From:	Sanchez_Lila
To:	"Board Wisdom Academy for Young Scientists "; "edcabil@sbcglobal.net"
Cc:	Benitez_Yolanda; Fuentes_Olivia; Higelin_Judy
Bcc:	Andrade_Vibiana; Torres_Maritza
Subject:	Notice of Intent to Revoke and Notice of Facts in Support of Revocation to be Considered by the County Board 9/23/14
Date:	Monday, September 15, 2014 4:30:00 PM
Attachments:	ASM_WAYS NIR_Final_9-15-2014.pdf
Importance:	High

Dear Mr. Espinoza and Mr. Cabil,

Attached please find the Notice of Intent to Revoke and the Notice of Facts in Support of Revocation to be considered by the County Board at its regularly scheduled meeting on September 23, 2014.

A hard copy including all referenced exhibits is being sent to your office at: 706 East Manchester Ave., Los Angeles 90001 by FedEx.

Please contact our office if you do not receive the delivery by 5:00 p.m. Tuesday, September 16, 2014.

Kindly confirm receipt of this email.

Thank you,

Lila Sanchez
Administrative Assistant
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805/Fax
Serving Students § Supporting Communities § Leading Educators

Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation
Wisdom Academy for Young Scientists
Pursuant to Education Code Section 47607(e)

This Notice of Intent to Revoke and Notice of Facts in Support of Revocation will issue upon approval by the Los Angeles County Board of Education

September 23, 2014

Executive Summary

The Los Angeles County Office of Education ("LACOE") recommends the Los Angeles County Board of Education ("County Board") issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation ("NIR") because substantial evidence exists that the Wisdom Academy for Young Scientists ("WAYS") has failed to meet generally accepted accounting principles, engaged in fiscal mismanagement, and committed material violations of the conditions, standards, and procedures set forth in its charter.

On June 3, 2014, the County Board issued a Notice of Violation ("NOV") to WAYS stating the following legal grounds for revocation:

I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement. California Education Code § 47607(c)(1)(C).

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter. California Education Code § 47607(c)(1)(A).

The NOV (NIR Exhibit A) documented specific factual findings and provided evidence to support each of the legal grounds for revocation. (NOV Exhibits 1-38)

On July 31, 2014, WAYS timely submitted its response (NIR Exhibit B) and supporting evidence (WAYS Exhibits 1-74) to the NOV.

After careful review, LACOE determined that while the response remedies a few of the violations listed in the NOV, substantial evidence exists that WAYS failed to refute, remedy, or propose remedy to the legal grounds for revocation identified in the NOV as follows:

I. WAYS failed to meet GAAP and engaged in fiscal mismanagement. Three significant issues remain uncured: WAYS lacks adequate internal controls, engaged in related party transactions, and violated provisions of law. The revised Fiscal Policies and Procedures Handbook (and the May 20, 2014 charter) upon which WAYS bases much of its remedy fails to provide adequate separation of duties, does not provide policies and procedures to prevent related party transactions or violations of law with regard to state and federal funds, and contains multiple contradictions, errors and unclear statements. Therefore, the Fiscal Policies and Procedures fail to ensure that GAAP are and will be followed and fiscal mismanagement avoided. While some specific issues were remedied, there is no evidence of systemic change adequate to cure material violations and prevent future violations. Since the NOV was issued, there is also new evidence of misuse of public funds.

II. WAYS committed material violations of the conditions, standards, or procedures set forth in the charter. Three significant issues remain uncured: WAYS Board failed to exercise fiscal and institutional control, violated charter Element 4 (Governance), and failed to

hold key administrators accountable to the standards and procedures stated in charter Element 5. (Employee Qualifications) WAYS failed to refute or propose adequate remedy to these violations. Much of WAYS' proposed remedy centers on its revised Financial Policies and Procedures Handbook and the May 20, 2014 charter; the insufficiency of the Financial Policies and Procedures is summarized above. Other proposed remedies include replacing the Executive Director and Director of Operations, contracting with Celerity Global Development and a new back office provider, and adding new board members. These proposed remedies have been minimally implemented and do not ensure permanent cure. The Executive Director has not been replaced and the Director of Operations continues to be compensated by WAYS through an independent contractor arrangement, which violates the school's Fiscal Policies. Additionally, replacing staff does not ensure adequate Board oversight. There is no contract with Celerity and no evidence that the newly appointed Board members have adequate experience. The Board's failure to follow the oversight provisions of the charter, Board bylaws, and Board policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement, including misuse of public funds and fraud.

Upon the County Board's determination that the WAYS Board failed to refute, remedy, or propose remedy to the material violations of the charter and the fiscal violations identified in the NOV, it will adopt and issue this NIR to WAYS and its Governing Board.

The findings below and substantial evidence in support of issuing NIR to WAYS conform to the standards and procedures of California Education Code ("EC") section 47607 and the California Code of Regulations, Title 5 ("5 CCR") section 11968.5.2.

This report provides the County Board with a summary of its legal authority, the violations identified in the NOV, WAYS' response to the NOV, LACOE's analysis of WAYS' response, and an analysis of academic performance.

Legal Authority

Pursuant to EC § 47607(c)(1), the authorizing entity "may revoke the charter of a charter school if it finds, through a showing of substantial evidence, that the charter school did any of the following:

(A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

(B) Failed to meet or pursue any of the pupil outcomes identified in the charter.

(C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.

(D) Violated any provision of law."

5 CCR § 11968.5.2 regarding charter revocation provides:

> "(c) Upon receipt of a Notice of Violation, the charter school's governing body as described in the school's charter, if it chooses to respond, shall take the following actions:
>
> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken,

or proposed remedial action by the charter school specific to each alleged violation. The written response shall be due by the end of the remedy period identified in the Notice of Violation.

(2) Attach to its written response supporting evidence of the refutation, remedial action, or proposed remedial action, if any, including written reports, statements, and other appropriate documentation.

(d) After conclusion of the reasonable opportunity to remedy, the chartering authority shall evaluate the response of the charter school's governing body as described in the school's charter response to the Notice of Violation and any supporting evidence, if submitted, and shall take one of the following actions:

(1) If the chartering authority has substantial evidence that the charter school has failed to refute to the chartering authority's satisfaction, or remedy a violation identified in the Notice of Violation, continue revocation of the school's charter by issuing a Notice of Intent to Revoke to the charter school's governing body as described in the school's charter; or

(2) Discontinue revocation of the school's charter and provide timely written notice of such action to the charter school's governing body as described in the school's charter."

EC § 47607(e) provides, in relevant part:

"Before revoking a charter for failure to remedy a violation pursuant to subdivision (d), and after expiration of the school's reasonable opportunity to remedy without successfully remedying the violation, the chartering authority shall provide a written notice of intent to revoke and notice of facts in support of revocation to the charter school. No later than 30 days after providing the notice of intent to revoke charter, the chartering authority shall hold a public hearing, in the normal course of business, on the issue of whether evidence exists to revoke the charter…."

Pursuant to EC § 47607(c)(2), the County Board "shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter."

Notice of Intent to Revoke and Facts in Support of Revocation Under EC § 47607(e)

On June 3, 2014, the County Board issued a NOV to WAYS. On July 31, 2014, WAYS timely provided its response and supporting evidence; however, the response failed to fully address each violation identified in the NOV.

WAYS' response to the NOV contends: (1) LACOE failed to follow the correct standard in issuance of the NOV because WAYS was not provided with "facts in support of revocation" and "a reasonable opportunity to remedy the violation," because LACOE's facts are "false and unfounded" or "to the extent they are true, they have already been fully cured … *or were never a violation of law or charter in the first place;"* and (2) that background information and timeline of events leading to the NOV contains inaccuracies and omissions, and is inaccurate. (NIR Exhibit B, p. 40)

WAYS was afforded a reasonable opportunity to cure as it was given from June 3, 2014 to July 31, 2014, to review the identified violations and formulate a response. Also, a majority of the identified violations were not new issues as they were identified in the March 19, 2014 Fiscal Crisis and Management Assistance Team (FCMAT) Audit, WAYS' Independent Audits, and correspondence from LACOE to WAYS over a period of approximately three years. WAYS' response to the NOV fails to present evidence that the violations asserted by LACOE are false, unfounded or have been cured. The NOV accurately identifies violations of law and the charter which are not refuted. The background information and timeline of events leading to the NOV are complete and accurate.

WAYS' response provides minimal remedies; however, substantial evidence exists that WAYS failed to refute, remedy or propose remedy to each of the material violations of the charter and the fiscal violations identified in the NOV. Additionally, WAYS failed to provide evidence to support its refutation, remedy and/or proposed remedy of these material violations.

Therefore, the County Board issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to WAYS based on the grounds for revocation set forth below:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement. EC § 47607(c)(1)(C).

II. WAYS committed a material violation of the conditions, standards, or procedures set forth in the charter. EC § 47607(c)(1)(A).

Facts and Findings in Support of Revocation

The bases for issuance of the NIR are set forth below. The County Board incorporates the June 3, 2014 NOV, (NIR Exhibit A) all of the substantial evidence and supporting documentation provided with the NOV (NOV Exhibits 1-38), and new facts and evidence described below. (NIR Exhibits A-FF) Revocation is based on the following grounds:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement.

A. WAYS Failed to Follow Generally Accepted Accounting Principles and Engaged in Fiscal Mismanagement.

Summary of NOV:

The NOV was based on substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement because the Charter School: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents provided in the NOV (NIR Exhibit A, p. 5-12) and NOV Exhibits 6, 8, 9, 11, and 12.

Summary of WAYS' Response to NOV:

WAYS states, "There has never been any fraud, misappropriation, theft or any misuse of public monies at WAYS." (NIR Exhibit B, p. 42) WAYS further contends that "FCMAT did ***not*** actually make ***any*** factual finding of any wrongdoing by WAYS in its report" and that the school never received evidence from LACOE or FCMAT to substantiate the claims in the FCMAT Audit. WAYS concludes that there are no grounds for revocation. (NIR Exhibit B, p. 43) WAYS attached Exhibit 16 in response.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS failed to refute or remedy the finding that the Charter School failed to follow generally accepted accounting principles, or engaged in fiscal mismanagement.

The NOV was issued based on substantial evidence that WAYS failed to follow GAAP and, as a result, engaged in fiscal mismanagement. FCMAT's recommendation was that the "County Superintendent should notify the governing board of WAYS, LACOE's governing board, the State Controller, and the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriate of assets or other illegal activities may have occurred." (NOV Exhibit 6, p. 101; WAYS Exhibit 16)

WAYS' contention that the FCMAT Audit has no findings is erroneous. The FCMAT Audit provides multiple findings, examples and source document citations that provide substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement. (NOV Exhibit 6; WAYS Exhibit 16) WAYS' response does not refute this or provide a remedy.

WAYS does not provide evidence to refute FCMAT's conclusion that WAYS' failure "to establish adequate internal controls…coupled with the lack of accountability to the governing board created an environment for fraud and misappropriation to occur" (NOV Exhibit 6, p. 66) or FCMAT's conclusion that "fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred." (NOV Exhibit 6, p. 100)

WAYS' contention that there is no ground for revocation is erroneous. WAYS does not dispute that it failed to follow GAAP; therefore, that finding stands. The NOV provides substantial evidence of WAYS' failure to follow GAAP, which in itself is fiscal mismanagement. Pursuant to EC § 41010, "The accounting system used to record the financial affairs of any school district shall be in accordance with the definitions, instructions, and procedures published in the California School Accounting Manual ("CSAM") as approved by the State Board of Education and furnished by the Superintendent of Public Instruction." CSAM states, "Governmental Accounting Standards Board ("GASB") is the standard-setting body for accounting and financial reporting by state and local governments, including local educational agencies. ("LEA") GASB establishes Generally Accepted Accounting Principles ("GAAP") for governments in its authoritative statements, interpretations, and technical bulletins."

GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction, generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements. State and local government financial statements and accounting records should be prepared in conformance with GASB principles. Material departures from these principles will result in misleading information, inaccurate

financial statements, and quite often fiscal mismanagement. Therefore, pursuant to EC § 47607(c)(1)(C), there are grounds for revocation.

WAYS' statement that it did not receive evidence supporting FCMAT's findings is false. WAYS requested FCMAT's evidence from LACOE and received the documents on June 19 and 23, 2014. (NIR Exhibit C) In fact, WAYS included evidence it received in its Exhibits 1-74 proving that it did receive the evidence. In its response, WAYS admits that it received this evidence by stating that it has reviewed all evidence including documents from FCMAT and LACOE. (NIR Exhibit B, p.1) Additionally, some findings in the FCMAT Audit were actually based on WAYS' failure to provide necessary documents. (e.g., packing slips to verify receipt of purchases from OSE, evidence of competitive bids, van lease agreements)

The NOV provided substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement based on three specific findings: WAYS: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law. Each of these findings is addressed in turn.

1. WAYS Lacks Effective Internal Controls

Summary of NOV:

WAYS lacks effective internal controls based on evidence contained in the FCMAT Audit, the 2012 Independent Audit, and the 2013 Independent Audit.[1] These reports identified the following specific issues that demonstrate a lack of effective internal controls:

- Failure to implement or monitor adopted financial policies and procedures. (NOV Exhibit 6)
- WAYS' administrators' failure to provide requested documents to the Board and obtain authorization and signatures prior to entering into contracts and cancellation of Board meetings. (NOV Exhibit 6)
- The integral relationship between appointed board members and related family members and business associates that created an environment that allowed and continues to allow access, opportunity, and motivation for occupational fraud to occur. (NOV Exhibit 6)
- Failure to correct findings from the 2011, 2012, and 2013 Independent Audits including those identified over multiple years and some identified as still not having been cured. (NOV Exhibits 6, 9)
- Multiple reconciliation issues (bank to book balances, general ledger balance to accounts receivable subsidiary ledger balances, payroll) due to inadequate written policies and procedures and lack of oversight resulting in materially misstated financial statements. (NOV Exhibits 8, 9)

[1] The 2013 Independent Audit was issued on three separate dates: January 15, 2014 (NOV Exhibit 9), January 29, 2014 (WAYS Exhibit 32), and June 27, 2014. (NIR Exhibit D) The June 27, 2014 report contains additional information regarding capital assets, related party transactions and subsequent events documenting WAYS' failure to obtain governing board approval for three financial transactions. This version is cited as the "revised 2013 Independent Audit issued June 27, 2014."

- Improper recording of transactions without complete supporting documentation (checks, credit cards, payroll) due to inadequate written policies and procedures and proper oversight. (NOV Exhibits 8, 9)

- Lack of a written asset capitalization policy to ensure that fixed assets are properly capitalized and classified in the financial records. (NOV Exhibits 8, 9)

- WAYS did not separately track expenditures for federal programs and does not have procedures for doing so, which results in an inability to ensure that federal expenditures are accurately reported, meet program requirements, and are not used to supplant existing services. (NOV Exhibit 9)

Summary of WAYS' Response to NOV:

WAYS states it has implemented new policies and procedures, is recruiting new management personnel to strengthen its internal controls, and that its Board adopted new comprehensive Financial Policies and Procedures on April 30, 2014 in response to FCMAT and LACOE concerns. (NIR Exhibit B, p. 44)

WAYS asserts it has effectively cured any failure to adopt and implement adequate Fiscal Policies through the adoption of its new policies. (WAYS Exhibit 17)

WAYS disputes FCMAT's finding that its management team failed to obtain proper signatures and Board approval prior to entering contracts and states there is nothing in the law, its charter, or its updated Fiscal Policies that require Board approval for all contracts. It states that the Executive Director has the "authority to enter into most contracts and approve most purchases without prior Board approval." (NIR Exhibit B, p. 44) WAYS contends that under its previous Fiscal Policies, the Executive Director's responsibilities included overseeing purchases and contracts. (WAYS Exhibit 19)

Note: WAYS refutes concerns regarding related party transactions; the response is summarized under Section I(A)(2) (NIR p. 12) rather than in this section.

WAYS states the Board exercises its approval powers when it comes to major contracts and provides five examples of contracts as evidence. (WAYS Exhibits 21-25)

WAYS states its Board provided regular oversight of the school's financial position and activities using the recently adopted LCAP and samples of monthly financial reports presented to the Board by its back office provider as evidence. WAYS states the financial reports show the school is in a strong financial position and asserts this is a result of the Board's consistent monitoring of the school's financial affairs.

WAYS states its Board is considering two contracts with established "charter school support organizations" to "further solidify the new internal controls and management at WAYS." (NIR Exhibit B, p. 46) The Board has "considered a contract" with Celerity and recently approved a new back office provider, Charter School Management Company. WAYS states, "These partnerships will ensure that WAYS implements and maintains the new, rigorous internal controls recommended by LACOE and adopted by the WAYS Board on April 30, 2014."

WAYS attached Exhibits 3, 10, and 17 through 30.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute or remedy the finding that it lacks effective internal controls.

- Adequate internal control for contracts is not substantiated based on WAYS' own evidence. While WAYS argues that its Board did not need to approve all contracts under its 2006 Fiscal Policies because the Executive Director had the authority to "approve contracts," it also contends that the Board "did (and continues to) exercise it approval powers when it comes to major contracts." (NIR Exhibit B, p. 44) WAYS supports its position based on five contracts approved by its Board. (WAYS Exhibits 21-25)

  The five contracts submitted as evidence actually demonstrate a lack of adherence to the school's Fiscal Policies and failure to follow GAAP, thereby providing evidence of a lack of internal controls.

  There are significant internal control issues in the submitted contracts, including payment to Medina's Air Conditioning of more than twice the amount approved by the Board, staff execution of the Total Education Solutions contract prior to board approval, and payment to McGraw Hill without a detailed invoice. The chart summarizes how WAYS violated internal control standards and its own Fiscal Policies.

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
Major Contract/Purchase (over $25,000)	**Yes** Amount Paid: $72,801.09	**Yes** Amount Paid: $50,800	**Yes** Amount Paid $40,093.75	**Yes** Amount Paid $163,030.61	**No** $3,500 (Board approval required by Ed Code)
Evidence of Multiple Bids as Required	**No**	**No**	**No**	**No**	**No**
Evidence of 2 Signatures as Required	**No**	**No**	**No**	**No**	**N/A**
Evidence of Executed Contract or Detailed Invoice	**Yes** (WAYS Exhibit 21)	**Yes** (WAYS Exhibit 22)	**Yes** (WAYS Exhibit 23)	**No** Statement of Account; not detailed invoice (WAYS Exhibit 24)	**No** WAYS did not submit a copy of the contract, only a proposal for services (WAYS Exhibit 25)
Effective Date(s) of Contract	Aug. 14, 2012	August 3, 2012	Mar. 15, 2013 to June 30, 2015	Aug. 14, 2013 to Oct. 16, 2013	After June 30, 2014
Evidence of Board Approval Prior to Effective Date of Contract	**Yes** Approved July 31, 2012	**Yes** Approved July 31, 2012 However, work began prior to	**No** Approved Mar. 22, 2013	**No** Approved Feb. 27, 2014	**Yes** Approved Apr. 25, 2014

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
		approval (NIR p. 28)			
Executed Contract Complies with Board Approval	**Yes**	**No** Proposal submitted and approved by board was for **$21,200**	**No** The Executive Director executed the contract prior to Board approval to enter into the contract	**N/A** Not a Contract	**Cannot Determine** WAYS did not provide a copy of the contract
Evidence of Effective Internal Controls:	**No**	**No**	**No**	**No**	**Cannot Determine**

- WAYS further demonstrated lack of effective internal controls due to lack of adherence to its Fiscal Policies in its transactions with DeDe Dance Studio ("DDS") and OSE Business Services ("OSE")

  Financial dealings with DDS demonstrate a lack of internal controls. WAYS contends DDS was paid $4,000 a month (NIR Exhibit B, p. 51) therefore, competitive bids were not required. That statement is faulty for three reasons: (1) the 2006 Fiscal Policies in effect until January 31, 2013 (WAYS Exhibit 19, p. 10) required competitive bids for all amounts in excess of $2,999; (2) the annual amount paid to DDS from 2011 to 2014 was at least $28,000; therefore, WAYS' Fiscal Policies actually required a formal competitive bid process; and (3) WAYS failed to provide any evidence of a formal contract, purchase order, or other agreement to substantiate payments made to DDS. (NIR Exhibit E)

  Financial dealings with OSE demonstrate a lack of internal controls. WAYS failed to adhere to its Fiscal Policies in its dealings with OSE. WAYS' response to the NOV regarding related party transactions states "the OSE contract also did *not* violate the school's adopted Fiscal Policies in place at the time." (NIR Exhibit B, p. 50) Contrary to that statement, transactions with OSE did violate those Fiscal Policies (WAYS Exhibit 19) as follows:

  (1) The Director of Operations was not authorized to approve purchases or initiate check requests. The Fiscal Policies state all "purchases" and "check requests" must be approved by the School Director. (WAYS Exhibit 19 p. WAYS 000211; WAYS 000216) Twenty (20) of the 21 check requests for OSE were only signed by the Director of Operations (NIR Exhibit F) in violation of Policy #3 and Policy #5.

  (2) All transactions in excess of $2,999 required a competitive bid process. (WAYS Exhibit 19, p. WAYS 000211) Of the 19 invoices from OSE (WAYS Exhibit 41) 17 were in excess of $2,999 including three that were in excess of $10,000; those required a formal competitive bid process per WAYS' Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000214)

(3) WAYS failed to provide evidence of purchase orders, a contractual agreement for services, or packing slips to verify receipt of goods in its transactions with OSE as required by its Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000212 and 000214)

- WAYS proposes to remedy its internal control weakness through its April 30, 2014 Financial Policies and Procedures Handbook. ("Handbook") This proposed remedy fails for the following reasons:

  There is no evidence Handbook policies and procedures have been implemented. The existence of policies and procedures does not guarantee implementation. WAYS has had Fiscal Policies in place since 2006; however, as documented in the FCMAT Audit and Independent Audits, as well as through the evidence provided above, WAYS has not consistently followed its own policies and procedures.

  The evidence demonstrates that WAYS has not followed its April 30, 2014 Financial Policies and Procedures. The independent contractor consulting agreement (NIR Exhibit G) with the former Director of Operations violates Policy #4 (WAYS Exhibit 17, p. WAYS 000175) because it fails to state the deliverables, contains no description of services, time frame or timeline of payments and reimbursements.

  Therefore, there is evidence that WAYS continues to violate its own Fiscal Policies.

  The Handbook does not provide adequate separation of duties to provide necessary checks and balances. The May 20, 2014 charter (NIR Exhibit H) combines duties under the Director of Operations that were previously separated into two (2) positions; combining the positions results in a lack of necessary checks and balances.

  The Handbook contains multiple contradictions, errors, and unclear statements that fail to remedy internal control inadequacies. For example, employee positions identified in the Handbook are not aligned to those in the charter, which results in a conflict between the documents. The Handbook identifies Executive Director and Director of Operations responsibilities that are different from those in the charter. The position of Financial Consultant identified in the Handbook does not exist in the charter, and the Handbook references "budget managers" that are not defined in either document. Additional inadequacies include, but are not limited to, those stated in the chart:

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #1 Budget Preparation and Implementation	• Annual budget requires Executive Director's Finance Committee, but does not provide a method to document committee process and review procedures. • The Handbook assigns specific job duties to a "Financial Consultant." This position does not exist in the May 20, 2014 Charter or in the school's organization chart. Until positions in the Handbook are aligned to those in the charter, and there is a clear separation of duties by position, there is an inherent flaw in the school's internal controls.

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #2 Timesheet and Payroll	• Conflict in Roles/Responsibilities: Paragraph 1 states Executive Director approves timesheets; however, Procedure #4 states Director of Operations approves timesheets. • Policy does not clearly indicate who signs payroll checks. • Lacks requirement to record criminal background check results legally necessary to complete hiring process.
Policy #3 Purchases and other Procurement (Item 2 and 9)	• As written, purchase orders are being discarded after invoice is processed; this practice does not support proper documentation of purchases. • As written, the policy does not adequately remedy concerns regarding federal program expenditures because it lacks a cost allocation plan or object code identification process.
Policy #4 Contracting (Item 1)	The statement, "All Contracts exceeding $25,000 should be signed and approved by the board" is inadequate because Board approval is discretionary not mandatory and does not specify approval must be in advance of execution
Policy #5 Check Request (Item 5)	The requirement that checks "in excess of $10,000 for non-recurring items require two signatures by authorized check signers" is insufficient because the Handbook does not identify who the second signer is.
Policy #7 Corporate Credit Cards (Item 12)	The statement refers to "the responsible budget manager" but the Handbook does not identify these individuals.
Policy #10 Cash Receipts and Deposit	The statement, "All program and other pass through payments will be paid to the Administrative Assistant" is incorrect; payments should be made to the school, not a specific individual.

- WAYS fails to fully remedy findings in the 2012 Independent Audit.

  - Upon review of evidence provided by WAYS and the year ending June 30, 2012 Schedule of Findings and Questioned Costs (NOV Exhibit 8), the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2011-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit reports Audit finding 2011-2 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Account receivable reconciliations: Although WAYS failed to refute Audit Finding 2011-3, the 2012 Independent Audit states WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 00098)

    Recording transactions without complete supporting documentation: Although WAYS failed to refute Audit Finding 2011-4, the 2012 Independent Audit reports WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 000599)

    Payroll expense reconciliation: WAYS failed to remedy Audit Finding 2011-2. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, WAYS fails to address payroll expense reconciliations, and the 2013

Independent Audit states management failed to implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAYS 000650)

Written asset capitalization: WAYS proposes remedy to Audit Finding 2011-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However WAYS fails to provide evidence that Policy #13 has been implemented; therefore, the remedy cannot be substantiated.

- WAYS fails to fully remedy findings in the 2013 Independent Audit.
  - Upon review of evidence provided by WAYS and the year ending June 30, 2013 Schedule of Prior Year Audit Findings (WAYS Exhibit 32, p. WAYS 000650) the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2013-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit states finding 2011-1 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Payroll expense reconciliation: WAYS fails to address and therefore fails to remedy Audit Finding 2013-2. WAYS proposes remedy through the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address payroll expense reconciliations. The 2013 Independent Audit states management did not implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAY 000650)

    Year-end accruals and closing process: WAYS proposes remedy to Audit Finding 2013-3 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses account reconciliation. However, WAYS fails to provide evidence that Policy #09 has been implemented by management; therefore, remedy cannot be substantiated.

    Payroll documentation: WAYS proposes remedy to Audit Finding 2013-4 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses time sheet and payroll. However, WAYS fails to provide evidence that Policy #02 has been implemented by management; therefore, the remedy cannot be substantiated.

    Capital assets: WAYS proposes remedy to Audit Finding 2013-5 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However, WAYS fails to provide evidence that Policy #13 has been implemented by management; therefore, remedy cannot be substantiated.

    Credit card supporting documentation: WAYS proposes remedy to Audit Finding 2013-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses corporate credit cards. However, WAYS fails to provide evidence that Policy #07 has been implemented by management; therefore, remedy cannot be substantiated.

    Beginning net assets: WAYS fails to address Audit Finding 2013-7; however, the 2013 Independent Audit states WAYS remedied that Audit Finding. (NIR Exhibit D, p. 124)

Federal award findings: WAYS fails to address and therefore fails to remedy Audit Finding 2013-9 regarding Federal award audit findings stated in the revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 126)

- The revised 2013 Independent Audit issued June 27, 2014 provides additional evidence of lack of internal controls (NIR Exhibit D, p. 101) beyond those stated in the NOV, which was issued prior to the revised Audit report. Under subsequent events, the auditor expanded the findings to note the lack of Board approval on three financial transactions:

  Lease agreement with OCI Development Corporation: "In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Lease agreement with Salvation Army: "In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Vehicle Sale [Lexus]: "In December 2013 the Academy sold a vehicle for $26,000. Concurrent with the sale of the vehicle was a payoff of the lease agreement associated with the vehicle. The payoff of the lease agreement and the sale of the vehicle, as of the date of this audit report, **has not been approved by the governing board**. The items were tabled to be reviewed and voted on at a later date." (emphasis added)

- WAYS fails to provide substantial evidence that its Board provides adequate fiscal oversight. WAYS contends the Board provides regular oversight of the school's financial position and activities because its back office provider reports to the Board at most meetings and the school has a positive financial position.

  LACOE's position is that the Board's level of and process for oversight is insufficient based on substantial evidence that the school lacks effective internal controls. The NOV provided specific examples of how the Board failed to adequately oversee the use of the public funds. Examples include the purchase of a Lexus, failure to approve major contracts prior to staff execution, and failure to know that staff has not implemented directives given by the Board, including overpayments and payments made without supporting documentation.

  WAYS' own evidence (WAYS Exhibit 62) provides a clear example of the Board's lack of adequate oversight. The final 2013-14 budget submitted to LACOE by the Director of Operations does not reflect the Board's directive to staff to restore line item 5890 to $10,000. Review of WAYS' financial reports submitted to LACOE from July 1, 2013 to June 30, 2014, corroborates WAYS' failure to follow the directives of the Board. (NIR Exhibit I)

2. WAYS Engaged in Related Party Transactions and Violated Conflict of Interest Statutes.

Summary of NOV:

WAYS engaged in related party transactions and violated conflict of interest statutes based on transactions involving the Founder/Former Executive Director and transactions involving the Director of Operations.

Transactions involving Founder/Former Executive Director were supported by substantial evidence of a lease agreement between the Founder/Former Executive Director that existed at the time of charter non-renewal by LAUSD and continued during the appeal period to the County Board, a settlement agreement between the WAYS Board and the Founder/Former Executive Director for alleged unused vacation time and time-off without proper documentation (NOV Exhibit 6, p. 76), and settlement of a wrongful termination lawsuit brought by a former teacher for actions that show the Founder/Former Executive Director "*traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for the purposes of making the brother-in-law a United States citizen.*" (NOV Exhibit 6, p. 77; NOV Exhibit 10)

Transactions involving the Director of Operations were supported by substantial evidence that he authorized transactions that did not *"represent an arm's-length transaction*" (NOV Exhibit 6, p. 92) including procurement and purchases with OSE (NOV Exhibit 6, p. 80), payments to DeDe Dance Studio, and transactions with two relatives who leased a van to WAYS. (NOV Exhibit 6, p. 92)

FCMAT concluded, "Failure to disclose related party transaction may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution." (NOV Exhibit 6, p. 91)

The NOV provided substantial evidence in support of this finding through examples, citations from source documents, and NOV Exhibits 6 and 10.

Summary of WAYS' Response to NOV:

WAYS states there is no conflict of interest at WAYS as defined by Government Code section 1090, the Political Reform Act, and the California Corporations Code, and alleges any past conflicts of interest have been cured.

WAYS responds to specific incidents of related party transactions presented in the NOV as follows:

<u>Transactions involving the Founder/Former Executive Director</u>: WAYS states the Founder/Former Executive Director is no longer employed by WAYS and does not sit on the WAYS Board; therefore, any conflict of interest related to leasing the 706 E. Manchester site is resolved. To cure any appearance of a conflict of interest, WAYS formed an LLC to purchase the property and is "currently in escrow." (NIR Exhibit B, p. 48)

WAYS states LACOE did not provide evidence to substantiate the allegation that the settlement agreement with the Founder/Former Executive Director created a conflict of interest. It further states that WAYS terminated the Founder/Former Executive Director under LACOE's direction and received a claim from her after this occurred. WAYS asserts it paid out $228,665.38 to the

Founder/Former Executive Director at the advice of its insurer and legal counsel after receiving a demand letter for $480,000. WAYS states negotiations surrounding the settlement are protected by attorney-client privilege.

Transactions involving the Director of Operations: WAYS states the contract with OSE was not a conflict of interest and was consistent with the Charter School's Fiscal Policies. It contends the business relationship was not a conflict of interest because the owner of OSE is a "distant cousin," the Director of Operations was unaware of this familial relationship until informed by LACOE, and that the July 18, 2014 letter from the Fair Political Practices Commission ("FPPC") to the Director of Operations states "there are no conflicts of interest related to" the Director of Operations. (NIR Exhibit B, p. 49)

The response further states that under the Political Reform Act, a conflict of interest exists when a "public official makes, participates in, or influences a governmental decision in which he has a personal financial interest" and that the Director of Operations was not the public official that made the decision to purchase from OSE. WAYS asserts that the decision was made by the Executive Director.

WAYS asserts transactions with OSE were not a violation of WAYS' Fiscal Policies that were in place at the time. It states those policies did not require competitive bidding as purchases were not in excess of $10,000 and that due to an increase in enrollment and addition of a satellite location, a purchase order was not needed because an "emergency situation" exception was applicable.

WAYS states that OSE is a legitimate business that provided actual supplies and services to the school. However, the WAYS Board "terminated the school's contract with OSE" when it learned that OSE failed to comply with FCMAT's investigation.

Payments to DeDe Dance Studio: WAYS states there are no facts or evidence to substantiate the NOV finding that the contract between WAYS and DeDe Dance Studio (DDS) presents a conflict of interest. It asserts that the owner of DDS (who is the sister of the Director of Operations and is currently WAYS' Vice Principal) was never paid by DDS. The response states DDS was paid approximately $4,000 per month. Thus, the contract falls "below the threshold for a competitive bidding process." Also, the Executive Director, not the Director of Operations, selected DDS as the ASES service provider. WAYS asserts these procedures were in accordance with the Fiscal Policies in place at the time. (NIR Exhibit B, p. 51)

WAYS states the reason FCMAT did not observe students at DDS during its fieldwork was because the school cancelled the dance classes to accommodate the FCMAT team.

WAYS reports that in 2010, LAUSD investigated whether or not the contract with DDS created a conflict of interest. The school states that LAUSD "*concluded it did not*." (NIR Exhibit B, p. 52)

Additional Related Party Transactions: WAYS states the transactions involving the WAYS' Director of Operations and E. Enwezor are not a conflict of interest because the two are "distant cousins." WAYS also states the NOV's claim that WAYS failed to obtain a signed contract to lease the van is false. WAYS claims that its Board is not required to approve the contract because of its low dollar value. WAYS alleges that under the Fiscal Policies in place at the time,

both the Executive Director and Director of Operations had authority to enter into certain small contracts with vendors and other parties on WAYS' behalf. (NIR Exhibit B, p. 52)

Note: WAYS' response pertaining to the van was made under the NOV finding that WAYS lacks internal controls. LACOE has placed it here because it properly addresses related party transaction concerns.

WAYS states there is no conflict of interest relating to the Founder/Former Executive Director and her two (2) adult children who are employed at WAYS as the Director of Operations (currently an independent contractor) and Vice Principal. The response states these individuals are not dependents of the Founder/Former Executive Director and have not had "any actual conflict of interest in any of the school's transactions." (NIR Exhibit B, p. 45)

WAYS states the FPPC recently closed an investigation regarding the former Director of Operations citing insufficient evidence of a conflict of interest. (WAYS Exhibit 10) However, the school is in the process of replacing the Director of Operations to avoid any appearance of conflict of interest. The response also states the Charter School is in the process of selecting a replacement for the current Executive Director.

WAYS attached Exhibits 3, 7, 9, 10, 16, 17, 19, 29, and 33 through 46.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully remedy conflict of interest and related party transaction concerns. While two conflict of interest concerns were resolved, remaining concerns have not been fully remedied.

- WAYS partially remedied conflicts of interests involving the Founder/Former Executive Director.
    - WAYS remedied the conflict of interest related to leasing the Founder/Former Executive Director's property to WAYS when her employment with WAYS was terminated. The NOV provided an historical accounting of the conflict of interest.
    - However, WAYS' statement that "…to cure the *appearance* of a current conflict of interest related to the lease…the WAYS board decided to pursue purchase [of] the school site owned by [Founder/Former Executive Director], thereby removing her from any transaction." (NIR Exhibit B, p. 48) The statement is faulty for the following reasons:

      (1) The Board only pursued purchase of 706 E. Manchester Avenue site but not the 8778 South Central Avenue site also owned by the Founder/Former Executive Director, which is being leased by WAYS. (WAYS Exhibit 27; NIR Exhibit J)

      (2) While WAYS Board pursued the purchase of the Manchester Avenue site, the sale has not been executed and the school still leases this property owned by the Founder/Former Executive Director. (NIR Exhibit K)

      The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) provides further evidence that WAYS engaged in related party transactions with respect

to facilities. The audit states, "The Academy leases two school sites from a revocable trust, OCI Development Corporation, which is owned by the former executive director. For the year ended June 30, 2013 the Academy paid OCI Development Corporation $216,986 for use of facilities. In addition, the Academy paid $59,600 for leasehold improvements associated with these buildings in the year ended June 30, 2013."

(3) The purchase of the property is in fact a transaction from which the Founder/Former Executive Director would materially benefit.

- Additionally, LACOE has reviewed the proposed lease agreement between 706 East Manchester, LLC and the Merle Williamson Foundation and has serious concerns about the terms of the agreement should the lease agreement be executed. The concerns center on the prepayment amount of $507,000 which is excessive. (NIR Exhibit L)

- WAYS fails to remedy the related party transaction concern brought about by the employment settlement between WAYS and the Founder/Former Executive Director. This issue is addressed below (NIR p. 31-32) under **II: WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter**.

- WAYS does not dispute and therefore fails to remedy the related party transaction and conflict of interest issues presented in the NOV regarding the Founder/Former Executive Director and the wrongful termination lawsuit brought against WAYS and the Founder/Former Executive Director by a former teacher who accompanied the Founder/Former Executive Director to Nigeria. (NOV Exhibit 6, 10)

- WAYS partially remedies conflict of interest and related party transaction concerns involving the Director of Operations.

  - Related party transactions with the owner of OSE: WAYS fails to substantiate its claim that previous transactions with OSE were not related party transactions for the following reasons: (1) the Director of Operations' claim that he was not aware he was related to the owner of OSE until "he was informed by LACOE staff" is contradicted by public records that show both individuals shared a common address in 2011(NIR Exhibit M); (2) the claim the two are **"**distant cousins" is contradicted by an obituary notice (NOV Exhibit 11) posted at WAYS, which shows they are first cousins, having the same maternal grandmother; (3) the Director of Operations was responsible for processing employee hiring, and since the mother of the OSE owner was employed by the WAYS, the familial relationship would have been apparent (NIR Exhibit N); and (4) contrary to WAYS' claim that transactions with OSE did not violate the school's Fiscal Policies, substantial evidence exists to the contrary as discussed under WAYS lacks effective internal controls, above. (NIR p. 9-10) As stated previously, 20 of the 21 check requests to OSE were signed only by the Director of Operations providing further evidence of failure to maintain an "arm's-length" between the related party transactions. (NIR Exhibit F)

    The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100**)** corroborates the finding that WAYS engaged in related party transactions. It states, "The Academy purchases books and supplies from the vendor OSE Business Services. The owner of OSE Business services is related to the former executive director, director of

operations, and vice principal. The Academy paid $101,338 to OSE Business Services for materials and supplies during the year ended June 30, 2013."

WAYS proposes remedy through two actions: (1) they will not enter into future transactions with OSE (WAYS Exhibit 43) and (2) the Director of Operations will no longer be employed by WAYS. The proposed remedy to no longer use the services of OSE offers a viable remedy. However, since the Director of Operations is still being paid by WAYS through an independent contractor agreement**,** (NIR Exhibit G) there is no evidence that remedy has been implemented or that replacing the Director of Operations will be permanent.

- Related party transactions involving the Founder of DDS/WAYS Vice Principal: WAYS addresses the wrong concern in its response. It addresses the concern as a conflict of interest, while the NOV (NIR Exhibit A, p. 11) cites the FCMAT audit and addresses the concern as a related party transaction. LACOE agrees there is no conflict of interest.

  WAYS fails to refute and therefore fails to remedy the related party transaction concerns between the Director of Operations and the Founder of DDS, who is his sister.

  The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) corroborates the related party transaction. It states, "The vice principal [the sister of the Director of Operations] is the founder and executive director of a dance studio which the Academy has had a history of doing business with for the ASES program. For the year ended June 30, 2013 the Academy paid $24,000 to the studio for services provided in the ASES program."

  The evidence shows the Director of Operations approved six check requests authorizing payment to DDS for after-school services at $4,000 per month, providing evidence of failure to maintain an "arm's-length" between the related party (brother-sister) transactions. (NIR Exhibit O)

  While WAYS asserts the Executive Director, not the Director of Operations chose DDS to provide ASES services, (NIR Exhibit B, p. 51) WAYS did not provide evidence to support its assertion; therefore, there is no remedy and the finding stands.

  WAYS' statement that the transaction with DDS was in accordance with its Fiscal Policies in place at the time was previously disputed under "Financial Dealings with DDS Demonstrate a Lack of Internal Controls." (NIR p. 9)

  Additionally, there is evidence of other related party transactions between the Director of Operations and his sister through her role as WAYS Vice Principal. The Director of Operations approved reimbursements to his sister in the amount of $320, providing evidence of failure to maintain an "arm's-length" in transactions between the related parties. (NIR Exhibit P)

- Related party transactions involving the Director of Operations' cousin and father pertaining to the lease and donation of a van: WAYS fails to remedy related party transaction concerns involving the Director of Operations pertaining to the lease of a van from two family members: his cousin (E. Enwezor) and his father.

In its response to the FCMAT Audit (NIR Exhibit Q, p. 571 and 578) WAYS stated it made payments of $4,800 each to the Director of Operations' cousin and father. His father received payment in 2010-11 when the Director of Operations' mother was the Charter School's Executive Director (another conflict of interest and related party transaction) and his cousin received payment in 2011-12. WAYS fails to refute and therefore fails to remedy the related party transaction between the Director of Operations and his father.

While WAYS states E. Enwezor is a distant cousin to the Director of Operations, public records (NIR Exhibit R) and the obituary notice (NOV Exhibit 11) establish they are first cousins; therefore, the related party transaction concerns are not remedied.

Additionally, while WAYS states both the Executive Director and Director of Operations had the authority to enter into the lease with E. Enwezor because it was a low value contract, the 2006 Fiscal Policies in place at the time makes no mention of a Director of Operations; therefore, WAYS cannot claim that the Director of Operations had such authority. (WAYS Exhibit 19)

While WAYS claims the van was donated to the Charter School, the California Certificate of Title issued March 21, 2014, approximately two years after the donation was made, identifies the registered owners as Jason Okonkwo (Director of Operations) and the Merle Williamson Foundation. (WAYS Exhibit 45) A review of WAYS Board Meeting Agendas since 2012 provides no evidence the Board accepted the donation of the van and the 2012 Independent Audit (WAYS Exhibit 31, p. WAYS 000577) fails to identify the donation. The joint ownership of the vehicle presents a financial conflict of interest between the Foundation and the Director of Operations and calls into question which party can materially benefit.

- WAYS partially remedies conflict of interest concerns involving the Director of Operations through the letter from the FPPC. Conflicts of interest related to the lease of the properties owned by the Founder/Former Executive Director (his mother) are remedied; however, the letter does not specify that any other conflict of interest has been resolved. (WAYS Exhibit 10)

- WAYS partially remedies violations related to conflict of interest and related party transactions through the adoption of its new Financial Policies and Procedures Handbook, which now includes a Conflict of Interest statement. (Policy 16) (WAYS Exhibit 17) However, adoption of policies and procedures does not ensure they will be followed.

3. WAYS Violated Provisions of Law.

Summary of NOV:

WAYS violated provisions of law based on evidence that the school failed to submit its 2012 and 2013 Independent Audits to the State Controller's Office, CDE, and LACOE by the December 15 deadline specified in EC § 47605(m) and failed to comply with EC § 8483(a)(2) pertaining to time reporting and EC § 8483.9(a) pertaining to allowable indirect rates charged in administering the After School Education and Safety (ASES) Program.

The NOV provided substantial evidence in support of this finding through examples, citations from source documents including legal references, and NOV Exhibits 8 and 9.

Summary of WAYS' Response to NOV:

WAYS states the finding that its Independent Audits were submitted past the legal deadline is inaccurate because the Charter School requested and received extensions for late submission. WAYS submitted its 2012 Independent Audit on December 31, 2012 and its 2013 Independent Audit on January 15, 2014.

WAYS states that the two issues regarding ASES program compliance (excessive indirect cost rate and failure to document sign-out times of students) were remedied "as soon as the Auditor notified [the school]." (NIR Exhibit B, p. 53)

WAYS submitted Exhibits 31, 32, 47, and 72.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute, remedy, or propose remedy to the substantial evidence provided in the NOV that WAYS violated provisions of law.

- WAYS failed to follow the correct filing extension protocol established by the State Controller's Office ("SCO") in submitting its 2012 Audit. Contrary to WAYS' response that LACOE approved an extension for submitting the 2012 Audit, the school attempted to obtain an extension directly from the SCO and informed LACOE that it had received that extension on December 27, 2012, ten (10) days after the due date. (WAYS Exhibit 72) The SCO does not accept extension requests from charter schools. (NIR Exhibit S) WAYS was notified of its failure to comply with statutory submission timelines (NIR Exhibit DD) and did not respond to the notice.

  WAYS did follow the proper extension procedure for submitting its 2013 Audit. WAYS did not propose a remedy to ensure that future submissions will comply with statutory deadlines.

- WAYS states they cured the violation regarding the ASES program as soon as they were notified by the Auditor. However, WAYS provides no evidence to support the assertion. Therefore, the finding stands.

- Additionally, the NOV (NIR Exhibit A, p. 9) and FCMAT Audit (NOV Exhibit 6, p. 81) state WAYS failed to issue a Form 1099 or W-9 to OSE as required by law. WAYS refutes the statement in the NOV that FCMAT's team could not confirm that OSE is a legitimate business as "ridiculous" (NIR Exhibit B, p. 51), yet provides no evidence to substantiate the legitimacy of OSE and WAYS does not refute that it failed to issue these required tax documents. (NIR Exhibit T) Therefore, WAYS fails to remedy and the finding stands.

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter.

A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.

Summary of NOV:

The WAYS Board committed material violations of Charter Element 4 (Governance), which establishes the Board's responsibilities to provide overall oversight of the school. By not providing general oversight and failing to monitor and evaluate the performance of the Executive Director and Director of Operations, the WAYS Board failed to ensure that these administrators fulfilled their job duties, complied with GAAP, and did not engage in and/or allow fiscal mismanagement to occur. The Board's failure to comply with Element 4, its bylaws and policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement under **I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement.**

Summary of WAYS' Response to NOV:

WAYS questions which version of the school's charter is used to support the NOV, acknowledges there has been turnover on the WAYS Board, and that governance is a concern of the County Board. The response (NIR Exhibit B, p. 53-54) states that in an effort to remedy governance concerns, "the school's board is considering a contract with Celerity that specifically includes board support and services" and that "the WAYS board has also implemented practices to improve the board's effectiveness" by having the "Executive Director, the Director of Operations, and a representative from the school's back office services provider all give extensive status reports at every board meeting…"

WAYS attached Exhibits 27, 48, and 49.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Governing Board failed to exercise fiscal and institutional control.

- The NOV clearly states (NIR Exhibit A, p. 5) that the charter petition referenced is dated December 18, 2012. LACOE and WAYS recently agreed that the May 20, 2014 charter is the operative charter document. All references to the WAYS authorized charter in the NIR refers to the version dated May 20, 2014 (NIR Exhibit H) unless otherwise specified.

- WAYS proposes remedy through its Board's consideration of a contract with Celerity Global Development. (Celerity) This remedy is inadequate for three reasons: (1) "considering a contract" is not a remedy; (2) WAYS failed to provide an executed contract with Celerity; and (3) WAYS fails to explain the services to be provided or how these services will reduce Board turnover and ensure Board "stability."

- WAYS' contention that its Board exercises fiscal and institutional control because the Executive Director, Director of Operations, and a representative of the school's back officer provider "all give extensive status reports at every board meeting" is without merit due to lack of evidence. WAYS' evidence (WAYS Exhibit 27) shows that during school year 2013-14, the WAYS Executive Director, Director of Operations, and a representative of the school's back office provider did <u>not</u> "all give extensive status reports at every board meeting." Specifically, WAYS' evidence shows:

- WAYS fails to provide evidence that the Executive Director and the Director of Operations gave reports at the July 26, 2013, August 29, 2013, and April 3, 2014 Board Meetings.

- WAYS fails to provide evidence that the Executive Director, the Director of Operations, and the back office provider gave reports at the September 26, 2013, October 24, 2013, January 20, 2014, and March 13, 2014 Board Meetings.

- WAYS fails to provide Meeting Minutes for the April 25, 2014, April 30, 2014, May 20, 2014, June 12, 2014, July 9, 2014, and July 30, 2014 Board Meetings. Therefore, WAYS fails to provide evidence that reports were provided by the Executive Director, Director of Operations, and/or a representative of the school's back office provider at those meetings.

- WAYS' evidence (WAYS Exhibit 48) also fails to demonstrate that it's Executive Director, Director of Operations, and a representative of the school's back office provider "all give extensive status reports at every board meeting" because Exhibit 48 only consists of five reports. Four of the reports are dated February 27, 2013; however, the topics covered in these reports were not on the February 28, 2013 Board Meeting Agenda. One report was dated August 10, 2011.

- WAYS' evidence (WAYS Exhibit 49) is nonresponsive to the NOV because it contains samples of Principal and Vice Principal Reports, but does not contain Executive Director, Director of Operations, and back office provider reports.

B. WAYS Board Violated Charter Element 4: Governance

Summary of NOV:

Element 4 of the Charter provides the governance structure of the school and defines the Board's responsibility and authority with regard to its oversight. The NOV provided substantial evidence that:

1. The WAYS Board failed to provide adequate fiscal oversight based on evidence that
   a. It did not establish a Finance Committee as required by the charter
   b. It did not develop adequate Fiscal Policies
   c. It relinquished its authority to approve contracts
   d. It did not provide adequate oversight in the development of the school budget
   e. It improperly authorized the expenditure of school funds
2. It did not establish and/or approve policies prior to implementation
3. It did not hold monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings
4. It did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations

5. The Board President did not provide an annual report to the WAYS Board as stipulated in the charter

A summary of WAYS' response to the NOV and LACOE's Position on WAYS' Response is provided below organized by item number and/or letter in the order stated above.

