(17,541)	-	(4,131,106)
Accounts Receivable - Other	3,109	-	5,710,303	49,867	35,018	5,871	5,804,168
Operating Right-of-Use Assets, Net	22,086	3,405	64,324	30,597	3,542	9,478	133,432
Accounts Payable and Accrued Liabilities	(63,035)	(10,678)	(1,575,335)	(191,391)	(38,890)	(81,911)	(1,961,240)
Deferred Revenue	(433,350)	(79,943)	112,314	(30,966)	21,542	60,791	(349,612)
Operating Lease Liabilities	(52,667)	(11,004)	(298,991)	(110,275)	(7,383)	(32,259)	(512,579)
Net Adjustments and Reclassifications	<u>(90,358)</u>	<u>(17,057)</u>	<u>(654,269)</u>	<u>(213,511)</u>	<u>(3,712)</u>	<u>(38,030)</u>	<u>(1,016,937)</u>
June 30, 2025 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 4,926,760</u>	<u>\$ 1,069,526</u>	<u>\$ 17,124,931</u>	<u>\$ 3,902,303</u>	<u>\$ 266,705</u>	<u>\$ 357,995</u>	<u>\$ 27,648,220</u>

See accompanying Independent Auditors' Report and the Notes to Supplementary Information.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Identification	Central Valley	North Bay	Southern California	Northern California	Central Coast	Monterey Bay	Total Federal Expenditures
U.S. Department of Education										
Pass-Through Program From California Department of Education: Every Child Succeeds Act:										
Title I, Part A, Basic Grants:										
Low-Income and Neglected	84.010	14329		\$ 296,128	\$ 55,340	\$ 1,293,272	\$ 391,199	\$ 24,041	\$ 81,472	\$ 2,141,452
Title II, Part A, Supporting Effective Instruction	84.367	14341		6,161	1,178	33,873	12,691	941	3,742	58,586
Title IV, Part A, Student Support & Academic Enrichment	84.424	N/A		12,299	10,000	65,885	20,197	-	-	108,381
Special Education Cluster: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379		141,117	27,345	844,425	298,674	23,275	95,543	1,430,379
Special Education Cluster: IDEA Mental Health Allocation Plan, Part B, Section 611	84.027A	13379		18,406	3,871	123,593	43,109	3,111	12,938	205,028
Total Special Education Cluster				159,523	31,216	968,018	341,783	26,386	108,481	1,635,407
<i>Total U.S. Department of Education</i>				474,111	97,734	2,361,048	765,870	51,368	193,695	3,943,826
Total Federal Expenditures				\$ 474,111	\$ 97,734	\$ 2,361,048	\$ 765,870	\$ 51,368	\$ 193,695	\$ 3,943,826

N/A - Pass-through entity number not readily available or not applicable.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization 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 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.

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.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 5 INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER INFORMATION

**CALIFORNIA ONLINE PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2025**

The Organization is a tax exempt, nonprofit, public benefit corporation that operates six California public charter schools as follow:

- California Connections Academy Central Valley – Charter Number: 0804
Sponsor: Alpaugh Unified School District, established February 2006; Latest renewal: February 2021, expiring June 30, 2026. In July 2023, a new bill was approved to extend most charter school petitions terms by an additional year (June 30, 2027).
- California Connections Academy North Bay – Charter Number: 1653
Sponsor: Middletown Unified School District, established January 2014; Latest renewal: The charter's term was renewed through June 30, 2029.
- California Connections Academy Southern California – Charter Number: 0664
Sponsor: Capistrano Unified School District, established June 2004; Latest renewal: December 2018, expiring June 30, 2024. The adoption of Assembly Bill 130 extended the charter's term by two years. In July 2023, a new bill was approved to extend most charter school petitions terms by an additional year (June 30, 2027).
- California Connections Academy Northern California – Charter Number: 1398
Sponsor: Ripon Unified School District, established February 2012; Latest renewal: The charter's term was renewed through June 30, 2030.
- California Connections Academy Central Coast – Charter Number: 2031
Sponsor: Cuyama Joint Unified School District, established September 2018, expiring June 30, 2024. The adoption of Assembly Bill 130 extended the charter's term by two years. In July 2023, a new bill was approved to extend most charter school petitions terms by an additional year (June 30, 2027).
- California Connections Academy Monterey Bay – Charter Number: 2056
Sponsor: Scotts Valley Unified School District, established February 2019; Latest renewal: The charter's term was renewed through June 30, 2029.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
YEAR ENDED JUNE 30, 2025**

The Board of Directors and the Administrators as of the year ended June 30, 2025 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (Term Length)
James Stockdale	Chair	2027 (3 Years)
Diana Rivas	Vice Chair	2027 (3 Years)
Michael K. Henjum	Member	2027 (3 Years)
Adam Pulsipher	Member	2026 (3 Years)
Eric Wickliffe Jr.	Member	2025 (3 Years)
Patty Pulsipher	Member	2027 (3 Years)

ADMINISTRATORS

Dr. Richie Romero	Deputy Superintendent
Dan Hertzler	Director of Business Services
LaChelle Carter	Director of Finance



**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
California Online Public Schools
San Juan Capistrano, 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 California Online Public Schools (the Organization), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2025, 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 15, 2025.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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.