1. The WAYS Board Failed to Provide Adequate Fiscal Oversight.

(a) WAYS Did Not Establish a Finance Committee

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 14) and NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS states the charter does not require the formation of a Finance Committee under Element 4, but acknowledges the reference in Elements 5 and 9. WAYS contends there is a Finance Committee, or "working group," made up of the "Executive Director, Director of Operations, and back office services provider." WAYS' response (NIR Exhibit B, p. 54) states that this group meets regularly to provide guidance and recommendations to the WAYS Board.

WAYS attached Exhibits 74 and 50.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

- WAYS fails to recognize that Element 4 of the charter incorporates Fiscal Policies by reference (NIR Exhibit, p. 327) and that prior Fiscal Policies required a Fiscal Committee composed of Board members:
  - Fiscal Policies dated 2006 clearly indicate the requirement for a Finance Committee of the Board on the first page of the document. (NOV Exhibit 12, p. 622)
  - Fiscal Policies dated January 31, 2013 state, "The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget **through the Finance Committee**…" (Emphasis added) (NIR Exhibit U, p. 609)
- WAYS admits that a Finance Committee is specified in charter Elements 9 and 5. Element 9 specifically calls for a "School Board Finance Committee." (NIR Exhibit H, p. 373) The April 30, 2014 Financial Policies and Procedures Handbook conflicts with the charter, which is the prevailing document. WAYS' contention that the school's charter does not require the

formation of a finance committee is contradicted by the language of the charter. Therefore, remedy through the Handbook fails.

- Even if a finance committee "working group" provided remedy, WAYS fails to provide evidence that such a "working group" of the "Executive Director, Director of Operations, and back office services provider" exists and functions. WAYS' evidence (WAYS Exhibit 74) consists solely of monthly financial statement narratives signed by the Director of Operations. There is no evidence of any other committee member or that the committee has met. Therefore, the proposed remedy fails.

- WAYS fails to explain how a finance "working group" composed of staff and contractors ensures adequate fiscal oversight of the charter school by the WAYS Board.

- WAYS' evidence (WAYS Exhibit 50) is non-responsive to the fact that the WAYS Board did not establish a Board Finance Committee; Exhibit 50 consists of budgets with no evidence of any type of finance committee review. Therefore, the remedy fails.

(b) The WAYS Board Did Not Develop Adequate Fiscal Policies

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 15-17 and NOV Exhibits 6, 8, and 13 through 16.

Summary of WAYS' Response to NOV:

WAYS states its Board adopted a comprehensive Financial Policies and Procedures Handbook provided by back officer service provider Bali Business Management on April 30, 2014. The Handbook's policies include payroll, purchases, contracts, and budget formation to address issues raised by LACOE staff, and the school has "plans to contract with Celerity" to help it "consistently and effectively implement these Fiscal Policies." (NIR Exhibit B, p. 55)

WAYS attached Exhibits 18 and 51.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

- WAYS fails to refute the statements made in the 2011 Independent Audit (NOV Exhibit 14), the 2012 Independent Audit (NOV Exhibit 8), and the 2013 Independent Audit (NOV Exhibit 9) identifying material weakness and/or significant deficiencies with WAYS' internal controls. Nor does WAYS refute the conclusion that the deficiencies were "systemic." Instead, WAYS focuses on adoption of the April 30, 2014 Financial Policies and Procedures

Handbook as remedy. These new Financial Policies and Procedures fail to remedy as described throughout this NIR.

- WAYS does not refute that it took its Board six months to adopt the Fiscal Policies revised by staff on July 31, 2012, or that the reason for the delay was due to cancelled meetings and the tabling of the action as evidenced by Board Meeting Agendas and Meeting Minutes (NOV Exhibit 13) in spite of the fact that its Independent Auditors and LACOE had informed WAYS of its internal control problems. Nor does WAYS refute that it took another year for WAYS' staff and back office provider to further revise, and the Board to approve, additional changes to the Financial Policies and Procedures Handbook. Therefore, WAYS fails to cure.

- The April 30, 2014 Handbook adopted by WAYS Board fails to adequately remedy the internal control problems identified in the NOV as explained previously (NIR p. 10-11) under **I. WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.** By its adoption of these Financial Policies and Procedures, the WAYS Board demonstrates its lack of understanding of effective fiscal practices, especially with regard to internal controls and the separation of duties necessary to provide effective internal controls.

- WAYS does not refute that LACOE requested revised Fiscal Policies, but states LACOE's evidence (NOV Exhibit 15) does not explicitly request Fiscal Policies. The communications provided in NOV Exhibit 15 document LACOE's attempts to meet and provide support regarding Financial Policies because WAYS had failed to provide LACOE with revised Financial Policies.

- WAYS asserts (NIR Exhibit B, p. 55) that "the school has plans to contract with Celerity" to help it "consistently and effectively implement" its April 30, 2014 Fiscal Policies and Procedures. However, WAYS did not provide an executed contract with Celerity; therefore the "plans" cannot be evaluated and LACOE is unable to determine whether such a contract, if executed, can help the school "consistently and effectively implement" its Financial Policies. Therefore, the proposed remedy fails.

(c) The WAYS Board Improperly Relinquished its Authority to Approve Contracts

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it relinquished its authority to approve contracts by not reserving the right to approve contracts in advance of their execution, reduced its authority in the 2011 bylaw revision, and was inconsistent in its oversight with respect to contract and purchase approval.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 17-19 and NOV Exhibits 13 and 17 through 25.

Summary of WAYS' Response to NOV:

WAYS claims the NOV states the Merle Williamson Foundation should not have amended its bylaws without LACOE staff's express approval. WAYS cites LACOE's staff report to the County Board (June 2011) as recommending the bylaws be amended. WAYS contends it can change its bylaws at the discretion of the Foundation's Board, as long as it is not prohibited by the charter.

WAYS indicates that its current bylaws (dated March 2011) explicitly state that "the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, *by or under the direction of the Board of Directors."* WAYS further states there is nothing in the California nonprofit corporation laws, the school's charter or its Fiscal Policies that would require the bylaws to state that WAYS Board approval is needed for all contracts.

WAYS states the school's charter specifically states it is the Executive Director's responsibility to "oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality."

WAYS also states the WAYS Board exercises its oversight powers and has been active in reviewing and approving the school's major contracts. (NIR Exhibit B, p. 55) It provides details regarding specific contracts referenced in the NOV:

Central Air and Heat System: WAYS states the Director of Operations' comments at the July 31, 2012 Board meeting were misquoted and that the Executive Director signed the contracts three days after the Board approved it. (WAYS Exhibit 22)

Salvation Army Facility Lease: WAYS states the original lease between WAYS and the Salvation Army was approved by the Board on August 10, 2011, and signed on August 25, 2011. (WAYS Exhibit 53) It further states contract renewal has come to the Board each year and contends the Executive Director has the authority to execute the lease. WAYS states that, at LACOE's request, the Board began approving the lease renewal before execution by ratifying the 2013-14 Salvation Army lease on February 3, 2014. (WAYS Exhibit 54) WAYS states the Board will approve the next renewal of the Salvation Army lease prior to execution.

Purchase and Sale of Vehicle: WAYS states "the NOV mischaracterizes the purchase and sale of a school vehicle" and further states the Board approved a written resolution authorizing "the Executive Director or his designee to enter into a lease or purchase agreement for a vehicle for school use." (NIR Exhibit B, p. 22) WAYS states the written, executed Board resolution (WAYS Exhibit 55) is evidence of the Board's action and that the audio recording of the actual action is "trumped" by this record.

Regarding the sale of the school vehicle, WAYS states that the Executive Director instructed the Director of Operations to research a fair sales price and the vehicle was sold. The sale was later ratified by the WAYS Board. (WAYS Exhibit 56) WAYS contends the vehicle was sold for a fair price based on the Director of Operations' research.

Contract for 2013 Independent Audit: WAYS states that the Executive Director informed the Board via email (WAYS Exhibit 57) that the school's former auditor had raised its prices. The response states that, as an effort to save the school money, the Executive Director accepted a proposal and informed the Board of his decision. WAYS states that the Board could have

preapproved the auditors' contract and will do so in the future. The WAYS Board ratified the auditor's contract on February 3, 2014. (WAYS Exhibit 58)

Employment Contracts for Executive Director and Director of Operations: WAYS states that while California law does not require charter school boards to approve all employment contracts, the WAYS Board approves the contract for the Executive Director. (WAYS Exhibit 59) WAYS states it is the Executive Director's job to supervise and evaluate the teachers and classified staff, not the Board's, (WAYS Exhibit 60) and that the Executive Director kept the WAYS Board informed about staff employment contracts through his regular reports to the Board. (WAYS Exhibit 61)

WAYS attached Exhibits 22 and 52 through 61.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board relinquished its authority to approve contracts. Through amendment of its bylaws, the WAYS Board has significantly diminished its authority regarding contracts. While some delegation of management duties is allowed, the Board is ultimately responsible for the activities and affairs of WAYS. California Corporations Code § 5210. This diminishing authority proves that the Board is not effectively managing the activities and affairs of WAYS. The Board is not properly discharging its duty to ensure that public dollars are appropriately spent.

The WAYS Board: (1) has not reserved the right to approve contracts prior to execution; (2) has diminished its authority regarding contracts through adoption of its 2011 bylaws; and (3) is inconsistent with respect to approving contracts and purchases.

- Contrary to WAYS' statement, the NOV does not claim the Merle Williamson Foundation should not have amended its bylaws without LACOE staff approval, rather the NOV provided an explanation to the County Board why it did not have the opportunity to consider WAYS' 2011 bylaws at the time of the Charter School's non-renewal appeal. LACOE agrees that WAYS may change its bylaws as long as the bylaws comply with the charter and applicable law. Changes made to the 2011 bylaws resulted in improper oversight by the WAYS Board.

- WAYS fails to refute that its 2002 bylaws assigned broader authority to the Board than its 2011 bylaws. WAYS states (NIR Exhibit B, p. 55) the 2011 bylaws give the Board the power to manage the corporation "by or under the direction of the Board of Directors." That does not provide a comparison in Board authority between the two sets of bylaws.

- WAYS' contention (NIR Exhibit B, p. 55) that the Executive Director has the responsibility to "Oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality" is not supported by evidence. This responsibility is not stated in the May 20, 2014 version of the charter (NIR Exhibit H) nor does the responsibility as stated give the Executive Director the authority to approve contracts. Therefore, WAYS' argument fails.

- WAYS' claim that the Board has been "active in reviewing and approving the school's major contracts" is not supported by evidence. The NOV presented six contracts as evidence;

WAYS' response confirms that four of them (Salvation Army lease, vehicle sale, Independent Auditor's contract, and Executive Director's contract) were ratified after execution by staff. Board ratification after a contract is executed by staff is not the same as Board review and approval prior to execution by staff.

Furthermore, WAYS' response regarding the 2013 Independent Audit contract is not supported by its evidence. (WAYS Exhibit 57) The response states the Executive Director informed the Board of the past year's auditor's increased price and gave the Board information regarding a less expensive option "to consider" and told the Board the item would be added to the October 24, 2013 Board Agenda. (WAYS Exhibit 57, p. WAYS 861) Based on the Minutes for the October 24, 2013 Board Meeting, (NOV Exhibit 13, p. 797-801) there is no evidence the item was presented to the Board for its consideration. WAYS proposes remedy by stating it will obtain Board approval prior to contracting with an auditor in the future.

WAYS' position on the other two contracts (air conditioning and vehicle purchase) is not accurate as follows:

Air conditioning contracts: WAYS contends the NOV misquotes the Director of Operation's statements at the July 31, 2012 Board Meeting with regard to work on the central heat and air systems. The transcript of the Board Meeting audio recording (NIR Exhibit V, p. 623) provides evidence the NOV does not misquote the Director of Operations' statement to the Board that an air condition construction project was already in progress at the school and that "we started early, before the approval." Therefore, the finding stands.

Vehicle (Lexus) purchase: WAYS fails to refute that the actual motion made by the Board Member at the July 31, 2013 Board Meeting was to "look into" the purchase or lease of a vehicle. WAYS contends the written Board Resolution trumps the actual action taken by the Board; LACOE disagrees. The written Board Resolution must accurately reflect the action moved, seconded and approved by the Board; WAYS failed to do this. The Board Resolution does not accurately reflect the Board's action, and is therefore, not valid. Therefore, the finding stands.

Vehicle (Lexus) sale: The Director of Operations sold the school vehicle without receiving prior Board approval. (NOV Exhibit 21 and 22) Not only did the Director of Operations sell the vehicle without the authority to do so, he did so at a financial loss as the vehicle was sold for $26,000, about $4,000 less than the loan pay off and less than the Kelly Blue Book value for that make/model vehicle with the mileage the Lexus had at the time of the sale. (NOV Exhibit 6, p. 96)

Additionally WAYS' staff did not comply with the Board President's directive regarding paying off the loan prior to the sale of the vehicle, necessary because the vehicle had been financed. The back office provider paid off the vehicle in the amount of $30,345, despite being directed not to do so. When the Board President asked the back office provider why he paid off the loan in spite of her directive to the contrary, he replied, "…they say it was approved by the board." (NIR Exhibit V, p. 75)

A review of WAYS Board meeting agendas, minutes, and supporting documents provides no evidence that the Board was aware of the type of vehicle that had been purchased, its cost or

interest payments. This supports FCMAT's concern that the Capital Expense Analysis the WAYS Board received from its staff failed to provide adequate information for the Board to make an informed decision regarding the sale of the vehicle. (NOV Exhibit 6, p. 96) The Board did not discipline the employees for their failure to provide sufficient information and/or to comply with Board directives is further evidence of the Board's lack of financial control and adequate oversight.

Additionally, as recently as July 9, 2014, the Board failed to approve major contracts before the effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014, providing evidence that the April 2014 Financial Policies and Procedures Handbook does not remedy the Board's lack of financial control and oversight. (NIR Exhibit W)

- WAYS' contention that the Executive Director properly kept the WAYS Board informed about staff employment contracts (WAYS Exhibit 61) is not supported by evidence. WAYS Exhibit 61 contains a single report dated April 30, 2013, which does not correspond to a Board meeting date and is limited to information on salary increase for nine employees. The example is insufficient to support the claim that the Executive Director kept the WAYS board informed about staff employment agreements by including an update on their development in his regular report to the Board.

- WAYS proposes remedy through its April 30, 2014 Financial Policies and Procedures Handbook, which states, "All Contracts exceeding $25,000 should be signed and approved by the board." (WAYS Exhibit 17, p. WAYS 000175) This Handbook is insufficient to remedy the concern regarding Board approval of contracts for two reasons: (1) It uses the word "should" instead of "shall/must," which fails to make approval obligatory; and (2) it does not explicitly state "prior approval."

- WAYS remedied the concern that the Board does not have to approve the Director of Operations' contract through the May 20, 2014 charter, which now has the Director of Operations reporting to the Executive Director and not to the Board.

(d) The WAYS Board Did Not Adequately Oversee the 2013-2014 School Budget

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of WAYS' 2013-14 budget.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 19-21) and NOV Exhibits 13, 26, 27, and 28.

Summary of WAYS' Response to NOV:

WAYS states "The Board oversees the development of the annual budget and provides timely approval" (NIR Exhibit B, p. 57) and that only the final budget requires WAYS Board approval; preparation of the preliminary budget is the responsibility of the Executive Director.

WAYS states the budget was presented to and approved by the WAYS Board on August 29, 2014 (WAYS Exhibit 62) and that during the meeting a question was raised by a Board member regarding a specific line item. At the meeting, the back office service provider was unable to answer the question, so the Board directed the line item be restored to the prior year amount and then approved the budget. WAYS states the change in the line item is reflected in the minutes of that meeting and these minutes were approved on October 24, 2013. (WAYS Exhibit 63)

WAYS attached Exhibits 19, 62, and 63.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of the school's 2013-14 budget.

- LACOE agrees that only the final budget requires board approval; however, LACOE's finding in the NOV (NIR Exhibit A, p. 19-20) was that the final approved budget submitted to LACOE did not reflect the Budget the WAYS Board approved at its August 29, 2013 Meeting.

  While LACOE concurs with WAYS' statement that a Board member asked for the restoration of line item 5890 to the prior year's level, the request is reflected in the minutes, and is substantiated by the transcript of the August 29, 2013 Board Meeting (NIR Exhibit V p. 627-634), the final approved budget submitted to LACOE (WAYS Exhibit 62, p. WAYS 000896) shows that line item 5890 (the line item in question) was not adjusted. It remained $128,724 in spite of the Board's directive that it be changed to the previous year's level until such time as an explanation for an increase could be provided to the Board. Line item 5890 was $10,000 in the 2012-13 budget. (NIR Exhibit X)

  WAYS fails to refute the evidence in the NOV that an explanation for an increase was never provided to the Board in spite of the Board's repeated requests. Therefore, the finding stands.

  WAYS cannot show that its Board exercised proper oversight of the budget because the WAYS Board was not cognizant that the final budget submitted to LACOE did not reflect the budget as they approved it. This further substantiates the Board's lack of oversight of its Executive Director and Director of Operations.

- Additional evidence of the Board's lack of adequate budget oversight comes from its failure to approve the 2013-14 Title 1, Special Education, and Afterschool Education and Safety (ASES) budgets. Approval of these budgets was on the February 3, 2014 Board Meeting Agenda; however, meeting minutes and the audio recording of the meeting indicates action was postponed to a future meeting. A review of Board Meeting Agendas and Minutes for the remainder of the 2013-14 school year indicates these budgets were never approved. (NOV Exhibit 13 and WAYS Exhibit 27)

(e) The WAYS Board Improperly Authorized the Expenditure of School Funds

Summary of NOV:

The WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 21 and NOV Exhibits 6 and 13.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 57) the "Board did not authorize any improper expenditures of School funds." The school contends the findings related to performance based stipends are without merit. The Board approved the stipends on February 27, 2014, after a report from the Executive Director. (WAYS Exhibit 64) The Executive Director's report states that employees "are awarded stipends by performing extracurricular tasks, taking on leadership roles and good attendance habits that are beyond and beyond what is required." WAYS contends that the stipends were a proper expenditure of school funds and LACOE's conclusion that the approval of the stipends was a Brown Act violation was incorrect.

WAYS attached Exhibits 37, 64, and 65.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violation provided in the NOV that the WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

- LACOE agrees with WAYS that a teacher and/or other staff member could be compensated for extra duty assignments. However, for such compensation to not be a gift of public funds, the employer must document the service is not part of the employee's stated job duties or completed during regular working hours; WAYS does not provide this evidence. Additionally, there must be a record that the duties were in fact performed; WAYS does not provide this evidence. Therefore, WAYS fails to remedy the findings stated in the NOV.

  LACOE does not agree stipends can be given for attendance. Employees are compensated for attendance through their regular employment agreement. Therefore, getting a stipend to fulfill a regular contract duty is not an appropriate expenditure of public funds. Based on WAYS' evidence (WAYS Exhibit 64) the Board gave employees stipends for "attendance" and thus misused public funds.

- WAYS fails to refute the Charter School had no evidence that funds were owed to the Founder/Former Executive Director. WAYS states the expenditure was made after receipt of a demand letter (WAYS Exhibit 37) and on the advice of legal counsel, protected by

attorney-client privilege, and their insurance carrier. One letter from the insurance company requests documentation; the other denies the claim. (WAYS Exhibit 38) Therefore, WAYS fails to provide adequate support for its argument, and the finding in the NOV stands.

- There is additional evidence that the Board improperly authorized expenditures of school funds after the NOV was issued based on the July 9, 2014 Board Meeting (WAYS Exhibit 27):

  - WAYS Board improperly approved an expenditure of funds through its "amendment" to the Executive Director's 2013-14 employment agreement. The amendment states, "There shall be no specific number of days that must be worked. Instead, Employee will be a full-time exempt employee who will be expected to continue to devote the time and energies necessary to fulfill the job requirements as under the existing Agreement…. Employee shall be entitled to paid time off and leave for illness at the same amount per year of employment as set forth in the Agreement. However, this leave shall accrue on a pro-rated basis." (NIR Exhibit W) The amendment is improper because it fails to provide a basis for calculating salary, offers prorated benefits without specifying a method for determining the proration, and lacks a method for documenting the number of days worked and, therefore, the number of benefit days earned.

  - WAYS Board improperly approved the expenditure of funds through its independent contractor consulting agreement with the former Director of Operations. The contract provides the former Director of Operations be paid an hourly rate of $100 but does not provide a contract end date, a "not to exceed" amount (by dollar figure or number of hours) or a written scope of work to be performed. (NIR Exhibit W)

    This agreement also violates Policy #4 (Contracting) of the April 30, 2014 Policies and Procedures Handbook (WAYS Exhibit 17), providing additional evidence that the Handbook is an insufficient remedy, WAYS Board is not providing adequate fiscal oversight, and the Board continues to misappropriate public funds.

2. The WAYS Board Did Not Establish and/or Approve Polices Prior to Implementation.

Summary of NOV:

The WAYS Board did not establish and/or approve policies prior to implementation based on substantial evidence that it did not develop and approve sufficient Fiscal Policies, personnel policies, or approve policies before implementation and/or submission to LACOE.

The NOV provided substantial evidence in support of this finding through examples (NIR Exhibit A, p. 21-22) and NOV Exhibits 13 and 25.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 58) "the Board has approved a comprehensive set of school policies" and "a full set of WAYS policies currently in place" (WAYS Exhibit 73) and its current Financial Policies and Procedures Handbook (WAYS Exhibit 17) has been attached. WAYS contends that it submits all approved policies to LACOE.

WAYS attached Exhibits 17 and 73.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board did not establish and/or approve policies prior to implementation and/or submission to LACOE.

- WAYS fails to provide evidence that the policies submitted in WAYS Exhibit 73 were approved by the WAYS Board before they were implemented by WAYS staff.

- WAYS fails to state policies will be Board approved prior to staff implementation in the future; therefore, it fails to propose future remedy.

- April 30, 2014 Financial Policies and Procedures Handbook does not guarantee implementation as documented throughout the NIR; therefore, it is insufficient remedy.

3. The WAYS Board Did Not Appropriately Hold Meetings

Summary of NOV:

The WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings based on evidence that it (1) held an insufficient number of Regular Meetings; (2) does not publish a schedule of regular meetings through its website or school calendar; and (3) relies on special meetings to conduct its regular business.

The NOV provided substantial evidence in support of the finding through examples, a chart outlining Board Meeting Dates and citations from the December 18, 2012 Charter and 2011 bylaws. (NIR Exhibit A, p. 22-24)

Summary of WAYS' Response to NOV:

WAYS states, "Over the past 3 years the WAYS board has in fact held meetings at least once each month as required under its bylaws for nearly every month." (NIR Exhibit B, p. 58) WAYS' response emphasizes that LACOE failed to mention this detail in the NOV.

WAYS states that its Board publishes a schedule of regular meetings each year and the schedule is available to the public and provided to LACOE staff.

WAYS attached Exhibits 27 and 67.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings.

- WAYS does not refute NOV evidence that the Board conducts most of its business at special, not regular meetings; (NIR Exhibit A, p. 22) that the Board's annual schedule of regular meetings is not published on the school's website or through the school calendar; or that its

bylaws require the school to hold "regular meetings" monthly. (NOV Exhibit 17) Therefore, the NOV findings stand, including noncompliance with the Brown Act.

- WAYS states it publishes its meeting schedule, but provides no evidence to substantiate that claim. WAYS does submit a schedule of meetings to LACOE each year; however, this schedule is frequently revised and special meetings are substituted for regular meetings as described in the chart presented in the NOV. (NIR Exhibit A, p. 23-24) Special meetings do not afford the public the same notice as regular meetings, thereby limiting the public's ability to participate. A February 16, 2012 email from the Executive Director to LACOE (NIR Exhibit Y) provides evidence that the meeting schedule was removed from the school's website and that that meetings are scheduled based on Board availability, which is not always predictable.

- The Board continued its pattern of not adhering to its regular meeting schedule, even after the NOV was issued, through the end of the 2013-14 school year. Between April and June 2014, the Board continued its pattern of canceling one-third of its regular scheduled meetings and replacing them with special or revised regular meeting dates as shown in the chart below. For the 2013-14 school year, WAYS held six of its regular meetings and changed its regular meeting schedule twice after submitting the schedule to LACOE in August 2013. (NIR Exhibit Z)

Analysis of WAYS Regular and Special Board Meetings: April 2014 – June 2014		
Calendared Regular Meeting Dates	Meeting Held	Notes
April 25, 2014	Yes	
May 29, 2014	No	The 2013-14 schedule of Board meetings sent to LACOE on January 31, 2014 included a May 29, 2014 meeting. A revised schedule sent by the school administration omitted the May date. A Special Meeting was held on May 20, 2014.
June 26, 2014	No	Special meeting held June 12, 2014. For June 26, 2014 meeting, no agenda received 72 hours prior. An email from the Executive Director states the meeting was rescheduled for June 27, 2014. Agenda received for June 27, 2014; June 27, 2014 email from Executive Director stated the meeting was cancelled due to lack of a quorum.
2013-14 Summary:	**Calendared Regular Meetings held 6 of 12 months.**	

- The Board's failure to hold its June 26, 2014 Meeting resulted in two major contracts being approved after their effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014. (NIR Exhibit W)

4. The WAYS Board Did Not Provide Proper Oversight of Key Administrators

Summary of NOV:

The WAYS Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

Failure to provide oversight of its key administrators is evidence the Board did not assume its duty of care or fulfill the terms of the charter with respect to oversight of its administrative employees. The NOV provided specific examples of how the Board failed to provide adequate oversight of the Founder/Former Executive Director, the Executive Director, Director of Operations, and the Vice Principal.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 charter and NOV Exhibits 6, 10, 13, and 29.

Summary of WAYS Response to the NOV:

WAYS states the Board provided adequate oversight of school management personnel. It addresses the performance of the Executive Director and Director of Operations and the school's plan to replace the individuals in these positions.

WAYS did not attach any Exhibits.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute the substantial evidence provided in the NOV that its Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

- WAYS provides no evidence to supports its assertion that it provided proper oversight of its management personnel. Therefore, the finding stands.

- WAYS does not refute that it failed to conduct performance evaluations of its Executive Director and Director of Operations. Therefore, the finding stands.

- WAYS does not dispute, and therefore fails to remedy, findings pertaining to the Board's lack of oversight of its management personnel including the Founder/Former Executive Director and the Vice Principal. The failure of the Board to effectively monitor the activities of key management personnel resulted in a misuse of public funds as documented. (NOV Exhibits 6, 10, 13, and 29)

    - WAYS fails to refute that its Founder/Former Executive Director constructively discharged a teacher, resulting in a costly wrongful termination lawsuit. The Board took no action against the Founder/Former Executive Director.

    - WAYS fails to refute that its Vice Principal violated her employment contract and thereby misused public funds by simultaneously operating and working at her private school while receiving a full time salary including earning pension benefits from WAYS. The Board took no action against the Vice Principal, even though she publicly acknowledged her association with the private school through multiple Internet postings. (NOV Exhibit 29) The Vice Principal continues to be employed by WAYS.

- WAYS proposes a remedy to its lack of Board oversight of its school management personnel, but this remedy only partially addresses the violation.

    - Establishing an evaluation policy and procedure to evaluate the Executive Director in the future would provide a remedy if implemented; however WAYS fails to provide evidence of such. LACOE review of the policy and procedure is unnecessary; WAYS' only obligation is to submit the policy to LACOE as required by the MOU.

    - Replacing the current Executive Director and Director of Operations is not a sufficient remedy to lack of oversight because replacing employees does not guarantee the Board will provide adequate oversight of future employees. Additionally, both the Executive Director and Director of Operations continue to be employed and/or compensated by WAYS; therefore, the remedy has not been implemented.

5. The WAYS Board President Did Not Provide Appropriate Annual Reports

Summary of NOV:

The WAYS Board President did not provide an annual report to the WAYS Board as required by the charter.

The NOV provided substantial evidence in support of the finding through NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS did not respond to this issue.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to respond to the issue. Therefore, there is no remedy and the finding stands.

C. The WAYS Board and its Employees Violated Charter Element 5: Employee Qualifications (Section 5.2)

Summary of NOV:

The Executive Director and Director of Operations violated their duties as stated in the charter, Element 5. (Employee Qualifications)

The Executive Director violated his duties based on evidence that he: (1) failed to facilitate optimum performance of the Board, its committees, and individual members; (2) failed to oversee the financial systems of the organization; and (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, the administrative overseer to the charter schools the County Board of Education authorizes. County Board Policy 0420.1.

The Director of Operations violated his duties based on evidence that he: (1) failed to purchase parts and materials at a reasonable quality and at a reasonable price; (2) failed to prepare final recommended budgets; and (3) failed to participate in the development and implementation of the annual budget related to personnel matters and position control, did not authorize

expenditures in accordance with established limitations, and did not revise the budget for board consideration when there was a material change in the approved budget.

Charter citations in this section of the NOV (NIR Exhibit A, p. 26-27) came from the charter dated December 18, 2012. Since the date of the NOV, WAYS and LACOE have come to an agreement that the charter petition submitted on May 20, 2014 complies with the conditions of authorization. While the job descriptions for these positions have been modified somewhat, the May petition includes the same basic responsibilities and duties for the positions. The one material difference is that the Director of Operations no longer reports to the Board, but to the Executive Director.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 Charter, and NOV Exhibits 6, 9, 13, 25, and 30 through 37.

Summary of WAYS Response to the NOV:

WAYS states that the exact description of the duties of the Executive Director and Director of Operations are one of the issues subject to the arbitration. WAYS further states that the Executive Director "has overseen the school's business practices, instructional program and classroom management" (NIR Exhibit B, p. 59) and that he gives oral reports at every Board meeting.

Regarding the removal of WAYS Board President Tolbert, WAYS states that neither the Executive Director nor the School Site Council (SSC) removed her from office. Rather, the SSC made this recommendation to the WAYS Board, and the Board subsequently approved the recommendation.

Regarding the finding that the WAYS Director of Operations violated his duties, WAYS reiterates their previously stated position regarding the purchase of the school vehicle and the relationship between WAYS and OSE. It also states, "LACOE staff misquoted a report made to the [WAYS] Board regarding performance based stipends." WAYS contends this report was actually made by the Executive Director, not the Director of Operations." (NIR Exhibit B, p. 60)

Regarding the 2013-14 budget, WAYS contends (NIR Exhibit B, p. 60) the "Director of Operations transmitted the preliminary budget to LACOE on July 3, 2013 as required under the MOU, the school's charter and California Law." The response further states that the budget was approved by the Board on August 29, 2013, and included the revision made to the questioned line item discussed previously. WAYS states that this is its standard procedure for getting the annual budget approved and the Director of Operations properly implemented this timeline.

WAYS attached Exhibits 48 and 68.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the Executive Director and Director of Operations violated their duties based on the specific examples and evidence provided in the NOV.

- WAYS does not refute the evidence provided in the NOV that shows the Executive Director: (1) failed to facilitate optimum performance of the Board, its committees, and individual members based on the evidence provided in the NOV; (2) failed to oversee the financial systems of the organization based on the evidence provided in the NOV, or (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, to whom the County Board delegates the administrative function of providing oversight to the charter schools the County Board authorizes under County Board Policy 0420.4. Therefore, the findings stated in the NOV stand.

- LACOE's position on WAYS' response that the Executive Director gave monthly reports to the Board to fulfill his reporting responsibilities was provided under **II. A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.** (NIR p. 21-22)

- WAYS' response that neither the Executive Director nor the School Site Council (SSC) removed the Board President is non-responsive to the NOV. The NOV states the Executive Director "acted with the Director of Operations to remove two Board members, improperly using the WAYS School Site Council." WAYS fails to refute the evidence that the Executive Director and Director of Operations brought this recommendation to the SSC at its January 23, 2014 meeting (NOV Exhibit 31) thereby using their influence to bring about the SSC recommendation. Additionally, WAYS fails to refute the evidence provided in the NOV that the Executive Director posted fliers calling for the removal of the Board members. (NOV Exhibit 33) Therefore, the findings stated in the NOV stand.

- WAYS does not refute the evidence provided in the NOV that the Director of Operations violated his duties based on evidence he failed to purchase parts and materials at a reasonable quality and at a reasonable price, that he failed to prepare final recommended budgets, and failed to authorize expenditures in accordance with established limitations. (e.g. payments to OSE, DDS, and purchase of a luxury vehicle for school use) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Director of Operations followed the correct timelines and procedures for submitting the budget is non-responsive to the NOV's finding that the final 2013-14 budget submitted to LACOE was not revised to reflect the budget approved by the WAYS Board on August 29, 2013 (WAYS Exhibit 62) as discussed previously in this NIR under **I. 1. WAYS Lacks Effective Internal Controls.** (NIR p. 13)

- WAYS' response that LACOE misquoted a report made to the Board regarding performance based stipends is non-responsive to the evidence presented in the NOV that the Director of Operations failed to participate in the development and implementation of the annual budget related to personnel matters and position control based on providing an inaccurate report to the Board at its February 27, 2014 Meeting. (NOV Exhibits 13 and 35) The action item was the 2013-14 employment agreements, not the performance stipends.

Concerns Regarding the General Capacity to Operate a Charter School

Summary of NOV:

Based on the evidence provided in the NOV, LACOE has serious concerns regarding the lack of capacity and accountability demonstrated by the WAYS Board and administration, which raises larger questions about their ability to exercise sound judgment and conduct fiduciary oversight of the school as follows:

First, the WAYS Board lacks an understanding of its roles and responsibilities and has not taken a sufficiently active and proactive role in decision making and oversight. The Board lacks the breadth of knowledge necessary to oversee the use of public funds; it relies on the administration for its information and its administrators have not provided the Board with necessary and timely information. In fact, there is evidence staff has thwarted Board efforts to obtain information when it has attempted to exercise its oversight responsibilities.

Second, the WAYS Board failed to make necessary changes to address and correct audit findings that recurred over multiple years. When Board members attempted to institute changes that might have led to correction, including holding administrators accountable, they were met with resistance or they were removed from their positions on the Board or forced to resign due to hostility. (NOV Exhibits 38 and 13)

Third, the WAYS Board demonstrates questionable governance by failing to evaluate and discipline its administrators despite repeated evidence that management staff failed to fulfill the requirements of their job descriptions and repeated notice from the LACOE and the County Board that there were serious concerns about the school's operations. By failing to evaluate administrators and provide adequate direction and oversight, the Board demonstrated a lack of accountability on its part and failed to require accountability from its administrators.

Fourth, LACOE has grave concerns regarding the capacity of the WAYS Board to fulfill its responsibilities to the public due to its failure to establish and maintain a regular schedule of meetings. Additionally, board turnover and the lack of preparation and accurate information from administrators and consultants, has led to inconsistent Board practices and oversight, with matters needing timely action being deferred multiple times and over multiple months, leaving administrators to make decisions and take actions without Board approval.

LACOE concurs with the 2010-11 Independent Auditor's Report, which states the problem is "*systemic*" and the FCMAT Audit, which states, "*There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.*" (NOV Exhibit 6, p. 100)

Comments made by the Director of Operations at the February 3, 2014 WAYS Board Meeting (NIR Exhibit V, p. 643) demonstrate how the administrator misrepresented the role of the Executive Director and the chain of command within the organization; he was not corrected by the Executive Director. His statement supports those made by the former Board President to FCMAT) that "One of the Board members thought [the Director of Operations] was their boss" and "management is emboldened to act the way they do because nobody stopped them." (NIR Exhibit FF, p. 789)

The NOV provided substantial evidence in support of these finding through examples, citations from source documents and NOV Exhibits 13 and 38.

Summary of WAYS' Response to NOV:

WAYS states its Board "is comprised of respected community members with decades of experience in education and business," (NIR Exhibit B, p. 60) that its current Board is "very strong;" and that the Board has recently expanded by "two new, experienced board members." (NIR Exhibit B, p. 2) (WAYS Exhibit 1)

WAYS states that Board members take an Oath of Office which requires each member to "commit to enhancing their own individual education for the overall benefit of the school," (WAYS Exhibit 69) attend retreats together, (WAYS Exhibit 70) and receive comprehensive trainings from legal counsel including Brown Act Compliance, conflicts of interest, and best practices for charter school management. (WAYS Exhibit 71)

WAYS concludes by stating, "The WAYS Board has consistently provided necessary oversight and guidance that has allowed the school to prosper, and with support from Celerity, we believe this will continue to improve." (NIR Exhibit B, p. 27)

WAYS attached Exhibits 1 and 69 through 71.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that there are concerns regarding WAYS Board general capacity to operate a charter school.

- Although WAYS reports adding two new experienced Board members, WAYS only provides information for one Board member (WAYS Exhibit 1) whose resume indicates she has no previous board experience. Additionally, one Board member who joined the Board in February 2014 has attended only one meeting. (NOV Exhibit 13 and NIR Exhibit AA)

- WAYS does not refute NOV evidence showing a pattern of Board member resignations and terminations resulting from their efforts to make changes responsive to audit findings. (NOV Exhibit 38) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Board receives training does not override the evidence that the Board has not provided effective oversight. In fact, documentation of training was prior to the NOV, which indicates the training has been ineffective based on documented evidence of continued findings since the NOV was issued. Although the response states (NIR Exhibit B, p. 2) that a full day of Board training would take place in August 2014, WAYS stated that no evidence training was provided.

- WAYS denies that staff did not fulfill their responsibilities but provides insufficient evidence to support the claim as described throughout this NIR. Additionally, WAYS fails to disprove that the Board demonstrated a lack of accountability on its part and failed to required accountability from its administrators. It proposes remedy by contracting with Celerity; however, this remedy is insufficient as described through this NIR.

- WAYS proposes remedy to engage the support of Celerity; however, that remedy has not been implemented. No contract was been approved by the Board; to the contrary, at the July 30, 2014 Board Meeting, WAYS Board tabled making a decision on the contract. Until such

time as a contract is approved and the details specified, LACOE cannot determine whether such a contract could result in remedy. Furthermore, the fully executed Monitoring and Oversight Memorandum of Understanding between WAYS and LACOE has specific requirements to be fulfilled prior to entering into a contract with a management company. (NIR Exhibit BB, p. 8 and 14)

Response to Claims of Unfair Treatment and Retaliation

WAYS' response contains several allegations of unfair treatment and purported retaliation by LACOE staff. These allegations are baseless and an attempt to distract from the fact that WAYS' response fails to cure or propose remedy to cure the significant violations identified in the NOV.

WAYS allegation that the FCMAT audit was initiated by the LACOE Superintendent to "target and persecute the school's founder Kendra Okonkwo and family" is false and offensive. EC § 1241.5(b) specifically gives the Superintendent authority to initiate an audit when there is reason to believe that "fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination." The Extraordinary Audit AB139 Intake Form (WAYS Exhibit 13) states substantial grounds for such an audit. The results of the FCMAT Audit and WAYS' Independent Audits prove that such a review was necessary. LACOE has repeatedly attempted to help WAYS remedy its fiscal deficiencies and WAYS has not been receptive to such assistance.

LACOE has produced all public documents concerning the investigative report of the Vice Principal of WAYS. The production and correspondence between counsel is included as NIR Exhibit C. As counsel for LACOE repeatedly stated, the video records are not in the possession, custody, or control of LACOE. LACOE has produced the written report to WAYS as requested.

WAYS' allegation that LACOE Charter School Office staff has been accompanied by "armed bodyguards…each and every time" they made a site visit during school hours "over the past three years" is false. LACOE Charter School Office staff has never been accompanied by a bodyguard while making a site visit during school hours.

At the October 24, 2013 WAYS Board Meeting, the WAYS Director of Operations displayed threatening and erratic behavior including shouting "get out and do not come back," and turning off the room lights creating a safety hazard for Board members attempting to leave the room. (NIR Exhibit EE, p. 785; NOV Exhibit 25, p. 946)

After the October 24, 2103 Board Meeting, the WAYS Board President filed a restraining order against the Director of Operations (NIR Exhibit FF, p. 792) and, for safety reasons, made arrangements to hold subsequent meetings at a local police station community center. (NOV Exhibit 2, p. 38)

The next Board Meeting was held on January 29, 2014 at the police station community room. LACOE staff attended the meeting and witnessed the Director of Operations' loud and threatening behavior toward WAYS Board members. The police officers overseeing the meeting ordered the Director of Operations to "stand back" from the table where Board members were seated. At the conclusion of the meeting, these same police officers instructed LACOE staff to wait for the police to escort them to their cars due to the volatile nature of the meeting.

The April 25, 2014 Board Meeting was held at WAYS' Manchester site, after school hours. LACOE staff attended the meeting to present the FCMAT Audit to the WAYS Board. Due to safety concerns prompted by the Director of Operations' behavior at the prior meeting, LACOE staff was accompanied by an off-duty police officer who properly displayed his identification.

The allegation that a LACOE staff member stated that WAYS should hire a Latino administrator because Latino parents want to see the face of the community is false. On June 5, 2013, LACOE's Director of Accountability, Support and Monitoring sent correspondence to WAYS stating that LACOE staff did not make this statement and clarifying what was said during the meeting at issue. At the meeting, when WAYS' recruitment of Latino students was discussed, LACOE staff commented that other charter school administrators have reported that it can be helpful for the school's leadership team to reflect the ethnic and racial composition the school is striving to achieve. (NIR Exhibit CC) WAYS did not refute the June 5, 2013 correspondence.

Academic Analysis[2] Pursuant to EC § 47607(c)(2)

Pursuant to EC § 47607(c)(2), the authorizing entity shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. Based on the data presented below, WAYS has not demonstrated consistent increases in pupil achievement since the charter school began operation. Upon consideration of this information, good cause exists to issue this Notice of Intent to Revoke.

The metrics used for this analysis were:

- Academic Performance Index (API) Data
- Adequate Year Progress (AYP) Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

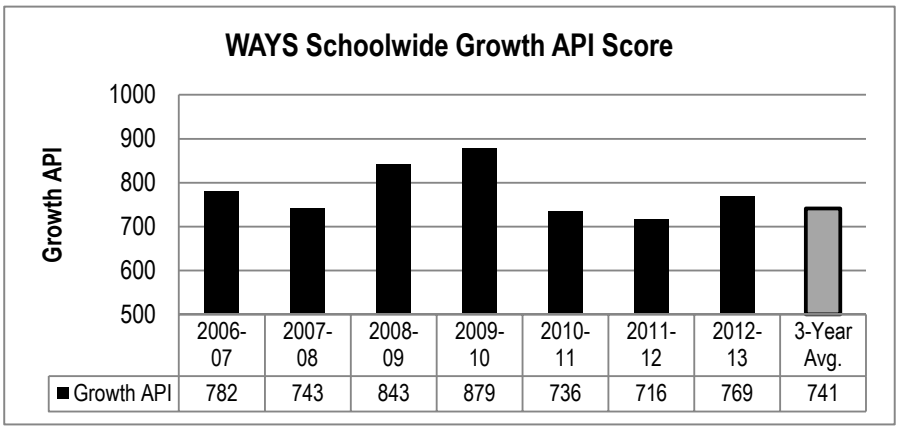
API Data

WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
2006-07	782	N/A	N/A	6	**
2007-08	743	No	--	5	**
2008-09	843	Yes	Yes	8	**
2009-10	879	Yes	Yes	9	**
2010-11	736	No	No	2	1
2011-12	716	No	No	1	1
2012-13	769	Yes	Yes	3	7
3-year average[3]	741	No Growth Targets Established	No Growth Targets Established	No Ranks issued by CDE	No Ranks issued by CDE

[2] The source for all data reported in this section is from the California Department of Education, DataQuest (Retrieved 7-21-14 from: http://dq.cde.ca.gov/dataquest/) unless otherwise indicated.

[3] 2013-14 API calculations were suspended. The California Department of Education (CDE) issued a three-year average (years 2011, 2012 and 2013) in place of a 2014 API. The weighted average was used for all schools in this report.

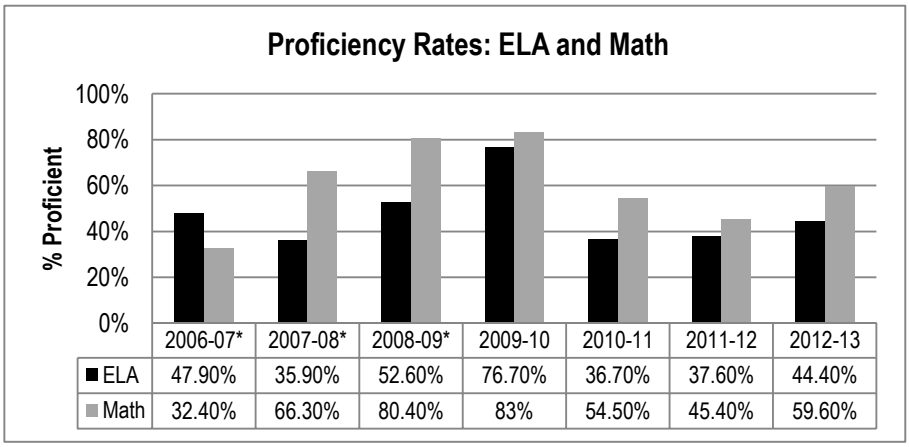
WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
*WAYS has 5 numerically significant student groups: Black/African American; Hispanic/Latino; Socioeconomically disadvantaged; English Learners; and Students with Disabilities.					
N/A=2006-07 was WAYS first year of operation. No growth targets established.					
**= Less than 100 students tested. Similar schools ranks are not calculated for small schools.					
-- = Student groups not numerically significant due to size of school. No growth targets established.					



Analysis: A review of WAYS Growth API scores, Growth Target data, and Statewide and Similar Schools Ranks from 2006-07 to 2012-13 shows:

- The school's Growth API peaked in 2009-10 (879), declined in 2010-11 and 2011-12, and despite an increase in 2012-13, is 110 points below its 2009-10 level.
- The school's 3-year weighted average API is 741, below its initial API of 782.
- The school met its Growth Targets schoolwide and for all numerically significant student groups in 3 of 6 years.

Proficiency Rates in English-Language Arts and Math



Analysis: Proficiency rates in English-Language Arts (ELA) and math as measured by the California Standards Test (CST) is determined by the number of students testing proficient or above on the CST and is reported in the Adequate Yearly Progress (AYP) report for each school.

The AYP report shows WAYS has not increased pupil academic achievement in ELA or math. The proficiency rate for ELA decreased from 76.7% in 2009-10 to 44.4% in 2012-13. The math proficiency rate decreased from 83% in 2009-10 to 59.6% in 2012-13. The CST was not administered in 2013-14.

English Learner (EL) Redesignation Rates

WAYS English Learner Redesignation Rates				
Year	**# ELs**	**% EL**	**# Redesignated**	**% Redesignated***
2006-07	1	0.7%	N/A: 1st year of operation; therefore, no prior year count.	
2007-08	11	7.5%	0	0%
2008-09	31	17.5%	8	72.7%
2009-10	14	5.9%	10	32.3%
2010-11	52	19.5%	12	85.7%
2011-12	73	15%	0	0%
2012-13	85	16.3%	35	47.9%
2013-14	166	30.9%	1	0.9%
*This percent is calculated by dividing the number of redesignated students by the prior year's EL count then multiplying by 100.				

Analysis: There has not been an increase in the redesignation rates of ELs attending WAYS. Redesignation rates are inconsistent, and in 2011-12 and 2013-14, the rate was less than 1%.

Additionally, DataQuest shows WAYS failed to report California English Language Development Test (CELDT) Annual Assessment data for 2009-10, 2010-11 and 2011-12. EC § 313 mandates that ELs be tested with the CELDT annually. State law and WAYS' charter require CELDT scores to be used as a criterion for redesignation. In the absence of CELDT scores for these three years, the school failed to follow its charter and the law regarding redesignation of ELs.

Conclusion: A review of the Growth API score, proficiency rates in ELA and math and EL Redesignation rates indicates that WAYS has not had increases in pupil academic achievement for all groups of pupils.

Resident and Comparison School Data

In addition to reviewing WAYS pupil academic achievement data over time, LACOE also analyzed the school's performance against that that of its resident schools (those WAYS students would otherwise be required to attend) and its comparison schools. (elementary schools located within LAUSD that were on the school's 2012 Similar Schools List and are, therefore, demographically similar)

The metrics used for this comparison were:

- 3-Year Average Weighted API Scores
- Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

The charts below compare WAYS academic performance to that of its resident and comparison schools.

3-Year Average API

3-Year Average API (weighted): WAYS and Resident Schools							
School	% of WAYS' Enrollment*	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
McNair (CUSD)	2.56%	814	823	806	814	806	698
96th Street	3.49%	809	747	827	810	801	525
Russell	10.70%	754	673	763	754	738	572
South Park	17.91%	743	644	759	745	734	558
Parmelee Ave	7.21%	743	682	746	743	691	532
WAYS	**--**	**741**	**732**	**767**	**739**	**753**	**548**
Wisdom Elem.	9.30%	738	682	742	738	702	532
93rd Street	7.2%	720	661	736	720	720	531
McKinley Ave	8.14%	720	672	731	720	711	464
Dr. Owen Knox	3.49%	708	639	726	709	704	477
Miramonte	2.56%	693	--	693	694	662	486
107th Street	3.26%	685	623	704	678	690	518
Judith F. Baca	2.56%	661	557	676	661	662	524

*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014
All schools are located within LAUSD except McNair. (Compton USD)

Analysis: WAYS has a 3-year weighted average schoolwide API of 741. It ranks 6th in relation to its 12 resident schools. Based on February 2014 enrollment data provided by the school, about 41.8% of its students would otherwise attend a school with a higher 3-year weighted average schoolwide API.

For numerically significant student groups, WAYS ranks 3rd (of 11 schools) for Black/African American students; 3rd (of 12 schools) for Hispanic/Latino students; 6th (of 12 schools) for Socioeconomically Disadvantaged students; 3rd (of 12 schools) for English Learner students; and 4th (of 12 schools) for Students with Disabilities.

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Maywood	871	--	873	870	847	755
Brooklyn Ave.	822	--	824	823	781	613
Yorkdale	803	--	795	800	773	709
Miles Ave	786	--	786	786	757	548
Grand View Blvd.	783	844	769	778	759	643
Cienega	779	714	790	780	774	641
Bassett St.	777	784	773	777	753	552
Lassen	774	--	766	771	749	654
Haddon Ave.	772	--	772	771	738	680

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Rosemont	770	--	753	770	747	608
Santa Monica Blvd. Community Charter^	761	--	756	764	742	561
Union Ave.	760	--	760	760	739	502
Vinedale	756	--	764	756	757	598
Limerick Ave	755	717	741	753	724	493
Lenicia B. Weemes	753	--	769	755	740	642
Frederick Douglass Academy^	748	--	713	754	--	633
WAYS^	**741**	**732**	**767**	**739**	**753**	**548**
Jaime Escalante	741	--	742	744	700	607
Camellia Ave.	733	--	732	733	707	662
Harrison St.	708	--	710	709	675	591

*LAUSD comparison schools based on WAYS' 2012 Similar School Report
^=Charter school

Analysis: WAYS has a 3-year weighted schoolwide API average of 741. It is outperformed by 15 of its 19 comparison schools.

For numerically significant student groups, WAYS ranks 3rd (of 5 schools) for Black/African American students; 11th (of 19 schools) for Hispanic/Latino students; 17th (of 19 schools) for Socioeconomically Disadvantaged students; 8th (of 18 schools) for English Learner students; and 16th (of 19 schools) for Students with Disabilities.

Proficiency Rates-Annual Measureable Objectives

Proficiency rates are based on a school's California Standards Test (CST) results in English-Language Arts (ELA) and Math and reported on the Adequate Yearly Progress (AYP) report as Percent Proficient-Annual Measureable Objectives. The 2013 proficiency goals were 89.2% for ELA and 89.5% for math. WAYS proficiency rate was 44.4% in ELA and 59.6% in math.

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	% Proficient ELA	School (% of WAYS' Enrollment)	% Proficient Math
NCLB Goal	**89.2%**	**NCLB Goal**	**89.5%**
96th Street (3.49%)	54.7	McNair (2.56%)	70.1
McNair (2.56%)	53.9	96th Street (3.49%)	69.8
Russell (10.70%)	45.8	**WAYS**	**59.6%**
WAYS	**44.4%**	Russell (10.70%)	56.9
Parmelee Ave (7.21%)	40.9	Parmelee Ave (7.21%)	54.0
McKinley Ave (8.14%)	39.5	Wisdom Elem. (9.30%)	52.2
South Park (17.91%)	39.1	Dr. Owen Knox (3.49%)	49.8
Wisdom Elem. (9.30%)	36.6	McKinley Ave (8.14%)	48.6
Dr. Owen Knox (3.49%)	35.6	South Park (17.91%)	46.6
Miramonte (2.56%)	34.4	Miramonte (2.56%)	41.9

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	**% Proficient ELA**	**School (% of WAYS' Enrollment)**	**% Proficient Math**
93rd Street (7.2%)	31.0	Judith F. Baca (2.56%)	41.9
107th Street (3.26%)	29.3	93rd Street (7.2%)	40.2
Judith F. Baca (2.56%)	27.0	107th Street (3.26%)	35.1
*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all resident schools are within LAUSD except McNair (Compton USD)			

Analysis: In relation to its resident schools, WAYS ranks 4th in ELA and 3rd in math.

2012-13 Proficiency Rates: WAYS and Comparison Schools*			
School	**% Proficient ELA**	**School**	**% Proficient Math**
NCLB Goal	**89.2%**	**NCLB Goal**	**89.5%**
Maywood	64.4%	Brooklyn Ave.	73.6%
Frederick Douglass Academy^	59.1%	Maywood	76.4%
Brooklyn Ave.	58.1%	Santa Monica Blvd. Com. Charter^	66.2%
Cienega	53.8%	Lassen	64.7%
Yorkdale	52.3%	Grand View Blvd.	64.5%
Santa Monica Blvd. Com. Charter^	49.9%	Cienega	62.7%
Grand View Blvd.	48.4%	Limerick Ave	60.6%
Lassen	47.4%	**WAYS^**	**59.6%**
Jaime Escalante	46.6%	Union Ave.	59.5%
Vinedale	46.5%	Yorkdale	59.1%
Miles Ave	45.4%	Vinedale	57.7%
Bassett St.	44.6%	Haddon Ave.	57.5%
WAYS^	**44.4%**	Bassett St.	57.4%
Union Ave.	44.2%	Miles Ave	57.3%
Limerick Ave	44.0%	Camellia Ave.	53.8%
Lenicia B. Weemes	43.9%	Lenicia B. Weemes	53.4%
Haddon Ave.	43.8%	Jaime Escalante	53.1%
Rosemont	42.7%	Rosemont	50.5%
Camellia Ave.	37.7%	Frederick Douglass Academy^	50.1%
Harrison St.	30.2%	Harrison St.	43.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report ^=Charter school			

Analysis: In relation to its comparison schools, WAYS ranks 13th in ELA and 8th in math.

English Learner Redesignation Rates

For school-year 2013-14, WAYS redesignated 0.9% of its EL population to Redesignated-Fluent English Proficient (R-FEP) status.

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	**% Redesignated**	**% English Learners**
Dr. Owen Knox (3.49%)	17.4%	42.6%
107th Street (3.26%)	16.7%	47.1%

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	**% Redesignated**	**% English Learners**
Judith F. Baca (2.56%)	16.1%	47.4%
96th Street (3.49%)	15.8%	38.4%
Russell (10.70%)	15.0%	51.5%
McNair (2.56%)	12.4%	29.6%
Parmelee Ave (7.21%)	11.0%	45.5%
Miramonte (2.56%)	12.2%	57.5%
93rd Street (7.2%)	11.6%	49.5%
Wisdom Elem. (9.30%)	10.8%	50.3%
McKinley Ave (8.14%)	10.8%	49.7%
South Park (17.91%)	9.9%	47.3%
WAYS	**0.9%**	**30.9%**
LAUSD (93.4%)	13.9%	27.4%
LA County (100%)	13.3%	23.8%
State (100%)	12.0%	22.7%
*Based on WAYS'2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all schools with LAUSD except McNair (Compton USD)		

Analysis: In relation to its resident schools, WAYS ranks below all 12 schools. WAYS also ranks below the State, County, and District in which it is located. (LAUSD)

2013-14 English Learner Redesignation Rates: WAYS and Comparison Schools*		
School	**% Reclassified**	**% English Learners**
Brooklyn Ave.	78.1%	33.3%
Yorkdale	19.8%	24.6%
Rosemont	19.1%	40.2%
Maywood	18.7%	41.5%
Lenicia B. Weemes	17.1%	38.3%
Cienega	15.4%	49.9%
Haddon Ave.	15.0%	45.1%
Vinedale	14.5%	43.0%
Harrison St.	14.4%	46.8%
Camellia Ave.	13.8%	48.4%
Union Ave.	12.8%	65.7%
Grand View Blvd.	12.4%	48.3%
Limerick Ave	11.3%	49.3%
Lassen	10.9%	44.0%
Bassett St.	10.8%	51.2%
Jaime Escalante	10.0%	52.7%
Miles Ave	9.2%	57.5%
WAYS^	**0.9%**	**15.0%**
Frederick Douglass Academy^	0%	7.0%
Santa Monica Blvd. Com. Charter^	0%	63.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report		^=Charter school

Analysis: In relation to the 20 schools in this comparison group, WAYS redesignation rate ranks 18th.

Conclusion

The County Board has determined that WAYS has failed to cure the violations set forth in the June 3, 2014 NOV. WAYS' assertion that its recently adopted Fiscal Policies remedy the fiscal concerns set forth in the NOV fails because the policies are inadequate as detailed above. WAYS' proposed remedies of evaluating the Executive Director, adding new Board members, and proposing to contract with Celerity also do not resolve the concerns detailed in the NOV and this NIR. Substantial evidence exists to support the identified grounds

Accordingly, the County Board hereby issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to the governing board of WAYS. If the County Board revokes the WAYS' charter, following the public revocation hearing, based on violations of law and fiscal mismanagement, WAYS will not continue to qualify as a charter school for funding and for all other purposes during the pendency of an appeal. EC § 47607(i).

The date and time specified for a public hearing concerning revocation is as follows:

DATE:	**October 21, 2014**
TIME:	**3:00 p.m. unless otherwise posted**
LOCATION:	**Los Angeles County Office of Education** **Conference Center** **12830 Columbia Way** **Downey, CA 90242**

Service

Upon the County Board's approval of issuance of the Notice of Intent to Revoke and Notice of Facts in Support of Revocation at the regularly scheduled board meeting, to be held in open session in accordance with the Brown Act, on September 23, 2014, the County Superintendent of Schools shall issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to:

Armando Espinoza, Board Chair
Edward Cabil, Executive Director
Wisdom Academy for Young Scientists
706 East Manchester Blvd.
Los Angeles, California 90001
Email: Armando.espinoza.10@my.csun.edu and edcabil@sbcglobal.net

Notice of Intent to Revoke

FedEx Express US Airbill

FedEx Tracking Number 8640 3126 7660

1 From Please print and press hard.

Date 9/15/14 Sender's FedEx Account Number 128456964

Sender's Name Charter School Office Phone (562) 922-8806

Company Los Angeles County Office of Education

Address 9300 Imperial Hwy., ECW 222 Dept./Floor/Suite/Room

City Downey State CA ZIP 90242

2 Your Internal Billing Reference First 24 characters will appear on invoice. OPTIONAL

3 To

Recipient's Name Mr. Armando Espinoza
Mr. Edward Cabil Phone (323) 752-6655

Company Wisdom Academy for Young Scientists

Recipient's Address 706 E. Manchester Ave.
We cannot deliver to P.O. boxes or P.O. ZIP codes. Dept./Floor/Suite/Room

Address
To request a package be held at a specific FedEx location, print FedEx address here.

City Los Angeles State CA ZIP 90001

Find drop-off locations at fedex.com
Simplify your shipping. Manage your account. Access all the tools you need.

0200 Sender's Copy

4a Express Package Service Packages up to 150 lbs.

- [ ] FedEx Priority Overnight — Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [x] FedEx Standard Overnight — Next business afternoon.* Saturday Delivery NOT available.
- [ ] FedEx First Overnight — Earliest next business morning delivery to select locations.* Saturday Delivery NOT available.
- [ ] FedEx 2Day — Second business day.* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx Express Saver — Third business day.* Saturday Delivery NOT available.

FedEx Envelope rate not available. Minimum charge: One-pound rate. * To most locations.

4b Express Freight Service *Packages over 150 lbs.*

- [ ] FedEx 1Day Freight* — Next business day.** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx 2Day Freight — Second business day.** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx 3Day Freight — Third business day.** Saturday Delivery NOT available.

* Call for Confirmation: ** To most locations.

5 Packaging

- [ ] FedEx Envelope*
- [ ] FedEx Pak* — Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.
- [ ] FedEx Box
- [ ] FedEx Tube
- [x] Other

* Declared value limit $500.

6 Special Handling Include FedEx address in Section 3.

- [ ] SATURDAY Delivery — NOT Available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 3Day Freight.
- [ ] HOLD Weekday at FedEx Location — NOT Available for FedEx First Overnight.
- [ ] HOLD Saturday at FedEx Location — Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.

Does this shipment contain dangerous goods? One box must be checked.

- [x] No
- [ ] Yes — As per attached Shipper's Declaration.
- [ ] Yes — Shipper's Declaration not required.
- [ ] Dry Ice — Dry Ice, 9, UN 1845 ____ x ____ kg
- [ ] Cargo Aircraft Only

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.

7 Payment *Bill to:* Enter FedEx Acct. No. or Credit Card No. below.

- [ ] Sender — Acct. No. in Section 1 will be billed.
- [ ] Recipient
- [ ] Third Party
- [ ] Credit Card
- [ ] Cash/Check

FedEx Acct. No. / Credit Card No. Exp. Date

Total Packages	Total Weight	Total Declared Value†
1	1.8	$ .00

†Our liability is limited to $100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the current FedEx Service Guide, including terms that limit our liability.

8 Residential Delivery Signature Options If you require a signature, check Direct or Indirect.

- [ ] No Signature Required — Package may be left without obtaining a signature for delivery.
- [ ] Direct Signature — Someone at recipient's address may sign for delivery. *Fee applies.*
- [ ] Indirect Signature — If no one is available at recipient's address, someone at a neighboring address may sign for delivery. *Fee applies.*

520

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Ship (P/U) date :
Mon 9/15/2014 4:50 pm

DOW US

Actual delivery :
Tues 9/16/2014 12:06 pm

CA US

Delivered

Signed for by: B.LOPEZ

Let us tell you when your shipment arrives. Sign up for delivery notifications »

Travel History

Date/Time	Activity	Location
▪ 9/16/2014 - Tuesday		
12:06 pm	Delivered	CA
7:31 am	On FedEx vehicle for delivery	HAWTHORNE, CA
7:26 am	At local FedEx facility	HAWTHORNE, CA
▪ 9/15/2014 - Monday		
7:25 pm	At destination sort facility	LOS ANGELES, CA
7:01 pm	Left FedEx origin facility	SIGNAL HILL, CA
4:50 pm	Picked up Tendered at FedEx Office	LONG BEACH, CA

Shipment Facts

Tracking number	864031267660	**Service**	FedEx Standard Overnight
Weight	18 lbs / 8.16 kgs	**Dimensions**	18x12x5 in.
Delivered To	Receptionist/Front Desk	**Total pieces**	1
Total shipment weight	18 lbs / 8.16 kgs	**Packaging**	Your Packaging
Special handling section	Deliver Weekday		

Agenda

LOS ANGELES COUNTY BOARD OF EDUCATION

12830 Columbia Way, Downey, CA 90242
Phone (562) 922-6128 Fax (562) 940-1727

No. 9:2014-15

The full agenda is accessible through the receptionist at the northeast entrance of the above address. Enclosures to the agenda are available for review in the Board of Education's office during business hours 8:30 a.m. – 5:00 p.m. Any material related to an item on this Board Agenda distributed to the Board of Education is available for public inspection at our Office of Communications, Room EC 103 – LACOE Administrative Offices. Procedures for addressing the Board are in the wall receptacle in the entry to the Board Room and posted on the LACOE Board of Education website. To request a disability-related accommodation under the ADA, please call Ms. Beatrice Robles at (562) 922-6128 at least 24 hours in advance.

Board Meeting
September 23, 2014
2:00 p.m. – LACOE Conference Center (ECW 606)

I. BOARD COMMITTEE MEETINGS

A. Board Curriculum, Instruction and Assessment Committee Meeting – 2:00 p.m.

II. PRELIMINARY ACTIVITIES – 3:00 p.m.

Ms. Braude A. Call to Order
Dr. Reisler B. Pledge of Allegiance
Dr. Delgado C. Ordering of the Agenda
Ms. Braude D. Approval of the Minutes
1. August 12, 2014

III. COMMUNICATIONS: BOARD OF EDUCATION / SUPERINTENDENT / PUBLIC

IV. PRESENTATIONS (none)

V. HEARINGS (none)

VI. REPORTS / STUDY TOPICS

Ms. Benitez A. Report on the Wisdom Academy for Young Scientists: Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to Education Code Section 47607(e) (Enclosure)

VII. CONSENT CALENDAR RECOMMENDATIONS

A. Adoption of Board Resolution No. 4: 2014-15, Authority to Render Zoning Ordinance Inapplicable
B. Approval for the Opening of a non-conforming County Community School
C. Acceptance of Project Funds No. 3

VIII. RECOMMENDATIONS

Ms. Benitez A. Approval of Head Start Community Assessment
Ms. Benitez B. Approve the Superintendent's Recommendation to Issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientist (WAYS) Pursuant to Education Code Section 47607(e)
Dr. Delgado C. Appointment to California School Boards Association (CSBA) Delegate Assembly and California County Boards of Education (CCBE) Board of Directors

IX. INFORMATIONAL ITEMS

Dr. Delgado — A. Governmental Relations
Ms. Braude — B. Board Committee / Liaison Reports
Dr. Delgado — C. Los Angeles County Board of Education Meeting Schedule, Establishment of Meeting Times, Future Agenda Items, Follow up

X. INTERDISTRICT AND EXPULSION APPEAL HEARINGS

Ms. Braude — A. Los Angeles County Board of Education's Decision on Interdistrict Attendance Appeals (Open Session) (Enclosure)
1. Brianna C. v. Redondo Beach USD
2. Stephanie P. v. Las Virgenes USD

Ms. Braude

XI. ADJOURNMENT

UNAPPROVED
NO. 5:2014-15

MINUTES
LOS ANGELES COUNTY BOARD OF EDUCATION
12830 Columbia Way
Downey, California 90242-2890
Tuesday, August 12, 2014

A Board meeting of the Los Angeles County Board of Education was held on Tuesday, August 12, 2014, in the Los Angeles County Office of Education, LACOE Conference Center, (ECW 606), 12830 Columbia Way, Downey, CA 90242-2890.

PRESENT: Mr. Douglas Boyd, Dr. Ray Reisler, Ms. Katie Braude, Dr. Jose Calderon, Mrs. Rudell S. Freer, Mr. Thomas A. Saenz, and Dr. Rebecca Turrentine

OTHERS PRESENT: Superintendent Dr. Arturo Delgado; Administrative staff; Ms. Beatrice Robles, Senior Executive Assistant

PRELIMINARY ACTIVITIES

CALL TO ORDER
Ms. Braude called the meeting to order at 3:13 p.m.

PLEDGE OF ALLEGIANCE
Dr. Reisler led the Pledge of Allegiance to the Flag.

ORDERING OF THE AGENDA
Dr. Delgado indicated that the changes to the Board agenda included, interdistrict appeals No. 6 had been withdrawn.

It was **MOVED** by Mrs. Freer, **SECONDED** by Dr. Turrentine, and **CARRIED** to approve the Board agenda as presented.

APPROVAL OF MINUTES

- **July 15, 2014** – It was **MOVED** by Dr. Calderon, **SECONDED** by Mrs. Freer, and **CARRIED** to approve the minutes of July 15, 2014 with noted changes. There were 7 ayes.

COMMUNICATIONS: BOARD / SUPERINTENDENT

Dr. Turrentine

- Dr. Turrentine indicated that she attended the Comprehensive Educational Reform Steering Committee, where she is a liaison for the County Board. She said that two monitors for the ACLU lawsuit (Mr. Peter Lioni and Allison Parker), gave an overview of a report, which was very positive and uplifting. It was reported, that, "there has been a dramatic change in culture," and program quality in the last three years under the current

leadership and that LACOE is on its way to being a national model on how incarcerated kids are served. Monitors gave special commendations to the current administrative leadership, the improvement in literacy programming for kids, special education programming, facilities, and transition Aftercare

Dr. Turrentine gave a report on the Comprehensive Educational Reform Implementation in Juvenile Halls and Camps – Ninth LACOE Report (February 2014 to April 2014) and implementation phase.

Dr. Turrentine indicated that the coordination that was taking place between addressing the ACLU lawsuit, addressing the Comprehensive Educational Reform Implementation in Juvenile Halls and Camps report, the development of Road to Success Academy and Board of Supervisor Molina's Aftercare program have all been seamless and coordinated well.

Mrs. Freer

- Mrs. Freer indicated that she participated in voting today.

Mr. Boyd

- Mr. Boyd spoke about the Genocide going on in Iraq. He said he looks forward to some civil rights organizations taking a strong stand on this issue.

Dr. Calderon

- Dr. Calderon indicated that he sent Dr. Delgado information on the number of immigrant children entering County schools and that we look at supporting humanitarian issues.

- Dr. Calderon said that on Wednesday, August 6, he attended an event called, Navigating the 21st Century Workforce where educators, executives and community leaders from around Southern California came to Cal Poly Pomona to discuss how to better prepare workers for the demands of the 21st century. Also speaking at the conference was Jane Oates, Vice President for External Affairs for the Apollo Education Group Inc., and a former U.S. assistant secretary of employment training administration who urged attendees to communicate and collaborate better with each other. Dr. Calderon said that the panel members included representatives from Kaiser Permanente, Universal Studios Hollywood, Homeboy Industries, Pomona Unified School District, California Community Colleges, Los Angeles Universal Preschool, the San Gabriel Valley Conservation Corps, and the Los Angeles/Orange Counties Building and Construction Trades Council. Dr. Calderon indicated that there was a discussion on how LACOE could play a part in this job placement initiative for Juvenile Court School students.

Mr. Saenz

- Mr. Saenz reported that last week, he attended the California Task Force on K-12 Civic Learning. He said that the Task Force created a plan to address key areas for California school communities and students in K-12, which included Curriculum, School

Accountability, Professional Learning, and Community and Business Involvement. Mr. Saenz indicated that Dr. Michelle Herczog represented LACOE on the Task Force. He said that the Task Force Co-Chairs presented the report to Chief Justice Tani G. Cantil-Sakauye and State Superintendent of Public Instruction Tom Torlakson and that the Task Force also turned over the work of implementing the report to the Power of Democracy Steering Committee. He said it is a good report, which was previously shared with the County Board.

Dr. Delgado

- Dr. Delgado indicated that on September 17 at 7:00 p.m., LACOE will be co-sponsoring a Candidates Forum for State Superintendent of Public Instruction. Dr. Delgado said it would be televised live. He said that the moderator will be someone from the League of Women Voters and that Dr. Delgado would sit on the panel. More information will be provided to the County Board.

COMMUNICATIONS: PUBLIC (none)
PRESENTATIONS (none)
HEARINGS (none)
REPORTS / STUDY TOPICS (none)
CONSENT CALENDAR RECOMMENDATIONS (none)

RECOMMENDATIONS

APPROVAL OF EARLY HEAD START GRANT APPLICATION
The Superintendent requested that the County Board agree with his recommendation to approve the Early Head Start Grant Application that will be submitted to the Office of Head Start no later than August 20, 2014. The application supports funding for 371 additional infants and toddlers in high-need areas of Los Angeles County.

It was **MOVED** by Dr. Turrentine, **SECONDED** by Mr. Saenz to approve the Early Head Start Grant Application.

The County Board had a discussion on this item.

A roll-call vote was taken. Voting yes were Mr. Boyd, Mr. Saenz, Dr. Calderon, Dr. Reisler, Mrs. Freer, Dr. Turrentine, and Ms. Braude. The item **CARRIED** to approve the Early Head Start Grant Application.

APPROVAL OF SUPERINTENDENT'S SALARY INCREASE
On July 16, 2013, the County Board approved a Salary Schedule for the Los Angeles County Superintendent of Schools. The County Superintendent of Schools will advance on the salary schedule at each step, only with prior approval by the County Board. The Superintendent will advance to Salary Step 4, retroactive to July 1, 2014.

It was **MOVED** by Mr. Saenz, **SECONDED** by Mr. Boyd, and **CARRIED** to approve the Superintendent's Salary increase. There were 7 ayes.
Mrs. Freer requested benefits in compensation package for the Superintendent.

INFORMATIONAL ITEMS

GOVERNMENTAL RELATIONS

Dr. Delgado indicated that both houses are holding meetings on bills that are on suspense.

Mrs. Freer mentioned the Legislator of the Year and asked if the Superintendent could get feedback from Ms. Pam Gibbs, Director of Governmental Relations.

Mr. Boyd said it would be helpful to keep track of progress of bills that have been reported on.

BOARD COMMITTEE/LIAISON REPORTS

Dr. Calderon indicated that there was a County Board Curriculum, Instruction and Assessment (CIA) committee meeting today where an AfterCare report was given. During the CIA committee meeting, there were questions asked about providing information and data on recidivism rates in the JCS program. Dr. Calderon said he was impressed with the report.

Dr. Reisler commended Dr. Delgado and staff for the progress that was described over the past three years on the state of the camps and the quality of information.

LOS ANGELES COUNTY BOARD OF EDUCATION MEETING SCHEDULE, ESTABLISHMENT OF MEETING TIMES, FUTURE AGENDA ITEMS, FOLLOW-UP

Dr. Delgado reported on the Board calendar for the August 19, 2014 meeting.

The Board requested to move the regular Board meeting to 3:00 p.m. in light of the Interdistrict Attendance Appeal cases that had been resolved.

Dr. Calderon and Mrs. Freer indicated that they would send a list of Board items to the Office of the Board.

(The County Board took a 10-minute recess 4:00-4:10 p.m.)

INTERDISTRICT AND EXPULSION APPEAL HEARINGS

Angel L. v. Paramount Unified School District

The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was present and was represented by his father, Mr. Mario Lira. The Paramount Unified School District was not present. Ms. Lilia Garcia assisted as a Spanish Interpreter.
Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were

provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting yes were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was granted.

Liam D. v. Culver City Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was present and was represented by his parents Mr. Mauricio Duk and Ms. Nicola Stolting. Mr. Drew Sotelo, Director of Pupil Personnel Services, represented Culver City Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting yes were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Dr. Turrentine and Ms. Braude. Voting no was Mrs. Freer. The appeal was granted.

Jacqueline J. v. San Gabriel Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was present and was represented by her parents, Mr. Robert and Karen Jeffries. Mr. John Herren, Director of Student Support Services, represented San Gabriel Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting yes was Mr. Boyd. Voting no were Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

Ruby L. v. Pasadena Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was not present, but was represented by her mother, Ms. Melissa Basulto. Dr. Margaret Abrahamson, Director, Student Support Programs, represented Pasadena Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

~~**Alexis S. v. Los Angeles Unified School District –**~~ District Released

Layli M. v. Los Angeles Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was present and was represented by her mother, Ms. Reza Malekzadeh. Ms. Debra Villescas, Pupil Services and Attendance Counselor, represented Los Angeles Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

Rose M. v. Los Angeles Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was not present, but was represented by her mother, Ms. Reza Malekzadeh. Ms. Debra Villescas, Pupil Services and Attendance Counselor, represented Los Angeles Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

(Mr. Boyd left the meeting at 5:28 p.m.)

Kamari M. v. Los Angeles Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was not present. Ms. Debra Villescas, Pupil Services and Attendance Counselor, represented Los Angeles Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

Trevaun M. v. Los Angeles Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was not present. Ms. Debra Villescas, Pupil Services and Attendance Counselor, represented Los Angeles Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

Christian C. v. Alhambra Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant and parents were not present. Mr. Jeremy Enfranca, Coordinator of Student Services, represented Alhambra Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Dr. Reisler, Mr. Saenz, Dr. Calderon, Mrs. Freer, Dr. Turrentine and Ms. Braude. The appeal was denied.

ADJOURNMENT

Ms. Braude adjourned the meeting at 5:43 p.m.

It was **MOVED** by Dr. Turrentine, **SECONDED** by Mrs. Freer, and **CARRIED** to adjourn the meeting. There were 6 ayes.

Board Meeting – September 23, 2014

Item VI. Reports / Study Topics

A. Report on the Wisdom Academy for Young Scientists: Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to Education Code Section 47607(e) (Enclosure) (Binder 1, Binder 2, Binder 3)

Issuing a *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* to a charter school notifies the school that the authorizing entity has determined the charter school failed to remedy a violation under Education Code (EC) 47607(e).

The Superintendent reports that WAYS failed to successfully remedy violations identified in the *Notice of Violation* issued by the County Board to the charter school on June 3, 2014.

Pursuant to EC 47607(d), WAYS was provided an opportunity to remedy which concluded on July 31, 2014. WAYS submitted a written response and supporting evidence addressing some of the violations in the *Notice of Violation*. The County Board was provided with the charter school's response and supporting evidence.

LACOE reviewed WAYS' response and supporting evidence and found that it did not address, refute or remedy each identified violation. Remedial action taken or proposed did not successfully remedy all of the violations. While some violations were remedied, material violations remain and, in fact, there have been new instances of violations, demonstrating that proposed remedies are ineffective.

As a result, the Superintendent finds that there is substantial evidence to support issuing a *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* to WAYS pursuant to EC 47607(c) as follows:

- WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement. EC 47607(c)(1)(C)

- WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter. EC 47607(c)(1)(A)

The proposed *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* to WAYS pursuant to EC 47607(e) is attached along with substantiating evidence.

Should the County Board take action to issue a *Notice of Intent to Revoke*, a Public Hearing will be held.

At the Public Hearing, WAYS and LACOE will have the opportunity to present evidence to the County Board so that it may determine whether there is sufficient evidence to revoke the school's charter. The date and time of the Public Hearing, identified in the *Notice of Intent to Revoke* is October 21, 2014 as required by law. After the Public Hearing, the County Board has up 30 days to issue a *Final Decision*.

On September 18, 2014, the California Department of Education released the Grade 5 California Science Standards Test results for 2013-14, the only standardized test results for elementary schools available for the last school year. Results for WAYS, its resident schools, and its demographically comparable schools is provided below. All data is from CDE Data Quest (Retrieved 9-18-2014).

WAYS CST Science Exam (Grade 5)		
Year	% Proficient and Advanced	% Far Below Basic
2013-14	17%	49%
2012-13	66%	7%
2011-12	37%	19%
2010-11	33%	7%
2009-10	81%	10%
2008-09	87%	4%
2007-08	50%	0%
2006-07	78%	0%

Analysis: The number of students who scored proficient and advanced has not increased over time. The school's performance in 2013-14 is the lowest since the school began operation in 2006-07.

2013-14 CST Science (Grade 5) WAYS and Resident Schools	
School	% Proficient and Advanced
96th Street	69%
Russell	63%
Parmelee Ave.	50%
Wisdom Elem.	46%
McKinley Ave	46%
South Park	45%
93rd Street	40%
107th Street	37%
McNair	35%
Judith F. Baca	29%
Dr. Owen Knox	29%
Miramonte	26%
WAYS	17%

Analysis: WAYS was outperformed by all resident schools (schools its students would otherwise be required to attend) based on WAYS' 2013-14 enrollment lists submitted to LACOE in February 2014. All schools are located within Los Angeles Unified School District (LAUSD) except McNair (Compton USD).

2013-14 CST Science (Grade 5) WAYS and Comparison Schools	
School	% Proficient and Advanced
Maywood	83%
Brooklyn Ave.	75%
Grand View Blvd.	69%
Yorkdale	57%
Miles Ave.	55%
Camellia Ave.	54%
Cienega	54%
Haddon Ave.	54%
Limerick Ave.	50%
Santa Monica Blvd. Community Charter^	50%
Bassett St.	48%
Jaime Escalante	44%
Lassen	44%
Rosemont	44%
Union Ave.	39%
Vinedale	38%
Harrison St.	30%
Frederick Douglass Academy^	26%
Lenicia B. Weemes	18%
WAYS^	17%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report ^=Charter school	

Analysis: WAYS was outperformed by all of its comparison schools.

LACOE staff will present a report to the County Board.

Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation
Wisdom Academy for Young Scientists
Pursuant to Education Code Section 47607(e)

This Notice of Intent to Revoke and Notice of Facts in Support of Revocation will issue upon approval by the Los Angeles County Board of Education

September 23, 2014

Executive Summary

The Los Angeles County Office of Education ("LACOE") recommends the Los Angeles County Board of Education ("County Board") issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation ("NIR") because substantial evidence exists that the Wisdom Academy for Young Scientists ("WAYS") has failed to meet generally accepted accounting principles, engaged in fiscal mismanagement, and committed material violations of the conditions, standards, and procedures set forth in its charter.

On June 3, 2014, the County Board issued a Notice of Violation ("NOV") to WAYS stating the following legal grounds for revocation:

I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement. California Education Code § 47607(c)(1)(C).

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter. California Education Code § 47607(c)(1)(A).

The NOV (NIR Exhibit A) documented specific factual findings and provided evidence to support each of the legal grounds for revocation. (NOV Exhibits 1-38)

On July 31, 2014, WAYS timely submitted its response (NIR Exhibit B) and supporting evidence (WAYS Exhibits 1-74) to the NOV.

After careful review, LACOE determined that while the response remedies a few of the violations listed in the NOV, substantial evidence exists that WAYS failed to refute, remedy, or propose remedy to the legal grounds for revocation identified in the NOV as follows:

I. WAYS failed to meet GAAP and engaged in fiscal mismanagement. Three significant issues remain uncured: WAYS lacks adequate internal controls, engaged in related party transactions, and violated provisions of law. The revised Fiscal Policies and Procedures Handbook (and the May 20, 2014 charter) upon which WAYS bases much of its remedy fails to provide adequate separation of duties, does not provide policies and procedures to prevent related party transactions or violations of law with regard to state and federal funds, and contains multiple contradictions, errors and unclear statements. Therefore, the Fiscal Policies and Procedures fail to ensure that GAAP are and will be followed and fiscal mismanagement avoided. While some specific issues were remedied, there is no evidence of systemic change adequate to cure material violations and prevent future violations. Since the NOV was issued, there is also new evidence of misuse of public funds.

II. WAYS committed material violations of the conditions, standards, or procedures set forth in the charter. Three significant issues remain uncured: WAYS Board failed to exercise fiscal and institutional control, violated charter Element 4 (Governance), and failed to

hold key administrators accountable to the standards and procedures stated in charter Element 5. (Employee Qualifications) WAYS failed to refute or propose adequate remedy to these violations. Much of WAYS' proposed remedy centers on its revised Financial Policies and Procedures Handbook and the May 20, 2014 charter; the insufficiency of the Financial Policies and Procedures is summarized above. Other proposed remedies include replacing the Executive Director and Director of Operations, contracting with Celerity Global Development and a new back office provider, and adding new board members. These proposed remedies have been minimally implemented and do not ensure permanent cure. The Executive Director has not been replaced and the Director of Operations continues to be compensated by WAYS through an independent contractor arrangement, which violates the school's Fiscal Policies. Additionally, replacing staff does not ensure adequate Board oversight. There is no contract with Celerity and no evidence that the newly appointed Board members have adequate experience. The Board's failure to follow the oversight provisions of the charter, Board bylaws, and Board policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement, including misuse of public funds and fraud.

Upon the County Board's determination that the WAYS Board failed to refute, remedy, or propose remedy to the material violations of the charter and the fiscal violations identified in the NOV, it will adopt and issue this NIR to WAYS and its Governing Board.

The findings below and substantial evidence in support of issuing NIR to WAYS conform to the standards and procedures of California Education Code ("EC") section 47607 and the California Code of Regulations, Title 5 ("5 CCR") section 11968.5.2.

This report provides the County Board with a summary of its legal authority, the violations identified in the NOV, WAYS' response to the NOV, LACOE's analysis of WAYS' response, and an analysis of academic performance.

Legal Authority

Pursuant to EC § 47607(c)(1), the authorizing entity "may revoke the charter of a charter school if it finds, through a showing of substantial evidence, that the charter school did any of the following:

(A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

(B) Failed to meet or pursue any of the pupil outcomes identified in the charter.

(C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.

(D) Violated any provision of law."

5 CCR § 11968.5.2 regarding charter revocation provides:

> "(c) Upon receipt of a Notice of Violation, the charter school's governing body as described in the school's charter, if it chooses to respond, shall take the following actions:
>
> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken,

or proposed remedial action by the charter school specific to each alleged violation. The written response shall be due by the end of the remedy period identified in the Notice of Violation.

(2) Attach to its written response supporting evidence of the refutation, remedial action, or proposed remedial action, if any, including written reports, statements, and other appropriate documentation.

(d) After conclusion of the reasonable opportunity to remedy, the chartering authority shall evaluate the response of the charter school's governing body as described in the school's charter response to the Notice of Violation and any supporting evidence, if submitted, and shall take one of the following actions:

(1) If the chartering authority has substantial evidence that the charter school has failed to refute to the chartering authority's satisfaction, or remedy a violation identified in the Notice of Violation, continue revocation of the school's charter by issuing a Notice of Intent to Revoke to the charter school's governing body as described in the school's charter; or

(2) Discontinue revocation of the school's charter and provide timely written notice of such action to the charter school's governing body as described in the school's charter."

EC § 47607(e) provides, in relevant part:

"Before revoking a charter for failure to remedy a violation pursuant to subdivision (d), and after expiration of the school's reasonable opportunity to remedy without successfully remedying the violation, the chartering authority shall provide a written notice of intent to revoke and notice of facts in support of revocation to the charter school. No later than 30 days after providing the notice of intent to revoke charter, the chartering authority shall hold a public hearing, in the normal course of business, on the issue of whether evidence exists to revoke the charter…."

Pursuant to EC § 47607(c)(2), the County Board "shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter."

Notice of Intent to Revoke and Facts in Support of Revocation Under EC § 47607(e)

On June 3, 2014, the County Board issued a NOV to WAYS. On July 31, 2014, WAYS timely provided its response and supporting evidence; however, the response failed to fully address each violation identified in the NOV.

WAYS' response to the NOV contends: (1) LACOE failed to follow the correct standard in issuance of the NOV because WAYS was not provided with "facts in support of revocation" and "a reasonable opportunity to remedy the violation," because LACOE's facts are "false and unfounded" or "to the extent they are true, they have already been fully cured … *or were never a violation of law or charter in the first place;"* and (2) that background information and timeline of events leading to the NOV contains inaccuracies and omissions, and is inaccurate. (NIR Exhibit B, p. 40)

WAYS was afforded a reasonable opportunity to cure as it was given from June 3, 2014 to July 31, 2014, to review the identified violations and formulate a response. Also, a majority of the identified violations were not new issues as they were identified in the March 19, 2014 Fiscal Crisis and Management Assistance Team (FCMAT) Audit, WAYS' Independent Audits, and correspondence from LACOE to WAYS over a period of approximately three years. WAYS' response to the NOV fails to present evidence that the violations asserted by LACOE are false, unfounded or have been cured. The NOV accurately identifies violations of law and the charter which are not refuted. The background information and timeline of events leading to the NOV are complete and accurate.

WAYS' response provides minimal remedies; however, substantial evidence exists that WAYS failed to refute, remedy or propose remedy to each of the material violations of the charter and the fiscal violations identified in the NOV. Additionally, WAYS failed to provide evidence to support its refutation, remedy and/or proposed remedy of these material violations.

Therefore, the County Board issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to WAYS based on the grounds for revocation set forth below:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement. EC § 47607(c)(1)(C).

II. WAYS committed a material violation of the conditions, standards, or procedures set forth in the charter. EC § 47607(c)(1)(A).

Facts and Findings in Support of Revocation

The bases for issuance of the NIR are set forth below. The County Board incorporates the June 3, 2014 NOV, (NIR Exhibit A) all of the substantial evidence and supporting documentation provided with the NOV (NOV Exhibits 1-38), and new facts and evidence described below. (NIR Exhibits A-FF) Revocation is based on the following grounds:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement.

A. WAYS Failed to Follow Generally Accepted Accounting Principles and Engaged in Fiscal Mismanagement.

Summary of NOV:

The NOV was based on substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement because the Charter School: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents provided in the NOV (NIR Exhibit A, p. 5-12) and NOV Exhibits 6, 8, 9, 11, and 12.

Summary of WAYS' Response to NOV:

WAYS states, "There has never been any fraud, misappropriation, theft or any misuse of public monies at WAYS." (NIR Exhibit B, p. 42) WAYS further contends that "FCMAT did ***not*** actually make ***any*** factual finding of any wrongdoing by WAYS in its report" and that the school never received evidence from LACOE or FCMAT to substantiate the claims in the FCMAT Audit. WAYS concludes that there are no grounds for revocation. (NIR Exhibit B, p. 43) WAYS attached Exhibit 16 in response.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS failed to refute or remedy the finding that the Charter School failed to follow generally accepted accounting principles, or engaged in fiscal mismanagement.

The NOV was issued based on substantial evidence that WAYS failed to follow GAAP and, as a result, engaged in fiscal mismanagement. FCMAT's recommendation was that the "County Superintendent should notify the governing board of WAYS, LACOE's governing board, the State Controller, and the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriate of assets or other illegal activities may have occurred." (NOV Exhibit 6, p. 101; WAYS Exhibit 16)

WAYS' contention that the FCMAT Audit has no findings is erroneous. The FCMAT Audit provides multiple findings, examples and source document citations that provide substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement. (NOV Exhibit 6; WAYS Exhibit 16) WAYS' response does not refute this or provide a remedy.

WAYS does not provide evidence to refute FCMAT's conclusion that WAYS' failure "to establish adequate internal controls…coupled with the lack of accountability to the governing board created an environment for fraud and misappropriation to occur" (NOV Exhibit 6, p. 66) or FCMAT's conclusion that "fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred." (NOV Exhibit 6, p. 100)

WAYS' contention that there is no ground for revocation is erroneous. WAYS does not dispute that it failed to follow GAAP; therefore, that finding stands. The NOV provides substantial evidence of WAYS' failure to follow GAAP, which in itself is fiscal mismanagement. Pursuant to EC § 41010, "The accounting system used to record the financial affairs of any school district shall be in accordance with the definitions, instructions, and procedures published in the California School Accounting Manual ("CSAM") as approved by the State Board of Education and furnished by the Superintendent of Public Instruction." CSAM states, "Governmental Accounting Standards Board ("GASB") is the standard-setting body for accounting and financial reporting by state and local governments, including local educational agencies. ("LEA") GASB establishes Generally Accepted Accounting Principles ("GAAP") for governments in its authoritative statements, interpretations, and technical bulletins."

GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction, generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements. State and local government financial statements and accounting records should be prepared in conformance with GASB principles. Material departures from these principles will result in misleading information, inaccurate

financial statements, and quite often fiscal mismanagement. Therefore, pursuant to EC § 47607(c)(1)(C), there are grounds for revocation.

WAYS' statement that it did not receive evidence supporting FCMAT's findings is false. WAYS requested FCMAT's evidence from LACOE and received the documents on June 19 and 23, 2014. (NIR Exhibit C) In fact, WAYS included evidence it received in its Exhibits 1-74 proving that it did receive the evidence. In its response, WAYS admits that it received this evidence by stating that it has reviewed all evidence including documents from FCMAT and LACOE. (NIR Exhibit B, p.1) Additionally, some findings in the FCMAT Audit were actually based on WAYS' failure to provide necessary documents. (e.g., packing slips to verify receipt of purchases from OSE, evidence of competitive bids, van lease agreements)

The NOV provided substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement based on three specific findings: WAYS: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law. Each of these findings is addressed in turn.

1. WAYS Lacks Effective Internal Controls

Summary of NOV:

WAYS lacks effective internal controls based on evidence contained in the FCMAT Audit, the 2012 Independent Audit, and the 2013 Independent Audit.[1] These reports identified the following specific issues that demonstrate a lack of effective internal controls:

- Failure to implement or monitor adopted financial policies and procedures. (NOV Exhibit 6)
- WAYS' administrators' failure to provide requested documents to the Board and obtain authorization and signatures prior to entering into contracts and cancellation of Board meetings. (NOV Exhibit 6)
- The integral relationship between appointed board members and related family members and business associates that created an environment that allowed and continues to allow access, opportunity, and motivation for occupational fraud to occur. (NOV Exhibit 6)
- Failure to correct findings from the 2011, 2012, and 2013 Independent Audits including those identified over multiple years and some identified as still not having been cured. (NOV Exhibits 6, 9)
- Multiple reconciliation issues (bank to book balances, general ledger balance to accounts receivable subsidiary ledger balances, payroll) due to inadequate written policies and procedures and lack of oversight resulting in materially misstated financial statements. (NOV Exhibits 8, 9)

[1] The 2013 Independent Audit was issued on three separate dates: January 15, 2014 (NOV Exhibit 9), January 29, 2014 (WAYS Exhibit 32), and June 27, 2014. (NIR Exhibit D) The June 27, 2014 report contains additional information regarding capital assets, related party transactions and subsequent events documenting WAYS' failure to obtain governing board approval for three financial transactions. This version is cited as the "revised 2013 Independent Audit issued June 27, 2014."

- Improper recording of transactions without complete supporting documentation (checks, credit cards, payroll) due to inadequate written policies and procedures and proper oversight. (NOV Exhibits 8, 9)

- Lack of a written asset capitalization policy to ensure that fixed assets are properly capitalized and classified in the financial records. (NOV Exhibits 8, 9)

- WAYS did not separately track expenditures for federal programs and does not have procedures for doing so, which results in an inability to ensure that federal expenditures are accurately reported, meet program requirements, and are not used to supplant existing services. (NOV Exhibit 9)

Summary of WAYS' Response to NOV:

WAYS states it has implemented new policies and procedures, is recruiting new management personnel to strengthen its internal controls, and that its Board adopted new comprehensive Financial Policies and Procedures on April 30, 2014 in response to FCMAT and LACOE concerns. (NIR Exhibit B, p. 44)

WAYS asserts it has effectively cured any failure to adopt and implement adequate Fiscal Policies through the adoption of its new policies. (WAYS Exhibit 17)

WAYS disputes FCMAT's finding that its management team failed to obtain proper signatures and Board approval prior to entering contracts and states there is nothing in the law, its charter, or its updated Fiscal Policies that require Board approval for all contracts. It states that the Executive Director has the "authority to enter into most contracts and approve most purchases without prior Board approval." (NIR Exhibit B, p. 44) WAYS contends that under its previous Fiscal Policies, the Executive Director's responsibilities included overseeing purchases and contracts. (WAYS Exhibit 19)

Note: WAYS refutes concerns regarding related party transactions; the response is summarized under Section I(A)(2) (NIR p. 12) rather than in this section.

WAYS states the Board exercises its approval powers when it comes to major contracts and provides five examples of contracts as evidence. (WAYS Exhibits 21-25)

WAYS states its Board provided regular oversight of the school's financial position and activities using the recently adopted LCAP and samples of monthly financial reports presented to the Board by its back office provider as evidence. WAYS states the financial reports show the school is in a strong financial position and asserts this is a result of the Board's consistent monitoring of the school's financial affairs.

WAYS states its Board is considering two contracts with established "charter school support organizations" to "further solidify the new internal controls and management at WAYS." (NIR Exhibit B, p. 46) The Board has "considered a contract" with Celerity and recently approved a new back office provider, Charter School Management Company. WAYS states, "These partnerships will ensure that WAYS implements and maintains the new, rigorous internal controls recommended by LACOE and adopted by the WAYS Board on April 30, 2014."

WAYS attached Exhibits 3, 10, and 17 through 30.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute or remedy the finding that it lacks effective internal controls.

- Adequate internal control for contracts is not substantiated based on WAYS' own evidence. While WAYS argues that its Board did not need to approve all contracts under its 2006 Fiscal Policies because the Executive Director had the authority to "approve contracts," it also contends that the Board "did (and continues to) exercise it approval powers when it comes to major contracts." (NIR Exhibit B, p. 44) WAYS supports its position based on five contracts approved by its Board. (WAYS Exhibits 21-25)

  The five contracts submitted as evidence actually demonstrate a lack of adherence to the school's Fiscal Policies and failure to follow GAAP, thereby providing evidence of a lack of internal controls.

  There are significant internal control issues in the submitted contracts, including payment to Medina's Air Conditioning of more than twice the amount approved by the Board, staff execution of the Total Education Solutions contract prior to board approval, and payment to McGraw Hill without a detailed invoice. The chart summarizes how WAYS violated internal control standards and its own Fiscal Policies.

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
Major Contract/Purchase (over $25,000)	**Yes** Amount Paid: $72,801.09	**Yes** Amount Paid: $50,800	**Yes** Amount Paid $40,093.75	**Yes** Amount Paid $163,030.61	**No** $3,500 (Board approval required by Ed Code)
Evidence of Multiple Bids as Required	**No**	**No**	**No**	**No**	**No**
Evidence of 2 Signatures as Required	**No**	**No**	**No**	**No**	**N/A**
Evidence of Executed Contract or Detailed Invoice	**Yes** (WAYS Exhibit 21)	**Yes** (WAYS Exhibit 22)	**Yes** (WAYS Exhibit 23)	**No** Statement of Account; not detailed invoice (WAYS Exhibit 24)	**No** WAYS did not submit a copy of the contract, only a proposal for services (WAYS Exhibit 25)
Effective Date(s) of Contract	Aug. 14, 2012	August 3, 2012	Mar. 15, 2013 to June 30, 2015	Aug. 14, 2013 to Oct. 16, 2013	After June 30, 2014
Evidence of Board Approval Prior to Effective Date of Contract	**Yes** Approved July 31, 2012	**Yes** Approved July 31, 2012 However, work began prior to	**No** Approved Mar. 22, 2013	**No** Approved Feb. 27, 2014	**Yes** Approved Apr. 25, 2014

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
		approval (NIR p. 28)			
Executed Contract Complies with Board Approval	**Yes**	**No** Proposal submitted and approved by board was for **$21,200**	**No** The Executive Director executed the contract prior to Board approval to enter into the contract	**N/A** Not a Contract	**Cannot Determine** WAYS did not provide a copy of the contract
Evidence of Effective Internal Controls:	**No**	**No**	**No**	**No**	**Cannot Determine**

- WAYS further demonstrated lack of effective internal controls due to lack of adherence to its Fiscal Policies in its transactions with DeDe Dance Studio ("DDS") and OSE Business Services ("OSE")

  Financial dealings with DDS demonstrate a lack of internal controls. WAYS contends DDS was paid $4,000 a month (NIR Exhibit B, p. 51) therefore, competitive bids were not required. That statement is faulty for three reasons: (1) the 2006 Fiscal Policies in effect until January 31, 2013 (WAYS Exhibit 19, p. 10) required competitive bids for all amounts in excess of $2,999; (2) the annual amount paid to DDS from 2011 to 2014 was at least $28,000; therefore, WAYS' Fiscal Policies actually required a formal competitive bid process; and (3) WAYS failed to provide any evidence of a formal contract, purchase order, or other agreement to substantiate payments made to DDS. (NIR Exhibit E)

  Financial dealings with OSE demonstrate a lack of internal controls. WAYS failed to adhere to its Fiscal Policies in its dealings with OSE. WAYS' response to the NOV regarding related party transactions states "the OSE contract also did *not* violate the school's adopted Fiscal Policies in place at the time." (NIR Exhibit B, p. 50) Contrary to that statement, transactions with OSE did violate those Fiscal Policies (WAYS Exhibit 19) as follows:

  (1) The Director of Operations was not authorized to approve purchases or initiate check requests. The Fiscal Policies state all "purchases" and "check requests" must be approved by the School Director. (WAYS Exhibit 19 p. WAYS 000211; WAYS 000216) Twenty (20) of the 21 check requests for OSE were only signed by the Director of Operations (NIR Exhibit F) in violation of Policy #3 and Policy #5.