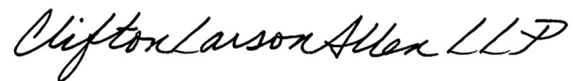
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Ontario, California
December 15, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
California Online Public Schools
San Juan Capistrano, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited California Online Public Schools (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2025.

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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 compliance for each major federal program. Our audit does not provide a legal determination of the Organization's 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 Organization's federal programs.

Auditors' 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 Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that 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, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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.

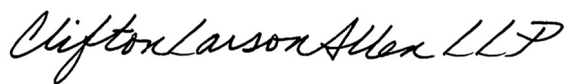
Report on Internal Control Over Compliance

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 a 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 Auditors' Responsibilities for the Audit of Compliance section above 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, as defined above. 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Ontario, California
December 15, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors
California Online Public Schools
San Juan Capistrano, California

Report on Compliance

Opinion on State Compliance

We have audited California Online Public Schools's (the Organization) compliance with the types of compliance requirements applicable to the Organization described in the *2024-2025 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, 2025. The Organization's applicable State compliance requirements are identified in the table below.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are applicable to the Organization for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 Organization and to meet our other ethical responsibilities, in accordance with 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. Our audit does not provide a legal determination of the Organization's 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 Organization's state programs.

Auditors' Responsibility 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 Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that 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, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the Organization'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:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant (CTEIG)	Not Applicable
Expanded Learning Opportunities Program	Not Applicable
Transitional Kindergarten	Not Applicable
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Not Applicable: The School did not receive program funding or did not otherwise operate the program during the fiscal year.

Other Matters

The results of our audit procedures disclosed instances of noncompliance, which are required to be reported in accordance with *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001 and 2025-002. Our opinion on each state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Ontario, California
December 15, 2025

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)

84.010

Name of Federal Program or Cluster

Title I, Part A, Basic Grants: Low-Income and Neglected

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results (Continued)

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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – State Compliance

2025-001	<u>Nonclassroom-Based Instruction / Independent Study</u>	40000
	California Connections Academy Central Valley – Charter Number: 0804	
	California Connections Academy Northern California – Charter Number: 1398	
	California Connections Academy Monterey Bay – Charter Number: 2056	

Type of Finding: Significant Deficiency in State Compliance

Criteria or specific requirement: Per Education Code section 51747(g), a written independent study agreement must contain all the required elements including a statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section IV – Findings and Questioned Costs – State Compliance (Continued)

2025-001 Nonclassroom-Based Instruction / Independent Study (Continued) 40000

Condition and Context: During nonclassroom-based/independent study pupil testing we noted 4 pupils that did not meet the criteria in a sample of 282 pupils as follows:

- 1 student in 12th grade at the Central Valley Site,
- 1 student in 12th grade at the Monterey Bay site, and
- 2 students in 9th and 12th grade at the Northern California

For the sites listed above, the original master agreements had no course list or course credits. The master agreement addendum with the course credits occurred after the first date that ADA was claimed for each student. ADA claimed for these students prior to the master agreement addendums is disallowed.

Questioned Costs: The error identified in the condition had a known error calculation for the decreased apportionment of \$3,516.55.

Cause: Change in the process to obtain master agreements resulted in several errors.

Effect: The Organization is not in compliance with Education code section 51747(g) and for the students where exceptions were noted, over-reported ADA in its P-2 and P-Annual reports as follows:

	Grades 9-12 P-2 ADA Disallowed	Grades 9-12 P-Annual ADA Disallowed	Questioned Costs
Central Valley	0.05	0.03	\$ 762.07
Northern California	0.18	0.13	2,483.86
Monterey Bay	0.02	0.02	270.62
Total	<u>0.25</u>	<u>0.18</u>	<u>\$ 3,516.55</u>

The over-reported P-2 ADA resulted in a known calculation for the decreased apportionment of \$3,516.55.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the Organization design an additional internal control to review the master agreements prior to claiming ADA.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section IV – Findings and Questioned Costs – State Compliance (Continued)

2025-001 Nonclassroom-Based Instruction / Independent Study (Continued) 40000

Views of responsible officials and Corrective Action Plan (Unaudited): California Online Public Schools acknowledges its responsibility and has implemented the following actions to improve its processes:

- Conducted schoolwide training at the start of the school year for all staff, emphasizing the importance of the Independent Study Master Agreement and the need to thoroughly review each document before submitting it for finalization.
- Provided additional, targeted training for administrators responsible for finalizing Master Agreement documents.
- An internal team is tasked with performing ongoing audits of student Master Agreements throughout the year to ensure all state compliance requirements are met.