  (2) All transactions in excess of $2,999 required a competitive bid process. (WAYS Exhibit 19, p. WAYS 000211) Of the 19 invoices from OSE (WAYS Exhibit 41) 17 were in excess of $2,999 including three that were in excess of $10,000; those required a formal competitive bid process per WAYS' Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000214)

(3) WAYS failed to provide evidence of purchase orders, a contractual agreement for services, or packing slips to verify receipt of goods in its transactions with OSE as required by its Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000212 and 000214)

- WAYS proposes to remedy its internal control weakness through its April 30, 2014 Financial Policies and Procedures Handbook. ("Handbook") This proposed remedy fails for the following reasons:

  There is no evidence Handbook policies and procedures have been implemented. The existence of policies and procedures does not guarantee implementation. WAYS has had Fiscal Policies in place since 2006; however, as documented in the FCMAT Audit and Independent Audits, as well as through the evidence provided above, WAYS has not consistently followed its own policies and procedures.

  The evidence demonstrates that WAYS has not followed its April 30, 2014 Financial Policies and Procedures. The independent contractor consulting agreement (NIR Exhibit G) with the former Director of Operations violates Policy #4 (WAYS Exhibit 17, p. WAYS 000175) because it fails to state the deliverables, contains no description of services, time frame or timeline of payments and reimbursements.

  Therefore, there is evidence that WAYS continues to violate its own Fiscal Policies.

  The Handbook does not provide adequate separation of duties to provide necessary checks and balances. The May 20, 2014 charter (NIR Exhibit H) combines duties under the Director of Operations that were previously separated into two (2) positions; combining the positions results in a lack of necessary checks and balances.

  The Handbook contains multiple contradictions, errors, and unclear statements that fail to remedy internal control inadequacies. For example, employee positions identified in the Handbook are not aligned to those in the charter, which results in a conflict between the documents. The Handbook identifies Executive Director and Director of Operations responsibilities that are different from those in the charter. The position of Financial Consultant identified in the Handbook does not exist in the charter, and the Handbook references "budget managers" that are not defined in either document. Additional inadequacies include, but are not limited to, those stated in the chart:

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #1 Budget Preparation and Implementation	• Annual budget requires Executive Director's Finance Committee, but does not provide a method to document committee process and review procedures. • The Handbook assigns specific job duties to a "Financial Consultant." This position does not exist in the May 20, 2014 Charter or in the school's organization chart. Until positions in the Handbook are aligned to those in the charter, and there is a clear separation of duties by position, there is an inherent flaw in the school's internal controls.

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #2 Timesheet and Payroll	• Conflict in Roles/Responsibilities: Paragraph 1 states Executive Director approves timesheets; however, Procedure #4 states Director of Operations approves timesheets. • Policy does not clearly indicate who signs payroll checks. • Lacks requirement to record criminal background check results legally necessary to complete hiring process.
Policy #3 Purchases and other Procurement (Item 2 and 9)	• As written, purchase orders are being discarded after invoice is processed; this practice does not support proper documentation of purchases. • As written, the policy does not adequately remedy concerns regarding federal program expenditures because it lacks a cost allocation plan or object code identification process.
Policy #4 Contracting (Item 1)	The statement, "All Contracts exceeding $25,000 should be signed and approved by the board" is inadequate because Board approval is discretionary not mandatory and does not specify approval must be in advance of execution
Policy #5 Check Request (Item 5)	The requirement that checks "in excess of $10,000 for non-recurring items require two signatures by authorized check signers" is insufficient because the Handbook does not identify who the second signer is.
Policy #7 Corporate Credit Cards (Item 12)	The statement refers to "the responsible budget manager" but the Handbook does not identify these individuals.
Policy #10 Cash Receipts and Deposit	The statement, "All program and other pass through payments will be paid to the Administrative Assistant" is incorrect; payments should be made to the school, not a specific individual.

- WAYS fails to fully remedy findings in the 2012 Independent Audit.

  - Upon review of evidence provided by WAYS and the year ending June 30, 2012 Schedule of Findings and Questioned Costs (NOV Exhibit 8), the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2011-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit reports Audit finding 2011-2 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Account receivable reconciliations: Although WAYS failed to refute Audit Finding 2011-3, the 2012 Independent Audit states WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 00098)

    Recording transactions without complete supporting documentation: Although WAYS failed to refute Audit Finding 2011-4, the 2012 Independent Audit reports WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 000599)

    Payroll expense reconciliation: WAYS failed to remedy Audit Finding 2011-2. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, WAYS fails to address payroll expense reconciliations, and the 2013

Independent Audit states management failed to implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAYS 000650)

Written asset capitalization: WAYS proposes remedy to Audit Finding 2011-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However WAYS fails to provide evidence that Policy #13 has been implemented; therefore, the remedy cannot be substantiated.

- WAYS fails to fully remedy findings in the 2013 Independent Audit.
  - Upon review of evidence provided by WAYS and the year ending June 30, 2013 Schedule of Prior Year Audit Findings (WAYS Exhibit 32, p. WAYS 000650) the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2013-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit states finding 2011-1 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Payroll expense reconciliation: WAYS fails to address and therefore fails to remedy Audit Finding 2013-2. WAYS proposes remedy through the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address payroll expense reconciliations. The 2013 Independent Audit states management did not implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAY 000650)

    Year-end accruals and closing process: WAYS proposes remedy to Audit Finding 2013-3 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses account reconciliation. However, WAYS fails to provide evidence that Policy #09 has been implemented by management; therefore, remedy cannot be substantiated.

    Payroll documentation: WAYS proposes remedy to Audit Finding 2013-4 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses time sheet and payroll. However, WAYS fails to provide evidence that Policy #02 has been implemented by management; therefore, the remedy cannot be substantiated.

    Capital assets: WAYS proposes remedy to Audit Finding 2013-5 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However, WAYS fails to provide evidence that Policy #13 has been implemented by management; therefore, remedy cannot be substantiated.

    Credit card supporting documentation: WAYS proposes remedy to Audit Finding 2013-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses corporate credit cards. However, WAYS fails to provide evidence that Policy #07 has been implemented by management; therefore, remedy cannot be substantiated.

    Beginning net assets: WAYS fails to address Audit Finding 2013-7; however, the 2013 Independent Audit states WAYS remedied that Audit Finding. (NIR Exhibit D, p. 124)

Federal award findings: WAYS fails to address and therefore fails to remedy Audit Finding 2013-9 regarding Federal award audit findings stated in the revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 126)

- The revised 2013 Independent Audit issued June 27, 2014 provides additional evidence of lack of internal controls (NIR Exhibit D, p. 101) beyond those stated in the NOV, which was issued prior to the revised Audit report. Under subsequent events, the auditor expanded the findings to note the lack of Board approval on three financial transactions:

  Lease agreement with OCI Development Corporation: "In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Lease agreement with Salvation Army: "In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Vehicle Sale [Lexus]: "In December 2013 the Academy sold a vehicle for $26,000. Concurrent with the sale of the vehicle was a payoff of the lease agreement associated with the vehicle. The payoff of the lease agreement and the sale of the vehicle, as of the date of this audit report, **has not been approved by the governing board**. The items were tabled to be reviewed and voted on at a later date." (emphasis added)

- WAYS fails to provide substantial evidence that its Board provides adequate fiscal oversight. WAYS contends the Board provides regular oversight of the school's financial position and activities because its back office provider reports to the Board at most meetings and the school has a positive financial position.

  LACOE's position is that the Board's level of and process for oversight is insufficient based on substantial evidence that the school lacks effective internal controls. The NOV provided specific examples of how the Board failed to adequately oversee the use of the public funds. Examples include the purchase of a Lexus, failure to approve major contracts prior to staff execution, and failure to know that staff has not implemented directives given by the Board, including overpayments and payments made without supporting documentation.

  WAYS' own evidence (WAYS Exhibit 62) provides a clear example of the Board's lack of adequate oversight. The final 2013-14 budget submitted to LACOE by the Director of Operations does not reflect the Board's directive to staff to restore line item 5890 to $10,000. Review of WAYS' financial reports submitted to LACOE from July 1, 2013 to June 30, 2014, corroborates WAYS' failure to follow the directives of the Board. (NIR Exhibit I)

2. WAYS Engaged in Related Party Transactions and Violated Conflict of Interest Statutes.

Summary of NOV:

WAYS engaged in related party transactions and violated conflict of interest statutes based on transactions involving the Founder/Former Executive Director and transactions involving the Director of Operations.

Transactions involving Founder/Former Executive Director were supported by substantial evidence of a lease agreement between the Founder/Former Executive Director that existed at the time of charter non-renewal by LAUSD and continued during the appeal period to the County Board, a settlement agreement between the WAYS Board and the Founder/Former Executive Director for alleged unused vacation time and time-off without proper documentation (NOV Exhibit 6, p. 76), and settlement of a wrongful termination lawsuit brought by a former teacher for actions that show the Founder/Former Executive Director "*traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for the purposes of making the brother-in-law a United States citizen.*" (NOV Exhibit 6, p. 77; NOV Exhibit 10)

Transactions involving the Director of Operations were supported by substantial evidence that he authorized transactions that did not *"represent an arm's-length transaction*" (NOV Exhibit 6, p. 92) including procurement and purchases with OSE (NOV Exhibit 6, p. 80), payments to DeDe Dance Studio, and transactions with two relatives who leased a van to WAYS. (NOV Exhibit 6, p. 92)

FCMAT concluded, "Failure to disclose related party transaction may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution." (NOV Exhibit 6, p. 91)

The NOV provided substantial evidence in support of this finding through examples, citations from source documents, and NOV Exhibits 6 and 10.

Summary of WAYS' Response to NOV:

WAYS states there is no conflict of interest at WAYS as defined by Government Code section 1090, the Political Reform Act, and the California Corporations Code, and alleges any past conflicts of interest have been cured.

WAYS responds to specific incidents of related party transactions presented in the NOV as follows:

Transactions involving the Founder/Former Executive Director: WAYS states the Founder/Former Executive Director is no longer employed by WAYS and does not sit on the WAYS Board; therefore, any conflict of interest related to leasing the 706 E. Manchester site is resolved. To cure any appearance of a conflict of interest, WAYS formed an LLC to purchase the property and is "currently in escrow." (NIR Exhibit B, p. 48)

WAYS states LACOE did not provide evidence to substantiate the allegation that the settlement agreement with the Founder/Former Executive Director created a conflict of interest. It further states that WAYS terminated the Founder/Former Executive Director under LACOE's direction and received a claim from her after this occurred. WAYS asserts it paid out $228,665.38 to the

Founder/Former Executive Director at the advice of its insurer and legal counsel after receiving a demand letter for $480,000. WAYS states negotiations surrounding the settlement are protected by attorney-client privilege.

Transactions involving the Director of Operations: WAYS states the contract with OSE was not a conflict of interest and was consistent with the Charter School's Fiscal Policies. It contends the business relationship was not a conflict of interest because the owner of OSE is a "distant cousin," the Director of Operations was unaware of this familial relationship until informed by LACOE, and that the July 18, 2014 letter from the Fair Political Practices Commission ("FPPC") to the Director of Operations states "there are no conflicts of interest related to" the Director of Operations. (NIR Exhibit B, p. 49)

The response further states that under the Political Reform Act, a conflict of interest exists when a "public official makes, participates in, or influences a governmental decision in which he has a personal financial interest" and that the Director of Operations was not the public official that made the decision to purchase from OSE. WAYS asserts that the decision was made by the Executive Director.

WAYS asserts transactions with OSE were not a violation of WAYS' Fiscal Policies that were in place at the time. It states those policies did not require competitive bidding as purchases were not in excess of $10,000 and that due to an increase in enrollment and addition of a satellite location, a purchase order was not needed because an "emergency situation" exception was applicable.

WAYS states that OSE is a legitimate business that provided actual supplies and services to the school. However, the WAYS Board "terminated the school's contract with OSE" when it learned that OSE failed to comply with FCMAT's investigation.

Payments to DeDe Dance Studio: WAYS states there are no facts or evidence to substantiate the NOV finding that the contract between WAYS and DeDe Dance Studio (DDS) presents a conflict of interest. It asserts that the owner of DDS (who is the sister of the Director of Operations and is currently WAYS' Vice Principal) was never paid by DDS. The response states DDS was paid approximately $4,000 per month. Thus, the contract falls "below the threshold for a competitive bidding process." Also, the Executive Director, not the Director of Operations, selected DDS as the ASES service provider. WAYS asserts these procedures were in accordance with the Fiscal Policies in place at the time. (NIR Exhibit B, p. 51)

WAYS states the reason FCMAT did not observe students at DDS during its fieldwork was because the school cancelled the dance classes to accommodate the FCMAT team.

WAYS reports that in 2010, LAUSD investigated whether or not the contract with DDS created a conflict of interest. The school states that LAUSD "*concluded it did not*." (NIR Exhibit B, p. 52)

Additional Related Party Transactions: WAYS states the transactions involving the WAYS' Director of Operations and E. Enwezor are not a conflict of interest because the two are "distant cousins." WAYS also states the NOV's claim that WAYS failed to obtain a signed contract to lease the van is false. WAYS claims that its Board is not required to approve the contract because of its low dollar value. WAYS alleges that under the Fiscal Policies in place at the time,

both the Executive Director and Director of Operations had authority to enter into certain small contracts with vendors and other parties on WAYS' behalf. (NIR Exhibit B, p. 52)

Note: WAYS' response pertaining to the van was made under the NOV finding that WAYS lacks internal controls. LACOE has placed it here because it properly addresses related party transaction concerns.

WAYS states there is no conflict of interest relating to the Founder/Former Executive Director and her two (2) adult children who are employed at WAYS as the Director of Operations (currently an independent contractor) and Vice Principal. The response states these individuals are not dependents of the Founder/Former Executive Director and have not had "any actual conflict of interest in any of the school's transactions." (NIR Exhibit B, p. 45)

WAYS states the FPPC recently closed an investigation regarding the former Director of Operations citing insufficient evidence of a conflict of interest. (WAYS Exhibit 10) However, the school is in the process of replacing the Director of Operations to avoid any appearance of conflict of interest. The response also states the Charter School is in the process of selecting a replacement for the current Executive Director.

WAYS attached Exhibits 3, 7, 9, 10, 16, 17, 19, 29, and 33 through 46.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully remedy conflict of interest and related party transaction concerns. While two conflict of interest concerns were resolved, remaining concerns have not been fully remedied.

- WAYS partially remedied conflicts of interests involving the Founder/Former Executive Director.
    - WAYS remedied the conflict of interest related to leasing the Founder/Former Executive Director's property to WAYS when her employment with WAYS was terminated. The NOV provided an historical accounting of the conflict of interest.
    - However, WAYS' statement that "…to cure the *appearance* of a current conflict of interest related to the lease…the WAYS board decided to pursue purchase [of] the school site owned by [Founder/Former Executive Director], thereby removing her from any transaction." (NIR Exhibit B, p. 48) The statement is faulty for the following reasons:

      (1) The Board only pursued purchase of 706 E. Manchester Avenue site but not the 8778 South Central Avenue site also owned by the Founder/Former Executive Director, which is being leased by WAYS. (WAYS Exhibit 27; NIR Exhibit J)

      (2) While WAYS Board pursued the purchase of the Manchester Avenue site, the sale has not been executed and the school still leases this property owned by the Founder/Former Executive Director. (NIR Exhibit K)

      The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) provides further evidence that WAYS engaged in related party transactions with respect

to facilities. The audit states, "The Academy leases two school sites from a revocable trust, OCI Development Corporation, which is owned by the former executive director. For the year ended June 30, 2013 the Academy paid OCI Development Corporation $216,986 for use of facilities. In addition, the Academy paid $59,600 for leasehold improvements associated with these buildings in the year ended June 30, 2013."

(3) The purchase of the property is in fact a transaction from which the Founder/Former Executive Director would materially benefit.

- Additionally, LACOE has reviewed the proposed lease agreement between 706 East Manchester, LLC and the Merle Williamson Foundation and has serious concerns about the terms of the agreement should the lease agreement be executed. The concerns center on the prepayment amount of $507,000 which is excessive. (NIR Exhibit L)

- WAYS fails to remedy the related party transaction concern brought about by the employment settlement between WAYS and the Founder/Former Executive Director. This issue is addressed below (NIR p. 31-32) under **II: WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter**.

- WAYS does not dispute and therefore fails to remedy the related party transaction and conflict of interest issues presented in the NOV regarding the Founder/Former Executive Director and the wrongful termination lawsuit brought against WAYS and the Founder/Former Executive Director by a former teacher who accompanied the Founder/Former Executive Director to Nigeria. (NOV Exhibit 6, 10)

- WAYS partially remedies conflict of interest and related party transaction concerns involving the Director of Operations.

  - Related party transactions with the owner of OSE: WAYS fails to substantiate its claim that previous transactions with OSE were not related party transactions for the following reasons: (1) the Director of Operations' claim that he was not aware he was related to the owner of OSE until "he was informed by LACOE staff" is contradicted by public records that show both individuals shared a common address in 2011(NIR Exhibit M); (2) the claim the two are **"**distant cousins" is contradicted by an obituary notice (NOV Exhibit 11) posted at WAYS, which shows they are first cousins, having the same maternal grandmother; (3) the Director of Operations was responsible for processing employee hiring, and since the mother of the OSE owner was employed by the WAYS, the familial relationship would have been apparent (NIR Exhibit N); and (4) contrary to WAYS' claim that transactions with OSE did not violate the school's Fiscal Policies, substantial evidence exists to the contrary as discussed under WAYS lacks effective internal controls, above. (NIR p. 9-10) As stated previously, 20 of the 21 check requests to OSE were signed only by the Director of Operations providing further evidence of failure to maintain an "arm's-length" between the related party transactions. (NIR Exhibit F)

    The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100**)** corroborates the finding that WAYS engaged in related party transactions. It states, "The Academy purchases books and supplies from the vendor OSE Business Services. The owner of OSE Business services is related to the former executive director, director of

operations, and vice principal. The Academy paid $101,338 to OSE Business Services for materials and supplies during the year ended June 30, 2013."

WAYS proposes remedy through two actions: (1) they will not enter into future transactions with OSE (WAYS Exhibit 43) and (2) the Director of Operations will no longer be employed by WAYS. The proposed remedy to no longer use the services of OSE offers a viable remedy. However, since the Director of Operations is still being paid by WAYS through an independent contractor agreement**,** (NIR Exhibit G) there is no evidence that remedy has been implemented or that replacing the Director of Operations will be permanent.

- Related party transactions involving the Founder of DDS/WAYS Vice Principal: WAYS addresses the wrong concern in its response. It addresses the concern as a conflict of interest, while the NOV (NIR Exhibit A, p. 11) cites the FCMAT audit and addresses the concern as a related party transaction. LACOE agrees there is no conflict of interest.

  WAYS fails to refute and therefore fails to remedy the related party transaction concerns between the Director of Operations and the Founder of DDS, who is his sister.

  The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) corroborates the related party transaction. It states, "The vice principal [the sister of the Director of Operations] is the founder and executive director of a dance studio which the Academy has had a history of doing business with for the ASES program. For the year ended June 30, 2013 the Academy paid $24,000 to the studio for services provided in the ASES program."

  The evidence shows the Director of Operations approved six check requests authorizing payment to DDS for after-school services at $4,000 per month, providing evidence of failure to maintain an "arm's-length" between the related party (brother-sister) transactions. (NIR Exhibit O)

  While WAYS asserts the Executive Director, not the Director of Operations chose DDS to provide ASES services, (NIR Exhibit B, p. 51) WAYS did not provide evidence to support its assertion; therefore, there is no remedy and the finding stands.

  WAYS' statement that the transaction with DDS was in accordance with its Fiscal Policies in place at the time was previously disputed under "Financial Dealings with DDS Demonstrate a Lack of Internal Controls." (NIR p. 9)

  Additionally, there is evidence of other related party transactions between the Director of Operations and his sister through her role as WAYS Vice Principal. The Director of Operations approved reimbursements to his sister in the amount of $320, providing evidence of failure to maintain an "arm's-length" in transactions between the related parties. (NIR Exhibit P)

- Related party transactions involving the Director of Operations' cousin and father pertaining to the lease and donation of a van: WAYS fails to remedy related party transaction concerns involving the Director of Operations pertaining to the lease of a van from two family members: his cousin (E. Enwezor) and his father.

In its response to the FCMAT Audit (NIR Exhibit Q, p. 571 and 578) WAYS stated it made payments of $4,800 each to the Director of Operations' cousin and father. His father received payment in 2010-11 when the Director of Operations' mother was the Charter School's Executive Director (another conflict of interest and related party transaction) and his cousin received payment in 2011-12. WAYS fails to refute and therefore fails to remedy the related party transaction between the Director of Operations and his father.

While WAYS states E. Enwezor is a distant cousin to the Director of Operations, public records (NIR Exhibit R) and the obituary notice (NOV Exhibit 11) establish they are first cousins; therefore, the related party transaction concerns are not remedied.

Additionally, while WAYS states both the Executive Director and Director of Operations had the authority to enter into the lease with E. Enwezor because it was a low value contract, the 2006 Fiscal Policies in place at the time makes no mention of a Director of Operations; therefore, WAYS cannot claim that the Director of Operations had such authority. (WAYS Exhibit 19)

While WAYS claims the van was donated to the Charter School, the California Certificate of Title issued March 21, 2014, approximately two years after the donation was made, identifies the registered owners as Jason Okonkwo (Director of Operations) and the Merle Williamson Foundation. (WAYS Exhibit 45) A review of WAYS Board Meeting Agendas since 2012 provides no evidence the Board accepted the donation of the van and the 2012 Independent Audit (WAYS Exhibit 31, p. WAYS 000577) fails to identify the donation. The joint ownership of the vehicle presents a financial conflict of interest between the Foundation and the Director of Operations and calls into question which party can materially benefit.

- WAYS partially remedies conflict of interest concerns involving the Director of Operations through the letter from the FPPC. Conflicts of interest related to the lease of the properties owned by the Founder/Former Executive Director (his mother) are remedied; however, the letter does not specify that any other conflict of interest has been resolved. (WAYS Exhibit 10)

- WAYS partially remedies violations related to conflict of interest and related party transactions through the adoption of its new Financial Policies and Procedures Handbook, which now includes a Conflict of Interest statement. (Policy 16) (WAYS Exhibit 17) However, adoption of policies and procedures does not ensure they will be followed.

3. WAYS Violated Provisions of Law.

Summary of NOV:

WAYS violated provisions of law based on evidence that the school failed to submit its 2012 and 2013 Independent Audits to the State Controller's Office, CDE, and LACOE by the December 15 deadline specified in EC § 47605(m) and failed to comply with EC § 8483(a)(2) pertaining to time reporting and EC § 8483.9(a) pertaining to allowable indirect rates charged in administering the After School Education and Safety (ASES) Program.

The NOV provided substantial evidence in support of this finding through examples, citations from source documents including legal references, and NOV Exhibits 8 and 9.

Summary of WAYS' Response to NOV:

WAYS states the finding that its Independent Audits were submitted past the legal deadline is inaccurate because the Charter School requested and received extensions for late submission. WAYS submitted its 2012 Independent Audit on December 31, 2012 and its 2013 Independent Audit on January 15, 2014.

WAYS states that the two issues regarding ASES program compliance (excessive indirect cost rate and failure to document sign-out times of students) were remedied "as soon as the Auditor notified [the school]." (NIR Exhibit B, p. 53)

WAYS submitted Exhibits 31, 32, 47, and 72.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute, remedy, or propose remedy to the substantial evidence provided in the NOV that WAYS violated provisions of law.

- WAYS failed to follow the correct filing extension protocol established by the State Controller's Office ("SCO") in submitting its 2012 Audit. Contrary to WAYS' response that LACOE approved an extension for submitting the 2012 Audit, the school attempted to obtain an extension directly from the SCO and informed LACOE that it had received that extension on December 27, 2012, ten (10) days after the due date. (WAYS Exhibit 72) The SCO does not accept extension requests from charter schools. (NIR Exhibit S) WAYS was notified of its failure to comply with statutory submission timelines (NIR Exhibit DD) and did not respond to the notice.

  WAYS did follow the proper extension procedure for submitting its 2013 Audit. WAYS did not propose a remedy to ensure that future submissions will comply with statutory deadlines.

- WAYS states they cured the violation regarding the ASES program as soon as they were notified by the Auditor. However, WAYS provides no evidence to support the assertion. Therefore, the finding stands.

- Additionally, the NOV (NIR Exhibit A, p. 9) and FCMAT Audit (NOV Exhibit 6, p. 81) state WAYS failed to issue a Form 1099 or W-9 to OSE as required by law. WAYS refutes the statement in the NOV that FCMAT's team could not confirm that OSE is a legitimate business as "ridiculous" (NIR Exhibit B, p. 51), yet provides no evidence to substantiate the legitimacy of OSE and WAYS does not refute that it failed to issue these required tax documents. (NIR Exhibit T) Therefore, WAYS fails to remedy and the finding stands.

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter.

A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.

Summary of NOV:

The WAYS Board committed material violations of Charter Element 4 (Governance), which establishes the Board's responsibilities to provide overall oversight of the school. By not providing general oversight and failing to monitor and evaluate the performance of the Executive Director and Director of Operations, the WAYS Board failed to ensure that these administrators fulfilled their job duties, complied with GAAP, and did not engage in and/or allow fiscal mismanagement to occur. The Board's failure to comply with Element 4, its bylaws and policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement under **I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement.**

Summary of WAYS' Response to NOV:

WAYS questions which version of the school's charter is used to support the NOV, acknowledges there has been turnover on the WAYS Board, and that governance is a concern of the County Board. The response (NIR Exhibit B, p. 53-54) states that in an effort to remedy governance concerns, "the school's board is considering a contract with Celerity that specifically includes board support and services" and that "the WAYS board has also implemented practices to improve the board's effectiveness" by having the "Executive Director, the Director of Operations, and a representative from the school's back office services provider all give extensive status reports at every board meeting…"

WAYS attached Exhibits 27, 48, and 49.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Governing Board failed to exercise fiscal and institutional control.

- The NOV clearly states (NIR Exhibit A, p. 5) that the charter petition referenced is dated December 18, 2012. LACOE and WAYS recently agreed that the May 20, 2014 charter is the operative charter document. All references to the WAYS authorized charter in the NIR refers to the version dated May 20, 2014 (NIR Exhibit H) unless otherwise specified.

- WAYS proposes remedy through its Board's consideration of a contract with Celerity Global Development. (Celerity) This remedy is inadequate for three reasons: (1) "considering a contract" is not a remedy; (2) WAYS failed to provide an executed contract with Celerity; and (3) WAYS fails to explain the services to be provided or how these services will reduce Board turnover and ensure Board "stability."

- WAYS' contention that its Board exercises fiscal and institutional control because the Executive Director, Director of Operations, and a representative of the school's back officer provider "all give extensive status reports at every board meeting" is without merit due to lack of evidence. WAYS' evidence (WAYS Exhibit 27) shows that during school year 2013-14, the WAYS Executive Director, Director of Operations, and a representative of the school's back office provider did <u>not</u> "all give extensive status reports at every board meeting." Specifically, WAYS' evidence shows:

- WAYS fails to provide evidence that the Executive Director and the Director of Operations gave reports at the July 26, 2013, August 29, 2013, and April 3, 2014 Board Meetings.

- WAYS fails to provide evidence that the Executive Director, the Director of Operations, and the back office provider gave reports at the September 26, 2013, October 24, 2013, January 20, 2014, and March 13, 2014 Board Meetings.

- WAYS fails to provide Meeting Minutes for the April 25, 2014, April 30, 2014, May 20, 2014, June 12, 2014, July 9, 2014, and July 30, 2014 Board Meetings. Therefore, WAYS fails to provide evidence that reports were provided by the Executive Director, Director of Operations, and/or a representative of the school's back office provider at those meetings.

- WAYS' evidence (WAYS Exhibit 48) also fails to demonstrate that it's Executive Director, Director of Operations, and a representative of the school's back office provider "all give extensive status reports at every board meeting" because Exhibit 48 only consists of five reports. Four of the reports are dated February 27, 2013; however, the topics covered in these reports were not on the February 28, 2013 Board Meeting Agenda. One report was dated August 10, 2011.

- WAYS' evidence (WAYS Exhibit 49) is nonresponsive to the NOV because it contains samples of Principal and Vice Principal Reports, but does not contain Executive Director, Director of Operations, and back office provider reports.

B. WAYS Board Violated Charter Element 4: Governance

Summary of NOV:

Element 4 of the Charter provides the governance structure of the school and defines the Board's responsibility and authority with regard to its oversight. The NOV provided substantial evidence that:

1. The WAYS Board failed to provide adequate fiscal oversight based on evidence that
   a. It did not establish a Finance Committee as required by the charter
   b. It did not develop adequate Fiscal Policies
   c. It relinquished its authority to approve contracts
   d. It did not provide adequate oversight in the development of the school budget
   e. It improperly authorized the expenditure of school funds
2. It did not establish and/or approve policies prior to implementation
3. It did not hold monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings
4. It did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations

5. The Board President did not provide an annual report to the WAYS Board as stipulated in the charter

A summary of WAYS' response to the NOV and LACOE's Position on WAYS' Response is provided below organized by item number and/or letter in the order stated above.

1. The WAYS Board Failed to Provide Adequate Fiscal Oversight.

(a) WAYS Did Not Establish a Finance Committee

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 14) and NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS states the charter does not require the formation of a Finance Committee under Element 4, but acknowledges the reference in Elements 5 and 9. WAYS contends there is a Finance Committee, or "working group," made up of the "Executive Director, Director of Operations, and back office services provider." WAYS' response (NIR Exhibit B, p. 54) states that this group meets regularly to provide guidance and recommendations to the WAYS Board.

WAYS attached Exhibits 74 and 50.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

- WAYS fails to recognize that Element 4 of the charter incorporates Fiscal Policies by reference (NIR Exhibit, p. 327) and that prior Fiscal Policies required a Fiscal Committee composed of Board members:
  - Fiscal Policies dated 2006 clearly indicate the requirement for a Finance Committee of the Board on the first page of the document. (NOV Exhibit 12, p. 622)
  - Fiscal Policies dated January 31, 2013 state, "The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget **through the Finance Committee**…" (Emphasis added) (NIR Exhibit U, p. 609)
- WAYS admits that a Finance Committee is specified in charter Elements 9 and 5. Element 9 specifically calls for a "School Board Finance Committee." (NIR Exhibit H, p. 373) The April 30, 2014 Financial Policies and Procedures Handbook conflicts with the charter, which is the prevailing document. WAYS' contention that the school's charter does not require the

formation of a finance committee is contradicted by the language of the charter. Therefore, remedy through the Handbook fails.

- Even if a finance committee "working group" provided remedy, WAYS fails to provide evidence that such a "working group" of the "Executive Director, Director of Operations, and back office services provider" exists and functions. WAYS' evidence (WAYS Exhibit 74) consists solely of monthly financial statement narratives signed by the Director of Operations. There is no evidence of any other committee member or that the committee has met. Therefore, the proposed remedy fails.

- WAYS fails to explain how a finance "working group" composed of staff and contractors ensures adequate fiscal oversight of the charter school by the WAYS Board.

- WAYS' evidence (WAYS Exhibit 50) is non-responsive to the fact that the WAYS Board did not establish a Board Finance Committee; Exhibit 50 consists of budgets with no evidence of any type of finance committee review. Therefore, the remedy fails.

(b) The WAYS Board Did Not Develop Adequate Fiscal Policies

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 15-17 and NOV Exhibits 6, 8, and 13 through 16.

Summary of WAYS' Response to NOV:

WAYS states its Board adopted a comprehensive Financial Policies and Procedures Handbook provided by back officer service provider Bali Business Management on April 30, 2014. The Handbook's policies include payroll, purchases, contracts, and budget formation to address issues raised by LACOE staff, and the school has "plans to contract with Celerity" to help it "consistently and effectively implement these Fiscal Policies." (NIR Exhibit B, p. 55)

WAYS attached Exhibits 18 and 51.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

- WAYS fails to refute the statements made in the 2011 Independent Audit (NOV Exhibit 14), the 2012 Independent Audit (NOV Exhibit 8), and the 2013 Independent Audit (NOV Exhibit 9) identifying material weakness and/or significant deficiencies with WAYS' internal controls. Nor does WAYS refute the conclusion that the deficiencies were "systemic." Instead, WAYS focuses on adoption of the April 30, 2014 Financial Policies and Procedures

Handbook as remedy. These new Financial Policies and Procedures fail to remedy as described throughout this NIR.

- WAYS does not refute that it took its Board six months to adopt the Fiscal Policies revised by staff on July 31, 2012, or that the reason for the delay was due to cancelled meetings and the tabling of the action as evidenced by Board Meeting Agendas and Meeting Minutes (NOV Exhibit 13) in spite of the fact that its Independent Auditors and LACOE had informed WAYS of its internal control problems. Nor does WAYS refute that it took another year for WAYS' staff and back office provider to further revise, and the Board to approve, additional changes to the Financial Policies and Procedures Handbook. Therefore, WAYS fails to cure.

- The April 30, 2014 Handbook adopted by WAYS Board fails to adequately remedy the internal control problems identified in the NOV as explained previously (NIR p. 10-11) under **I. WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.** By its adoption of these Financial Policies and Procedures, the WAYS Board demonstrates its lack of understanding of effective fiscal practices, especially with regard to internal controls and the separation of duties necessary to provide effective internal controls.

- WAYS does not refute that LACOE requested revised Fiscal Policies, but states LACOE's evidence (NOV Exhibit 15) does not explicitly request Fiscal Policies. The communications provided in NOV Exhibit 15 document LACOE's attempts to meet and provide support regarding Financial Policies because WAYS had failed to provide LACOE with revised Financial Policies.

- WAYS asserts (NIR Exhibit B, p. 55) that "the school has plans to contract with Celerity" to help it "consistently and effectively implement" its April 30, 2014 Fiscal Policies and Procedures. However, WAYS did not provide an executed contract with Celerity; therefore the "plans" cannot be evaluated and LACOE is unable to determine whether such a contract, if executed, can help the school "consistently and effectively implement" its Financial Policies. Therefore, the proposed remedy fails.

(c) The WAYS Board Improperly Relinquished its Authority to Approve Contracts

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it relinquished its authority to approve contracts by not reserving the right to approve contracts in advance of their execution, reduced its authority in the 2011 bylaw revision, and was inconsistent in its oversight with respect to contract and purchase approval.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 17-19 and NOV Exhibits 13 and 17 through 25.

Summary of WAYS' Response to NOV:

WAYS claims the NOV states the Merle Williamson Foundation should not have amended its bylaws without LACOE staff's express approval. WAYS cites LACOE's staff report to the County Board (June 2011) as recommending the bylaws be amended. WAYS contends it can change its bylaws at the discretion of the Foundation's Board, as long as it is not prohibited by the charter.

WAYS indicates that its current bylaws (dated March 2011) explicitly state that "the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, *by or under the direction of the Board of Directors."* WAYS further states there is nothing in the California nonprofit corporation laws, the school's charter or its Fiscal Policies that would require the bylaws to state that WAYS Board approval is needed for all contracts.

WAYS states the school's charter specifically states it is the Executive Director's responsibility to "oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality."

WAYS also states the WAYS Board exercises its oversight powers and has been active in reviewing and approving the school's major contracts. (NIR Exhibit B, p. 55) It provides details regarding specific contracts referenced in the NOV:

Central Air and Heat System: WAYS states the Director of Operations' comments at the July 31, 2012 Board meeting were misquoted and that the Executive Director signed the contracts three days after the Board approved it. (WAYS Exhibit 22)

Salvation Army Facility Lease: WAYS states the original lease between WAYS and the Salvation Army was approved by the Board on August 10, 2011, and signed on August 25, 2011. (WAYS Exhibit 53) It further states contract renewal has come to the Board each year and contends the Executive Director has the authority to execute the lease. WAYS states that, at LACOE's request, the Board began approving the lease renewal before execution by ratifying the 2013-14 Salvation Army lease on February 3, 2014. (WAYS Exhibit 54) WAYS states the Board will approve the next renewal of the Salvation Army lease prior to execution.

Purchase and Sale of Vehicle: WAYS states "the NOV mischaracterizes the purchase and sale of a school vehicle" and further states the Board approved a written resolution authorizing "the Executive Director or his designee to enter into a lease or purchase agreement for a vehicle for school use." (NIR Exhibit B, p. 22) WAYS states the written, executed Board resolution (WAYS Exhibit 55) is evidence of the Board's action and that the audio recording of the actual action is "trumped" by this record.

Regarding the sale of the school vehicle, WAYS states that the Executive Director instructed the Director of Operations to research a fair sales price and the vehicle was sold. The sale was later ratified by the WAYS Board. (WAYS Exhibit 56) WAYS contends the vehicle was sold for a fair price based on the Director of Operations' research.

Contract for 2013 Independent Audit: WAYS states that the Executive Director informed the Board via email (WAYS Exhibit 57) that the school's former auditor had raised its prices. The response states that, as an effort to save the school money, the Executive Director accepted a proposal and informed the Board of his decision. WAYS states that the Board could have

preapproved the auditors' contract and will do so in the future. The WAYS Board ratified the auditor's contract on February 3, 2014. (WAYS Exhibit 58)

Employment Contracts for Executive Director and Director of Operations: WAYS states that while California law does not require charter school boards to approve all employment contracts, the WAYS Board approves the contract for the Executive Director. (WAYS Exhibit 59) WAYS states it is the Executive Director's job to supervise and evaluate the teachers and classified staff, not the Board's, (WAYS Exhibit 60) and that the Executive Director kept the WAYS Board informed about staff employment contracts through his regular reports to the Board. (WAYS Exhibit 61)

WAYS attached Exhibits 22 and 52 through 61.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board relinquished its authority to approve contracts. Through amendment of its bylaws, the WAYS Board has significantly diminished its authority regarding contracts. While some delegation of management duties is allowed, the Board is ultimately responsible for the activities and affairs of WAYS. California Corporations Code § 5210. This diminishing authority proves that the Board is not effectively managing the activities and affairs of WAYS. The Board is not properly discharging its duty to ensure that public dollars are appropriately spent.

The WAYS Board: (1) has not reserved the right to approve contracts prior to execution; (2) has diminished its authority regarding contracts through adoption of its 2011 bylaws; and (3) is inconsistent with respect to approving contracts and purchases.

- Contrary to WAYS' statement, the NOV does not claim the Merle Williamson Foundation should not have amended its bylaws without LACOE staff approval, rather the NOV provided an explanation to the County Board why it did not have the opportunity to consider WAYS' 2011 bylaws at the time of the Charter School's non-renewal appeal. LACOE agrees that WAYS may change its bylaws as long as the bylaws comply with the charter and applicable law. Changes made to the 2011 bylaws resulted in improper oversight by the WAYS Board.

- WAYS fails to refute that its 2002 bylaws assigned broader authority to the Board than its 2011 bylaws. WAYS states (NIR Exhibit B, p. 55) the 2011 bylaws give the Board the power to manage the corporation "by or under the direction of the Board of Directors." That does not provide a comparison in Board authority between the two sets of bylaws.

- WAYS' contention (NIR Exhibit B, p. 55) that the Executive Director has the responsibility to "Oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality" is not supported by evidence. This responsibility is not stated in the May 20, 2014 version of the charter (NIR Exhibit H) nor does the responsibility as stated give the Executive Director the authority to approve contracts. Therefore, WAYS' argument fails.

- WAYS' claim that the Board has been "active in reviewing and approving the school's major contracts" is not supported by evidence. The NOV presented six contracts as evidence;

WAYS' response confirms that four of them (Salvation Army lease, vehicle sale, Independent Auditor's contract, and Executive Director's contract) were ratified after execution by staff. Board ratification after a contract is executed by staff is not the same as Board review and approval prior to execution by staff.

Furthermore, WAYS' response regarding the 2013 Independent Audit contract is not supported by its evidence. (WAYS Exhibit 57) The response states the Executive Director informed the Board of the past year's auditor's increased price and gave the Board information regarding a less expensive option "to consider" and told the Board the item would be added to the October 24, 2013 Board Agenda. (WAYS Exhibit 57, p. WAYS 861) Based on the Minutes for the October 24, 2013 Board Meeting, (NOV Exhibit 13, p. 797-801) there is no evidence the item was presented to the Board for its consideration. WAYS proposes remedy by stating it will obtain Board approval prior to contracting with an auditor in the future.

WAYS' position on the other two contracts (air conditioning and vehicle purchase) is not accurate as follows:

Air conditioning contracts: WAYS contends the NOV misquotes the Director of Operation's statements at the July 31, 2012 Board Meeting with regard to work on the central heat and air systems. The transcript of the Board Meeting audio recording (NIR Exhibit V, p. 623) provides evidence the NOV does not misquote the Director of Operations' statement to the Board that an air condition construction project was already in progress at the school and that "we started early, before the approval." Therefore, the finding stands.

Vehicle (Lexus) purchase: WAYS fails to refute that the actual motion made by the Board Member at the July 31, 2013 Board Meeting was to "look into" the purchase or lease of a vehicle. WAYS contends the written Board Resolution trumps the actual action taken by the Board; LACOE disagrees. The written Board Resolution must accurately reflect the action moved, seconded and approved by the Board; WAYS failed to do this. The Board Resolution does not accurately reflect the Board's action, and is therefore, not valid. Therefore, the finding stands.

Vehicle (Lexus) sale: The Director of Operations sold the school vehicle without receiving prior Board approval. (NOV Exhibit 21 and 22) Not only did the Director of Operations sell the vehicle without the authority to do so, he did so at a financial loss as the vehicle was sold for $26,000, about $4,000 less than the loan pay off and less than the Kelly Blue Book value for that make/model vehicle with the mileage the Lexus had at the time of the sale. (NOV Exhibit 6, p. 96)

Additionally WAYS' staff did not comply with the Board President's directive regarding paying off the loan prior to the sale of the vehicle, necessary because the vehicle had been financed. The back office provider paid off the vehicle in the amount of $30,345, despite being directed not to do so. When the Board President asked the back office provider why he paid off the loan in spite of her directive to the contrary, he replied, "…they say it was approved by the board." (NIR Exhibit V, p. 75)

A review of WAYS Board meeting agendas, minutes, and supporting documents provides no evidence that the Board was aware of the type of vehicle that had been purchased, its cost or

interest payments. This supports FCMAT's concern that the Capital Expense Analysis the WAYS Board received from its staff failed to provide adequate information for the Board to make an informed decision regarding the sale of the vehicle. (NOV Exhibit 6, p. 96) The Board did not discipline the employees for their failure to provide sufficient information and/or to comply with Board directives is further evidence of the Board's lack of financial control and adequate oversight.

Additionally, as recently as July 9, 2014, the Board failed to approve major contracts before the effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014, providing evidence that the April 2014 Financial Policies and Procedures Handbook does not remedy the Board's lack of financial control and oversight. (NIR Exhibit W)

- WAYS' contention that the Executive Director properly kept the WAYS Board informed about staff employment contracts (WAYS Exhibit 61) is not supported by evidence. WAYS Exhibit 61 contains a single report dated April 30, 2013, which does not correspond to a Board meeting date and is limited to information on salary increase for nine employees. The example is insufficient to support the claim that the Executive Director kept the WAYS board informed about staff employment agreements by including an update on their development in his regular report to the Board.

- WAYS proposes remedy through its April 30, 2014 Financial Policies and Procedures Handbook, which states, "All Contracts exceeding $25,000 should be signed and approved by the board." (WAYS Exhibit 17, p. WAYS 000175) This Handbook is insufficient to remedy the concern regarding Board approval of contracts for two reasons: (1) It uses the word "should" instead of "shall/must," which fails to make approval obligatory; and (2) it does not explicitly state "prior approval."

- WAYS remedied the concern that the Board does not have to approve the Director of Operations' contract through the May 20, 2014 charter, which now has the Director of Operations reporting to the Executive Director and not to the Board.

(d) The WAYS Board Did Not Adequately Oversee the 2013-2014 School Budget

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of WAYS' 2013-14 budget.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 19-21) and NOV Exhibits 13, 26, 27, and 28.

Summary of WAYS' Response to NOV:

WAYS states "The Board oversees the development of the annual budget and provides timely approval" (NIR Exhibit B, p. 57) and that only the final budget requires WAYS Board approval; preparation of the preliminary budget is the responsibility of the Executive Director.

WAYS states the budget was presented to and approved by the WAYS Board on August 29, 2014 (WAYS Exhibit 62) and that during the meeting a question was raised by a Board member regarding a specific line item. At the meeting, the back office service provider was unable to answer the question, so the Board directed the line item be restored to the prior year amount and then approved the budget. WAYS states the change in the line item is reflected in the minutes of that meeting and these minutes were approved on October 24, 2013. (WAYS Exhibit 63)

WAYS attached Exhibits 19, 62, and 63.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of the school's 2013-14 budget.

- LACOE agrees that only the final budget requires board approval; however, LACOE's finding in the NOV (NIR Exhibit A, p. 19-20) was that the final approved budget submitted to LACOE did not reflect the Budget the WAYS Board approved at its August 29, 2013 Meeting.

  While LACOE concurs with WAYS' statement that a Board member asked for the restoration of line item 5890 to the prior year's level, the request is reflected in the minutes, and is substantiated by the transcript of the August 29, 2013 Board Meeting (NIR Exhibit V p. 627-634), the final approved budget submitted to LACOE (WAYS Exhibit 62, p. WAYS 000896) shows that line item 5890 (the line item in question) was not adjusted. It remained $128,724 in spite of the Board's directive that it be changed to the previous year's level until such time as an explanation for an increase could be provided to the Board. Line item 5890 was $10,000 in the 2012-13 budget. (NIR Exhibit X)

  WAYS fails to refute the evidence in the NOV that an explanation for an increase was never provided to the Board in spite of the Board's repeated requests. Therefore, the finding stands.

  WAYS cannot show that its Board exercised proper oversight of the budget because the WAYS Board was not cognizant that the final budget submitted to LACOE did not reflect the budget as they approved it. This further substantiates the Board's lack of oversight of its Executive Director and Director of Operations.

- Additional evidence of the Board's lack of adequate budget oversight comes from its failure to approve the 2013-14 Title 1, Special Education, and Afterschool Education and Safety (ASES) budgets. Approval of these budgets was on the February 3, 2014 Board Meeting Agenda; however, meeting minutes and the audio recording of the meeting indicates action was postponed to a future meeting. A review of Board Meeting Agendas and Minutes for the remainder of the 2013-14 school year indicates these budgets were never approved. (NOV Exhibit 13 and WAYS Exhibit 27)

(e) The WAYS Board Improperly Authorized the Expenditure of School Funds

Summary of NOV:

The WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 21 and NOV Exhibits 6 and 13.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 57) the "Board did not authorize any improper expenditures of School funds." The school contends the findings related to performance based stipends are without merit. The Board approved the stipends on February 27, 2014, after a report from the Executive Director. (WAYS Exhibit 64) The Executive Director's report states that employees "are awarded stipends by performing extracurricular tasks, taking on leadership roles and good attendance habits that are beyond and beyond what is required." WAYS contends that the stipends were a proper expenditure of school funds and LACOE's conclusion that the approval of the stipends was a Brown Act violation was incorrect.

WAYS attached Exhibits 37, 64, and 65.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violation provided in the NOV that the WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

- LACOE agrees with WAYS that a teacher and/or other staff member could be compensated for extra duty assignments. However, for such compensation to not be a gift of public funds, the employer must document the service is not part of the employee's stated job duties or completed during regular working hours; WAYS does not provide this evidence. Additionally, there must be a record that the duties were in fact performed; WAYS does not provide this evidence. Therefore, WAYS fails to remedy the findings stated in the NOV.

  LACOE does not agree stipends can be given for attendance. Employees are compensated for attendance through their regular employment agreement. Therefore, getting a stipend to fulfill a regular contract duty is not an appropriate expenditure of public funds. Based on WAYS' evidence (WAYS Exhibit 64) the Board gave employees stipends for "attendance" and thus misused public funds.

- WAYS fails to refute the Charter School had no evidence that funds were owed to the Founder/Former Executive Director. WAYS states the expenditure was made after receipt of a demand letter (WAYS Exhibit 37) and on the advice of legal counsel, protected by

attorney-client privilege, and their insurance carrier. One letter from the insurance company requests documentation; the other denies the claim. (WAYS Exhibit 38) Therefore, WAYS fails to provide adequate support for its argument, and the finding in the NOV stands.

- There is additional evidence that the Board improperly authorized expenditures of school funds after the NOV was issued based on the July 9, 2014 Board Meeting (WAYS Exhibit 27):

  - WAYS Board improperly approved an expenditure of funds through its "amendment" to the Executive Director's 2013-14 employment agreement. The amendment states, "There shall be no specific number of days that must be worked. Instead, Employee will be a full-time exempt employee who will be expected to continue to devote the time and energies necessary to fulfill the job requirements as under the existing Agreement…. Employee shall be entitled to paid time off and leave for illness at the same amount per year of employment as set forth in the Agreement. However, this leave shall accrue on a pro-rated basis." (NIR Exhibit W) The amendment is improper because it fails to provide a basis for calculating salary, offers prorated benefits without specifying a method for determining the proration, and lacks a method for documenting the number of days worked and, therefore, the number of benefit days earned.

  - WAYS Board improperly approved the expenditure of funds through its independent contractor consulting agreement with the former Director of Operations. The contract provides the former Director of Operations be paid an hourly rate of $100 but does not provide a contract end date, a "not to exceed" amount (by dollar figure or number of hours) or a written scope of work to be performed. (NIR Exhibit W)

    This agreement also violates Policy #4 (Contracting) of the April 30, 2014 Policies and Procedures Handbook (WAYS Exhibit 17), providing additional evidence that the Handbook is an insufficient remedy, WAYS Board is not providing adequate fiscal oversight, and the Board continues to misappropriate public funds.

2. The WAYS Board Did Not Establish and/or Approve Polices Prior to Implementation.

Summary of NOV:

The WAYS Board did not establish and/or approve policies prior to implementation based on substantial evidence that it did not develop and approve sufficient Fiscal Policies, personnel policies, or approve policies before implementation and/or submission to LACOE.

The NOV provided substantial evidence in support of this finding through examples (NIR Exhibit A, p. 21-22) and NOV Exhibits 13 and 25.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 58) "the Board has approved a comprehensive set of school policies" and "a full set of WAYS policies currently in place" (WAYS Exhibit 73) and its current Financial Policies and Procedures Handbook (WAYS Exhibit 17) has been attached. WAYS contends that it submits all approved policies to LACOE.

WAYS attached Exhibits 17 and 73.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board did not establish and/or approve policies prior to implementation and/or submission to LACOE.

- WAYS fails to provide evidence that the policies submitted in WAYS Exhibit 73 were approved by the WAYS Board before they were implemented by WAYS staff.

- WAYS fails to state policies will be Board approved prior to staff implementation in the future; therefore, it fails to propose future remedy.

- April 30, 2014 Financial Policies and Procedures Handbook does not guarantee implementation as documented throughout the NIR; therefore, it is insufficient remedy.

3. The WAYS Board Did Not Appropriately Hold Meetings

Summary of NOV:

The WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings based on evidence that it (1) held an insufficient number of Regular Meetings; (2) does not publish a schedule of regular meetings through its website or school calendar; and (3) relies on special meetings to conduct its regular business.

The NOV provided substantial evidence in support of the finding through examples, a chart outlining Board Meeting Dates and citations from the December 18, 2012 Charter and 2011 bylaws. (NIR Exhibit A, p. 22-24)

Summary of WAYS' Response to NOV:

WAYS states, "Over the past 3 years the WAYS board has in fact held meetings at least once each month as required under its bylaws for nearly every month." (NIR Exhibit B, p. 58) WAYS' response emphasizes that LACOE failed to mention this detail in the NOV.

WAYS states that its Board publishes a schedule of regular meetings each year and the schedule is available to the public and provided to LACOE staff.

WAYS attached Exhibits 27 and 67.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings.

- WAYS does not refute NOV evidence that the Board conducts most of its business at special, not regular meetings; (NIR Exhibit A, p. 22) that the Board's annual schedule of regular meetings is not published on the school's website or through the school calendar; or that its

bylaws require the school to hold "regular meetings" monthly. (NOV Exhibit 17) Therefore, the NOV findings stand, including noncompliance with the Brown Act.

- WAYS states it publishes its meeting schedule, but provides no evidence to substantiate that claim. WAYS does submit a schedule of meetings to LACOE each year; however, this schedule is frequently revised and special meetings are substituted for regular meetings as described in the chart presented in the NOV. (NIR Exhibit A, p. 23-24) Special meetings do not afford the public the same notice as regular meetings, thereby limiting the public's ability to participate. A February 16, 2012 email from the Executive Director to LACOE (NIR Exhibit Y) provides evidence that the meeting schedule was removed from the school's website and that that meetings are scheduled based on Board availability, which is not always predictable.

- The Board continued its pattern of not adhering to its regular meeting schedule, even after the NOV was issued, through the end of the 2013-14 school year. Between April and June 2014, the Board continued its pattern of canceling one-third of its regular scheduled meetings and replacing them with special or revised regular meeting dates as shown in the chart below. For the 2013-14 school year, WAYS held six of its regular meetings and changed its regular meeting schedule twice after submitting the schedule to LACOE in August 2013. (NIR Exhibit Z)

Analysis of WAYS Regular and Special Board Meetings: April 2014 – June 2014		
Calendared Regular Meeting Dates	Meeting Held	Notes
April 25, 2014	Yes	
May 29, 2014	No	The 2013-14 schedule of Board meetings sent to LACOE on January 31, 2014 included a May 29, 2014 meeting. A revised schedule sent by the school administration omitted the May date. A Special Meeting was held on May 20, 2014.
June 26, 2014	No	Special meeting held June 12, 2014. For June 26, 2014 meeting, no agenda received 72 hours prior. An email from the Executive Director states the meeting was rescheduled for June 27, 2014. Agenda received for June 27, 2014; June 27, 2014 email from Executive Director stated the meeting was cancelled due to lack of a quorum.
2013-14 Summary:	**Calendared Regular Meetings held 6 of 12 months.**	

- The Board's failure to hold its June 26, 2014 Meeting resulted in two major contracts being approved after their effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014. (NIR Exhibit W)

4. The WAYS Board Did Not Provide Proper Oversight of Key Administrators

Summary of NOV:

The WAYS Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

Failure to provide oversight of its key administrators is evidence the Board did not assume its duty of care or fulfill the terms of the charter with respect to oversight of its administrative employees. The NOV provided specific examples of how the Board failed to provide adequate oversight of the Founder/Former Executive Director, the Executive Director, Director of Operations, and the Vice Principal.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 charter and NOV Exhibits 6, 10, 13, and 29.

Summary of WAYS Response to the NOV:

WAYS states the Board provided adequate oversight of school management personnel. It addresses the performance of the Executive Director and Director of Operations and the school's plan to replace the individuals in these positions.

WAYS did not attach any Exhibits.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute the substantial evidence provided in the NOV that its Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

- WAYS provides no evidence to supports its assertion that it provided proper oversight of its management personnel. Therefore, the finding stands.

- WAYS does not refute that it failed to conduct performance evaluations of its Executive Director and Director of Operations. Therefore, the finding stands.

- WAYS does not dispute, and therefore fails to remedy, findings pertaining to the Board's lack of oversight of its management personnel including the Founder/Former Executive Director and the Vice Principal. The failure of the Board to effectively monitor the activities of key management personnel resulted in a misuse of public funds as documented. (NOV Exhibits 6, 10, 13, and 29)

    - WAYS fails to refute that its Founder/Former Executive Director constructively discharged a teacher, resulting in a costly wrongful termination lawsuit. The Board took no action against the Founder/Former Executive Director.

    - WAYS fails to refute that its Vice Principal violated her employment contract and thereby misused public funds by simultaneously operating and working at her private school while receiving a full time salary including earning pension benefits from WAYS. The Board took no action against the Vice Principal, even though she publicly acknowledged her association with the private school through multiple Internet postings. (NOV Exhibit 29) The Vice Principal continues to be employed by WAYS.

- WAYS proposes a remedy to its lack of Board oversight of its school management personnel, but this remedy only partially addresses the violation.

    - Establishing an evaluation policy and procedure to evaluate the Executive Director in the future would provide a remedy if implemented; however WAYS fails to provide evidence of such. LACOE review of the policy and procedure is unnecessary; WAYS' only obligation is to submit the policy to LACOE as required by the MOU.

    - Replacing the current Executive Director and Director of Operations is not a sufficient remedy to lack of oversight because replacing employees does not guarantee the Board will provide adequate oversight of future employees. Additionally, both the Executive Director and Director of Operations continue to be employed and/or compensated by WAYS; therefore, the remedy has not been implemented.

5. The WAYS Board President Did Not Provide Appropriate Annual Reports

Summary of NOV:

The WAYS Board President did not provide an annual report to the WAYS Board as required by the charter.

The NOV provided substantial evidence in support of the finding through NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS did not respond to this issue.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to respond to the issue. Therefore, there is no remedy and the finding stands.

C. The WAYS Board and its Employees Violated Charter Element 5: Employee Qualifications (Section 5.2)

Summary of NOV:

The Executive Director and Director of Operations violated their duties as stated in the charter, Element 5. (Employee Qualifications)

The Executive Director violated his duties based on evidence that he: (1) failed to facilitate optimum performance of the Board, its committees, and individual members; (2) failed to oversee the financial systems of the organization; and (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, the administrative overseer to the charter schools the County Board of Education authorizes. County Board Policy 0420.1.

The Director of Operations violated his duties based on evidence that he: (1) failed to purchase parts and materials at a reasonable quality and at a reasonable price; (2) failed to prepare final recommended budgets; and (3) failed to participate in the development and implementation of the annual budget related to personnel matters and position control, did not authorize

expenditures in accordance with established limitations, and did not revise the budget for board consideration when there was a material change in the approved budget.

Charter citations in this section of the NOV (NIR Exhibit A, p. 26-27) came from the charter dated December 18, 2012. Since the date of the NOV, WAYS and LACOE have come to an agreement that the charter petition submitted on May 20, 2014 complies with the conditions of authorization. While the job descriptions for these positions have been modified somewhat, the May petition includes the same basic responsibilities and duties for the positions. The one material difference is that the Director of Operations no longer reports to the Board, but to the Executive Director.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 Charter, and NOV Exhibits 6, 9, 13, 25, and 30 through 37.

Summary of WAYS Response to the NOV:

WAYS states that the exact description of the duties of the Executive Director and Director of Operations are one of the issues subject to the arbitration. WAYS further states that the Executive Director "has overseen the school's business practices, instructional program and classroom management" (NIR Exhibit B, p. 59) and that he gives oral reports at every Board meeting.

Regarding the removal of WAYS Board President Tolbert, WAYS states that neither the Executive Director nor the School Site Council (SSC) removed her from office. Rather, the SSC made this recommendation to the WAYS Board, and the Board subsequently approved the recommendation.

Regarding the finding that the WAYS Director of Operations violated his duties, WAYS reiterates their previously stated position regarding the purchase of the school vehicle and the relationship between WAYS and OSE. It also states, "LACOE staff misquoted a report made to the [WAYS] Board regarding performance based stipends." WAYS contends this report was actually made by the Executive Director, not the Director of Operations." (NIR Exhibit B, p. 60)

Regarding the 2013-14 budget, WAYS contends (NIR Exhibit B, p. 60) the "Director of Operations transmitted the preliminary budget to LACOE on July 3, 2013 as required under the MOU, the school's charter and California Law." The response further states that the budget was approved by the Board on August 29, 2013, and included the revision made to the questioned line item discussed previously. WAYS states that this is its standard procedure for getting the annual budget approved and the Director of Operations properly implemented this timeline.

WAYS attached Exhibits 48 and 68.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the Executive Director and Director of Operations violated their duties based on the specific examples and evidence provided in the NOV.

- WAYS does not refute the evidence provided in the NOV that shows the Executive Director: (1) failed to facilitate optimum performance of the Board, its committees, and individual members based on the evidence provided in the NOV; (2) failed to oversee the financial systems of the organization based on the evidence provided in the NOV, or (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, to whom the County Board delegates the administrative function of providing oversight to the charter schools the County Board authorizes under County Board Policy 0420.4. Therefore, the findings stated in the NOV stand.

- LACOE's position on WAYS' response that the Executive Director gave monthly reports to the Board to fulfill his reporting responsibilities was provided under **II. A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.** (NIR p. 21-22)

- WAYS' response that neither the Executive Director nor the School Site Council (SSC) removed the Board President is non-responsive to the NOV. The NOV states the Executive Director "acted with the Director of Operations to remove two Board members, improperly using the WAYS School Site Council." WAYS fails to refute the evidence that the Executive Director and Director of Operations brought this recommendation to the SSC at its January 23, 2014 meeting (NOV Exhibit 31) thereby using their influence to bring about the SSC recommendation. Additionally, WAYS fails to refute the evidence provided in the NOV that the Executive Director posted fliers calling for the removal of the Board members. (NOV Exhibit 33) Therefore, the findings stated in the NOV stand.

- WAYS does not refute the evidence provided in the NOV that the Director of Operations violated his duties based on evidence he failed to purchase parts and materials at a reasonable quality and at a reasonable price, that he failed to prepare final recommended budgets, and failed to authorize expenditures in accordance with established limitations. (e.g. payments to OSE, DDS, and purchase of a luxury vehicle for school use) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Director of Operations followed the correct timelines and procedures for submitting the budget is non-responsive to the NOV's finding that the final 2013-14 budget submitted to LACOE was not revised to reflect the budget approved by the WAYS Board on August 29, 2013 (WAYS Exhibit 62) as discussed previously in this NIR under **I. 1. WAYS Lacks Effective Internal Controls.** (NIR p. 13)

- WAYS' response that LACOE misquoted a report made to the Board regarding performance based stipends is non-responsive to the evidence presented in the NOV that the Director of Operations failed to participate in the development and implementation of the annual budget related to personnel matters and position control based on providing an inaccurate report to the Board at its February 27, 2014 Meeting. (NOV Exhibits 13 and 35) The action item was the 2013-14 employment agreements, not the performance stipends.

Concerns Regarding the General Capacity to Operate a Charter School

Summary of NOV:

Based on the evidence provided in the NOV, LACOE has serious concerns regarding the lack of capacity and accountability demonstrated by the WAYS Board and administration, which raises larger questions about their ability to exercise sound judgment and conduct fiduciary oversight of the school as follows:

First, the WAYS Board lacks an understanding of its roles and responsibilities and has not taken a sufficiently active and proactive role in decision making and oversight. The Board lacks the breadth of knowledge necessary to oversee the use of public funds; it relies on the administration for its information and its administrators have not provided the Board with necessary and timely information. In fact, there is evidence staff has thwarted Board efforts to obtain information when it has attempted to exercise its oversight responsibilities.

Second, the WAYS Board failed to make necessary changes to address and correct audit findings that recurred over multiple years. When Board members attempted to institute changes that might have led to correction, including holding administrators accountable, they were met with resistance or they were removed from their positions on the Board or forced to resign due to hostility. (NOV Exhibits 38 and 13)

Third, the WAYS Board demonstrates questionable governance by failing to evaluate and discipline its administrators despite repeated evidence that management staff failed to fulfill the requirements of their job descriptions and repeated notice from the LACOE and the County Board that there were serious concerns about the school's operations. By failing to evaluate administrators and provide adequate direction and oversight, the Board demonstrated a lack of accountability on its part and failed to require accountability from its administrators.

Fourth, LACOE has grave concerns regarding the capacity of the WAYS Board to fulfill its responsibilities to the public due to its failure to establish and maintain a regular schedule of meetings. Additionally, board turnover and the lack of preparation and accurate information from administrators and consultants, has led to inconsistent Board practices and oversight, with matters needing timely action being deferred multiple times and over multiple months, leaving administrators to make decisions and take actions without Board approval.

LACOE concurs with the 2010-11 Independent Auditor's Report, which states the problem is "*systemic*" and the FCMAT Audit, which states, "*There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.*" (NOV Exhibit 6, p. 100)

Comments made by the Director of Operations at the February 3, 2014 WAYS Board Meeting (NIR Exhibit V, p. 643) demonstrate how the administrator misrepresented the role of the Executive Director and the chain of command within the organization; he was not corrected by the Executive Director. His statement supports those made by the former Board President to FCMAT) that "One of the Board members thought [the Director of Operations] was their boss" and "management is emboldened to act the way they do because nobody stopped them." (NIR Exhibit FF, p. 789)

The NOV provided substantial evidence in support of these finding through examples, citations from source documents and NOV Exhibits 13 and 38.

Summary of WAYS' Response to NOV:

WAYS states its Board "is comprised of respected community members with decades of experience in education and business," (NIR Exhibit B, p. 60) that its current Board is "very strong;" and that the Board has recently expanded by "two new, experienced board members." (NIR Exhibit B, p. 2) (WAYS Exhibit 1)

WAYS states that Board members take an Oath of Office which requires each member to "commit to enhancing their own individual education for the overall benefit of the school," (WAYS Exhibit 69) attend retreats together, (WAYS Exhibit 70) and receive comprehensive trainings from legal counsel including Brown Act Compliance, conflicts of interest, and best practices for charter school management. (WAYS Exhibit 71)

WAYS concludes by stating, "The WAYS Board has consistently provided necessary oversight and guidance that has allowed the school to prosper, and with support from Celerity, we believe this will continue to improve." (NIR Exhibit B, p. 27)

WAYS attached Exhibits 1 and 69 through 71.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that there are concerns regarding WAYS Board general capacity to operate a charter school.

- Although WAYS reports adding two new experienced Board members, WAYS only provides information for one Board member (WAYS Exhibit 1) whose resume indicates she has no previous board experience. Additionally, one Board member who joined the Board in February 2014 has attended only one meeting. (NOV Exhibit 13 and NIR Exhibit AA)

- WAYS does not refute NOV evidence showing a pattern of Board member resignations and terminations resulting from their efforts to make changes responsive to audit findings. (NOV Exhibit 38) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Board receives training does not override the evidence that the Board has not provided effective oversight. In fact, documentation of training was prior to the NOV, which indicates the training has been ineffective based on documented evidence of continued findings since the NOV was issued. Although the response states (NIR Exhibit B, p. 2) that a full day of Board training would take place in August 2014, WAYS stated that no evidence training was provided.

- WAYS denies that staff did not fulfill their responsibilities but provides insufficient evidence to support the claim as described throughout this NIR. Additionally, WAYS fails to disprove that the Board demonstrated a lack of accountability on its part and failed to required accountability from its administrators. It proposes remedy by contracting with Celerity; however, this remedy is insufficient as described through this NIR.

- WAYS proposes remedy to engage the support of Celerity; however, that remedy has not been implemented. No contract was been approved by the Board; to the contrary, at the July 30, 2014 Board Meeting, WAYS Board tabled making a decision on the contract. Until such

time as a contract is approved and the details specified, LACOE cannot determine whether such a contract could result in remedy. Furthermore, the fully executed Monitoring and Oversight Memorandum of Understanding between WAYS and LACOE has specific requirements to be fulfilled prior to entering into a contract with a management company. (NIR Exhibit BB, p. 8 and 14)

Response to Claims of Unfair Treatment and Retaliation

WAYS' response contains several allegations of unfair treatment and purported retaliation by LACOE staff. These allegations are baseless and an attempt to distract from the fact that WAYS' response fails to cure or propose remedy to cure the significant violations identified in the NOV.

WAYS allegation that the FCMAT audit was initiated by the LACOE Superintendent to "target and persecute the school's founder Kendra Okonkwo and family" is false and offensive. EC § 1241.5(b) specifically gives the Superintendent authority to initiate an audit when there is reason to believe that "fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination." The Extraordinary Audit AB139 Intake Form (WAYS Exhibit 13) states substantial grounds for such an audit. The results of the FCMAT Audit and WAYS' Independent Audits prove that such a review was necessary. LACOE has repeatedly attempted to help WAYS remedy its fiscal deficiencies and WAYS has not been receptive to such assistance.

LACOE has produced all public documents concerning the investigative report of the Vice Principal of WAYS. The production and correspondence between counsel is included as NIR Exhibit C. As counsel for LACOE repeatedly stated, the video records are not in the possession, custody, or control of LACOE. LACOE has produced the written report to WAYS as requested.

WAYS' allegation that LACOE Charter School Office staff has been accompanied by "armed bodyguards…each and every time" they made a site visit during school hours "over the past three years" is false. LACOE Charter School Office staff has never been accompanied by a bodyguard while making a site visit during school hours.

At the October 24, 2013 WAYS Board Meeting, the WAYS Director of Operations displayed threatening and erratic behavior including shouting "get out and do not come back," and turning off the room lights creating a safety hazard for Board members attempting to leave the room. (NIR Exhibit EE, p. 785; NOV Exhibit 25, p. 946)

After the October 24, 2103 Board Meeting, the WAYS Board President filed a restraining order against the Director of Operations (NIR Exhibit FF, p. 792) and, for safety reasons, made arrangements to hold subsequent meetings at a local police station community center. (NOV Exhibit 2, p. 38)

The next Board Meeting was held on January 29, 2014 at the police station community room. LACOE staff attended the meeting and witnessed the Director of Operations' loud and threatening behavior toward WAYS Board members. The police officers overseeing the meeting ordered the Director of Operations to "stand back" from the table where Board members were seated. At the conclusion of the meeting, these same police officers instructed LACOE staff to wait for the police to escort them to their cars due to the volatile nature of the meeting.

The April 25, 2014 Board Meeting was held at WAYS' Manchester site, after school hours. LACOE staff attended the meeting to present the FCMAT Audit to the WAYS Board. Due to safety concerns prompted by the Director of Operations' behavior at the prior meeting, LACOE staff was accompanied by an off-duty police officer who properly displayed his identification.

The allegation that a LACOE staff member stated that WAYS should hire a Latino administrator because Latino parents want to see the face of the community is false. On June 5, 2013, LACOE's Director of Accountability, Support and Monitoring sent correspondence to WAYS stating that LACOE staff did not make this statement and clarifying what was said during the meeting at issue. At the meeting, when WAYS' recruitment of Latino students was discussed, LACOE staff commented that other charter school administrators have reported that it can be helpful for the school's leadership team to reflect the ethnic and racial composition the school is striving to achieve. (NIR Exhibit CC) WAYS did not refute the June 5, 2013 correspondence.

Academic Analysis[2] Pursuant to EC § 47607(c)(2)

Pursuant to EC § 47607(c)(2), the authorizing entity shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. Based on the data presented below, WAYS has not demonstrated consistent increases in pupil achievement since the charter school began operation. Upon consideration of this information, good cause exists to issue this Notice of Intent to Revoke.

The metrics used for this analysis were:

- Academic Performance Index (API) Data
- Adequate Year Progress (AYP) Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

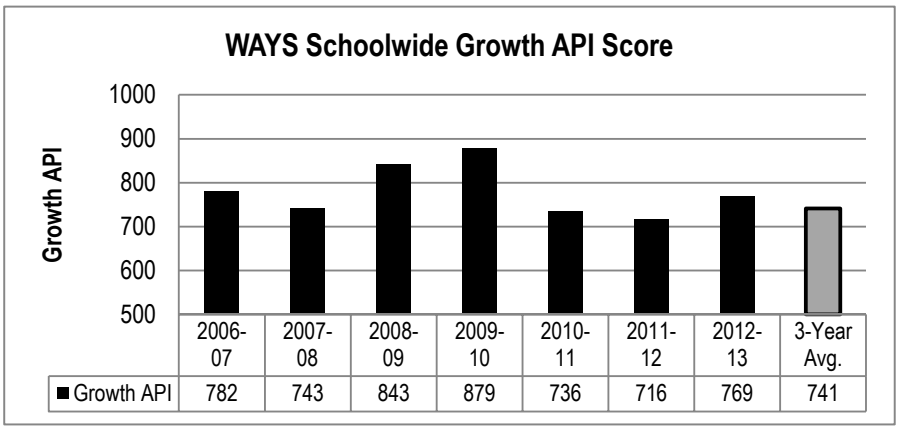
API Data

WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
2006-07	782	N/A	N/A	6	**
2007-08	743	No	--	5	**
2008-09	843	Yes	Yes	8	**
2009-10	879	Yes	Yes	9	**
2010-11	736	No	No	2	1
2011-12	716	No	No	1	1
2012-13	769	Yes	Yes	3	7
3-year average[3]	741	No Growth Targets Established	No Growth Targets Established	No Ranks issued by CDE	No Ranks issued by CDE

[2] The source for all data reported in this section is from the California Department of Education, DataQuest (Retrieved 7-21-14 from: http://dq.cde.ca.gov/dataquest/) unless otherwise indicated.

[3] 2013-14 API calculations were suspended. The California Department of Education (CDE) issued a three-year average (years 2011, 2012 and 2013) in place of a 2014 API. The weighted average was used for all schools in this report.

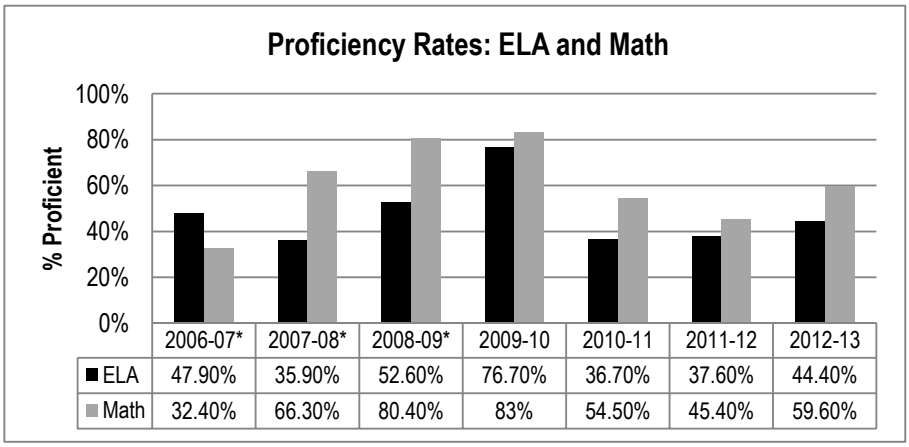
WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
*WAYS has 5 numerically significant student groups: Black/African American; Hispanic/Latino; Socioeconomically disadvantaged; English Learners; and Students with Disabilities.					
N/A=2006-07 was WAYS first year of operation. No growth targets established.					
**= Less than 100 students tested. Similar schools ranks are not calculated for small schools.					
-- = Student groups not numerically significant due to size of school. No growth targets established.					



Analysis: A review of WAYS Growth API scores, Growth Target data, and Statewide and Similar Schools Ranks from 2006-07 to 2012-13 shows:

- The school's Growth API peaked in 2009-10 (879), declined in 2010-11 and 2011-12, and despite an increase in 2012-13, is 110 points below its 2009-10 level.
- The school's 3-year weighted average API is 741, below its initial API of 782.
- The school met its Growth Targets schoolwide and for all numerically significant student groups in 3 of 6 years.

Proficiency Rates in English-Language Arts and Math



Analysis: Proficiency rates in English-Language Arts (ELA) and math as measured by the California Standards Test (CST) is determined by the number of students testing proficient or above on the CST and is reported in the Adequate Yearly Progress (AYP) report for each school.

The AYP report shows WAYS has not increased pupil academic achievement in ELA or math. The proficiency rate for ELA decreased from 76.7% in 2009-10 to 44.4% in 2012-13. The math proficiency rate decreased from 83% in 2009-10 to 59.6% in 2012-13. The CST was not administered in 2013-14.

English Learner (EL) Redesignation Rates

WAYS English Learner Redesignation Rates				
Year	**# ELs**	**% EL**	**# Redesignated**	**% Redesignated***
2006-07	1	0.7%	N/A: 1st year of operation; therefore, no prior year count.	
2007-08	11	7.5%	0	0%
2008-09	31	17.5%	8	72.7%
2009-10	14	5.9%	10	32.3%
2010-11	52	19.5%	12	85.7%
2011-12	73	15%	0	0%
2012-13	85	16.3%	35	47.9%
2013-14	166	30.9%	1	0.9%
*This percent is calculated by dividing the number of redesignated students by the prior year's EL count then multiplying by 100.				

Analysis: There has not been an increase in the redesignation rates of ELs attending WAYS. Redesignation rates are inconsistent, and in 2011-12 and 2013-14, the rate was less than 1%.

Additionally, DataQuest shows WAYS failed to report California English Language Development Test (CELDT) Annual Assessment data for 2009-10, 2010-11 and 2011-12. EC § 313 mandates that ELs be tested with the CELDT annually. State law and WAYS' charter require CELDT scores to be used as a criterion for redesignation. In the absence of CELDT scores for these three years, the school failed to follow its charter and the law regarding redesignation of ELs.

Conclusion: A review of the Growth API score, proficiency rates in ELA and math and EL Redesignation rates indicates that WAYS has not had increases in pupil academic achievement for all groups of pupils.

Resident and Comparison School Data

In addition to reviewing WAYS pupil academic achievement data over time, LACOE also analyzed the school's performance against that that of its resident schools (those WAYS students would otherwise be required to attend) and its comparison schools. (elementary schools located within LAUSD that were on the school's 2012 Similar Schools List and are, therefore, demographically similar)

The metrics used for this comparison were:

- 3-Year Average Weighted API Scores
- Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

The charts below compare WAYS academic performance to that of its resident and comparison schools.

3-Year Average API

3-Year Average API (weighted): WAYS and Resident Schools							
School	% of WAYS' Enrollment*	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
McNair (CUSD)	2.56%	814	823	806	814	806	698
96th Street	3.49%	809	747	827	810	801	525
Russell	10.70%	754	673	763	754	738	572
South Park	17.91%	743	644	759	745	734	558
Parmelee Ave	7.21%	743	682	746	743	691	532
WAYS	**--**	**741**	**732**	**767**	**739**	**753**	**548**
Wisdom Elem.	9.30%	738	682	742	738	702	532
93rd Street	7.2%	720	661	736	720	720	531
McKinley Ave	8.14%	720	672	731	720	711	464
Dr. Owen Knox	3.49%	708	639	726	709	704	477
Miramonte	2.56%	693	--	693	694	662	486
107th Street	3.26%	685	623	704	678	690	518
Judith F. Baca	2.56%	661	557	676	661	662	524

*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014
All schools are located within LAUSD except McNair. (Compton USD)

Analysis: WAYS has a 3-year weighted average schoolwide API of 741. It ranks 6th in relation to its 12 resident schools. Based on February 2014 enrollment data provided by the school, about 41.8% of its students would otherwise attend a school with a higher 3-year weighted average schoolwide API.

For numerically significant student groups, WAYS ranks 3rd (of 11 schools) for Black/African American students; 3rd (of 12 schools) for Hispanic/Latino students; 6th (of 12 schools) for Socioeconomically Disadvantaged students; 3rd (of 12 schools) for English Learner students; and 4th (of 12 schools) for Students with Disabilities.

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Maywood	871	--	873	870	847	755
Brooklyn Ave.	822	--	824	823	781	613
Yorkdale	803	--	795	800	773	709
Miles Ave	786	--	786	786	757	548
Grand View Blvd.	783	844	769	778	759	643
Cienega	779	714	790	780	774	641
Bassett St.	777	784	773	777	753	552
Lassen	774	--	766	771	749	654
Haddon Ave.	772	--	772	771	738	680

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Rosemont	770	--	753	770	747	608
Santa Monica Blvd. Community Charter^	761	--	756	764	742	561
Union Ave.	760	--	760	760	739	502
Vinedale	756	--	764	756	757	598
Limerick Ave	755	717	741	753	724	493
Lenicia B. Weemes	753	--	769	755	740	642
Frederick Douglass Academy^	748	--	713	754	--	633
WAYS^	**741**	**732**	**767**	**739**	**753**	**548**
Jaime Escalante	741	--	742	744	700	607
Camellia Ave.	733	--	732	733	707	662
Harrison St.	708	--	710	709	675	591

*LAUSD comparison schools based on WAYS' 2012 Similar School Report
^=Charter school

Analysis: WAYS has a 3-year weighted schoolwide API average of 741. It is outperformed by 15 of its 19 comparison schools.

For numerically significant student groups, WAYS ranks 3rd (of 5 schools) for Black/African American students; 11th (of 19 schools) for Hispanic/Latino students; 17th (of 19 schools) for Socioeconomically Disadvantaged students; 8th (of 18 schools) for English Learner students; and 16th (of 19 schools) for Students with Disabilities.

Proficiency Rates-Annual Measureable Objectives

Proficiency rates are based on a school's California Standards Test (CST) results in English-Language Arts (ELA) and Math and reported on the Adequate Yearly Progress (AYP) report as Percent Proficient-Annual Measureable Objectives. The 2013 proficiency goals were 89.2% for ELA and 89.5% for math. WAYS proficiency rate was 44.4% in ELA and 59.6% in math.

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	% Proficient ELA	School (% of WAYS' Enrollment)	% Proficient Math
NCLB Goal	**89.2%**	**NCLB Goal**	**89.5%**
96th Street (3.49%)	54.7	McNair (2.56%)	70.1
McNair (2.56%)	53.9	96th Street (3.49%)	69.8
Russell (10.70%)	45.8	**WAYS**	**59.6%**
WAYS	**44.4%**	Russell (10.70%)	56.9
Parmelee Ave (7.21%)	40.9	Parmelee Ave (7.21%)	54.0
McKinley Ave (8.14%)	39.5	Wisdom Elem. (9.30%)	52.2
South Park (17.91%)	39.1	Dr. Owen Knox (3.49%)	49.8
Wisdom Elem. (9.30%)	36.6	McKinley Ave (8.14%)	48.6
Dr. Owen Knox (3.49%)	35.6	South Park (17.91%)	46.6
Miramonte (2.56%)	34.4	Miramonte (2.56%)	41.9

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	**% Proficient ELA**	**School (% of WAYS' Enrollment)**	**% Proficient Math**
93rd Street (7.2%)	31.0	Judith F. Baca (2.56%)	41.9
107th Street (3.26%)	29.3	93rd Street (7.2%)	40.2
Judith F. Baca (2.56%)	27.0	107th Street (3.26%)	35.1
*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all resident schools are within LAUSD except McNair (Compton USD)			

Analysis: In relation to its resident schools, WAYS ranks 4th in ELA and 3rd in math.

2012-13 Proficiency Rates: WAYS and Comparison Schools*			
School	**% Proficient ELA**	**School**	**% Proficient Math**
NCLB Goal	**89.2%**	**NCLB Goal**	**89.5%**
Maywood	64.4%	Brooklyn Ave.	73.6%
Frederick Douglass Academy^	59.1%	Maywood	76.4%
Brooklyn Ave.	58.1%	Santa Monica Blvd. Com. Charter^	66.2%
Cienega	53.8%	Lassen	64.7%
Yorkdale	52.3%	Grand View Blvd.	64.5%
Santa Monica Blvd. Com. Charter^	49.9%	Cienega	62.7%
Grand View Blvd.	48.4%	Limerick Ave	60.6%
Lassen	47.4%	**WAYS^**	**59.6%**
Jaime Escalante	46.6%	Union Ave.	59.5%
Vinedale	46.5%	Yorkdale	59.1%
Miles Ave	45.4%	Vinedale	57.7%
Bassett St.	44.6%	Haddon Ave.	57.5%
WAYS^	**44.4%**	Bassett St.	57.4%
Union Ave.	44.2%	Miles Ave	57.3%
Limerick Ave	44.0%	Camellia Ave.	53.8%
Lenicia B. Weemes	43.9%	Lenicia B. Weemes	53.4%
Haddon Ave.	43.8%	Jaime Escalante	53.1%
Rosemont	42.7%	Rosemont	50.5%
Camellia Ave.	37.7%	Frederick Douglass Academy^	50.1%
Harrison St.	30.2%	Harrison St.	43.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report ^=Charter school			

Analysis: In relation to its comparison schools, WAYS ranks 13th in ELA and 8th in math.

English Learner Redesignation Rates

For school-year 2013-14, WAYS redesignated 0.9% of its EL population to Redesignated-Fluent English Proficient (R-FEP) status.

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	**% Redesignated**	**% English Learners**
Dr. Owen Knox (3.49%)	17.4%	42.6%
107th Street (3.26%)	16.7%	47.1%

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	**% Redesignated**	**% English Learners**
Judith F. Baca (2.56%)	16.1%	47.4%
96th Street (3.49%)	15.8%	38.4%
Russell (10.70%)	15.0%	51.5%
McNair (2.56%)	12.4%	29.6%
Parmelee Ave (7.21%)	11.0%	45.5%
Miramonte (2.56%)	12.2%	57.5%
93rd Street (7.2%)	11.6%	49.5%
Wisdom Elem. (9.30%)	10.8%	50.3%
McKinley Ave (8.14%)	10.8%	49.7%
South Park (17.91%)	9.9%	47.3%
WAYS	**0.9%**	**30.9%**
LAUSD (93.4%)	13.9%	27.4%
LA County (100%)	13.3%	23.8%
State (100%)	12.0%	22.7%
*Based on WAYS'2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all schools with LAUSD except McNair (Compton USD)		

Analysis: In relation to its resident schools, WAYS ranks below all 12 schools. WAYS also ranks below the State, County, and District in which it is located. (LAUSD)

2013-14 English Learner Redesignation Rates: WAYS and Comparison Schools*		
School	**% Reclassified**	**% English Learners**
Brooklyn Ave.	78.1%	33.3%
Yorkdale	19.8%	24.6%
Rosemont	19.1%	40.2%
Maywood	18.7%	41.5%
Lenicia B. Weemes	17.1%	38.3%
Cienega	15.4%	49.9%
Haddon Ave.	15.0%	45.1%
Vinedale	14.5%	43.0%
Harrison St.	14.4%	46.8%
Camellia Ave.	13.8%	48.4%
Union Ave.	12.8%	65.7%
Grand View Blvd.	12.4%	48.3%
Limerick Ave	11.3%	49.3%
Lassen	10.9%	44.0%
Bassett St.	10.8%	51.2%
Jaime Escalante	10.0%	52.7%
Miles Ave	9.2%	57.5%
WAYS^	**0.9%**	**15.0%**
Frederick Douglass Academy^	0%	7.0%
Santa Monica Blvd. Com. Charter^	0%	63.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report		^=Charter school

Analysis: In relation to the 20 schools in this comparison group, WAYS redesignation rate ranks 18th.

Conclusion

The County Board has determined that WAYS has failed to cure the violations set forth in the June 3, 2014 NOV. WAYS' assertion that its recently adopted Fiscal Policies remedy the fiscal concerns set forth in the NOV fails because the policies are inadequate as detailed above. WAYS' proposed remedies of evaluating the Executive Director, adding new Board members, and proposing to contract with Celerity also do not resolve the concerns detailed in the NOV and this NIR. Substantial evidence exists to support the identified grounds

Accordingly, the County Board hereby issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to the governing board of WAYS. If the County Board revokes the WAYS' charter, following the public revocation hearing, based on violations of law and fiscal mismanagement, WAYS will not continue to qualify as a charter school for funding and for all other purposes during the pendency of an appeal. EC § 47607(i).

The date and time specified for a public hearing concerning revocation is as follows:

DATE:	**October 21, 2014**
TIME:	**3:00 p.m. unless otherwise posted**
LOCATION:	**Los Angeles County Office of Education** **Conference Center** **12830 Columbia Way** **Downey, CA 90242**

Service

Upon the County Board's approval of issuance of the Notice of Intent to Revoke and Notice of Facts in Support of Revocation at the regularly scheduled board meeting, to be held in open session in accordance with the Brown Act, on September 23, 2014, the County Superintendent of Schools shall issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to:

Armando Espinoza, Board Chair
Edward Cabil, Executive Director
Wisdom Academy for Young Scientists
706 East Manchester Blvd.
Los Angeles, California 90001
Email: Armando.espinoza.10@my.csun.edu and edcabil@sbcglobal.net

Board Meeting — September 23, 2014

Item VII. Consent Calendar Recommendations

A. Adoption of Board Resolution No. 4: 2014-15, Authority to Render Zoning Ordinance Inapplicable

The Superintendent recommends the County Board approve the attached resolution which will allow LACOE to open a County Community School at:

440 West Anaheim Street, Long Beach CA 90813

Rationale
Government Code 53094 allows the governing board of a school district, by vote of two-thirds of its members, to render a city or county zoning ordinance inapplicable for use of a property for school purposes.

The Division of Student Programs - Alternative Education wishes to operate a County Community School at the above referenced location and the owner has offered to lease this building to LACOE.

The City of Long Beach Zoning Department and the City Attorney's Office have acknowledged the Board of Education's power to set aside its zoning ordinance and have indicated no objection.

RESOLUTION
NO: 4: 2014-15

WHEREAS The Los Angeles County Office of Education has a need for a suitable site for a County Community School in the City of Long Beach; and

WHEREAS the facility listed below has been identified that meets the criteria of Section 1986 of the Education Code, providing for an exemption from the Field Act requirements for structural safety:

SITE NAME	ADDRESS	TYPE OF STRUCTURE
Willows Academy CCS	440 W. Anaheim Street Long Beach, CA 90813	1 story concrete, wood roof type 5 frame construction

WHEREAS the City of Long Beach has advised that its local zoning ordinance may interfere with the intended use of the property as a County Community School; and

WHEREAS Government Code 53094 authorizes the Board of Education to render the zoning ordinance of the City of Long Beach inapplicable to the County Superintendent's use by two-thirds vote; and

WHEREAS the Board of Education has balanced the interests of the City of Long Beach with the zone of the subject property as commercial retail and the interests of the County Superintendent's use as a County Community School. The proposed use as a County Community School is not inconsistent with local zoning and would be to the benefit of the local community by providing this educational facility; and

BE IT FURTHER RESOLVED, that the Board of Education by a two-thirds vote thereby renders the Zoning Ordinance of the City of Long Beach inapplicable to the County Superintendent's use as a County Community School and directs the County Superintendent to notify the City of Long Beach within ten (10) days pursuant to Government Code Section 53094.

ADOPTED this 23rd day of September 2014, by the Los Angeles County Board of Education in Downey, California.

Board Meeting — September 23, 2014

Item VII. Consent Calendar Recommendations

B. Approval for the Opening of a non-conforming County Community School

The Superintendent recommends that the County Board approve the opening of a non-conforming County Community School at:

440 West Anaheim Street, Long Beach CA 90813

Rationale
Education Code Section 1986 requires the County Board of Education to review a report submitted by a structural engineer certifying that substantial structural hazards do not exist prior to approving the lease. Section 1986 further requires the Board of Education to reject the report if there is any evidence of fraud regarding the facts in the report.

The Division of Student Programs - Alternative Education wishes to operate a County Community School at the above referenced location and the owner has offered to lease this building to LACOE. The building was constructed in 1960, single story with wood beam, wood bowstring trusses and type 5 framed construction.

Wheeler & Gray Structural Engineers recommend compression struts added at all of the “T-bar” splay wire locations in order to make the subject building suitable for use as a County Community School.

A copy of the Wheeler & Gray Structural Report is attached hereto.

WHEELER & GRAY, INC
CONSULTING ENGINEERS

June 23, 2014
W&G #S14237

FIELD INVESTIGATION REPORT

Willow CCS
440 W. Anaheim Blvd.
Long Beach, CA 90807

INTRODUCTION

This report was made at the request of Mr. Ron Brettin of the Los Angeles County Office of Education (LACOE). The investigation was conducted on June 20, 2014. The purpose of the investigation was to review and evaluate visible portions of the structural system of the existing building and provide an opinion as to the integrity of the structure for use as a classroom building.

DESCRIPTION OF FACILITY

The subject facility, which was constructed in 1960, is a one-story building type 5 framed building (see photos #1 & #2-north and south elevations respectively). The building structure is approximately 63'x96' in overall plan dimensions with a roof height of approximately 14 ft. The building's roof is composed of plywood sheathing supported by 2x rafters, wood beams and wood bowstring trusses (see photos #3 & #4). The exterior walls and the lateral resisting system are composed of stucco plaster and it is assumed that the foundation is composed of a typical spread footing system.

INVESTIGATION

Our investigation consisted solely of a visual walk through the areas of the buildings that were accessible. No tests, analyses or exact measurements were made. Original structural and architectural plans were not available for review.

FINDINGS

Based on the site visit the following items were noted:

1. The exterior stucco appeared to be in good condition with no signs of excessive cracking.

2. The lateral resisting system of stucco plaster shear walls is adequate for seismic loading based on the type of structural framing system.

3. The existing "t-bar" ceiling is properly hung and braced per code requirements but it appears as though the splay wires have an insufficient amount of compression struts.

850 SIERRA MADRE VILLA AVE, SUITE 320 – PASADENA – CALIFORNIA – 91107 – (626) 432-5850

4. The flush lights in the "t-bar" system are independently hung as required by code.

5. Interior partitions appear to be adequately braced to the roof framing with metal studs.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the visual walk-through, the buildings appear to be in generally good condition for the period of time in which it was constructed. No signs of distress in any of the structural systems that were visible were observed. It is our opinion that the subject property can be used for a "Community School" if compression struts are added (as noted in item #3 in "Findings") at all of the "t-bar" splay wire locations (typically 12 ft. o.c.).

GENERAL

This report is based on a visual examination of the exposed areas of the structure. No tests, destructive or non-destructive were made. Drawings of the original construction were not available and no exact measurements were obtained. The inspection was made solely to assist in evaluating the structural integrity of the building. Neither the investigation nor this report is intended to address mechanical, electrical, plumbing, or architectural features.

The findings and recommendations in this report represent conditions found at the time of the investigation and were prepared in accordance with generally accepted professional engineering principles, practices and judgment. No warranty is expressed or implied.

Respectfully submitted,

WHEELER & GRAY, INC.

Les E. Schulz, Principal, S.E.

650 SIERRA MADRE VILLA AVE., SUITE 300 □ PASADENA □ CALIFORNIA □ 91107 □ (626) 432-5850

Photo #1 Anaheim Blvd.-Front Elevation

Photo #2 South Elevation

650 SIERRA MADRE VILLA AVE., SUITE 300 □ PASADENA □ CALIFORNIA □ 91107 □ (626) 432-5850

Photo #3 Roof Framing

Photo #4 Roof Framing

650 SIERRA MADRE VILLA AVE., SUITE 300 □ PASADENA □ CALIFORNIA □ 91107 □ (626) 432-5850

Board Meeting – September 23, 2014

Item VII. Consent Calendar Recommendations

C. Acceptance of Project Funds No. 3

The Superintendent recommends that the County Board accept the funds for the following project. The Restricted Funding Summary is attached.

Project	**Amount Awarded**	**Funding Period**
Achieving Comprehensive Excellence	$ 50,000	08/25/14-06/30/15

GD RECD 9/15/14 3:00pm

Los Angeles County Office of Education
Leading Educators • Supporting Students • Serving Communities

RESTRICTED FUNDING SUMMARY

Instructions: All prospective grants and income contracts are subject to Cabinet review and approval. *As soon as a grant or income contract is being considered*, complete and scan and e-mail to Gerarde_Roberta@lacoe.edu *or* deliver this form to Grants Development EC-106, *or* fax to 562-940-1662. Please call 562-922-6112 for further guidance or information.

CHECK AS APPROPRIATE				
☐ Grant	☑ Income Contract	☐ Other	☐ New	☐ Renewal

DIVISION/UNIT	PROPOSER	TELEPHONE NUMBER
CIS/FEIL	Liz Guerra	562922-8781

PROJECT TITLE (PER FUNDER)
Achieving Comprehensive Excellence

FUNDING SOURCE
Head Start
~~Head Start~~ Long Beach USD ☐ State ☑ Federal ☐ Private ☐ Other

ANTICIPATED OR ESTIMATED AMOUNT OF GRANT OR CONTRACT	DUE DATE	FUNDING PERIOD
$50,000.00		From 08/25/14 To 06/30/15

REQUIRED: Maximum Indirect Cost and/or Administrative Cost (%) Allowed by Funding Agency

INDIRECT AND/OR ADMINISTRATIVE COST ALLOWED BY THE FUNDER (%)	ATTACH DOCUMENTATION OF INDIRECT AND/OR ADMINISTRATIVE COST TO THIS FORM (E.G. THE PAGE FROM THE GUIDELINES OR CONTRACT) OR INCLUDE A WEB LINK TO THE REFERENCE HERE
7.75 %	

Project Summary

The Achieving Comprehensive Excellence (ACE) initiative is designed to enhance ECE classroom instruction, improve school readiness outcomes for children, promote parent partnerships, and foster a culture of organizational quality. To carry out this charge, ACE nurtures the following roles in those it serves: On-going learner; Communicator; Coach/Mentor; and Resource Provider. For this initiative, Instructional Leaders (ILs) are defined as the program staff that are in a position to directly lead, train, and coach teachers in enhancing quality in the early childhood education classroom.

Consistency with LACOE Strategic Opportunities [please check appropriate box(es)]

- ☐ Customer Service to Internal and External Clients
- ☐ Fiscal Accountability and Human Resource Management
- ☑ School Readiness, 0-5
- ☐ Services to Districts and Schools to Increase Student Achievement
- ☐ Educational Services for LACOE Students

Potential Benefits

Provide capacity building support to Long Beach Head Start Educational Supervisors in the areas of instructional leadership, using and analyzing CLASS data and instructional strategies supporting CLASS behavioral markers in the early childhood education classroom.

Collaborators (include collaborators/partners as needed)

Long Beach Head Start

RECEIVED
SEP 15 REC'D
OFFICE OF THE ASSISTANT SUPERINTENDENT
EDUCATIONAL SERVICES

Other Comments/Considerations

SIGNATURE OF PROPOSER	SIGNATURE OF PROPOSER'S SUPERVISOR (IF APPLICABLE)	DATE
		09/15/14
SIGNATURE OF DIVISION DIRECTOR		DATE
		9/15/14

Grants Development and GPM Use Only

SIGNATURE OF ASSISTANT SUPERINTENDENT	DATE SIGNED	SIGNATURE OF SUPERINTENDENT	DATE SIGNED
	9-15-14	Carlos Delgado	9.17.14

AMOUNT AWARDED	NOTIFICATION OF FUNDING DATE	BOARD ACCEPTANCE OF FUNDS DATE	DENIAL DATE

☐ Project Funding Route Sheet ☐ Consent Calendar Recommendation
☐ Part B ☐ Part S Account # Assigned _____

Form No. 201-021 Rev. 04/04/2011

LOS ANGELES COUNTY OFFICE OF EDUCATION
ACCOUNTING & BUDGET DEVELOPMENT
Grants Project Management

Proposed Project Summary and Staffing Plan

NAME OF PROJECT
Achieving Comprehensive Excellence Program Services
FUNDING PERIOD
August 25, 2014-June 30, 2015

PROPOSED BUDGET	PROJECTED REIMBURSABLE	LACOE IN-KIND	LACOE MATCHING	OTHER (i.e. local income)	TOTAL (ROUND)
1000 Certificated Salaries					$ -
2000 Classified Salaries	16,684				**16,684**
3000 Employee Benefits	9,854				**9,854**
4000 Books and Supplies	1,000				**1,000**
5000 Contract Services & Other Oper. Exp.	15,904				**15,904**
5700 Interprogram Direct Cost	1,570				**1,570**
6000 Sites, Buildings and Equipment					
7000 **Documented** Support Costs					
SUB-TOTAL (Round Off)	$ 45,012	$ -	$ -	$ -	$ **45,012**
Indirect Support **	3,488				**3,488**
3% Reserved Funds	1,500				**1,500**
TOTAL (Round)	**$ 50,000**	$ -	$ -	$ -	$ **50,000**

v

*Matching funds are identified as the cash outlay for program costs that will not be reimbursed by the funding agency.
** Details of Indirect Support:

INDIRECT SUPPORT	PERCENT	AMOUNT (Subtotal)
Office Standard (Federal Restricted Rate)	7.75%	$ 3,488
Indirect Requested (Excludes Pass Through)		
Maximum Indirect Allowed by Funding Agency		

Note: _____

**Total Allocated Support and Indirect must not exceed Federal Restricted Indirect Rate.

Form No. 204 -410 Rev. 9/2002 (GASB 34)
Prepared by: LS
Approved: _____

Board Meeting – September 23, 2014

Item VIII. Recommendations

A. Approval of Head Start Community Assessment

The Superintendent is requesting that the County Board of Education agree with his recommendation to approve the Head Start-State Preschool Division's 2016-19 Comprehensive Community Assessment.