2025-002 Nonclassroom-Based Instruction / Independent Study 40000
California Connections Academy Northern California – Charter Number: 1398

Type of Finding: Significant Deficiency in State Compliance

Criteria or specific requirement: Per Education Code section 51747.3(c), independent study average daily attendance shall be claimed by school districts, county superintendents of schools, and charter schools only for pupils who are residents of the county in which the apportionment claim is reported, or who are residents of a county immediately adjacent to the county in which the apportionment claim is reported.

Condition and Context: During nonclassroom-based/independent study pupil testing we noted 1 pupil that did not meet the criteria in a sample of 282 pupils as follows:

- 1 student in 12th grade at the Northern California Site that was not a resident of the school's county or immediately adjacent counties.

Questioned Costs: The error identified in the condition had a known error calculation for the decreased apportionment of \$6,485.62.

Cause: Change in the process to obtain master agreements resulted in several errors.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section IV – Findings and Questioned Costs – State Compliance (Continued)

2025-002 Nonclassroom-Based Instruction / Independent Study (Continued) 40000

Effect: The Organization is not in compliance with Education code section 51747.3(c) and for the student where the exception was noted, over-reported ADA in its P-2 and P-Annual reports as follows:

	Grades 9-12 P-2 ADA Disallowed	Grades 9-12 P-Annual ADA Disallowed	Questioned Costs
Northern California	0.47	0.50	\$ 6,485.62

The over-reported P-2 ADA resulted in a known calculation for the decreased apportionment of \$6,485.62.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the Organization design an additional internal control to review the master agreements prior to claiming ADA.

Views of responsible officials and Corrective Action Plan (Unaudited): California Online Public Schools acknowledges its responsibility and has implemented the following actions to improve its processes:

- Conducts routine audits of student addresses in the registration platform to ensure students reside within one of the school's contiguous counties.
- Conducts routine audits of student addresses in the student information system to ensure students reside within one of the school's contiguous counties.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Financial Statements:

There were no financial statement findings in the prior year.

Federal Awards:

2024-001	Education Stabilization Fund (ESF) Reporting:	50000
	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	
	Elementary and Secondary School Emergency Relief III (ESSER III) Fund:	
	Fund: Learning Loss	
	California Connections Academy Central Valley: 0804	
	California Connections Academy North Bay: 1653	
	California Connections Academy Southern California: 0664	
	California Connections Academy Northern California: 1398	

Federal Agency:	U.S. Department of Education
Federal Program Title:	Education Stabilization Fund (ESF)
FAL Number:	84.425U
Pass-Through Agency:	California Department of Education
Pass-Through Number:	15559, 10155
Award Period:	July 1, 2022 – June 30, 2023
Type of Finding:	Significant Deficiency in Internal Control over Reporting

Criteria or specific requirement: Per 2 CFR section 200.514, in assessing the internal controls over reporting, it was noted an additional review of annual performance reports prior to submission was not accurately performed.

Condition and Context: During the sample of 5 ESSER program annual performance reports that were tested, we noted that the Organization reported the full allocation of ESF funds for the year ended June 30, 2023, rather than the expenditures allocated to the program during the period. While the annual reporting was incorrect, the quarterly reporting of expenditures during the year ended June 30, 2023 were correct and expenditures for the ESF funds were recorded properly in the financial statements.

Cause: Clerical error and lack of secondary review of inputs prior to annual performance report submissions.

Effect: Over-reporting of \$1,383,405 in expenditures over actual expenditures for 4 of the ESSER program annual performance reports.

Status: Implemented and remediated during the year ended June 30, 2025.

**CALIFORNIA ONLINE PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

State Awards:

2024-002 Nonclassroom-Based Instruction / Independent Study 40000
California Connections Academy Central Valley – Charter Number: 0804
California Connections Academy Southern California – Charter Number: 0664
California Connections Academy Northern California – Charter Number: 1398
California Connections Academy Monterey Bay – Charter Number: 2056

Criteria or specific requirement: Pursuant to Education Code 51747.5(a), a certificated employee of the charter school must coordinate, evaluate, and provide general supervision of each pupil's independent study.

Condition and Context: The Organization had a substitute supervising pupils' independent study without a valid teaching credential during the period of September 5, 2023 through November 14, 2023. This individual provided supervision at California Connections Academy Central Valley, California Connections Academy Southern California, California Connections Academy Northern California, and California Connections Academy Monterey Bay.

Cause: The teacher was a substitute from a contracted provider that was supposed to provide only individuals with valid teaching credentials. Monitoring of teacher credentials was insufficient to ensure compliance.

Effect: The Organization is not in compliance with Education code section 51747(a) for the pupils supervised during the period indicated, over-reported ADA in its P-2 and P-Annual reports as follows:

	P-2 ADA Disallowed	P-Annual ADA Disallowed
Central Valley	4.41	3.16
Southern California	2.05	1.47
Northern California	2.84	2.03
Monterey Bay	0.84	0.60
Total	10.14	7.26

The over-reported P-2 ADA resulted in a known calculation for the decreased apportionment of \$139,087.

Status: Implemented and remediated during the year ended June 30, 2025.