The Policy Council and division staff presented a summary of key findings, implications, and program decisions based on the information included in the community assessment on September 16, 2014.

Community assessment data is used to determine the following:

1. Grantee's philosophy, goals, and objectives
2. Services that are most needed and the program option(s) that will be implemented
3. Recruitment areas
4. Location of centers, family child care homes, and home-based programs
5. Criteria for recruitment and enrollment of children served

Ms. Yolanda Benitez, Chief Academic Officer, and Keesha Woods, Director, Head Start-State Preschool Division will be available to answer questions.

Board Meeting – September 23, 2014

Item VIII. Recommendations

B. Approve the Superintendent's Recommendation to Issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to Education Code Section 47607(e).

The Superintendent recommends that the Los Angeles County Board of Education adopt the written finding of facts based on the evidence provided and take action to issue a *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* pursuant to Education Code 47607(e).

The *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* to WAYS is attached to the Report Item dated September 23, 2014.

Board Meeting – September 23, 2014

Item VIII. Recommendations

C. Appointment to California School Boards Association (CSBA) Delegate Assembly and California County Boards of Education (CCBE) Board of Directors

The Superintendent recommends that the Los Angeles County Board of Education take action to appoint a representative to the CSBA Delegate Assembly and CCBE Board of Directors.

A current vacancy exists to fill the current two-year term, which ends on March 31, 2016. The deadline for submission of the County Board's appointment is Friday, October 10, 2014.

csba
California School Boards Association

September 16, 2014

MEMORANDUM

To: Superintendent and Board President – Los Angeles COE
Copy: Region 21 Director Bennett Kayser and Heidi Weiland, CCBE President
From: Josephine Lucey, CSBA President
Re: Your Appointment to CSBA Delegate Assembly – Requires Board Action

As you know, for many years, your Board's appointed representative to CSBA's Delegate Assembly was Rudell Freer who served as the County Delegate for Region 21, which is comprised of both the Los Angeles USD and the Los Angeles COE. With Rudell Freer's recent departure from the Board, you now have vacancy to fill.

According to CSBA's Standing Rule 52: "If there is only one county board within a geographic region, that board may appoint one of its members to the county Delegate position. The county Delegate position from the Los Angeles County Board of Education shall be allocated to Region 21. However the county Delegate may participate in any one of the Los Angeles County regions he or she chooses."

In addition to serving on CSBA's Delegate Assembly, county Delegates also serve on the California County Boards of Education (CCBE) Board of Directors. CCBE is a statewide organization providing educational leadership serving the unique needs of all county boards of education in California. There are three CCBE Board of Directors meetings per year: at the CSBA Delegate Assembly meeting in May, the Fall Conference in September, and CSBA's Annual Education Conference in late November or early December.

Attached you will find the appointment form, a biosketch form for the appointee to complete and meeting dates for 2014 and 2015. Please do not hesitate to contact CSBA's Leadership Services department should you have any questions. We look forward to hearing from you soon. Thank you.

Attached:

- Appointment Form
- Candidate Biographical Sketch Form
- 2014 and 2015 Meeting Dates for the Delegate Assembly

Charlyn Tuter
Program Manager
California School Boards Association | California County Boards of Education
3251 Beacon Blvd| West Sacramento, CA 95691
Tel 916.669-3281| Fax 916.371-3407
mailto:ctuter@csba.org| www.csba.org | www.theccbe.org

csba
California School Boards Association

EXECUTIVE COMMITTEE, BOARD OF DIRECTORS & DELEGATE ASSEMBLY 2014 MEETING CALENDAR

(As of 8/20/13)

DATE	DAY(S)	MEETING	LOCATION
JAN 24	FRI	EXECUTIVE COMMITTEE	SACRAMENTO
JAN 25-26	SAT-SUN	BOARD OF DIRECTORS	SACRAMENTO
MAR 21	FRI	EXECUTIVE COMMITTEE	SACRAMENTO
MAR 22-23	SAT-SUN	BOARD OF DIRECTORS	SACRAMENTO
MAY 15	THUR	EXECUTIVE COMMITTEE	SACRAMENTO
MAY 16	FRI	BOARD OF DIRECTORS	SACRAMENTO
MAY 17-18	SAT-SUN	DELEGATE ASSEMBLY	SACRAMENTO
SEPT 26	FRI	EXECUTIVE COMMITTEE	SACRAMENTO
SEPT 27-28	SAT-SUN	BOARD OF DIRECTORS	SACRAMENTO
DEC 11	THUR	EXECUTIVE COMMITTEE	SAN FRANCISCO
DEC 12	FRI	BOARD OF DIRECTORS	SAN FRANCISCO
DEC 13-14	SAT-SUN	DELEGATE ASSEMBLY	SAN FRANCISCO
DEC 14-16	SUN-TUES	ANNUAL CONFERENCE	SAN FRANCISCO

HOLIDAYS (OFFICE CLOSED)

Wednesday, January 1	New Year's
Monday, January 20	Martin Luther King Day
Monday, February 17	Presidents Day
Monday, May 26	Memorial Day
Friday, July 4	Independence Day
Monday, September 1	Labor Day
Tuesday, November 11	Veterans Day Observance
Thursday, November 27	Thanksgiving Day
Friday, November 28	CSBA Holiday
Thursday, December 25	Christmas Day

csba
California School Boards Association

EXECUTIVE COMMITTEE, BOARD OF DIRECTORS
&
DELEGATE ASSEMBLY

2015 MEETING CALENDAR

DATE	DAY(S)	MEETING	LOCATION
FEB 6	FRI	EXECUTIVE COMMITTEE	SACRAMENTO
FEB 7-8	SAT-SUN	BOARD OF DIRECTORS	SACRAMENTO
MAR 27	FRI	EXECUTIVE COMMITTEE	SACRAMENTO
MAR 28-29	SAT-SUN	BOARD OF DIRECTORS	SACRAMENTO
MAY 14	THUR	EXECUTIVE COMMITTEE	SACRAMENTO
MAY 15	FRI	BOARD OF DIRECTORS	SACRAMENTO
MAY 16-17	SAT-SUN	DELEGATE ASSEMBLY	SACRAMENTO
SEPT 25	FRI	EXECUTIVE COMMITTEE	SACRAMENTO
SEPT 26-27	SAT-SUN	BOARD OF DIRECTORS	SACRAMENTO
NOV 30	MON	EXECUTIVE COMMITTEE	SAN DIEGO
DEC 1	TUES	BOARD OF DIRECTORS	SAN DIEGO
DEC 2-3	WED-TH	DELEGATE ASSEMBLY	SAN DIEGO
DEC 3-5	THUR-SAT	ANNUAL CONFERENCE	SAN DIEGO

csba
California School Boards Association

Delegate Assembly Appointment Form

Mail to: CSBA | Attn: Leadership Services | 3251 Beacon Blvd., West Sacramento, CA 95691 | or fax 916.371.3407

CSBA Region/Subregion # 21 /____

The Board of Education of the _____
(School District or COE)

wishes to appoint: _____ **to the**
(Appointee)

CSBA Delegate Assembly term beginning immediately upon appointment **through** March 31, 2016.

- ☐ The appointee has consented to this appointment, and
- ☐ Attached is the appointee's required one-page, single-sided candidate biographical sketch form and optional one-page, single-sided résumé, or
- ☐ The appointee's required one-page, single-sided candidate biographical sketch form and optional one-page, single-sided résumé will be sent by the deadline date.

_____ _____
Board Clerk or Board Secretary (signed) *Date*

_____
Board Clerk or Board Secretary (printed)

PLEASE NOTE: The appointment and candidate biographical sketch forms must be returned, faxed to (916) 371-3407 or mailed with U.S.P.S. postmark to CSBA, Attn: Leadership Services, 3251 Beacon Blvd., West Sacramento, CA 95691. Please contact CSBA Leadership Services at (800) 266-3382 should you have any questions. Thank you.

Appointed Delegate Assembly Biographical Sketch Form

Mail to: CSBA | Attn: Leadership Services | 3251 Beacon Blvd., West Sacramento, CA 95691 | or fax 916.371.3407

Please complete, sign and date this **required one-page** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this **one-page** candidate form will **not** be accepted.

Name: _____ CSBA Region: _____

District or COE: _____ Years on board: _____

Contact Number: _____ E-mail: _____

Are you a continuing Delegate? ☐Yes ☐ No If yes, how long have you served as a Delegate?

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

Your signature indicates your consent to serve as an appointed CSBA Delegate.

_____

Signature *Date*

Board Meeting – September 23, 2014

Item IX. Informational Items

A. Governmental Relations

Dr. Delgado will provide an update on Governmental Relations.

Board Meeting –September 23, 2014

Item IX. Informational Items

B. Board Committee / Liaison Reports

Board members serving as Committee/Liaison representatives will report on their activities.

Board Meeting — September 23, 2014

Item IX. Informational Items

C. Los Angeles County Board of Education Meeting Schedule, Establishment of Meeting Times, Future Agenda Items, Follow up

Board meetings scheduled for 2014-2015 are listed on the following pages. The calendar is presented for discussion, to establish meeting times, and to receive Board members' requests for future agenda items.

This process will facilitate planning for Board meetings.

09/23/2014

LOS ANGELES COUNTY
BOARD OF EDUCATION
MEETING CALENDAR

September 23, 2014 – June 30, 2015

SEPTEMBER 23 2014

2:00 Board Curriculum, Instruction and Assessment Committee Meeting
3:00 Board Meeting

Rpt: Report on the Wisdom Academy for Young Scientists: Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to Education Code Section 47607(e)

Consent Rec: Adoption of Board Resolution No. 4: 2014-15, Authority to Render Zoning Ordinance Inapplicable

Consent Rec: Approval for the Opening of a non-conforming County Community School

Consent Rec: Acceptance of Project Funds No. 3

Rec: Approval of Head Start Community Assessment

Rec: Approve the Superintendent's Recommendation to Issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientist (WAYS) Pursuant to Education Code Section 47607(e)

Rec: Appointment to California School Boards Association (CSBA) Delegate Assembly and California County Boards of Education (CCBE) Board of Directors

Interdistrict Attendance Appeals

~~1. Itzel Z. v. Los Angeles USD # (Spanish Interpreter)~~
~~2. Diana B. v. Los Angeles USD * (Spanish Interpreter)~~
~~3. Kevin C. v. Los Angeles USD * (Spanish Interpreter)~~
4. Brianna C. v. Redondo Beach USD
~~5. Armando M. v. Torrance USD *~~
6. Stephanie P. v. Las Virgenes USD
~~7. Joshua S. v. Los Angeles USD~~
~~8. Adrian V. v. Los Angeles USD *~~
~~9. Olivia V. v. Los Angeles USD *~~
~~10. Lawrence C. v. Los Angeles USD~~
~~11. Precious C. v. Los Angeles USD~~
~~12. Loveday C. v. Los Angeles USD~~
~~13. Shavar H. v. Los Angeles USD *~~
~~14. Ayah L. v. Los Angeles USD #~~
~~15. Karyle G. v. Los Angeles USD~~
~~16. Samantha B. v. Los Angeles USD *~~
~~17. Monteserrat H. v. Los Angeles USD *~~
~~18. Jason H. v. Los Angeles USD *~~
~~19. Jameesha H. v. Los Angeles USD #~~
~~20. Ernie O. v. Los Angeles USD *~~
~~21. Brittney O. v. Los Angeles USD *~~
~~22. Beau O. v. Los Angeles USD *~~
~~23. Ashton O. v. Los Angeles USD *~~
~~24. Drew O. v. Los Angeles USD *~~
~~25. Braydon O. v. Los Angeles USD *~~
~~26. Marie D. v. Los Angeles USD *~~
~~27. Kimberlyn D. v. Los Angeles USD *~~
~~28. Ivette I. v. Los Angeles USD *~~

***Pending Appeal Hearing**
#1000 Schools List
AB – AB2444

OCTOBER 7 **2014**

2:00 Board Finance Committee Meeting
3:00 Board Meeting
Public Hearing (Time Certain 4 p.m.): Textbooks and Instructional Materials Sufficiency in Educational Programs (10-month schools)
Consent Rec: Adoption of Board Resolution No.5: 2014-15 - GANN Limit
Rpt: Report on Textbooks and Instructional Materials Sufficiency for Educational Programs (10-month schools)
Rec: The County FY 2014-15 Budget to Actuals Report with Budget Revisions
Rec: Adoption of Board Resolution No. 6 for 2014-15 Textbooks and Instructional Materials Sufficiency Compliance for Educational Programs (10-month schools)
Interdistrict Attendance Appeals

1. Andrea P. v. Los Angeles USD *(Spanish Interpreter)
2. Andrea H.R. v. Los Angeles USD * (Spanish Interpreter)
3. Jacquelyn S. v. Inglewood USD
4. Amiyah T. v. Los Angeles USD
5. Gabriela M. v. Los Angeles USD *
6. Lauryn-Marie L. v. Los Angeles USD
7. Lilith M. v. Los Angeles USD *
8. Katelyn C. v. Los Angeles USD *
9. Adrian M. v. Los Angeles USD
10. Rene M. v. Los Angeles USD
11. Daniel R. v. Los Angeles USD
12. Nathan R. v. Los Angeles USD
13. Diego C. v. Los Angeles USD
14. Lucas B. v. Los Angeles USD
15. Luna P. v. Los Angeles USD *
16. Asante M. v. Los Angeles USD
17. Nea M. v. Los Angeles USD
18. ~~Airy V. v. Los Angeles USD * (Spanish Interpreter)~~
19. ~~Nejmah L. v. Los Angeles USD * (Spanish Interpreter)~~
20. ~~Evelyn L. v. Los Angeles USD * (Spanish Interpreter)~~
21. ~~Jeffrey G. v. El Rancho USD * (Spanish Interpreter)~~
22. ~~Matthew G. v. El Rancho USD * (Spanish Interpreter)~~
23. ~~Michael G. v. El Rancho USD * (Spanish Interpreter)~~
24. ~~Nasreen K v. Lawndale SD *~~
25. ~~Kaylie C. v. Los Angeles USD *~~
26. ~~Rebecca V. v. Los Angeles USD *~~
27. ~~Andre V. v. v. Los Angeles USD *~~
28. ~~Daniella V. v. Los Angeles USD *~~
29. ~~Jason G. P. v. Los Angeles USD *~~
30. ~~Brandon P. v. Los Angeles USD *~~
31. ~~Damian P. v. Los Angeles USD *~~
32. ~~Laila M. v. Los Angeles USD *~~
33. ~~Jonushik M. v. Los Angeles USD *~~
34. ~~Riley S. v. Los Angeles USD *~~
35. ~~Desiree B. v. Los Angeles USD *~~
36. ~~Sophia A. v. Los Angeles USD *~~

OCTOBER 14 **2014**

2:00 Board Policy Committee Meeting
3:00 Board Meeting
Rpt: Williams Uniform Complaint Procedure Quarterly Report for Educational Programs, July 1 to September 30, 2014
Interdistrict Attendance Appeals

1. Suleica L. v. Los Angeles USD (Spanish Interpreter)
2. Jonathan A. v. Torrance USD *
3. Catherine S. v. Los Angeles USD *
4. Lauren D. v. Los Angeles USD *
5. Eleni Z. v. Los Angeles USD *
6. Daniel S. v. Los Angeles USD *
7. Krista A. v. Los Angeles USD *

OCTOBER 21

2:00 Board Curriculum, Instruction and Assessment Committee Meeting
3:00 Board Meeting

***Pending Appeal Hearing**
#1000 Schools List
AB – AB2444

NOVEMBER 4 **2014** 2:00 Board Finance Committee Meeting 3:00 Board Meeting **Consent Rec:** Adoption of Board Resolution #__: 2014-15 Spending Plan for Education Protection Act Funds **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **Expulsion Appeals** 01. Case #1314-007 v. Los Angeles USD (Closed Session) **NOVEMBER 11** *(Veteran's Day)* No Meeting	**NOVEMBER 18** **2014** 2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Rpt:** Williams Legislation 2014 Annual Report on Finding of 2013-14 School Visits and Monitoring (ASM) **Rec:** Approval of the Single Plans for Student Achievement (Title I) for Educational Programs, Soledad Enrichment Action (SEA) Charter School, and the Group Homes and Foster Family Agencies Served under the Los Angeles County Office of Education Title I Programs

DECEMBER 2 **2014** 2:00 Board Finance Committee Meeting 3:00 Board Meeting **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **DECEMBER 9** 11 -1:00 p.m. Board/Cabinet Holiday Luncheon 2:00 Board Audit Committee Meeting 3:00 Board Meeting **Rpt:** Head Start Certification Health & Safety Screener **Rec:** First Interim Report on the Financial Condition of the County Office **Rec:** Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2014 (Enclosure)	**DECEMBER 17** *(Wednesday)* **2014** 2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting

JANUARY 6 **2015** 2:00 Board Finance Committee Meeting 3:00 Board Meeting **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **JANUARY 13** 2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Rpt:** Williams Uniform Complaint Procedure Quarterly Report for Educational Programs, October 1 to December 31, 2014	**JANUARY 20** **2015** 3:00 Board Retreat **Study Session:** FCMAT Meeting with Joel Montero and Team

FEBRUARY 3 **2015**	**FEBRUARY 17** **2015**
2:00 Board Finance Committee Meeting 3:00 Board Meeting **Presentation:** Introduction of Head Start-State Preschool Policy Council Executive Members to the Board of Education **Consent Rec/Bd. Res.:** Adoption of Board Resolution No __: National School Counselors Week (SSS) **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **FEBRUARY 10** 3:00 Board Meeting	2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Presentation:** Meeting of the Board/Superintendent/ Personnel Commission **Public Hearing:** Disposal of Textbooks and Instructional Materials for Educational Programs School Sites **Consent Rec/Bd. Res.:** Adoption of Board Resolution No. __: 2014-15, to recognize March _____, 2015 as Week of the School Administrator in Los Angeles County **Rec:** Approval of Educational Programs 2014-15 Textbooks and Instructional Materials Disposal List

MARCH 3 **2015**	**MARCH 17** **2015**
2:00 Board Finance Committee Meeting 3:00 Board Meeting **Consent Rec/Bd. Res.:** Adoption of Board Resolution No. __: 2014-15, to establish a week during the Month of April as Public Schools Month **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **MARCH 10** 2:00 Board Policy Committee Meeting 3:00 Board Meeting **Rpt:** Head Start/Early Head Start 2015-16 Funding Application (Year 2)	2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Presentation:** Recognition of the winners of the Los Angeles County Office of Education's Ninth Annual Student Art Exhibition, and the Eighth Annual Los Angeles County Regional Poetry Out Loud Competition **Consent Rec:** Approval of the Extended School Year Calendar for Educational Programs Division of Special Education **Rec:** Second Interim Report on the Financial Condition of the County Office **Rec:** Approval of Head Start-Early Head Start 2015-16 Funding Application (Year 2)

APRIL 7 **2015**	**APRIL 21** **2015**
2:00 Board Finance Committee Meeting 3:00 Board Meeting **Presentation:** 2014-15 Los Angeles County Academic Decathlon Winners **Presentation:** Recognition of the 2014-15 Winners of the 10th Annual Los Angeles County Spelling Bee **Consent Rec:** Approval of the Extended School Year Calendar for the Division of Special Education (DSE) **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **APRIL 14** 2:00 Board Audit Committee Meeting 3:00 Board Meeting **Presentation:** Recognition of 2015 Science Competition and Events **Rpt:** Los Angeles County Office of Education's Proposed 2015-16 Budget **Rpt:** Williams Uniform Complaint Procedure Quarterly Report for Educational Programs, January 1 to March 31, 2015	2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Consent Rec/Bd. Res.:** Adoption of Board Resolution No. __ to recognize May ____, 2015, as El Dia del Maestro, or Day of the Teacher, in Los Angeles County **Consent Rec/Bd. Res.:** Adoption of Board Resolution No. __ to recognize May ___, 2015 as Classified School Employees Week in Los Angeles County

MAY 5 **2015**	**MAY 19** **2015**
2:00 Board Finance Committee Meeting 3:00 Board Meeting **Presentation:** Career Technical Education (CTE) Student Recognition Presentation **Presentation:** Day of the Teacher 2015 **Consent Rec:** Adoption of Board Resolution No. __: to recognize May __, 2015, as National School Nurse Day **Rec:** The County FY 2014-15 Budget to Actuals Report with Budget Revisions **MAY 12** 2:00 Board Policy Committee Meeting 3:00 Board Meeting **Presentation:** Classified Employees Week **Rpt:** Los Angeles County Office of Education's Proposed 2015-16 Budget **Rpt:** Self-Assessment & Program Improvement Plan (HS)	2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Presentation:** Juvenile Court Schools 2015 Academic Bowl **Rec:** Approval of Self-Assessment & Program Improvement Plan HS

JUNE 2 **2015**	**JUNE 16** **2015**
2:00 Board Finance Committee Meeting 3:00 Board Meeting **Presentation:** History Day Awards 2015 **Consent Rec:** Approval of Annual Distribution of United States Forest Reserve Funds **Rec:** The County FY 2015-16 Budget to Actuals Report with Budget Revisions **Rec:** Adoption of Board Resolution No.__: Short Term Cash Loans to School Districts in Los Angeles County **Rec:** Approval of the Los Angeles County Board of Education Schedule, 2015-2016, Establishment of meeting times, future agenda items, follow up **JUNE 9** 3:00 Board Meeting **Presentation:** Annual Service Awards **Public Hearing:** Local Control Accountability Plan (LCAP) **Public Hearing:** Adoption of 2015-16 Proposed Budget **Rpt:** Proposed 2015-16 Budget First Reading **Rec:** Adoption of Resolution No. _Education Protection Act	2:00 Board Curriculum, Instruction and Assessment Committee Meeting 3:00 Board Meeting **Rec:** Adoption of Local Control Accountability Plan (LCAP) **Rec:** Adoption of 2015-16 Proposed Budget

9/23/14

Board Meeting – September 23, 2014

Item X. Interdistrict and Expulsion Appeal Hearings

A. Los Angeles County Board of Education's Decision on Interdistrict Attendance Appeals (Enclosures)

Final decisions on Interdistrict Attendance Appeals

On August 29, 2014, and September 4, 2014, the Administrative Hearing Consultant heard the appeal(s). The consultant's findings and recommendations were sent to the County Board of Education, along with the hearing folder, for review.

The Superintendent will provide legal counsel from the County Office of Education.

***District of Residence is an Open Enrollment School**
On list of 1000 schools as of October 23, 2013

Interdistrict
Attendance Permit Appeal(s)

Student's Name	Hearing Consultant	Grade	Represented by	Resident District	District Representative	Desired District
1. Briana C.	Melissa Schoonmaker	7	Mr. and Mrs. Troy and Denelle Couch	Torrance USD	Dr. Erik Elward	Redondo Beach USD
2. Stephanie P.	Victor Thompson	12	Ms. Katie Deli	Santa Monica-Malibu USD	Ms. Karen Kimmel	Las Virgenes USD

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EXHIBIT 1	Page 1	Notice of Concern issued to WAYS on December 20, 2013 by Dr. Arturo Delgado, the Los Angeles County Office of Education (LACOE) Superintendent of Schools.
EXHIBIT 2	Page 36	Responses received from the school: one (1) from the WAYS Board President and one (1) from the WAYS Executive Director regarding the *Notice of Concern*.
EXHIBIT 3	Page 43	Letter sent to the WAYS Board and Executive Director on January 24, 2014 by the Charter School Office requesting the school submit its response to the Superintendent's Notice of Concern by January 31, 2014.
EXHIBIT 4	Page 44	Written response received from the school's Executive Director on January 31, 2014.
EXHIBIT 5	Page 47	Notice of Audit issued by Dr. Delgado on May 17, 2013.
EXHIBIT 6	Page 48	AB 139 Extraordinary Audit (Audit) on WAYS conducted pursuant to EC 1241.5(c) published by FCMAT on March 19, 2014.
EXHIBIT 7	Page 115	Response to the FCMAT audit by the WAYS Executive Director dated on April 5, 2014.
EXHIBIT 8	Page 535	The 2012 Independent Audit Report.
EXHIBIT 9	Page 574	The 2013 Independent Audit Report.
EXHIBIT 10	Page 619	Document from a lawsuit settled against the Merle Williamson Foundation that provides evidence that the founder/former executive director directed one of the school's teachers to marry her sister's husband.
EXHIBIT 11	Page 620	Document LACOE received after the FCMAT Audit was published that provides further evidence that the owner of OSE is the cousin of the Director of Operations/On-Site Financial Manager for WAYS.
EXHIBIT 12	Page 621	WAYS Fiscal Policy, November 18, 2006.
EXHIBIT 13	Page 649	Agendas and Minutes of WAYS Governing Board.

EXHIBIT 14	Page 809	The 2011 Independent Audit Report.
EXHIBIT 15	Page 838	E-mails documenting that LACOE asked the WAYS administrators for revised Fiscal Policies on at least three (3) separate occasions beginning in November 2011.
EXHIBIT 16	Page 855	LACOE's Fiscal Policy Recommendations, April 18, 2013.
EXHIBIT 17	Page 861	WAYS 2011 Board bylaws.
EXHIBIT 18	Page 874	WAYS 2002 Board bylaws.
EXHIBIT 19	Page 898	LACOE's Report to the County Board, May 10, 2011.
EXHIBIT 20	Page 915	Resolution of WAYS Board of Directors for the Board to enter into a lease for the Salvation Army site for 2013-14, February 3, 2014.
EXHIBIT 21	Page 933	Resolution of WAYS Board of Directors for the Board to enter into a contract to purchase a vehicle, February 3, 2014.
EXHIBIT 22	Page 935	On November 30, 2013, the Director of Operations/On-Site Financial Manager sold a school vehicle prior to Board approval of the sale. The sale was initiated and completed on January 28, 2014, according to documents provided to the WAYS Board for its February 3, 2014 meeting.
EXHIBIT 23	Page 939	On November 18, 2013, the Director of Operations/On-Site Financial Manager signed the contract for the 2013 Independent Audit.
EXHIBIT 24	Page 944	Resolution of WAYS Board of Directors for the approval of the auditor selection of Wilkinson Hadley King & Company, LLP, February 3, 2014.
EXHIBIT 25	Page 945	A November 20, 2013 email from Board President Tolbert to the Executive Director.
EXHIBIT 26	Page 948	A November 12, 2013 letter from the Executive Director to LACOE that accompanied the audio recording corroborates that the meeting ended abruptly.

EXHIBIT 27	Page 949	February 4, 2014 email from LACOE Controller's Office to Director of Operations/On-Site Financial Manager: The communication requests evidence of board approval of the annual budget due in July each year and other items.
EXHIBIT 28	Page 950	February 5, 2014, Response from Director of Operations/On-Site Financial Manager: Email with August 29, 2013 Board minutes of the attached.
EXHIBIT 29	Page 952	The WAYS Vice Principal made her affiliation with her private school, Innovative WAYS Academy, public through the private school's website and other Internet postings. The information documenting the WAYS Vice Principal's involvement with her private school began as early as the summer of 2012.
EXHIBIT 30	Page 974	Form 990 had been signed by the Executive Director on November 14, 2013, and is date stamped as received on November 18, 2013.
EXHIBIT 31	Page 998	The January 23, 2014 WAYS School Site Council (SSC) agenda identifies item III as "*New business-Resolve regarding WAYS governance-Jason Okonkwo, Mr. Cabil*."
EXHIBIT 32	Page 999	At the SSC meeting a completed resolution was provided to the group for approval.
EXHIBIT 33	Page 1000	A flier distributed to parents and posted at the school site corroborates the Executive Director's efforts to remove the two (2) Board Members by name.
EXHIBIT 34	Page 1001	WAYS did not submit its 2013-14 Title I budget to LACOE by November 15, 2013, as required by the September 27, 2013 *Notice of Concern Regarding Student Achievement*.
EXHIBIT 35	Page 1003	WAYS Report to the Board dated February 27, 2014 WAYS Board agenda (Exhibit 13) lists 2013-14 School Year Employment Agreements as an action item. The Report to the Board was co-prepared with the Executive Director.
EXHIBIT 36	Page 1006	WAYS Financial Reports and Narratives, December 2012.
EXHIBIT 37	Page 1018	WAYS Budget Variance Report, Balance Sheet, Cash Flow Projection and Actual, Snap Short Narrative FY 2012-2013, as of April 30, 2013.

EXHIBIT 38	Page 1031	Board Members Resignation Letters of Loretta McDonald and others

Los Angeles County Office of Education
Leading Educators ▪ Supporting Students ▪ Serving Communities

December 20, 2013

Via First Class Mail
and E-mail: kids@civicpride.net

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Rebecca J. Turrentine
President

Katie Braude
Vice President

Douglas R. Boyd

José Z. Calderón

Rudell S. Freer

Raymond Reisler

Thomas A. Saenz

Hon. Carol Lee Tolbert, President
Wisdom Academy for Young Scientists Board
Ms. Kimberly Daniels
Ms. Saundra Davis
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Cherly Johnson
Ms. Eleanor Jones
Ms. Dorothy Valenti
5106 Genoa Street
Oakland, CA 94608

Hon. Tolbert and Members of the Wisdom Academy for Young Scientists Board:

Notice of Concern: Noncompliance with Law, Charter and Terms and Conditions of Authorization

This *Notice of Concern* (*Notice*) documents ongoing areas in which Wisdom Academy for Young Scientists (WAYS) has failed to comply with the law, its charter, and the Los Angeles County Office of Education (LACOE) Monitoring and Oversight Memorandum of Understanding (MOU).

Failure to Fulfill Reporting Requirements: WAYS has not been responsive to reasonable requests from the authorizer (*Education Code* (*EC*) 47604.3) for fiscal information and other reporting requirements as follows:

1. Monthly financial reporting: WAYS has not submitted its monthly financial statements for October, November, and December 2013. While there have been multiple requests from the Controller's Office for these reports, the school has been nonresponsive.

   Resulting Violations: EC 47604.3; Charter Element 4 Section 4.6 (Governance: Responding to Inquiries); and MOU Section 3.4 (Revenue and Expenditure Reporting) and Attachment B (Fiscal Oversight Requirements and Financial Reporting).

2. First Interim Financial Report: The First Interim Financial Report was due December 2, 2013 (*EC* 47604.33). There were multiple requests from the Controller's Office, with a communication from the school on December 5, 2013, indicating WAYS would submit on December 6, 2013; it was not received. As of the writing of this letter, the signed certification for the First Interim Financial Report has not been received.

   Resulting Violations: EC 47604.3 and 47604.33; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); Charter Element 9 (Annual Financial Audits) paragraph 2; and MOU Section 3.4 (Revenue and Expenditure Reporting).

3. Title 1 Budget: The September 27, 2013 *Notice of Concern Regarding Student Achievement* requested that WAYS submit "...a copy of the school's Title I budget to the Charter School Office (CSO) by November 15, 2013. LACOE will review the budget to ensure funds are correctly allocated and monitor expenditures to ensure they are aligned with the SPSA/SSDP." The school's principal was reminded to submit the budget during a site visit on October 17, 2013, and again during a meeting with WAYS on November 21, 2013. To date, the budget, which must be approved by the School Site Council and Governing Board, has not been submitted. A November 20, 2013 email from the WAYS Board President states the school's Governing Board has not approved the expenditure plan and a review of board meeting agendas/minutes provides no evidence of approval.

   Resulting Violations: Federal Title I Requirements; *EC* 47604.3; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); and Charter Element 7, Section 7.3 (Means to Achieve a Racial and Ethnic Balance: Federal Compliance).

4. Previously Documented Reporting Failures for School Year 2013-14: In addition to the current issues of non-compliance, WAYS received the following formal and informal communications regarding its failure to comply with the reporting requirements:

   a. Valid Unaudited Actual Report for 2012-13: On October 3, 2013, LACOE's Chief Financial Officer, Dr. Alex Cherniss, sent a letter to the WAYS Board regarding the school's failure to submit a valid unaudited actual report for 2012-13 by the September 15, 2013 due date.

      Resulting Violations: EC 47604.33(a)(4), 42100(b), and 47604.3; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); Charter Element 9 (Annual Financial Audits) paragraph 2; and MOU Section 3.4 (Revenue and Expenditure Reporting).

   b. Student Exit Reports: On November 21, 2013, CSO staff met with WAYS' principal and support staff to discuss submission of the Student Exit Reports required under its MOU. A meeting summary was sent to WAYS by email on December 2, 2013, regarding the specific reporting issues discussed at this meeting. That meeting constituted the third communication on this reporting requirement. On November 30, 2013, an email was sent to WAYS' Executive Director outlining the school's failure to comply with the reporting requirements subsequent to two (2) prior verbal communications.

      Resulting Violations: EC 47604.3; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); Charter Element 9 (Annual Financial Audits – Audit and Inspection of Records); and MOU Section 3.3 (Student Attendance Accounting and Reporting).

Failure to Comply with Other Charter Terms:

1. Element 9, Annual Financial Audits: The WAYS charter dated December 18, 2012 states, "*Board Finance Committee will develop a contract that includes the scope of the audit and requirements in the form of a Request for Application (RFA) to seek qualified applicants.*" A review of WAYS Board Agendas/minutes and board meeting audio recordings do not reflect compliance with the Charter for the change in the Auditor used in school year 2011-12 to the Auditor identified for school year 2012-13. Additionally, there is no indication the board approved the contract with the current auditor.

2. Element 4, Governance:

   a. Monthly Board Meetings: The WAYS charter dated December 18, 2012 states, "*The Governing Board of WAYS will meet monthly.*" Since July 2013, the WAYS Board held regular meetings in July and September, special meetings in August and October (due to lack of a quorum on regular

meeting dates), and **no meeting** in November or December. On November 19, 2013, at 4:45 p.m., the CSO received an email from the Executive Director that the November meeting [calendared for November 21, 2013] was "postponed." No reason was provided, WAYS did not respond to the CSO's inquiry as to the reason for the "postponement," and no board meeting was held in November. No regular meeting was scheduled for December, and no special meeting was held.

b. Provide Overall Oversight: The WAYS charter dated December 18, 2012 states,

The Governing Board ultimately will be charged with assessing how the school is doing overall. The President of the Governing Board will provide an annual report to the Board of Principals of the Merle Williamson Foundation in April of each year.... it will review the information [from administration] *and ascertain whether recommendations need to be made or committees need to be formed to work on specific issues. These committees may examine closely the curriculum and staffing priorities for maximum effectiveness; identifying budgetary priorities involving the use of discretionary funds; evaluating the academic effectiveness of the school program, its administration and staff, and make recommendations for improvement, accordingly. These committees are established to implement the business of the Governing Board and to facilitate it's functioning. Furthermore, the Governing Board facilitates communication and team building and acts as negotiator for disagreements.*

Matters that arise concerning budgets, curriculum, school discipline, and other school matters will begin at the level of teachers and parents. The Governing Board may, from time to time, establish committees and working groups to develop a policy for the school regarding specific issues and present its findings to the Governing Board and the School Community. WAYS has adapted a set of detailed procedures and policies for all fiscal matters, which are outlined in Element I. Core policies that the board will adopt include:

- *Fiscal Policies – how the school's budget is drafted, approved and monitored; budget development calendar; staff roles related to fiscal issues.*
- *Instructional Program Policies – when necessary, establish formal policies to clarify or add specific/amend specific charter elements*
- *Personnel Policies – Establishes how the school recruits, hires, monitors, compensates, and dismisses staff. Policies will also be adopted that address state and federal labor laws related to non-discrimination, leaves, sexual harassment, and other matters. These policies will be adopted prior to hiring staff and will be drafted with legal consultation.*
- *Student and Parent Policies – how the school recruits orients, admit, disciplines, suspends, and expels students. These polities will also clarify parents' roles and responsibilities.*
- *Legal Policies – Board members' legal responsibilities, including conflict of interest, duty of care, confidentiality (See Appendix E).*
- *Internal Board Policies – Board composition and renewal/succession and to clarify any policy ambiguities*
- *Policy, policy – this policy will help to keep the policy development process at a minimum and describe how policies are made and revised.*

The Governing Board will:

- *Insure that the entire school is moving in the direction of the school vision.*
- *Serve as a clearinghouse for information to facilitate communication.*

- *Monitor committees to ensure progress toward goals and accomplishment of duties.*
- *Assist Administration in dealing with incoming information to the school and disseminating information to the School Community.*

A November 20, 2013 email from the WAYS Board President to the Executive Director states,

... I read your email unilaterally postponing the Board of Directors' meeting; even though I emailed a draft agenda to you at 4:40 PM – in time for you to post it by 5:00 PM to meet the 72-hour deadline required by the Brown Act... However, you did find time to send out a scurrilous email requesting that the 'new' board members step down; and identifying me specifically.

a. Your administrative responsibilities do not give you the prerogative to postpone Board meetings... Moreover, you were keenly aware of the time-sensitive documents being requested by LACOE. We were to submit these documents below not later than November 22, 2013. I will list them for you:

1. *Board Policy on Admissions/Enrollment/Lottery*
2. *Board Policy on Student Fees*
3. *Board Policy on Suspension & Expulsion*
4. *Board Meeting Minutes for September 26, 2013*
5. *Board Meeting Minutes for October 24, 2013*

b. Interestingly enough, LACOE sent an email earlier today indicating staff had emailed these unapproved Board Policies. I requested you to place the above policies on the November 21, 2013 Board agenda for review/modification/approval for the 2013-14 School Year in order to meet the requested deadline. These policies must still be approved by the Board of Directors; similar to Board minutes.

Additionally, other matters that needed to be considered by to the Board at its November 21, 2013 meeting included:

c. The Single Plan for Student Achievement along w/ the draft Student Achievement Plan outlining the strategies to be implemented that would ensure African-American and Special Education students; who did not meet their 2012-13 AYP growth targets, would meet their 2013-14 AYP growth targets. The final Student Achievement Plan is due to LACOE on December 2, 2013. I am sure Board members would like to have this information presented in a timely manner.

d. The Title One Budget due to LACOE by November 15, 2013 that was not submitted, and has yet to be reviewed and approved by the Board. This budget identifies the funds to be used to support both the 2013-14 Single Plan for Student Achievement as well as the Student Achievement Plan.

e. An overdue monthly budget presentation from Bali Business Management explaining to the Board a line item budget increase of $118,000 from the previous school year in supplies. As you may recall, in August the Board 'conditionally' approved this year's budget in order that some funds could be used to open the school-year, although LACOE would receive a 'conditionally approved' 2013-14 budget. Since August, the Board has not had an opportunity to review the school's budget. In September, the contractor was called and instructed not to come. In October, when the contractor did come, the Board meeting was disrupted and the contractor was unable to present the budget, nor was the Board able to continue with the meeting as we were told to "get out". In fact, was directly yelled at and

> *threatened by the employee to, "Get out and don't come back!" among his other verbal and physically menacing gestures.*
>
> *f. Scheduling of Board Retreat that every board member agreed was needed for several reasons. (See Agenda)*
>
> *g. Hearing critical Closed Session items*
>
> *h. The review/approval of a contract for the Executive Director; if one had been provided. In fact, no contracts for this school year have been presented to the Board for review, approval or denial. Were the teachers' contracts approved prior to the end of school? I know this current Board did approve their Salary Schedule.*
>
> *Since there is no scheduled Board Meeting in December, I am recommending that the Board schedule a December meeting, due to 'postponement' of its November meeting.*

A review of WAYS Governing Board agendas/minutes and board meeting audio recordings documents concerns that the WAYS Governing Board is not fulfilling its responsibilities, corroborating the Board President's statements in the email cited, above. While there is evidence the Governing Board is requesting the information it needs to make informed decisions, that information is not being provided in a manner that allows the Governing Board to fulfill the duties and obligations described in the charter petition dated December 12, 2012.

The Board President's allegation (stated in paragraph "*e*") that a school employee's behavior resulted in the premature conclusion of a WAYS Board meeting was corroborated by the Executive Director's statement (Attachment 1) accompanying the audio recording of the meeting and a verbal report from another school employee. This is the **second time** we have received notice of an altercation that ended a WAYS Board meeting. In 2011, LACOE received written complaints from WAYS Board members that the behavior of another individual associated with the school resulted in the cancellation of a meeting. Those complaints were corroborated by verbal reports from parents and school staff. These incidents are serious; the WAYS Board must ensure compliance with charter Element 6, Health and Safety, Section 6.2, which states, "*Wisdom Academy for Young Scientists will maintain a safe and secure environment for its students, staff, administration, school volunteers, and visitors.*"

The Board President's allegation that the school's Executive Director is overstepping his authority is also an ongoing concern. In an email dated October 10, 2011, the Executive Director wrote to LACOE, "*I called a special meeting because a total of six board members resigned, thus leaving the board with only five active board members.*" While the email states, "*four of the remaining board members all agreed that we needed a called meeting because of the desperate and crucial situation surrounding WAYS...*" There is no evidence the board called the meeting as required by the Bylaws. The email continues, "*In an October 05, 2001* [sic] *email, the board VP promised the board members that she would schedule a meeting with an agenda by Friday, October 07, 2011, if not sooner; however, no meeting nor agenda items were posted as promised, thus prompting my immediate actions!*" The email corroborates the administrator's history of overstepping his authority.

As you are aware, the December 12, 2012 version of the charter petition still contains contradictions and inconsistencies and fails to meet the conditions of authorization imposed by the County Board in its June 7, 2011 approval action.

Previously documented concerns reported to the County Board on May 10, 2011 (Attachment 2) and May 1, 2012 (Attachment 3) resulted in County Board action compelling WAYS to arbitration (Attachment 4). Arbitration documents have been filed; an arbitration date is pending.

Additionally, due to ongoing fiscal concerns documented in the school's 2011-12 Independent Audit and other evidence, I authorized an audit under *EC* 1241.5(c) and informed the school of such on May 17, 2013. (Attachment 5)

Based on the school's continued failure to comply with law, the terms and conditions of its charter, and the LACOE MOU, I will be recommending that the County Board issue a *Notice of Violation* under *EC* 47607(c) as follows:

> *A charter may be revoked by the authority that granted the charter under this chapter if the authority finds, through a showing of substantial evidence, that the charter school did any of the following: (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter... (4) Violated any provision of law.*

Should the results of the audit conducted under *EC* 1241.5(c) provide evidence of the school's failure to meet generally accepted accounting principles or fiscal mismanagement, the *Notice of Violation* may be broadened to encompass *EC* 47607(c)(3).

Prior to revocation, the County Board shall notify the charter public school of any violation of this section and give the school a reasonable opportunity to remedy the violation, unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. (*EC* 47607(d))

The school shall be notified of the time and date the recommendation to the County Board and shall be given the opportunity to review the evidence presented in support of the recommendation. Should the County Board approve the recommendation, the County Board and the LACOE will comply with the requirements of *EC* 47607(c) and the *California Code of Regulations*, Title 5, Article 2, Section 11965, subsections (b) – (f).

I am hopeful that the WAYS Board will take action to correct the violations documented in this letter and prevent future violations. Such a plan, and definitive Board actions that document its implementation, should be submitted to the CSO by January 20, 2014.

Should you have any questions, please contact the CSO at (562) 922-8806.

Sincerely,

Arturo Delgado, Ed.D.
Superintendent

AD/JH:ls
Attachments (5)

c: Los Angeles County Board of Education
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE
Judy Higelin, Project Director III, Charter School Office, LACOE

Attachment 1

Wisdom Academy for Young Scientists

November 12, 2013

Neha Patel
LACOE Charter Schools Office
9300 Imperial Highway
Downey, California 90242

Dear Ms. Patel,

I am writing regarding Wisdom's October 24, 2013, Board Meeting audio recording.

The Wisdom's October 24, 2013, Board Meeting was ended abruptly at 8:40pm at the conclusion of the closed session due to an unanticipated interruption.

The audio enclosed is the only audio there is for the October 24, 2013, Board Meeting.

Sincerely,

Edward Cabil

Empowering Students to be Leaders, Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

Attachment 2

Board Meeting – May 10, 2011

Item VII. Reports / Study Topics

Report on the *Wisdom Academy for Young Scientists, Grades K-5* Appeal of a non-renewed Petition by Los Angeles Unified School District Board of Education

The Wisdom Academy for Young Scientists Charter School renewal petition is presented to the Los Angeles County Board of Education (County Board) pursuant to *Education Code* section 47605. Upon denial by Los Angeles Unified School District Board of Education, the petitioner exercised the statutory right of appeal to the County Board.

Charter renewal is governed by *EC* sections 47607 and 47605:

Section 47607(a)(2) states: Renewals... of charters are governed by the standards and criteria in § 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

Section 47605(b) limits the reasons for denying a renewal petition to the following:

(1) The charter school presents an unsound educational program

(2) The petitioners are demonstrably unlikely to successfully implement the program

(3) The petition does not contain an affirmation of specified assurances

(4) The petition does not contain reasonably comprehensive descriptions of 16 required elements of a charter

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Section 47607(b) states: Commencing on January 1, 2005, or after a charter school has been in operation for four years, whichever date occurs later, a charter school shall meet at least one of [5 academic performances] ... criteria prior to receiving a charter renewal....

Section 47605(b) states: A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Summary of Key Findings:

Finding 1: WAYS **met the academic performance criteria** for renewal under EC § 47607(b)(1) and (2).

Finding 3: **The petitioner is unlikely to successfully implement the program.** The governing board has demonstrated a lack of capacity to oversee the operation of the school by allowing self-dealing transactions and other Conflicts of Interest. In addition, members of the governing board have personal and business ties to the school and/or Executive Director. The board was ineffective in responding to the Conflict of Interest concerns identified in the Notice to Cure; this ultimately led to non-renewal of the charter. Deficiencies in the renewal petition and responses by the board during the Capacity Interview indicate a continued lack of understanding and familiarity with the content of the petition and requirements of law necessary to successfully implement the charter.

Finding 5: **The petition lacks a reasonably comprehensive description of eleven (11) of the 16 required elements.**

- Proposed **educational program** lacks an adequate description of the school's target populations, overestimates the number of students to be served in the first year of the renewal charter, and provides no build-out plan to support this level of enrollment. The petition fails to indicate how the school will identify and respond to the needs of pupils who are not achieving at or above expected levels, students with disabilities, and English learners. The **Measurable Outcomes** and **Means for Measuring Pupil Progress** do not address the needs of all student subgroups the school proposes to serve.

- The proposed **Governance Structure** fails to provide evidence of an organizational and technical design that reflect a seriousness of purpose necessary to ensure that the school will become and remain a viable enterprise The governance structure fails to provide adequate oversight of the school's operation and fiscal management. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no

evidence that the board can implement the proposed educational program stated in the petition. The Organization Chart conflicts with information provided elsewhere in the petition regarding key management positions. The petition does not commit to complying with the Political Reform Act, which is required of all charter schools, and fails to include a Conflict of Interest policy. Certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

- The following Required Elements are not reasonably comprehensive: Employee Qualifications, Means to Achieve a Racial and Ethnic Balance, Admission Requirements, Submission of Annual Independent Audit, Suspension and Expulsion Procedures, and Public School Attendance Alternatives, and Dispute Resolution Procedures.

The full Report on the Findings of Fact for the Wisdom Academy for Young Scientists Charter School is attached.

LACOE staff will present the report to the County Board.

Los Angeles County Office of Education
Charter School Office
Date: May 10, 2011

Report on the *Wisdom Academy for Young Scientists Charter Petition, Grades K-5*
Appeal of a Petition for Charter Renewal Denied by Los Angeles Unified School District
Board of Education

Background Information

The *Wisdom Academy for Young Scientists Charter School* (WAYS) petition seeks an application for renewal of their K-5 charter school in accordance with *Education Code* Section 47607.5. The school's current enrollment is approximately 250 students. The school proposes to grow enrollment to 500 students over the next five (5) years by expanding operations from its two (2) current sites (706 East Manchester 90001 and 8878 South Central Avenue 90002) to a larger facility. WAYS also applied to LAUSD for a Prop 39 site; sites were awarded on April 1, 2011.

The petition states the charter school's mission "is to create a transformational learning climate in which students become 'Empowered to be Leaders Change Agents and True Scientists.'"

The school's vision is "to create an educational program that educates the whole child." Nine (9) goals are stated under the vision.

WAYS first year of operation was 2006-07. Its Academic Performance Index (API) history (calculated as a small school with less than 100 students in Growth API) and enrollment figures are presented below.

Growth API			Enrollment Figures			
Year	Growth API	Number of Valid Scores*	Enrollment on First Day of Testing Grades 2-5	Total Enrollment Grades 2-5	Total Enrollment Grades K-1	Total Enrollment Grades K-5
2009-10	879	90	127	129	108	237
2008-09	843	95	98	97**	76	173**
2007-08	774	78	93	59	87	141
**Number of students included in Growth API. Students must be continuously enrolled since Census day (CBEDS)* Source: CDE DataQuest			***4 additional students are included as enrolled in grade 6 although school is authorized for grades K-5* Source: CDE DataQuest			

The CDE states "APIs based on small numbers of students are less reliable and therefore should be carefully interpreted." Schools with less than 100 Valid Scores on the California Standards Test (CST) do not receive Similar School Rankings or comparison schools; therefore, it cannot be determined how WAYS' API compares to schools with similar demographics.

The chart compares the demographics of WAYS and the two (2) closest public non-charter schools.

2009-10 DEMOGRAPHIC Information	WAYS	LAUSD Local District 7	South Park Elem.	93rd Street Elem.
Black or African American	61%	18.6%	17%	24%
Hispanic or Latino	38%	80.4%	82%	76%
Free & Reduced Price Lunch	100	[redacted]	100	100
English Learners	15	Data Not Available – Not Available for 2009-10	52	41
Students with Disabilities	4	[redacted]	9	8
Average Parent Education Level	2.53 *	[redacted]	1.58**	1.57***

* 21% Not HS Grad. / 37% HS Grad. / 9 % Some College / 33% College Grad. ** 59% Not HS Grad. / 28% HS Grad. / 9 % Some College / 2% College Grad. / 2% Grad. School ***60% Not HS Grad. / 25% HS Grad. / 13% Some College / 1% College Grad. / 1% Grad. School

Data Sources: CDE STAR and LAUSD http://search.lausd.k12.ca.us/cgi-bin/fccgi.exe#racialandethnichistory

Racial and ethnic demographic data shows WAYS does not reflect diversity of the community (LAUSD Local District 7) in which it is located or the two (2) closest LAUSD non-charter elementary schools. WAYS also enrolls fewer students with disabilities and English learners than near-by public non-charter schools. Conversely, its parents have a higher education level, which positively correlates with higher levels of student academic achievement.

Reason for Denial by the Local District

The Los Angeles Unified School District (LAUSD) Board of Education denied the petition based on written Findings of Fact that comply with requirements for denial under the following sections of the Charter School Act:

EC § 47605(b)(2) The petitioners are demonstrably unlikely to successfully implement the program:

Conflict of interest concerns exist pertaining to members of the WAYS Board of Directors and the WAYS Executive Director and Principal. Specifically, the WAYS founder and Executive Director receives both a salary for her position and lease payments for two properties which she owns that are occupied by the school. She negotiated the leases to WAYS charter school. The WAYS governing board was asked to independently address and resolve the conflicts by the mutually agreed upon date of October 15, 2010; the WAYS Board of Directors' response failed to resolve the issues by that deadline. The WAYS governing board was minimally responsive to staff communications; the Executive Director was the primary respondent to address the Conflict of Interest issues. LAUSD considered the governing board's lack of independent and effective response to the Notice of Concern to be inconsistent with its fiduciary responsibility considering that the Executive Director was the subject of the self-dealing Conflict of Interest concerns which called into question the Board's capacity to govern the Charter School and successfully implement the program set forth in the petition. The WAYS Board failed to resolve the Conflict of Interest issues and only minimally attempted to do so in January 27, 2011.

The WAYS governing board is unfamiliar with the content of the petition and/or requirements of law. Cited examples included inconsistencies between the charter petition and the WAYS' corporate bylaws regarding compliance with the Brown Act which called into question whether the Board is familiar with and complies with the requirements of the Brown Act. Additionally, the Board allowed self-dealing transactions to transpire, even though the Board in the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest.

EC § 47605(b)(5) The petition fails to provide a reasonably comprehensive description of 12 of the 16 required elements: The Educational Program, Method for Measuring Pupil Progress, Governance Structure, Health and Safety Procedures, Means for Achieving a Racial and Ethnic Balance, Admission Requirements, Submission of Independent Audit, Suspension and Expulsion Procedures, Identification of Retirement Systems, Public School Alternatives, Dispute Resolution, Closure Procedures.

Any of the above findings alone may be cause for the denial of a charter under *EC* § 47605(b).

The Findings of Fact state the academic performance criteria for renewal under *EC* § 47607(b) were met.

Response from the Petitioner

The petitioner provided a written response to the findings of the local board and submitted it as part of the petition package. The response was considered during the review process.

Appeal to the Los Angeles County Board of Education

The Los Angeles County Board of Education (County Board) held a Public Hearing to determine support for the petition on April 19, 2011.

Report on the Wisdom Academy for Young Scientists Charter

LACOE Review Process

The LACOE Charter School Review Team (Review Team) considered the petition according to the requirements of law, *California Administrative Code of Regulations*, County Board Policy and Regulations, and LACOE review procedures.

The Review Team included staff from the Controller's Office, Business Operations and Services, Risk Management, Divisions for School Improvement, Curriculum and Instruction, Special Education, Student Support Services, Human Resource Services, Office of General Counsel, and the Charter School Office.

Findings are based on a review of the same petition submitted to the local district and supporting documents submitted by the petitioner, and information provided through the Capacity Interview and other communications with the petitioner and other representatives of the school. The petitioner also submitted proposed changes (technical adjustments) to the petition necessary to reflect the County Board as the potential authorizer. These changes should reflect the statutory, policy, and structural differences between a county office of education and a local district. These differences include, but are not limited to, the statutory authority of the County Superintendent of Schools to investigate complaints as well as structural differences in the responsibilities with regard to special education services. Proposed changes provided by the petitioner were considered by the Review Team.

Findings also take into account the petition was initially submitted to a local district and contains specific references to that district. The Charter School Office confirmed that LAUSD requires the petitioner to include specific language or content in a petition. This requirement was considered by the Review Team.

Findings of Fact

Finding 1: WAYS met the academic performance criteria for renewal under *EC* § 47607(b)(1) and (2).

WAYS a*ttained its Academic Performance Index (API) growth target in the prior year, in two of the last three years, and in the aggregate for the prior three years.*

Academic Performance Criteria: Met Assigned Growth Targets				
Year	API Base	Growth Target	API Growth	Actual Growth
2007-08	782*	5	774	-8
2008-09	775*	5	843	68
2009-10	843*	A**	879	36
	Aggregate Growth	10		96

**API is calculated for a small school (between11 and 99 valid scores) which makes it less reliable and should be carefully interpreted. ** No growth target for schools where API is 800 or above.*

WAYS *ranked in deciles 4 to 10, inclusive, on the API in the prior year and in two of the last three years.*

Academic Performance: Decile Ranks*		
Year	Statewide Rank	Similar Schools Rank
2007-08	6	N/A*
2008-09	5	N/A*
2009-10	8	N/A*

** Not calculated for small schools*

While WAYS met the academic criteria necessary to be considered for renewal, there are concerns that the school has not increased or sustained its percentage of "Valid" CST scores indicating an unstable student enrollment base. Valid scores are based on the number of students tested who were continuously

enrolled from norm day (CBEDS) in October through the first day of testing. For 2009-10, only 71% of tested students were continuously enrolled. At South Park Elementary School, 88% of tested students were continuously enrolled. On average, 26% of students who enroll at WAYS withdraw prior to standardized testing based the "Elementary Principal's Statistical Report" for 2007-08 through 2010-11.

Finding 2: The petition provides an unsound educational program for students to be enrolled in the school. [*EC* § 47605(b)(1)]

The program is determined to be unsound for specific subgroups of students as described under Finding 5: Elements 1 – 3.

Additionally, based on enrollment data for Hispanic/Latino students, English learners, students with disabilities, and data showing the number of students who leave during the year, the school is not providing a *program of educational benefit* for all students the petition states the school intends to serve.

Finding 3: The petitioners are demonstrably unlikely to successfully implement the program. [*EC* § 47605(b)(2)]

Based on review of the petition, supporting documents provided by the petitioner, documents provided by LAUSD, and the Capacity Interview with the school's leadership team, the petition does not meet the criteria established in *CCR, Title 5*, § 11967.5.1(c).

1. Review of the renewal petition submitted on behalf of the WAYS board indicates the WAYS governing board lacked the capacity to govern the school.

   A. The governing board was *unfamiliar with the content of the petition* and *requirements of law* with respect to Conflict of Interest. The submitted charter states the school will comply with *Government Code* 1090; however, some members of the board had prior relationships with the school and/or the Executive Director and members of her family.

      i. The board president, a business management consultant, lists Wisdom Academy as a client on her resume, which contradicts her statement on the *Prospective Charter School Board Member Questionnaire* that consulting services were not provided.

      ii. One board member stated on the *Prospective Charter School Board Member Questionnaire* that she is the Board President for DeDe Dance Studio, owned by the Executive Director's daughter, and is currently used by the charter school; this indicates a Conflict of Interest.

   B. The governing board failed to comply with the terms of the charter by allowing the school to enter into a self-dealing transaction with its Executive Director regarding the school's facilities. There is no evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director.

   C. The governing board allowed other conflicts of interest to exist through the hiring of members of the Executive Director's family and by permitting the Executive Director to supervise these family members while the Principal supervised other similarly employed personnel. The Executive Director's son, originally hired to oversee custodial and gardening services was promoted to Director of Operations, which involves financial responsibilities according to the Executive Director. The Executive Director's daughter, who is employed as a teacher and dance instructor, owns the dance studio used by the school.

   D. The governing board demonstrated its inability to effectively govern the school by its failure to respond fully and in a timely fashion to the September 29, 2010 Notice to Cure regarding Conflicts of Interest issued by LAUSD. The LACOE Review Team reviewed documents received

from both the district and the charter school. The documents indicate WAYS failed to provide a sufficient cure. WAYS governing board had eight (8) months (September 2010 to April 2011) to remedy the concerns in the Notice to Cure, and failed to do so.

2. The WAYS governing board continues to be *unfamiliar with the content of the petition and requirements of law that would apply to the proposed charter school* and lacks the *necessary background* to effectively govern the school.

   A. In its response to the Findings of Fact upon which the LAUSD Board of Education denied charter renewal, WAYS submitted documents pertaining to the governance structure of the school in an effort to demonstrate that the school had taken steps to address Conflict of Interest concerns. Although these documents may not have been considered by the LAUSD Board of Education because they were submitted after the deadline to provide evidence, the LACOE Review Team considered the documents to determine whether they would substantially resolve the conflicts. The Review Team determined the documents were inadequate to resolve the Conflict of Interest concerns based on the facts presented below:

      i. The action taken by the Executive Director, and supported by the WAYS governing board, failed to resolve the conflict regarding her ownership of the property. Documents submitted by WAYS indicate the properties were placed into a revocable trust. WAYS' attorney concurred that this action failed to resolve the conflict in that "the transfer to a holding company through a revocable trust, [was] not transferring the property ownership under California law." (page 3 of the March 25, 2011 Response to LAUSD Findings of Fact) WAYS' governing board allowed the conflict to continue by executing a lease agreement with the holding company rather than requiring the Executive Director to take action that would definitively end the conflict.

      ii. The governing board failed to disclose that the school had been offered Prop 39 facilities, a viable option to resolving the issue. At the April 19, 2011 Capacity Interview, the Review Team inquired about the school's statement that it had requested a Prop 39 site. Neither the Executive Director nor WAYS board members disclosed that LAUSD had offered the school facilities on April 1, 2011. LAUSD received a letter of acceptance signed by the Executive Director on May 2, 2011. LACOE has yet to hear from WAYS regarding their decision.

      iii. Changes to the governance structure proposed after the petition was submitted to LAUSD continue to be inadequate. The Organizational Chart indicates three (3) positions report directly to the board due to the Conflict of Interest posed by the familial relationships: the Executive Director, Principal, and Director of Operations. This structure places an undue burden on the board to manage the day-to-day operations of the school. There is no evidence the current board has the capacity to govern effectively under this structure.

      iv. The governing board failed to demonstrate the ability to avoid future Conflict of Interest situations. When asked at the Capacity Interview about potential conflicts arising from the employment of multiple family members, the chain of command, and continued use of the facilities owned by the Executive Director, the board members did not explain how they would ensure that no future Conflicts of Interest would develop or how they would handles such conflicts if they did occur. The board stated that additional changes to the governance structure are being considered; these options are outside of the scope of this review as they were not available to be considered by the LAUSD Board of Education.

      v. The renewal petition submitted by WAYS fails to comply with *EC* § 47607(a)(2) which requires that *Renewals ... of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter*

schools enacted into law after the charter was originally granted or last renewed... The petition contains references to outdated laws, policies, and practices, contains significant contradictions and omissions regarding key positions of employment, and provides elements that are no reasonably comprehensive. These deficiencies, reported under Finding 5, indicate the governing board lacks the knowledge of the laws under which the charter would operate.

3. *The petitioner has a history of involvement in education agencies (public or private) considered as unsuccessful.*

   A. The Executive Director is listed as the petitioner. Properties she owns and leased to WAYS were previously used to house her private school. CDE records compiled from data supplied by the private school operator indicate that enrollment declined from 60 to 20 students in the three years prior to the school closing.

   B. The WAYS Executive Director closed her private school with the intent to use the facilities she owned to house a charter school. The chronology of public records and statements made by the Executive Director during the Capacity Interview indicate she closed the private school due to insufficient enrollment. The petitioner stated she inquired about the process of becoming a charter school and was informed that the private school would need to be closed for one year prior to becoming a charter. The petitioner purposely closed the charter school as required and applied for a charter after the one year required waiting period.

The status of the Conflict of Interest issues is unclear. With the acceptance of the Prop 39 sites, the conflict regarding facilities may be resolved only if the school stops leasing its current facilities. The conflicts concerning personnel could only be resolved through a material revision to the governance structure of the charter including, but not limited to, the Executive Director's resignation or release from her current position and with the provision that she hold no future positions funded by the school. Regardless of the potential resolution to the certain Conflict of Interest issues, the Review Team considers the governing board to be ineffective in governing the school and demonstrably unlikely to successfully implement the proposed charter.

Finding 4: The petition contains an affirmation of all specified assurances. [*EC* § 47605(b)(4); *EC* § 47605(d)]

Finding 5: The petition does not contain a reasonably comprehensive description of all required elements. [*EC* § 47605(b)(5)(A)-(P)]

Based on criteria provided by the *California Code of Regulations, Title 5*, (*5 CCR*) eleven (11) of the 16 elements are not reasonably comprehensive.

Element 1: Description of the Educational Program. *Not reasonably comprehensive*

The *5 CCR* § 11967.5.1(f)(1) requires the petition to address eight (8) requirements. The petition fails to meet each of the established criteria rendering aspects of the educational program deficient for specific populations the school proposes to serve: English Learners, low-achieving students, high-achieving students, and students with disabilities. The deficiencies are as follows:

1. Failure to *indicate the proposed charter school's target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.*

   A. The petition overestimates the number of students to be served in the first year of the renewal charter and provides no build-out plan to support this assumption.

i. There is no build-out plan to support the proposed enrollment. The petition states (page 31) 520 students will be served in the first year of operation. At the Capacity Interview, the leadership team indicated that number is attainable only if a new site is obtained with increased capacity. The petition lacks an expansion plan except to state "...scheduled expansion to 25 [classrooms]." No plan was provided during the Capacity Interview.

ii. WAYS has never increased enrollment by 250 students in a single year. In 2009-10, the school enrolled 237 students, 46% of which were in grades K-1; in 2008-09, the school enrolled 177 students, of which 43% were in K-1; and in 2007-08, the school enrolled 146 students, of which 60% were in K-1. Historically, the school has seen reduced enrollment in its upper grades, although that trend was not as pronounced in 2009-10, the most recent year for which CDE data is available. At the Capacity Interview, the school stated it currently enrolls about 250 students.

B. The school failed to meet its goal of serving a target population "similar to that of the surrounding community" defined as 50% Hispanic/Latino and 50% African American (page 34). In 2009-10, 61% of the students were Black or African American and 38% were Hispanic or Latino as compared to LAUSD Local District 7 which was comprised of 18.6% Black or African American students and 80.4% of Hispanic or Latino Students.

C. The petition lacks specific information regarding its target population for students with disabilities and English learners. It states (page 33) the student population at the nearest non-charter public school is 63% English learners while the CDE reports 7% of WAYS students are English learners. The CDE reports 4% of WAYS students are identified as having disabilities which is half the rate of the two (2) closest non-charter public elementary schools.

2. *Lacks a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.*

A. The petition lacks detail regarding the grade levels and outcomes for each grade level and there is no framework for curriculum and/or instructional approach for English learners outlining how this population of students will be provided access to core curriculum.

B. While the petition states the school will provide more instructional minutes than required by the state, WAYS has been reducing the number of minutes it provided based on its Independent Audit Reports. The year ended June 30, 2009, shows 72,900 actual minutes and the year ended June 30, 2010, shows 70,200 minutes. The petition proposes 53,500 minutes for year 2011-2012; it does not explain the reason for the reductions or how the school intends to maintain its academic performance as instructional minutes are reduced.

3. Fails to *indicate how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.* The goals (page 47) for low achieving students are not clear and there is no indication of what advanced academic challenges will be provided for gifted and talented students (page 48).

4. *Indicates how the charter school will meet the needs of students with disabilities, English learners, students achieving substantially above or below grade level expectations, and other special student populations.*

A. The element is deficient with respect to English learners because it fails to:

i. Describe adequate basic and supplemental resources to provide English learners equitable access to the core curriculum.

ii. Provide the manner in intervention will be given to students who struggle to acquire English language skills outside of the "45 minutes during the school day for focused English language development. This instruction will emphasize vocabulary development, phonemic awareness, and oral and writing English." (page 48)

iii. Describe how the Individualized Education Program (IEP) Team determines placement of English learners in need of special education services, state that non-biased assessments used to determine placement must be conducted in the student's primary language under Federal law, and that the IEP must be linguistically appropriate.

iv. Demonstrate understanding of the difference between meeting the needs of English learners and meeting the needs of students with disabilities. The petition (page 22) indicates that to ensure the success of English learners, the school will use a collaborative approach that fosters communication between its Resource Specialist and Speech Therapist. These specialists only provide direct services to students identified as having disabilities.

B. The element is deficient with regard to students with disabilities because it fails to *specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.*

i. It does not describe accommodations and/or modifications that may be used during standardized assessments or how WAYS is responsible for students with disabilities when the IEP Team exempts them from standardized testing.

ii. There is no mention of how parents of students with disabilities are informed about the school's educational program.

iii. There are deficiencies with regard to English learners and special education services as stated in "A," above.

Element 2: Measurable Pupil Outcomes. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(2) as follows:

1. It fails to *specify skills, knowledge, and attitudes that reflect the school's educational objectives and can be assessed by objective means that are frequent and sufficiently detailed enough to determine whether pupils are making satisfactory progress.*

   A. There are no identified measurable outcomes for students in Kindergarten and first grade who do not participate in Standardized Testing and Reporting (STAR).

   B. There is no ongoing means for measuring English learners' acquisition of English or academic growth in content areas. The petition states the (California English Language Development Test (CELDT) will be administered "periodically" to monitor student progress of English language acquisition; however, it can only be administered annually which is insufficient to *evaluate the effectiveness of and to modify instruction.* The petition indicates Open Court Reading assessments will be used as formative assessments for English learners; however, they are not designed to measure progress towards English language proficiency but rather language arts skills and concepts. It fails to provide assessments to determine academic growth in other content areas.

C. Goals cannot be measured as stated. The petition states the percentage of students achieving proficient and advanced in History/Social Science will increase on the CST by 5% each year; there is no History/Social Science CST for grades K-5.

D. It lacks information on how students with disabilities will be assessed on making progress toward meeting their goals and benchmarks.

Element 3: Method for Measuring Pupil Progress. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(3) as follows:

1. It does not *utilize a variety of assessment tools that are appropriate to the skills, knowledge, or attitudes being assessed, including, at minimum, tools that employ objective means of assessment consistent with the measurable pupil outcomes.*

   A. Information is limited on how stated internal assessments (text based, benchmark performance, unit level, etc.) are used *as objective means* to assess student progress *consistent with measurable outcomes* (page 98). Language is vague and fails to indicate how assessments are used in English-Language Arts, math, science, social studies, and English Language Development.

   B. There is no information regarding assessment of K-1 students who do not participate in STAR. This is of particular concern since about half the school's enrollment is in grades K-1.

   C. Out of date assessments are proposed in violation of *EC* § 47606(a)(2). The petition states the school will administer the CAT 6, which is obsolete, and proposes performance objectives based on data from this assessment.

2. It does not *outline a plan for collecting, analyzing, and reporting data on achievement* of English learners *to school staff and to pupils' parents and guardians, and for utilizing the data continuously to monitor and improve the charter school's educational program.* There is no mention of English learner's testing performance or academic monitoring of English language levels beyond use of the CELDT. Nor is there mention of providing accommodations and/or modifications for standardized tests for students with disabilities; tests used to determine eligibility for special education programs and services; the manner and type of data maintained for students with disabilities; or how information will be disseminated to parents of students with disabilities.

Element 4: Governance Structure. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(4) as follows:

1. There is lack of *evidence of the charter school's incorporation as a non-profit public benefit corporation* for the purpose of running a charter school. While the articles of incorporation and bylaws provide evidence of the charter school's non-profit public benefit corporation status, governing a charter school is not listed as the specific purpose of this corporation. The petitioners have failed to amend these documents to reflect the running of a public charter school. As stated above in Finding 3, 3.B, the WAYS Executive Director purposely closed her private school with the intent to use the facilities she owned to house a charter school.

2. There is a lack of *evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:*

   A. *The charter school will become and remain a viable enterprise.* The governance structure fails to provide adequate oversight of the school's operation and fiscal management. Failure of the articles of incorporation and bylaws to state the purpose of the corporation is to provide for the

operation of a publicly funded charter school is further evidence that the structure lacks a *seriousness of purpose.* The bylaws states the board has only one regularly scheduled meeting, which is insufficient to provide for effective governing of a public charter school. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no evidence that the board can implement the proposed educational program stated in the petition.

B. The petition does not provide a clear description of the governance and management structure. It is difficult to know the duties and responsibilities of management. The Organization Chart (Appendix B) conflicts with information provided elsewhere in the petition.

C. The petition makes no commitment to complying with the Political Reform Act (PRA), which is required of all charter schools. The petition fails to include a Conflict of Interest policy which is required under the PRA.

D. The body of the petition states that meetings will comply with the Brown Act (page 109). However, certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

i. Section 4.6, Place of Meetings allows for meetings outside California. The Brown Act requires that the Board's meetings be held within the boundaries of the territory within which it has jurisdiction.

ii. Section 4.7, Regular Meetings authorizes meetings "without call or notice" in violation of the Brown Act. The Brown Act requires that at least 72 hours before a regular meeting an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting shall be posted.

iii. Section 4.11, Telephone Meetings, authorizes teleconferencing and video teleconferencing to constitute presence but fails to state the necessary safeguards that would render it compliant with the Brown Act such as posting agendas at the teleconferencing location and ensuring those locations are fully accessible to members of the public.

iv. Section 4.14, Action without Meeting, permits the Board to take an action without a meeting if all the members of the Board consent in writing to such action. This violates the Brown Act requirement that the board not take action on any item of business outside a meeting.

v. Section 4.7, the Board of the Merle Williamson Foundation is required to meet only once per year, on the last Friday in June; the Brown Act requires regularly scheduled meetings.

vi. The Agenda for the Special Board Meeting held Saturday, April 30, 2011, documents specific violations of the Brown Act with respect to items discussed in Closed Session.

Element 5: Employee Qualifications. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(5) as follows:

1. There is insufficient information on *the general qualifications for the various categories of employees (e.g., administrative, instructional, instructional support, non-instructional support)* and whether the *qualifications are sufficient to ensure the health, and safety of the school's faculty, staff, and pupils.*

2. It fails to *identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions.*

A. The petition fails to provide job descriptions and/or minimum qualifications for the following positions listed in the petition: Special Education Program Coordinator (page 96), Academic Co-Principals (page 112), Coordinator of Operations (page 128), and Academic Consultants and Director of Operations (Appendix B). Qualifications for Executive Director are absent.

B. The Organization Chart (Appendix B) is deficient. It fails to include an Executive Director, although there is a job description (page 120) outlining critical duties such as "oversee the school-operating budget...instructional program...classroom management...supervise staff...be an active member of the school board." Based on the job description, it is unclear if the Executive Director is a member of the board. Appendix B lists board members by name; the Executive Director's name is absent. The Organizational Chart includes a "Director of Operations," with no job description or qualifications provided for that position. It is unclear if it is the same as "Coordinator of Operations." The Organizational Chart identifies "Auxiliary Staff," but lacks specific corresponding positions.

3. *Specify that all requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary.* Teacher qualifications (page 122) state the CA *SB* 2042 teaching credential is required; this will exclude teachers who hold Ryan multiple subject credentials and life elementary credentials with added English language certification.

Element 6: Health and Safety Procedures. *Reasonably comprehensive*

Element 7: Means to Achieve a Reflective Racial and Ethnic Balance. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(7) based on evidence that:

1. During the term of its first charter, WAYS failed to *achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district in which it is located* as indicated on in the chart on page two (2) of this report. Enrollment of Hispanic/Latino students is not comparable to the two (2) closest LAUSD non-charter elementary schools.

2. The description of the student population (required under Element 1) and the proposed recruitment plan show no indication WAYS is aware that it failed to achieve the required ethnic balance and provides no corrective action in its plan. The recruitment plan is vague and lacks benchmarks that could guide the school toward correcting the deficiency.

Element 8: Admission Requirements. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(8) as follows:

1. It does not comply with *the requirements of* EC § *47605(d)* which, by reference, includes *EC* § 220 and *CA Penal Code* § 422.55 as the *other applicable provision*[s] *of law* in its statement of non-discrimination of protected classes. The petition additionally violates *EC* § 47607(a)(2) because the deficiency is the result of failing to update the renewal petition. This failure could result in the school engaging in discriminatory practices in its admissions procedures and policies.

2. *The process for conducting the lottery* is absent from the petition.

3. The preference given to siblings is *likely to negatively impact* the school from attaining its stated *racial and ethnic* goal.

Element 9: Annual Independent Financial Audits. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(9) as follows:

1. It does *specify the timeline in which audit exceptions will typically be addressed* or specify the timelines for statutory reporting requirements including the submission of the preliminary budget.

2. It does not specify that the school's Board of Directors will hire an independent auditor or that the auditor selected will be on the State Controller's list of educational auditors.

Element 10: Suspension and Expulsion Procedures. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(10) as follows:

1. There is no differentiation between *offenses for which students in the charter school must and may be suspended* and *separately, the offenses for which students in the charter school must or may be expelled, providing evidence that the petitioner reviewed the offenses for which students must or may be suspended or expelled in non-charter public schools.*

2. There is insufficient specificity regarding *the procedures by which pupils can be suspended or expelled.* It fails to provide timelines necessary to comply with due process requirements. It refers to due process but never defines it with regard to the suspension and expulsion process. No information is provided regarding how members of the expulsion hearing panel will be selected to avoid Conflict of Interest. The petition lists three (3) standards where "a student's suspension may lead to expulsion..." but lacks criteria for meeting the standards, which could result in capricious and prejudicial practices.

3. It does not describe how parents are informed *of their due process rights in regards to suspension and expulsion.*

4. It fails to *demonstrate an understanding of the rights of pupils with disabilities in...regard to suspension and expulsion.* The petition references the Individuals with Disabilities Act (IDEA) and Section 504 but does not differentiate between them regarding the procedures to be used for suspension and expulsion. The petition discusses Manifestation Determination; however, there is no mention of how WAYS deals with pupils when the behavior is associated with the disability, or ensure the pupil is in the appropriate program/services. There is no mention of how WAYS deals with a student with disabilities who begins displaying negative behaviors, of calling an IEP Team meeting and writing a Behavior Support Plan, or deals with suspensions (cumulative) of over 10 days.

Element 11: STRS, PERS, and Social Security. *Reasonably comprehensive with specific omission*

The petition does not state *the staff who will be responsible for ensuring that appropriate arrangements for coverage have been made* as required under *CCR, Title 5,* § 11967.5.1(f)(11).

Element 12: Public School Attendance Alternatives. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(12) as it does not *specify that the parent/guardian of each pupil enrolled in the charter shall be informed that the pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.*

Element 13: Post-Employment Rights of Employees. *Reasonably comprehensive*

Element 14: Dispute Resolution Procedures. *Not reasonably comprehensive*

The petition fails to meet the minimum requirements of *CCR, Title 5,* § 11967.5.1(f)(14) as follows:

1. Provides an unacceptable description of *how the costs of the dispute resolution process would be funded.* LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."

2. It fails to *recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto.*

   A. While the petition states that "any controversy or claim... except [one] that is in any way related to revocation of this Charter must be put in writing," the language does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).

   B. The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.

Element 15: Exclusive Public Employer. *Reasonably comprehensive*

Element 16: Closure Procedures. *Reasonably comprehensive with specific deficiencies*

The petition fails to meet the requirements as defined by *CCR, Title 5,* § 11962 as follows:

1. It does not comply with the requirement for *transfer and maintenance of personnel records in accordance with applicable law or* state how the school *will return any donated materials and property if closed.*

2. Closure procedures reflect the LAUSD Board of Education as the authorizer; the petitioner did not submit necessary changes to reflect the County Board as the potential authorizer. This is of particular importance with regard to special education as WAYS currently operates as a school of the district for special education services and would be a Local Education Agency (LEA) if authorized by the County Board.

Finding 6: The petition does not satisfy all of the Required Assurances of *Education Code* section 47605(c), (e) through (j), (l), and (m) as follows:

Standards, Assessments and Parent Consultation. *Does not meet the condition*

The petition does not provide evidence required by *EC* § 47605(c) that charter schools:

1. *Meet all statewide standards and conduct the pupil assessments required pursuant to EC § 60605 and 60851 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in non-charter public schools.* It fails to meet this condition due to its stated use of outdated tests and failure to specify correct procedures for students with special needs.

2. *The school shall, on a regular basis, consult with their parents and teachers regarding the school's educational programs.* It fails to meet the condition as there is no indication that WAYS provides a method for parents of English learners to provide input on programs specific to English learners and there is no mention of how parents of students with disabilities will be informed about the school's educational program.

Effect on the Authorizer and Financial Projections. *Does not provide the necessary evidence*

EC § 47605(g) requires the petition to provide information regarding the proposed operation and potential effects of the school on the authorizer. Requirements regarding the budget and facilities currently under lease were met. Concerns are as follows:

1. The petition does not provide evidence that there are no potential civil liability effects. Due to the Conflict of Interest issues raised by LAUSD and WAYS' failure to resolve those conflicts, there are concerns with the potential liability effects that authorizing the charter may bring to the County Board if the charter is authorized and the conflicts continue or recur.

2. While the current budget and projections for the next two years seem reasonable, the cost of facilities is unknown as the current lease expires in June 2011. The budget reflects an increase to lease expenses for expansion, based on current expenditures; however, if the school were to remain at the current site, it is unknown whether the holding company might raise the rate for the current sites, which would impact the out-year budgets.

Teacher Credentialing Requirement. *Does not meet the condition*

EC § 47605(l) requires that *teachers in charter schools shall be required to hold a CCTC certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold...It is the intent of the Legislature that charter schools be given flexibility with regard to noncore, non-college preparatory courses.* The petition fails to meet the condition because there is no mention of the type of credential a teacher would need to teach students with disabilities and teacher qualifications limited to *SB* 2042 credentials as reported under Element 5.

Attachment 3

Board Meeting – May 1, 2012

Item VI. Reports / Study Topics

Report on the *Wisdom Academy for Young Scientists Charter School* status of the June 7, 2011 conditions of renewal established by the County Board

On June 7, 2011, the County Board took action to grant renewal for Wisdom Academy for Young Scientists (WAYS) subject to specified conditions. The conditions of the County Board and WAYS' status on fulfilling those conditions are summarized below.

Conditions of Renewal Action	Status
Make changes to the petition to reflect the County Board as the authorizer by June 30, 2011. (Required by *California Code of Regulations*, Title 5 § 11967)	Not met
WAYS' Board to approve and sign LACOE Monitoring and Oversight Memorandum of Understanding (MOU) by June 30, 2011.	WAYS' Board approved and signed MOU; however, the school has not complied with specific monitoring and oversight requirements.
Make an application to a Special Education Local Plan Area (SELPA) by June 30, 2011.	Met
WAYS' former Executive Director was not to be "employed by or at the charter school until such time, if any, that the allegations of conflict of interest be resolved fully in her favor."	WAYS' former Executive Director has not been employed by the charter. However, she has been involved in the school's day-to-day operations and governing board activities, and she attended a conference after her employment ended for which expenses were charged to WAYS. Allegations of Conflict of Interest that existed June 7, 2011, have not been resolved.
WAYS was to comply with all California Conflict of Interest Laws.	Unclear if the condition was met. WAYS did not provide requested information needed to determine if condition was met.
WAYS was to contract with Michael Cureton as its Executive Director for two (2) years.	WAYS contracted with Mr. Cureton for two (2) years; however, he abruptly resigned effective October 1, 2011, citing interference from the former Executive Director and

Conditions for Renewal Action	Status
	Director of Operations as reason.
If any changes to Governance or Conflict of Interest were not permanent, it would be grounds for revocation.	Unclear if the condition was met. WAYS did not provide requested information needed to determine if condition was met.

Additional Concerns

(1) WAYS failed to meet or pursue student outcomes identified in the charter (*EC* 47607(c)(2)); its 2011 Growth Academic Performance Index (API) score declined 143 points over the preceding year.

(2) WAYS failed to respond to reasonable requests from authorizer for fiscal information pertaining to the school's internal controls and fiscal operations (*EC* 47604.3).

(3) LACOE received complaints against WAYS, its governing board, and the former Executive Director by a parent, school employees, and former members of the WAYS' Board. Based on allegations identified in the complaints, the County Superintendent of Schools opened an investigation pursuant to *EC* 47604.4. The complaints allege WAYS engaged in fiscal mismanagement, the board did not fulfill its fiduciary responsibility or duty of care, conflicts of interest exist, and the school failed to implement the academic program stated in the charter. WAYS failed to cooperate with the County Superintendent of Schools investigation.

Background

WAYS is a K-5 school comprised of three (3) sites located within the geographic boundaries of the Los Angeles Unified School District (LAUSD). Current enrollment is 488 students.

The County Board received the renewal petition as an appeal after denial by the LAUSD Board of Education. LAUSD had denied the petition based on the following findings:

(1) EC 47605(b)(2) The petitioners were demonstrably unlikely to successfully implement the program. Specific concerns regarding the WAYS Board included:

- Allowing self-dealing transactions to transpire, even though the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest;
- Failing to resolve Conflict of Interest issues and only minimally attempting to do so;
- Being minimally responsive to staff communications and acting in a manner inconsistent with its fiduciary responsibility, calling into question its capacity to govern and successfully implement the program; and
- Unfamiliarity with the content of the petition and/or requirements of law including the *Brown Act.*

(2) *EC* 47605(b)(5) The petition failed to provide a reasonably comprehensive description of 12 of the 16 required elements.

The full report on the *WAYS Charter School* is attached.

Los Angeles County Office of Education
Charter School Office
May 1, 2012

Report on the *Wisdom Academy for Young Scientists Charter School* Status of the June 7, 2011 Conditions of Renewal Established by the County Board

Background

Wisdom Academy for Young Scientists Charter School (WAYS) is located within the geographic boundaries of the Los Angeles Unified School District (LAUSD). The school has three (3) sites; one was approved by the Los Angeles County Board of Education (County Board) as a Material Revision to the Charter on August 9, 2011. WAYS currently has an enrollment of 488 students (CALPADS Spring 1 Certification, April 2, 2011).

The County Board took action to renew WAYS subject to specific conditions. The renewal petition was received by the County Board on appeal after it was denied by the LAUSD Board of Education based on the following findings:

> *EC* 47605(b)(2) The petitioners are demonstrably unlikely to successfully implement the program:
>
> Conflict of interest concerns exist pertaining to members of the WAYS Board of Directors and the WAYS Executive Director and Principal.... the WAYS Board...was minimally responsive to staff communications.... LAUSD considered the governing board's lack of independent and effective response to the Notice of Concern to be inconsistent with its fiduciary responsibility...which called into question the Board's capacity to govern the Charter School and successfully implement the program set forth in the petition. The WAYS Board failed to resolve the Conflict of Interest issues and only minimally attempted to do so....
>
> The WAYS governing board is unfamiliar with the content of the petition and/or requirements of law... [including] whether the Board is familiar with and complies with the requirements of the Brown Act. Additionally, the Board allowed self-dealing transactions to transpire, even though the Board in the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest.
>
> *EC* 47605(b)(5) The petition fails to provide a reasonably comprehensive description of 12 of the 16 required elements: The Educational Program, Method for Measuring Pupil Progress, Governance Structure, Health and Safety Procedures, Means for Achieving a Racial and Ethnic Balance, Admission Requirements, Submission of Independent Audit, Suspension and Expulsion Procedures, Identification of Retirement Systems, Public School Alternatives, Dispute Resolution, Closure Procedures.

Action to Grant Renewal by the County Board was Subject to Conditions

The June 7, 2011 action to grant renewal was subject to the following conditions:

1. WAYS was to make changes to the petition to reflect County Board as the authorizer as required by the *California Code of Regulations*, Title 5 section 11967 by June 30, 2011;

2. WAYS' Board was to approve and sign the LACOE Monitoring and Oversight Memorandum of Understanding (MOU) by June 30, 2011;
3. WAYS was to make application to a Special Education Local Plan Area (SELPA) by June 30, 2011;
4. WAYS' former Executive Director was not to be "employed by or at the charter school until such time, if any, that the allegations of conflict of interest be resolved fully in her favor;"
5. WAYS was to comply with all California Conflict of Interest Laws;
6. WAYS was to contract with Michael Cureton as its Executive Director for two (2) years; and
7. If any changes to Governance or Conflict of Interest were not permanent, it would be grounds for revocation.

Status of Compliance with County Board Conditions of Renewal

To date, the school's status on fulfilling the conditions of renewal is as follows:

1. WAYS did not make changes to the petition to reflect County Board as the authorizer. Events relevant to the school's failure to comply with the conditions of renewal are as follows:

    a. June 2011, WAYS began the revision process under the direction of Executive Director Michael Cureton; LACOE received a draft of proposed changes on August 21, 2011.

    b. September 15, 2011, Mr. Cureton tendered his resignation effective October 1, 2011. He notified LACOE that Ms. Watson, school principal, would continue to lead the revision process until a new Executive Director is named.

    c. October 14, 2011, WAYS Board Member, Edward Cabil resigned from the WAYS Board and is appointed interim Executive Director.

    d. October 21, 2011, WAYS submitted a second revision of proposed charter changes to LACOE.

    e. November 17, 2011, WAYS' attorney notified LACOE that the charter agreement is "fully authorized" and there "can be no other terms or conditions imposed by staff." The school rescinded previously submitted changes and invoked Dispute Resolution on the requirement to make changes. (November 11, 2011, WAYS Board named Mr. Cabil permanent Executive Director.)

    f. December 21, 2011, LACOE responded to WAYS stating (1) the County Board has the authority to impose conditions of authorization; (2) WAYS' Board agreed to the changes reflecting the County Board as authorizer by signing the MOU (necessary changes were specified in the MOU as Attachment F); and (3) invoking Dispute Resolution regarding WAYS' unauthorized changes to the petition.

    g. January 26, 2012, LACOE received a letter from WAYS dated *December 11, 2012*, which (1) disputed LACOE's ability to impose conditions for authorization; and (2) failed to respond to LACOE's request for an Issues Conference.

    h. February 2, 2012, LACOE invited WAYS to an Issues Conference to discuss "whether the County Board may, as a condition of authorization, require changes to the charter necessary to reflect the County Board as the authorizer."

i. February 6, 2012, WAYS sent LACOE a letter stating the purpose of the Issues Conference had not been identified. The letter states, "It is our position (as should be yours) that the WAYS charter document speaks for itself, as does the County Board's action approving the charter."

2. WAYS' Board approved and signed the LACOE MOU; however, the school has not complied with specific monitoring and oversight requirements of the MOU including:

   a. Monthly attendance reports are not adequately reviewed by WAYS prior to submission, resulting in LACOE staff spending more than 131 hours through March overseeing WAYS attendance reports as compared to the average 29 hours spent for other charter schools authorized by the County Board. Additionally, reports were submitted as late as three (3) weeks past the due date and/or without required student exit reports.

   b. School contact and student information lists are not submitted timely or accurately resulting in LACOE's inability to (1) determine resident schools, which is necessary for comparing the school's academic performance; and (2) contact families in the event of an emergency. Late and inaccurate submission results in a disproportionate amount of LACOE staff time being needed for monitoring and oversight as compared to other charters authorized by the County Board.

   c. WAYS' Board agendas, minutes, meeting schedules, membership updates, and recordings are not submitted timely and complete. LACOE has conferenced with the school and provided written notice of *Brown Act* violations.

3. WAYS made application to and was accepted by the LACOE Charter SELPA.

4. WAYS' former Executive Director has not been employed by the charter as the Executive Director; however, she has been at the school, involved in its day-to-day operations and governing board activities, and attended a conference after her employment ended for which expenses were charged to WAYS. Allegations of Conflict of Interest that existed June 7, 2011, have not been resolved. See *Additional Concerns*, below.

5. It is unclear whether WAYS has complied with all California Conflict of Interest Laws. See *Additional Concerns*, below.

6. WAYS contracted with Mr. Cureton as its Executive Director for two (2) years; however, Mr. Cureton precipitously resigned after less than three (3) months, citing interference by the former Executive Director and her son. See *Additional Concerns*, below.

7. It is unclear whether changes to the governance structure or Conflict of Interest required by the County Board have been permanent. See *Additional Concerns*, below.

Additional Concerns

1. WAYS failed to meet or pursue student outcomes identified in the charter (*EC* 47607(c)(2)):

   a. The California Department of Education (CDE) reported that in 2010-11, WAYS' Growth Annual Performance Index (API) declined 143 points from 2009-10.

2. WAYS has not been responsive to reasonable requests from the authorizer for fiscal information

pertaining to the school's internal controls and fiscal operations *(EC* 47604.3*)*.

a. Based on a review of credit card statements (supporting documents not available for review), and inquiries to WAYS' management and back-office services provider, WAYS exhibits a lack of internal control and oversight over credit card usage. For example, WAYS made credit card payments prior to obtaining receipts and verifying the validity of the charges, which is contrary to its fiscal policies and procedures.

b. Controller's Office staff was scheduled to visit WAYS' back-office services provider on November 18, 2011, to make further inquiries and review documentation, but the visit was objected to and cancelled by WAYS. Subsequently, on January 10, 2012, staff met with WAYS Executive Director and Director of Operations to discuss LACOE's concerns regarding WAYS' internal controls. WAYS' Executive Director acknowledged weaknesses exist.

3. LACOE received verbal and written complaints against WAYS, its governing board, and the former Executive Director by a parent, staff, and former members of WAYS' Board. Based on allegations identified in the complaints, the County Superintendent of Schools opened an investigation pursuant to *EC* 47604.4[1]. The complaints allege WAYS engaged in fiscal mismanagement, the Board did not fulfill its fiduciary responsibility or duty of care, there were ongoing conflicts of interest, and the school failed to implement the academic program stated in the charter. Evidence supporting the various allegations includes but is not limited to the following:

   a. The former Executive Director interfered with governing board's ability to fulfill its responsibility to oversee the governance of the school.

      i. Five (5) of WAYS' nine (9) Board members, in office at the time of County Board action, resigned between September 19 and October 20, 2011. The letters of resignation indicate concerns regarding conflict of interest, on-going Board resignations, dissention, the former Executive Director's verbal abuse of Board members, and the precipitous resignation of Mr. Cureton.

      ii. The former Executive Director failed to comply with the WAYS Board request to remove herself as a signatory on school accounts until after October 28, 2011.

      iii. Multiple complaints that the former Executive Director was present at and refused to be unseated from the board table at the September 16, 2011 board meeting. The agenda for this meeting included discussion of moving the school to facilities not owned by the former Executive Director. The meeting was disbanded due to unruly behavior by individuals supporting continued use of the former Executive Director's facilities.

      iv. At the September 22, 2011 special Board meeting, LACOE staff observed that the former Executive Director was seated at the Board table, held private conversations with one Board member during the course of the meeting, and called an absent Board

[1] 47604.4(a) In addition to the authority granted by Sections 1241.5 and 47604.3, a county superintendent of schools may, based upon written complaints by parents or other information that justifies the investigation, monitor the operations of a charter school located within that county and conduct an investigation into the operations of that charter school.

member to ask if they were coming to the meeting. The meeting was disbanded due to lack of a quorum.

b. The former Executive Director interfered with the day to day operations of the school.

i. In July 2011, the former Executive Director represented WAYS in a Department of Labor Relations Division of Labor Standard Enforcement Hearing as reported by the filing party.

ii. On August 30, 2011, LACOE staff observed the presence of the former Executive Director at a WAYS' professional development day including her access to confidential student level data. LACOE also obtained written evidence, corroborated by Mr. Cureton, that she had addressed the staff using materials identifying her as the "Chief Executive Officer of Wisdom Academy."

iii. On September 30, 2011, Mr. Cureton sent an email stating, "I will resign my position as Executive Director at Wisdom Academy for Young Scientists Charter School on October 1, 2011, because I am being constantly harass[ed] by the founder/former executive director and her son."

c. WAYS has not implemented the academic program described in the charter.

i. WAYS has not provided the science-centered curriculum stated in Element 1 of the charter. The petition states WAYS' mission as follows:

> The mission consists of three main concepts: Empowering students to be leaders, through high quality education that is anchored in the California State Standards, **enabling them to become true scientists who are global citizens as evidenced by their participation in a rigorous content rich science program** and expecting them to be leaders who will act as change agents in their local community. (Emphasis added)

As part of WAYS' renewal application to LAUSD, the district asked the question, "What innovative elements of your charter could be considered best practices and replicated by other schools?" WAYS' response, in part, was its "Science Centered curriculum."

A. The 2010-11 California Standards Test (CST) for science (administered at fifth grade) indicates only 33% of students scored proficient or above in science. In the previous year, 81% of students scored proficient or above.

B. Observation by LACOE staff during October 19, 2011, and February 22, 2012, site visits is that the science kits named in the charter are not being utilized and are not present in classrooms. WAYS staff verbally confirmed this observation.

C. The complaint that textbooks are out of date is corroborated by statements made by WAYS staff that the school is in need of textbooks.

D. At a December 2011 Board meeting, the WAYS principal reported to the WAYS Board that the school was meeting with a contractor to "bring back"

a science program the school previously utilized. There was no evidence of that program during a February 22, 2012 site visit. During that visit, the principal stated the school has deferred the science focus until the school's performance in math and language arts improves.

E. April 2012, LACOE received a complaint against WAYS alleging the school did not provide adequate instructional materials, including textbooks, to implement the educational program.

d. The WAYS Board failed to fulfill its duty of care and fiduciary responsibility by:

i. Permitting the former Executive Director access to school financial accounts past her date of employment:

A. She remained as a signatory on school bank accounts for more than four (4) months past her date of employment.

B. She made charges to a credit card in the school's name between June 13 and June 30, 2011, for travel, accommodations, meals, and gasoline in the amount of $2,155.00.

ii. Providing insufficient oversight to ensure adherence to its fiscal policies, including

A. The Director of Operations, son of the former Executive Director, approved the check request for the school's credit card payment including charges he initiated.

e. The following allegations are still pending due to WAYS' failure to cooperate with LACOE's request for information pursuant to *EC* 47604.4:

- *Fiscal mismanagement*
- *Breach of fiduciary responsibility*
- *Conflict of interest*
- *Breach of duty of care*

f. Over the course of the past six (6) months, LACOE issued repeated invitations to WAYS Board and Executive Director to participate in the investigation, only to be met by resistance and later refusal. WAYS even improperly invoked the Dispute Resolution Process to as to what it claims were "false" allegations prompting the investigation. In its last correspondence WAYS maintained its position that it refuses to participate in the investigation.

Attachment 4

APPROVED
LOS ANGELES COUNTY
BOARD OF EDUCATION

MAY 01 2012

BY: AD:RC
Ex Officio Secretary

Board Meeting – May 1, 2012

Item VIII. Recommendations

D. Approval for the Superintendent to issue a letter to *Wisdom Academy for Young Scientists Charter School* requesting mediation pursuant to the Dispute Resolution Process stated in the charter petition

The Superintendent recommends that the Los Angeles County Board of Education (County Board) directs the Superintendent to issue a letter to Wisdom Academy for Young Scientists Charter School requesting mediation pursuant to the Dispute Resolution Process stated in the petition.

Attachment 5

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

May 17, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 537-8209
E-mail: edcabil@sbcglobal.net

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rudell S. Freer
President

Rebecca J. Turrentine
Vice President

Douglas R. Boyd

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Dr. Dorothy Valenti, President
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Karen Haynes
Ms. Cherly Johnson
Ms. Eleanor Jones
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Notice of Audit Pursuant to *Education Code* Section 1241.5(c)

This letter notifies the Wisdom Academy for Young Scientists (WAYS) that my office has approved the initiation of an audit under *Education Code* section 1241.5(c) to investigate possible fraud. We have contracted with the Fiscal Crisis and Management Assistance Team (FCMAT) to perform the audit. We have requested that FCMAT begins this audit as quickly as they can assign available staff.

We consider this to be an extraordinary request and we are approving the audit based on information contained in the school's 2011-12 Independent Audit as well as information provided by my staff. We will apprise you of the audit findings once the work has been completed.

My staff will be in contact with you regarding details as to the scope of the work and other contract issues. Should you have any questions regarding this audit, please contact Dr. Alex Cherniss at (562) 922-6124, or Ms. Marlene Dunn at (562) 922-6131.

Sincerely,

Arturo Delgado

Arturo Delgado, Ed.D.
Superintendent

AD/AC/JH:ls

c: Los Angeles County Board of Education
Joel Montero, Chief Executive Officer, FCMAT
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Alex Cherniss, Ed.D., Chief Business Officer, Business Services, LACOE
Marlene Dunn, Director, Business Advisory Services, LACOE

Wisdom Academy for Young Scientists

Wisdom Academy Board of Directors

Prepared January 19, 2014

Subject: Preliminary recommendations that address the 'Notice of Concern' received on December 20, 2013 from the Los Angeles County Office of Education

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The following are recommendations that the Board is advancing to address the County's 'Notice of Concern':

1. To request a *Ninety-Day Extension* from the Los Angeles County Office of Education to address the issues outlined in the 'Notice of Concerns' in order to develop a 'Corrective Action Plan' to address the Los Angeles County Office of Education 'Notice of Concern'.
2. Each board member will have the opportunity to submit recommendations to address the issues contained in the 'Notice of Concern'.
3. Hiring of a consultant to assist the Board in the development of the 'Corrective Action Plan'
4. Attempt to meet with the administration to ascertain the reasons for ongoing material fiscal deficiencies contained in the 2011-12 Independent Audit Report performed by Mr. Clem Payne.
5. To schedule a Board Retreat to discuss and develop a remedy for each of the items contained in the 'Notice of Concern', material deficiencies in the 2011-12 Independent Audit Report, material deficiencies in the 2011-12 Independent Audit Report, corrective action steps, personnel matters, review school charter, review organizational by-laws, and other operational and fiscal issues.
6. Require at least two (2) signatures on all checks authorized by the Board. Currently, only one signature is required no matter the amount of the check.

7. Develop parameters for which a check can be written by the administration without preapproval. (example: amount)
8. The Board will develop a 'Board Expenditure Authorization Form' to verify justification and board approval for all school expenditures.
9. Submit a *draft* of the 'Corrective Action Plan' to the Los Angeles County Office of Education in 65 days for preliminary review and comments. After which, those comments will be incorporated, and a *final* copy of the 'Corrective Action Plan' resubmitted to the County Office of Education.
10. All administrative positions will be opened, and administers in those positions will be invited to reapply.
11. Job descriptions and contracts will be developed for all positions.
12. All positions will undergo a 'position audit' to determine scope and qualifications. Upon completion of the position audit, job descriptions can be upgraded or modified.
13. The school's organizational flow chart will be updated to reflect any personnel changes and/or reporting responsibilities.
14. Selected contracts will be ratified for the current 2013-2014 school year.
15. The Board will conduct its meeting of the Budget & Finance Committee.
16. The Board will conduct its meeting of the Teaching & Learning Committee.
17. All school property/equipment will be inventoried and labelled.
18. Review all personnel records to determine the experience and qualifications of staff.
19. Review all consultant and contractor contracts.
20. Conduct a survey to gather additional input/feedback from all school personnel to be used in addressing issues contained in the 'Notice of Concern'.

21. Include a budget line item for the Board of Directors that will reflect expense reimbursements, conference/training, travel, clerical/consultant support, materials/supplies, etc.

22. Offer all board members the opportunity to attend the upcoming California Charter School Association (CCSA) conference in San Jose that will offer the Board Governance 101 training sessions.

23. Interim administrative and temporary classified personnel may need to be hired.

24. In response to the 2012-13 FCMAT fraud audit, and the administration's continuing insubordination and overall lack of responsiveness to the Board of Directors; a process must be established, at least on an interim basis, for the Board to become signers/co-signers on all school checks to eliminate possible appearance fraud or mismanagement of funds; of which it is responsible.

25. A meeting with all contractors will be held.

26. A security firm will be hired to monitor the campus, escort terminated staff off the premises, and ensure the safety of Board members and staff.

27. For safety reasons, the Board of Directors will no longer meet at the 706 Manchester site. Arrangements have been made to meet in the Community Room at the 77th Area Police Station or at the Community Centers Inc. facility located at 7518 South Vermont Avenue, Los Angeles, CA. Specific locations will be noted on Board Agendas.

The above preliminary actions will help guide the Board in addressing issues outlined in the 'Notice of Concern'. Additionally, the Board welcomes suggestions from the Los Angeles County Office of Education in addressing issues outlined in the 'Notice of Concern'. The Wisdom Board of Directors is grateful for the opportunity to remedy these issues.

Thank you for your consideration and assistance.

Respectfully Submitted,

Hon. Carol Lee Tolbert, President
Wisdom Academy Board of Directors

Cc: Board of Directors

Clt: January 19, 2014

Wisdom Academy for Young Scientists

January 17, 2014

Via Electronic Mail & U.S. Mail
delgado_arturo@lacoe.edu

Arturo Delgado, Ed.D
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242-2890

Re: Response to your letter dated December 20, 2013

Dear Dr. Delgado:

I am responding to your letter dated December 20, 2013, which you incorrectly mailed solely to the WAYS Board President's residence in Oakland and her personal email address. As a result, WAYS did not receive your letter until January 14, 2014. Thus, it is unreasonable that you requested a response by January 20, 2014, which date is also a Federal recognized holiday. Going forward, please comply with the LACOE MOU with regard to such notices. The MOU specifically provides that LACOE send any and all notices and correspondence concerning WAYS to the Executive Director at the school's address. By incorrectly sending your notice to a single board member but addressing all of them, you could have inadvertently triggered a serial board communication (transmittal of your letter) in violation of the Brown Act. We expect you to comply with the MOU in this regard.

At the time your letter was sent, WAYS had in fact submitted the following required reports. It is unclear why you were under the impression that they had not been sent by that date. One report (the December financial statement) did not exist yet at the time of your letter. In any event, here is a summary of when each report was submitted.

October Financials were submitted November 15, 2013
November Financials were submitted December 13th 2013
December Financials were not due by the time LACOE wrote the letter, it was subsequently submitted January 15, 2014
First Interim was submitted December 12, 2013
Unaudited Actuals was submitted before the due date but LACOE asked for adjustments and final submission was October 9th

The WAYS Board President and one other Board Member incorrectly included a member of your office as a recipient in WAYS internal confidential communication, which was explicitly intended for me, which you quote in your letter. Her email dated November 20, 2013, was not a "notice of an altercation" to LACOE. Furthermore, a majority of the statements made in the Board Presidents email dated November 20 were inaccurate and unfounded. That is being sorted out as an internal matter.

The WAYS Board President is a new to the organization, and has not been appointed, authorized, or delegated an authorized point of contact between LACOE and WAYS. As you know, any information provided by a single member of the WAYS Board, without prior authorization from the WAYS Board, is not and cannot be an official communication concerning the business and operations of WAYS. A single board member does not speak for the board or the organization. Many of your December 20 2013 statements are based on what appears to be your misinterpretation of that internal communication. Furthermore, your assertion that the CSO requested an explanation as to why the WAYS November 21, 2013 Board meeting was "postponed" is not correct. We did not receive any such request. In any event, the WAYS November 21, 2013 Board Meeting was postponed because I determined that the agenda was not posted in accordance with the Brown Act. We did not wish to proceed with an improperly noticed meeting, so we cured any potential violation by postponing the meeting until proper notice was provided. The improper notice was a result of the new Board President's learning curve on these issues.

Since the charter renewal period in May 2011, your office has made habitual misstatements and unfounded claims. We have been trying to resolve that problem with you, and will continue to do so. Most recently, your December 20, 2013 letter refers to "[my] history of overstepping [my] authority." That is false and misleading. You misquote my October 10, 2011, email insinuating that I overstepped my authority by calling a Board Meeting. However on October 10, 2011, I was still a member of the WAYS Board; consequently my statement that "four of the remaining board members all agreed that we needed a called meeting because of the desperate and crucial situation surrounding WAYS" is in fact evidence that the Board called a meeting as required by the Bylaws, and in no way supports your suggestion that I have a "history" of "overstepping" my authority.

Also for the record, as my letter dated November 12, 2013 implied, the October 24, 2013 Board Meeting was ended abruptly at 8:40pm at the conclusion of the closed session with an unofficial Board consensus due to an unanticipated interruption. There was no threat to the health and safety of anyone in attendance at the October 24, 2013 meeting. Furthermore, my statements in my November 12, 2013 do not support any allegations or claims made by any board or staff member. WAYS maintains a safe and secure environment for its students, staff, administration, school volunteers, and visitors.

WAYS reviews its policies regularly. There were no changes made to the Board approved Policies including the Admissions/Enrollment/Lottery, and Suspension & Expulsion policies, which were initially submitted to LACOE in during the WAYS Charter Renewal in May 2011. On November 7, 2013, an email from Neha Patel states that the LACOE CSO was unable to locate these policies, additionally naming the newly required Student Fees Policy. These policies were resubmitted to LACOE on November 8, 2013, along with a draft version of the newly required Student Fees Policy Draft which was expected to be reviewed by the WAYS Board at the November 24, 2013 Board Meeting.

We will continue to provide you information and document as we move forward. We agree that WAYS is experiencing some difficulties with board governance; many volunteer boards do. We have several new board members, and the board is quickly working through some growing pains. We expect board meetings to operate much more smoothly going forward. Similarly, we expect the Board to meet regularly.

Concerning your comments about arbitration over "conditions of authorization", we hope to resolve that with you within the schedule set by the arbitrator, Mr. Mainland. Our attorney has asked LACOE for your proposed award language so we could consider agreeing to it without any objection or further waste of public dollars. We understand that LACOE's attorney agreed to provide that. We believe that will entirely resolve those issues.

Sincerely,

Ed Cabil

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

January 24, 2014

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rebecca J. Turrentine
President

Katie Braude
Vice President

Douglas R. Boyd

José Z. Calderón

Rudell S. Freer

Raymond Reisler

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Hon. Carol Lee Tolbert, President
Ms. Kimberly Daniels
Mr. Armando Espinosa
Ms. Saundra Davis
Mr. Norman Golden
Ms. Cherly Johnson
Dr. Dorothy Valenti
706 E. Manchester Ave.
Los Angeles, CA 90001

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saundavis@aol.com;
normanskx@gmail.com;
johnsoncenter@msn.com;
dvalenti747@yahoo.com

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Confirmation of Receipt of Responses to Superintendent's Notice of Concern

On December 20, 2013, Superintendent Dr. Arturo Delgado issued a *Notice of Concern* to Wisdom Academy for Young Scientists (WAYS). The letter requested an action plan, responsive to the issues stated in the letter, be submitted to the Charter School Office by January 20, 2014.

On January 21, 2014, the Los Angeles County Office of Education received two (2) responses: one from the WAYS Board President and one from the WAYS Executive Director. The responses contain contradictory information and request different timelines for submitting the action plan.

By Friday, January 31, 2014, please submit the school's response to the Superintendent's *Notice of Concern* to the Charter School Office.

Sincerely,

Judy Higelin
Project Director III
Charter School Office
Division of Accountability, Support and Monitoring

JH:ls

c: Los Angeles County Board of Education
Arturo Delgado, Ed.D., Superintendent, LACOE
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE

Wisdom Academy for Young Scientists

January 31, 2014

Via Electronic Mail & U.S. Mail
delgado_arturo@lacoe.edu
higelin_judy@lacoe.edu

Arturo Delgado, Ed.D
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242-2890

Re: Response to your letter dated December 20, 2013 and letter from Judy Higelin dated January 24, 2014

Dear Dr. Delgado:

Thank you for stating your concern to us about WAYS' Board governance. We recognize that we have had recent issues with inappropriate actions and communication coming from a specific Board Member. We, too, have been very concerned and our Board has taken steps to correct this matter, and we will continue to do so. At the January 30, 2014 Special Board Meeting, the Board voted to remove Carol Lee Tolbert from the WAYS Board. Thus, Carol Lee Tolbert is no longer a member of the WAYS Board and is no longer associated with WAYS in any capacity whatsoever. We believe this action is a major step in correcting our recent governance issues. Attachment 1 of this letter is our updated school contact list and attachment 2 of this letter is our List of current board members. WAYS intends to appoint additional members to its Board as soon as practicable.

I am further responding to your letter dated December 20, 2013, which you incorrectly mailed solely to the former WAYS Board Chair's residence in Oakland and her personal email address. As a result, WAYS did not receive your letter until January 14, 2014. Thus, it is unreasonable that you requested a response by January 20, 2014, which date is also a Federal recognized holiday. Going forward, please comply with the LACOE MOU with regard to such notices. The MOU specifically provides that LACOE send any and all notices and correspondence concerning WAYS to the Executive Director at the school's address. By incorrectly sending your notice to a single board member but addressing all of them, you could have inadvertently triggered a serial board communication (transmittal of your letter) in violation of the Brown Act. We expect you to comply with the MOU in this regard.

Empowering Students to be Leaders, Change Agents, and True Scientists

700 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

At the time your letter was sent, WAYS had in fact submitted the following required reports. It is unclear why you were under the impression that they had not been sent by that date. One report (the December financial statement) did not exist yet at the time of your letter. In any event, here is a summary of when each report was submitted.

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The on a number of instances, the former WAYS Board Chair and one other Board Member incorrectly included a member of your office as a recipient in WAYS internal confidential communication, which was explicitly intended for me, which you quote in your letter. Her email dated November 20, 2013, was not a "notice of an altercation" to LACOE. Furthermore, a majority of the statements made in the former Board Chair's email dated November 20 were inaccurate and unfounded. That is being sorted out as an internal matter.

The former WAYS Board Chair was new to the organization, and had not been appointed, authorized, or delegated an authorized point of contact between LACOE and WAYS. As you know, any information provided by a single member of the WAYS Board, without prior authorization from the WAYS Board, is not and cannot be an official communication concerning the business and operations of WAYS. The former Board Chair, took an oath with the understanding that the authority rests with the Board as a whole and not with individuals. A single board member does not speak for the board or the organization. Many of your December 20, 2013 statements are based on what appears to be your misinterpretation of that internal communication.

Furthermore, your assertion that the CSO requested an explanation as to why the WAYS November 21, 2013 Board meeting was "postponed" is not correct. We did not receive any such request. In any event, the WAYS November 21, 2013 Board Meeting was postponed because I determined that the agenda was not posted in accordance with the Brown Act. We did not wish to proceed with an improperly noticed meeting, so we cured any potential violation by postponing the meeting until proper notice was provided. The improper notice was a result of the former Board Chair's learning curve on these issues.

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We will continue to provide you information and document as we move forward. We agree that WAYS has experienced some difficulties with board governance; many volunteer boards do. We have several new board members, and the board is quickly working through some growing pains. We expect board meetings to operate much more smoothly going forward. Similarly, we expect the Board to meet regularly.

Concerning your comments about arbitration over "conditions of authorization", we hope to resolve that with you within the schedule set by the arbitrator, Mr. Mainland. Our attorney has asked LACOE for your proposed award language so we could consider agreeing to it without any objection or further waste of public dollars. We understand that LACOE's attorney agreed to provide that. We believe that will entirely resolve those issues.

Sincerely,

Ed Cabil

Cc: WAYS Board of Directors

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

May 17, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 537-8209
E-mail: edcabil@sbcglobal.net

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rudell S. Freer
President

Rebecca J. Turrentine
Vice President

Douglas R. Boyd

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Dr. Dorothy Valenti, President
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Karen Haynes
Ms. Cherly Johnson
Ms. Eleanor Jones
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Notice of Audit Pursuant to *Education Code* Section 1241.5(c)

This letter notifies the Wisdom Academy for Young Scientists (WAYS) that my office has approved the initiation of an audit under *Education Code* section 1241.5(c) to investigate possible fraud. We have contracted with the Fiscal Crisis and Management Assistance Team (FCMAT) to perform the audit. We have requested that FCMAT begins this audit as quickly as they can assign available staff.

We consider this to be an extraordinary request and we are approving the audit based on information contained in the school's 2011-12 Independent Audit as well as information provided by my staff. We will apprise you of the audit findings once the work has been completed.

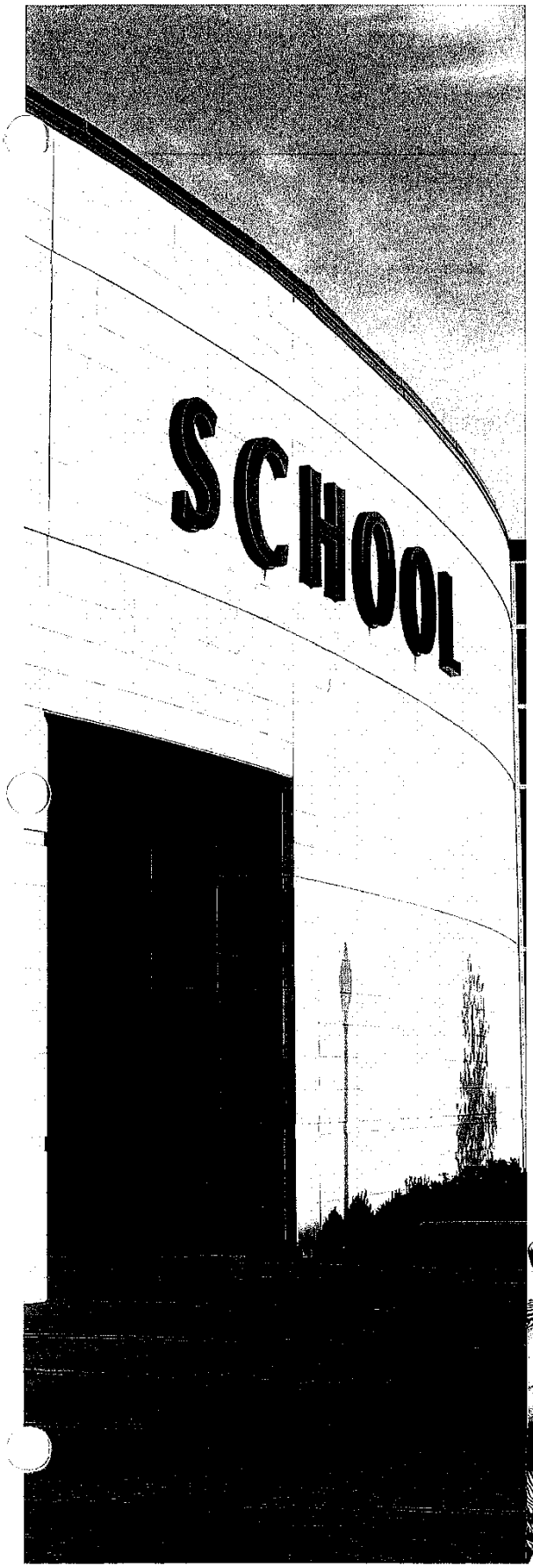
My staff will be in contact with you regarding details as to the scope of the work and other contract issues. Should you have any questions regarding this audit, please contact Dr. Alex Cherniss at (562) 922-6124, or Ms. Marlene Dunn at (562) 922-6131.

Sincerely,

Arturo Delgado, Ed.D.
Superintendent

AD/AC/JH:ls

c: Los Angeles County Board of Education
Joel Montero, Chief Executive Officer, FCMAT
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Alex Cherniss, Ed.D., Chief Business Officer, Business Services, LACOE
Marlene Dunn, Director, Business Advisory Services, LACOE



FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

Los Angeles County Office of Education

regarding the

Wisdom Academy for Young Scientists

AB 139 Extraordinary Audit

March 19, 2014

Joel D. Montero
Chief Executive Officer

[redacted]

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

March 19, 2014

Arturo Delgado, Ed.D., Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242

Dear Superintendent Delgado:

The contract between the Fiscal Crisis and Management Assistance Team (FCMAT) and the Los Angeles County Office of Education to provide an Assembly Bill 139 extraordinary audit of the Wisdom Academy of Young Scientists (WAYS) was signed in May 2013 and returned to FCMAT in June 2013. Specifically, the agreement stated that FCMAT would perform the following:

Scope and Objectives of the Study

1. Evaluate the charter school's internal control structure, policies and procedures to test transactions and reporting processes to determine if adequate procedures are in place to safeguard assets, including physical objects, charter school data, and intellectual property.

   Evaluation of policies and procedures will include the following:

   i. Review compliance with policies and procedures including, but not limited to, those related to human resources, finance, purchasing, granting agencies, and state and federal government programs and funding.

   ii. Review document and records retention procedures to determine whether the charter school provides reasonable assurance that asset records are safeguarded and transactions are correctly recorded.

2. Evaluate the reliability and integrity of information used for internal management decisions and external agency reports.

3. Determine if authorization procedures are appropriate and consistently followed. Review administrator and manager approvals and whether signature authority is delegated only to authorized employees.

FCMAT
Joel D. Montero, Chief Executive Officer
1300 17th Street - City Centre, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 707-636-4647 • www.fcmat.org
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

4. Determine whether proper segregation of duties exists. The team will evaluate personnel, payroll, accounts payable and cash transactions, and will do the following:

   i. Review the authorization process for cash receipts

   ii. Determine if protective measures are in place for safeguarding assets, processes and data.

   iii. Determine whether safe combinations are changed periodically and anytime a staff member who knows the combination terminates employment.

5. Evaluate reporting processes. The team will do the following:

   i. Evaluate monitoring and verify that controls are operating properly.

   ii. Evaluate controls that prevent management from overriding internal controls and thus prevent the potential misappropriation of funds.

   iii. Evaluate whether clearly established lines of authority and responsibility exist within and between departments for proper review and reporting purposes, and if these are shown on organizational charts.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the Los Angeles County Office of Education, and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Joel D. Montero
Chief Executive Officer

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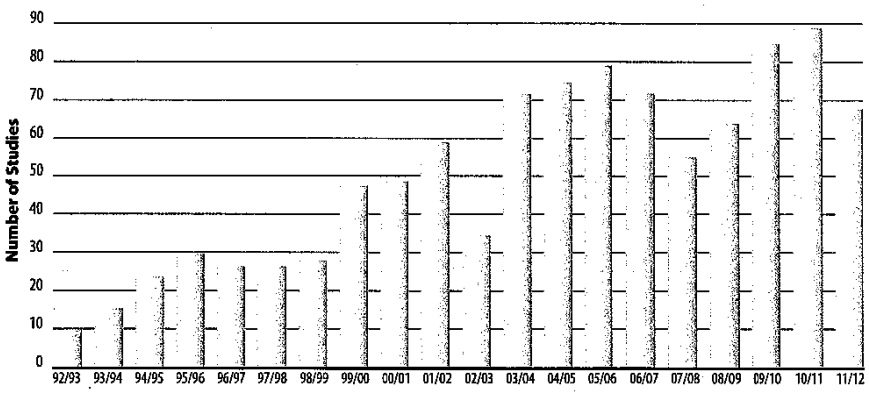
About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

ABOUT FCMAT

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

In May 2013, the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the Los Angeles County Office of Education for an Assembly Bill (AB) 139 extraordinary audit of the Wisdom Academy for Young Scientists charter schools. The county office had received allegations of multiple fiscal irregularities, questionable expenditures and inappropriate related-party transactions at WAYS charter school. Concerned that these allegations may have violated various government and education codes related to fraud and/or misappropriation of assets, the county superintendent initiated an investigation to determine whether sufficient evidence of fraud, misappropriation of funds or other illegal activities may have occurred to report the matter to the local district attorney's office for further investigation. Under the provisions of Education Code Section 1241, FCMAT entered into a contract with the Los Angeles County Office of Education to conduct an AB 139 extraordinary audit.

FCMAT interviewed employees and reviewed documents to determine if instances of fraud, misappropriation of funds or other illegal practices occurred that would warrant further investigation by the local district attorney's office.

Study Guidelines

FCMAT provides a variety of services to school districts and county offices of education upon request. Education Code Section 1241.5(b)(c) permits a county superintendent of schools to review or audit the expenditures and internal controls of any school district in that county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. According to the Education Code, the review or audit conducted by the county superintendent will focus on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and is to be conducted in a timely and efficient manner. This is in accordance with Education Code Section 42638(b), which states as follows:

> If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the school district, the State Controller, the Superintendent of Public Instruction, and the local district attorney.

Therefore, FCMAT focused on the allegations of misappropriation of assets, misuse of grant funds and conflict of interest to determine whether Wisdom Academy for Young Scientists Charter School and/or its personnel were involved in or committed fraudulent activities.

Audit Fieldwork

Investigating allegations of fraud requires a number of steps that include interviewing potential witnesses and assembling evidence from internal and external sources. The FCMAT study team conducted initial county office interviews in June 2013 during the schools' summer vacation and then visited the three charter school campuses in November 2013 to conduct interviews, collect data and review documents. Based on new information, additional interviews and fieldwork were scheduled in December 2013 through February 2014. Specifically, FCMAT reviewed, analyzed and tested records that included audited financial statements, financial records, grant documents, board minutes, the charter petitions and other documentation from independent third party

sources. The review also included interviews with a board member, management personnel, business service provider, and former charter school employees to evaluate information concerning any alleged mismanagement, fraud, or abuse.

The fieldwork focused on determining whether there is sufficient information to ascertain fraud, misappropriation of funds, conflict of interest particularly with related-party transactions, self-dealing through privately owned company transactions of management and key employees and the former executive director of the charter school, and breach of fiduciary duty.

Although there are many different types of fraud, a conflict of interest and breach of fiduciary duty exists when officers or employees of the organization have a personal financial interest in a contract or transaction and is considered to be a form of misappropriation of assets.

All fraud has common elements including the following:

Knowingly making an untrue representation or a false claim of a material fact;

- Intent to deceive, or concealment of the act;
- Reliance on untrue information; and
- Damages or a loss of money or property.

This report is the result of that investigation and is divided into the following sections:

- Introduction
- Background
- Scope and Procedures
- Findings and Recommendations
  - Occupational Fraud
  - Related-Party Transactions, Significant Influence, Self-Dealing
  - Audit Findings
  - Governing Board Oversight
- Appendices

Study Team

The FCMAT study team was composed of the following members:

Deborah Deal, CICA, CFE
FCMAT Fiscal Intervention Specialist
Los Angeles, California

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Background

Wisdom Academy for Young Scientists (WAYS) operates under the Merle Williamson Foundation, a non-profit 501(c)(3). WAYS charter school was authorized as a charter school by the California Department of Education (CDE) in September 2006. The first-year enrollment of 141 grew to 267 pupils by June 30, 2012.

Originally approved by Los Angeles Unified School District Board of Education, the charter school was denied renewal of the petition effective July 1, 2011. The district cited several instances of Education Code violations that included:

1. Conflict of interest concerns between related parties, the executive director, the principal and members of the Board of Directors including self-dealing;
2. Violations of the Brown Act;
3. An ineffective governance structure; and
4. Failure to provide a reasonably comprehensive description in the petition for 12 of 16 required elements pursuant to EC 47605(b)(5) .

The WAYS governing board is responsible for fiscal accountability and proper governance over all financial transactions but has limited involvement in the schools' financial affairs. The inability for the governing board to exercise due diligence and implement internal controls has effectively allowed the former executive director, current executive director and related parties unrestricted access to the assets of the organization and implied authority to enter into a variety of business arrangements for personal gain without board authorization and/or approval.

The involvement of the former executive director, related parties, business associates, former board members and numerous businesses owned by the former executive director and her husband has raised questions regarding potential conflict of interest, significant influence over financial transactions, self-dealing, control over fiscal management and related party transactions in violation of government and education codes.

On June 7, 2011, the Los Angeles County Board of Education (LACBOE) granted conditional approval for the WAYS charter school. Since that time, the management of the charter school has repeatedly resisted implementation of the conditions for approval by ignoring requests by the county office staff for information to support that the conditions have been met. On several occasions, verification that the conditions have been met including required reports such as financial information, interim budget reports, audited financial statements and monthly reports have been submitted after repeated requests by Los Angeles County Office of Education (LACOE) staff or have not been submitted at all.

County office staff cite several instances within the first year of operations where WAYS failed to comply with the conditions set forth in the original conditional approval. Some examples include: Management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding internal control over credit card usage, attendance reports, contact information, student information, board minutes, board agendas, board meeting dates, failure to abide by

conflict of interest laws, and interference in operations from the founder/former executive director, in addition to written and verbal complaints by board members, parents and staff.

Following the conditional approval by LACBOE, the county office staff received written and verbal complaints alleging WAYS engaged in fiscal mismanagement, interference with the board in its fulfillment of fiduciary duties by the founder/former executive director, disbanding of board meetings caused by unruly behavior preventing unfavorable actions of the board, resignation of five of the nine board members in one month citing concerns over conflict of interest, ongoing board member resignations, dissention, verbal abuse of board members by the founder/former executive director and, most recently, her son, the director of operations. In January 2014, three of five board members resigned, citing similar complaints that are verified in the minutes and audio recordings of board meetings.

LACOE staff note several irregularities and possible misappropriation of funds within the WAYS charter school organization that oversees three charter school sites. These allegations of fraud involve ongoing conflicts of interest and the mismanagement of charter school funds related to facility leases, related-party transactions between the former executive director who owns two of the properties leased by the school and is related to owners of private businesses that conduct business with the charter school, execution of a vehicle lease without board approval, and a substantial separation of service payment to the former executive director without sufficient supporting documentation.

Governance issues include an ineffective governance structure caused by continued interference by the former executive director through her son and daughter that hold key positions of authority and decision making in the organization, effectively eliminating the governing board's ability to exercise its fiduciary responsibilities and duty of care. Evidence of board meeting cancellations and disruption by the current executive director and the founder's son (director of operations) are corroborated through emails, board minutes and audio recording of board meetings. Prior to the board president's resignation in January 2014, threatening outbursts by the founder's son at a specially scheduled board meeting ended the meeting, after which she obtained a restraining order for her personal protection.

Based on these allegations, the Los Angeles County Office of Education, Charter Schools Division conducted a preliminary investigation, and based on the results of their initial findings, requested assistance from FCMAT pursuant to Education Code Sections 47604.4 and 1241.5(c).

The county office requested FCMAT to provide for the assignment of professionals to study specific aspects of alleged fraud, misappropriation of funds or other illegal fiscal practices that may have occurred in the Wisdom Academy for Young Scientists organization that merit examination.

EC Section 42638(b) requires action by the county superintendent to include the following:

> If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the charter school, the State Controller, the Superintendent of Public Instruction and the local district attorney.

Sufficient evidence exists to demonstrate that WAYS' management and governing board has failed to cooperate with its oversight agency; is engaged with fiscal mismanagement; violates California conflict of interest laws by engaging in related party transactions and self-dealing; and has breached its fiduciary responsibility and duty of care.

Scope and Procedures

The fraud investigation consisted of gathering adequate information regarding specific allegations, establishing an audit plan, and performing various audit test procedures to determine whether fraud occurred, and if so, evaluate the loss, determine who was involved, and determine how it occurred. During the interviews, FCMAT study team members asked questions pertaining to levels of authority to enter into contracts, governing board oversight, financial management policies and procedures, job duties and responsibilities, and questions related specifically to the founder/former executive director's settlement agreement, facility leases, automobile lease, excess fuel purchases and various purchases by selected vendors including the dance studio owned by the founder's daughter.

The primary focus of this review is to provide the Los Angeles County Office of Education with reasonable assurances based on the testing performed that adequate management controls are in place regarding the charter schools' reporting and monitoring of financial transactions and that fraud, misappropriation of funds or other illegal activities have not occurred. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance.

FCMAT utilized fraud risk assessment tools to conduct sample tests of financial transactions, other data and contracts to determine if fraud, misappropriation of funds or other illegal activities have occurred. Testing associated with this review is based upon sample selection and does not include the testing of the complete list of all transactions and records for this period. Sample testing and review results are intended to provide reasonable but not absolute assurance as to the accuracy of the district's transactions and financial activity.

Transaction Sampling Analysis

To accomplish the objectives of this audit, a number of audit test procedures were developed to provide an in-depth analysis and understanding of the allegations and potential outcomes. The team had access to the general ledger records from July 1, 2008 through June 30, 2013. Specifically, FCMAT performed audit tests related to general ledger transactions, bank statements, check disbursements, and rent, facility and automobile lease agreements, including the following:

- Review of the charter schools' detailed QuickBooks general ledger records for the most recent five-year period from July 1, 2008 through December 31, 2013.
- Review of bank statements covering the audit period.
- Review of proper authorization and available supporting documentation.
- Review of credit card transactions and payments.
- Analysis of supporting documentation for credit card transactions.
- Review of federal forms W-9, 990 and 1099 over the audit period.
- Review of the charter schools' fiscal policies and procedures handbook.
- Review of the charter schools' petition documents and bylaws.
- Review of the governing board minutes and agendas.
- Analysis of purchases for school materials and supplies.

- Analysis of the charter schools' compliance with laws and regulations relating to conflict of interest and the Political Reform Act and review of Forms 700.
- Review of the charter schools' internal control process and procedures to determine possible weaknesses in prevention and detection of fraud, misappropriation and/or criminal activity.

Transaction sampling was the method used to evaluate the vendor payments issued by WAYS. To evaluate WAYS' management of expenditure decisions, FCMAT obtained a full copy of the WAYS accounting software, QuickBooks. Using QuickBooks, the team reviewed the WAYS general ledger and vendors over the last five years.

The WAYS chart of accounts general ledger is comprised of 196 accounts. Vendor transactions are accounted for using the charter of accounts recorded in the general ledger to account for transactions in various like-kind groups such as office supplies, books, rent, loans, capital improvement, etc. For example, a typical purchase from Staples would be recorded as supplies and subsequently paid through accounts payable, eventually decreasing the cash account.

The team reviewed all 42 customers and 667 WAYS vendors and scanned each transaction in the QuickBooks software to identify potential individual transactions to be examined further.

An audit risk assessment involves sampling of both customer and vendor transactions. Customer transactions were consistent with audit risk parameters; therefore, no additional transactions were reviewed. However, the team identified 20 of the 667 vendors for an in-depth audit that included 137 individual transactions as demonstrated in the following table below.

WAYS Transaction Sampling	Customers	Vendors	**Total**
Total Number	42	667	**709**
FCMAT Team Previewed	42	667	**709**
Percent Previewed	100%	100%	100%
Selected For Detailed Review	-	20	**20**
Percent Previewed of Total Number	0%	3%	3%
Detailed Documentation Examined	n/a	137	**137**

Selected vendor transactions were audited for supporting documentation for paid invoices based on specific criteria and depending on the type of purchase:

- An invoice's appearance, calculations of extended prices and quantities, description of invoice line items, and sales tax calculations
- Invoice payments
- Shipping documents
- Bills of lading and/or packing slips
- Receipt documentation such as notes, description of the business purpose
- Proper authorization including governing board approval, management approval, and conformance to internal accounting policies and procedures

- Proper coding of the transaction into the chart of accounts general ledger
- Vendor names and check payee names that are supported by valid business license, sales tax licenses and federal Form W-9
- Vendor invoices that present valid business addresses
- Vendors that were issued a federal Form 1099
- Contracts that are valid for the appropriate time period and contain authorized signatures
- Other proper documentation depending on the type of purchase or contract

After reviewing 137 detailed transactions of the 20 vendors selected for detailed review, the following six vendors fit the profile of related parties and/or were business entities that received payments from WAYS business accounts for goods or services:

1. OSE Business Services
2. American Express credit card
3. Godfrey Okonkwo
4. Emeka Enwezor
5. Avatar Technology
6. Toyota Motor Corporation - Lexus purchase and sale

The following findings and recommendations are the result of the audit procedures and analysis performed.

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Findings and Recommendations

Occupational Fraud

The owners, executives, directors, managers and/or employees of an organization may commit occupational fraud, which has three primary classifications: schemes related to asset misappropriation, corruption, and financial statements. Occupational fraud is the most common type of fraud that occurs in school settings.

Asset misappropriation frauds include cash skimming, purchasing fraud, falsifying expense reports and/or forging company checks. Corruption schemes involve an employee(s) using his or her influence in business transactions to obtain a personal benefit that violates that employee's duty to the employer or the organization; conflicts of interest fall into this category. Financial statement fraud includes the intentional misstatement or omission of material information in the financial reports.

Occupational fraud is one of the most difficult types of fraud and abuse to detect; however, the most common method of detection is receiving tips from current and/or former employees, which occurs three times more frequently than any other fraud prevention method for this type of scheme, and accounts for 43.6% of detections overall. According to the 2012 Report to the Nations on Occupational Fraud and Abuse conducted by the Association of Certified Fraud Examiners (ACFE), corruption schemes accounted for approximately one-third of all occupational fraud cases reported, with a median loss of $250,000.

Based on this study, there is a direct correlation between the perpetrator's position and authority in the organization and the losses incurred. Approximately 43% of fraudsters were employees; 34.3% were managers; 4.2% were "others," and 18.5% were owner/executives. Although the second lowest percentage is from owner/executives, this group generated the largest median loss of $373,000 out of the 753 cases reported in the United States.

WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates. The founder/former executive director selected the board members, which gave her and other family members significant influence over financial decisions that benefited them financially. Even after the founder was removed from her executive director position as a condition of the newly executed charter petition by the county office of education, the founder/former executive director positioned her son, daughter and previous board president to hold key positions in the organization and run the day-to-day operations, and by this action still maintained effective control over the financial affairs of the organization.

This report will demonstrate that there is an integral relationship between appointed board members and related family members and business associates – particularly between the former executive director, her son, daughter, former board president and their associated private businesses and lease agreements – that created an environment that allowed and continues to allow access, opportunity and motivation for occupational fraud to occur.

Internal Control Elements

Internal controls are the principal mechanism for preventing and/or deterring fraud or illegal acts. Illegal acts, misappropriation of assets or other fraudulent activities can include an array of irregularities characterized by intentional deception and misrepresentation of material facts.

Effective internal control processes provide reasonable assurance that a charter school's operations are effective and efficient, that the financial information produced is reliable, and that the organization operates in compliance with all applicable laws and regulations.

Internal control elements provide the framework for an effective fraud prevention program. An effective internal control structure includes the policies and procedures used by staff, adequate accounting and information systems, the work environment and the professionalism of employees. An effective internal control structure includes the five interrelated components of the control environment: fraud risk assessment, control activities, information and communication, and monitoring.

Internal Control Element	Description
Control Environment	Commonly referred to as "the moral tone of the organization," the control environment includes a code of ethical conduct; policies for ethics, hiring and promotion guidelines; proper assignment of authority and responsibility; oversight by management, the board or an audit committee; investigation of reported concerns; and effective disciplinary action for violations.
Fraud Risk Assessment	Identification and assessment of organization's objectives to establish and develop a strategy to react timely.
Control Activities	The development of policies and procedures to enforce the governing board's directives. These include the actions by management to prevent and identify misuse of the district's assets, including the prevention of override of controls in the system by any employee.
Information and Communication	The establishment of effective fraud communication. This includes ensuring that employees receive information regarding policies and opportunities to discuss ethical dilemmas. Establishing clear lines of communication in an organization to report suspected violations.
Monitoring	Ongoing monitoring that includes periodic performance assessments for fraud deterrence by managers and employees.

Examples of improper internal controls include, but are not limited to, the following:

- Failure to adequately segregate the duties and responsibilities of authorization.
- Failure to limit access to assets or sensitive data.
- Not recording transactions, resulting in lack of accountability and the possibility of theft.
- Unauthorized transactions, resulting in skimming, embezzlement or larceny.
- Lack of monitoring or implementing internal controls by the governing board and management.
- Collusion among employees where little or no supervision exists.

A system of internal controls consists of policies and procedures designed to provide the governing board and management with reasonable assurance that the organization achieves its objectives and goals. Traditionally referred to as *hard* controls, these include segregation of duties, limiting access to cash, management review and approval, and reconciliations. Other types of internal controls include *soft* controls such as management tone, performance evaluations, training programs, and maintaining established policies, procedures and standards of conduct. Controls that have been established must also be implemented and monitored to ensure their effectiveness.

Although WAYS had a fiscal policies and procedures handbook, the organization failed to implement or monitor several of the adopted policies and procedures. Recent board minutes document

that when board members expressed the need to review and approve certain financial transactions or asked for the back office provider to present the financial statements during open board meetings, management repeatedly ignored these requests. In some cases, management canceled board meetings and caused major disruptions that ended board meetings prematurely.

The internal control environment is a critical component because it establishes the organization's moral tone, commonly referred to as "the tone at the top." The tone at the top is an intangible internal control element that consists of the perception of an organization's employees regarding the ethical conduct displayed by the governing board and executive management.

A strong system of internal controls that consists of all five elements can provide reasonable but not absolute assurance that the organization will succeed in achieving its goals and objectives. The failure to establish adequate internal controls limiting the ability of the founder, family members and other related parties to access assets coupled with a lack of accountability to the governing board created an environment for fraud and misappropriation to occur.

To further demonstrate the lack of effective internal controls, independent audit reports for the last three fiscal years report 15 instances of significant and/or combined internal control conditions. Several of these findings have not been addressed by management and the governing board; therefore, these findings are repeated each year. The following table illustrates a complete list of audit findings from 2010-11 through 2012-13 prepared by annual independent auditors.

Audited Financial Statements Schedule of Findings and Questioned Costs for Audit Years 2011, 2012 and 2013

Finding	Description	2011
11-01/3000 – Combined Significant Deficiency Internal control condition	Untimely deposit of cash receipts	Untimely deposit of cash receipts risk the mismanagement of funds (either fraud or loss), misstatement of revenue, receivable or cash, and possible noncompliance with contracts, or laws and regulations.
11-02/3000 -Combined Significant Deficiency Internal control condition	Bank Reconciliation Over Site	Bank reconciliation was not properly reviewed resulting in inconsistent bank to book balances. Could result in a material misstatement of the financial statements. Organization lacks adequate procedures to ensure that bank reconciliations are reviewed monthly by a supervisor.
11-03/3000 – Combined Significant Deficiency Internal control condition	Accounts Receivable Reconciliation	The accounts receivable general ledger balance was not reconciled to the accounts receivable subsidiary ledger balances. Organization has not adequately established written policies and procedures to ensure accounts receivable balance is properly reconciled to subsidiary ledger balances and that differences are investigated and cleared in a timely manner. Could result in material errors or possible fraudulent activities going undetected resulting in materially misstated financial statements.

11-04/3000 – Combined Significant Deficiency Internal control condition	Recording transaction without complete supporting documentation	Supporting documentation for several disbursements was not complete. Could result in duplicate payments, goods and/or services not received, or payments that are incorrect or fraudulent. Could be a material misstatement of the financial statements. Organization lacks clear policies and procedures for the approval of all disbursements.
11-05/3000 – Significant Deficiency Internal control condition	Payroll Expense Reconciliation	Payroll expenses are not properly reconciled and adjusted in a timely manner. Could be a material misstatement of the financial statements.
11-6/3000 – Significant Deficiency Internal control condition	Written Asset Capitalization Policy	Organization does not have a written asset capitalization policy or procedures. This could result in unreliable financial reporting and compliance. Could be a material misstatement of the financial statements.
Finding	**Description**	**2012**
11-01/3000 – Significant Deficiency Internal control condition	Bank Reconciliation Over Site	Bank reconciliation was not properly reviewed resulting in inconsistent bank to book balances. Could result in a material misstatement of the financial statements. Organization lacks adequate procedures to ensure that bank reconciliations are reviewed monthly by a supervisor.
11-02/3000 – Significant Deficiency Internal control condition	Payroll Expense Reconciliation	Payroll expenses were not consistently reconciled to the general ledger. Could result in a material misstatement of the financial statements. Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.
Finding	**Description**	**2013**
2013-1/3000 Significant Deficiency Internal control condition	Bank Reconciliations	Monthly adjustments are made to a "suspense" account. Correcting journal entries at year end were not reconciled or posted into the proper accounts. Questioned costs: $13,735 posted in suspense accounts. Inadequate procedures to ensure that supporting documentation is provided for all transactions associated with bank accounts. Management officials from the school are not providing information necessary to post correcting journal entries to back office provider.

2013-2/3000 Significant Deficiency Internal control condition	Payroll Expense Reconciliations	Payroll expenses were not consistently reconciled to the general ledger resulting in a material misstatement of the financial statements. Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liability.
2013-3/3000 Significant Deficiency Internal control condition	Year End Accruals and Closing Process	The organization did not record closing transactions for the accounts receivable, accounts payable, prepaid expenses, and capital assets. Effect: Recording differences between unaudited actuals reported to oversight agency and audited financial statements. Material misstatement of the financial statements. Organization has not established clear written policies and procedures for year-end closing activities.
2013-4/3000 Significant Deficiency Internal control condition	Payroll Documentation	Personnel Action Forms (PAFs) are not complete. In 100% of the PAFs reviewed there were missing approval signatures. Federal Form I-9s were not completed correctly in nine out of 10 forms tested, exposing the organization to risk of noncompliance with I-9 requirements. The organization is at risk for paying individuals that are not approved. The organization has not established adequate procedures for hiring, including required documentation.
2013-5/3000 Significant Deficiency Internal control condition	Capital Assets	The organization was unable to provide detail of capital assets to support amounts recorded in the books of record. Purchases of capital assets were inappropriately expensed instead of capitalizing these assets appropriately. Insufficient audit evidence to determine if amounts recorded in capital assets are correct or if there is a material misstatement in the financial statements. The organization has not established adequate procedures for tracking capital assets and ensuring that they are appropriately recorded in the financial statements.

2013-6/3000 Significant Deficiency Internal control condition	Credit Card Documentation	Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. Credit cards are used to purchase items and subsequently repaid with a check. The organization is using the credit card statements for supporting documentation without including all receipts for the expenditures. Questioned costs: $5,858 from sample selected. The organization has not established adequate procedures that require adequate supporting documentation. The organization is exposed to risk of misappropriation of assets.
2013-7/3000 Significant Deficiency Internal control condition	Beginning Net Assets	Net assets were not in agreement with the prior year audited ending net assets. The organization was unable to provide reconciling items to support adjustments to beginning net assets. The organization has not established adequate procedures in place to track prior year adjustments.
2013-8/3000 Significant Deficiency	Inconsistent Reporting	Financial reporting to the oversight agency is based on a fiscal year and to the IRS on a calendar year and should be consistent. IRS regulations require tax returns to be prepared based on the fiscal year of operation.
Federal Award Findings		
	Tracking Expenditures	The organization failed to track expenditures separately for federal awards. This caused major delays with the timing of audit procedures associated with OMB Circular A-133 requirements because management had to identify each individual expenditure separately. Programs involved: National School Lunch Program: $212,061 Special Education Cluster: $99,925
State Award Findings		
	Class Size Reduction Program	Form J-7 CSR was prepared using the average monthly enrollment based on the last day of the school month rather than average daily enrollment from the first day of classes through April 15. Questioned costs: Under-reported eligible students by 1 student.

Conflict of Interest

A conflict of interest exists when an individual has a private financial interest in the outcome of a contract or a public decision and does either of the following:

1. Participates in the decision-making process
2. Influences, or attempts to influence, others making a contract or decision

Statues that govern conflicts of interest include the Political Reform Act, Government Code 1090, Government Code 87100, and Corporations Code Section 5233 for nonprofit organizations. Governing board members and administrators should abstain from all discussions, negotiations and votes that are related to a contract in which they have a personal financial interest by removing themselves from the meeting and ensuring that abstention and departure are recorded in the board minutes. A conflict of interest can still exist with subsequent action on the contract, such as authorizing payment under a contract, negotiating disputes or contract terms; therefore, the governing board member or administrator should abstain from all discussions, negotiations and/or votes related to the contract in which he or she has a personal interest.

The report will demonstrate that conflict of interest exists that allowed the founder/former executive director, family members, and close associates interacting as "vendors" to gain financially.

Political Reform Act – Disclosure, Conflicts of Interest and Enforcement

The Political Reform Act (PRA), Government Code Sections 81000 - 91015, was enacted by Proposition 9 in June 1974. The stated intent of the act was to establish a process for most state and local officials as well as certain designated employees to publicly disclose their personal income and assets as follows:

> [a]ssets and income of public officials which may be materially affected by their official actions…[are] disclosed and in appropriate circumstances the officials…[are]disqualified from acting in order that conflicts of interest may be avoided.

The PRA provisions are enforced by the Fair Political Practices Commission (FPPC) and require every state and local governmental agency to adopt a conflict-of-interest code. The commission is the state agency responsible for interpreting the provisions of the law and issuing California Form 700 – Statement of Economic Interests. Because charter school governing board members are considered "public officials" and governing boards are considered "legislative bodies," board members and certain designated individuals must file Form 700 annually, or upon taking office/position. Additionally, a consultant to the organization "who makes, participates in making, or acts in a staff capacity for making governmental decisions" may be required to complete Form 700.

PRA provides an eight-step process to determine whether a conflict of interest exists as follows:

1. Is the individual a public official?
2. Is the public official making, participating in making, or influencing a governmental decision?
3. Does the public official have one of the six qualifying types of economic interests? (An economic interest will be discussed more fully in the next section of this report.)

4. Is the economic interest directly or indirectly involved in the governmental decision?
5. Will the governmental decision have a material financial effect on the public official's economic interests?
6. Is it reasonably foreseeable that the economic interest will be materially affected?
7. Is the potential effect of the governmental decision on the public official's economic interests distinguishable from its effect on the general public?
8. Despite a disqualifying conflict of interest, is the public official's participation legally required?

The WAYS governing board members, charter school officials and designated employees have filed Form 700. Only one Form 700, by a former board member, declared any financial interest. All the other forms examined showed that these individuals did not declare any financial interest in the schools' affairs or disclosed any conflict of interest that would result in personal financial gain. Consultants that meet the conditions previously identified have not filed Form 700 to date.

The charter petition for WAYS contains a conflict of interest policy that has been approved by the county board of education as a condition of WAYS' petition approval. Board minutes and audio recordings, verbal and written complaints by former board members and direct observations by LACOE staff reveal instances where the founder/former executive director continued to be present and seated at the board table during discussions regarding facility leasehold agreements for her personal properties. Evidence in the board minutes indicate that at least two occurrences transpired when she was no longer employed by WAYS. The termination of her employment was a condition of the petition approved by LACOE.

On September 16, 2011, subsequent to her departure from WAYS, the founder/former executive director was present at the board meeting. She refused to be unseated from the board table during discussions concerning the relocation of WAYS to a property not owned by the founder/former executive director. Individuals at this meeting who supported continued use of her facilities by WAYS schools caused such a disruption that the board meeting was disbanded.

During the September 22, 2011 board meeting one week later, the founder/former executive director was observed by LACOE staff seated at the board table having private conversations with one board member.

The most recent independent audit report noted that facility leasehold agreements for 2013-14 were not approved by the governing board seven months into the new fiscal year, and that the sale of a school vehicle used by the director of operations was not approved by the governing board. Instead, the vehicle, a Lexus, was sold by the founder/former executive director's son in December 2013 without board approval. Shortly after the independent auditors' report, the governing board approved the facility leasehold agreements for 2013-14 and the sale of the director of operations' Lexus.

This report will demonstrate that facility leasehold agreements, leasehold facility improvement, payments made to the private dance studio owned by the founder/former executive director's daughter and vice principal, as well as substantial purchases from a related vendor were not disclosed in accordance with laws and regulations set forth by the FPPC.

The founder/former executive director and other family members were present and exercised significant influence during board meetings that provided a direct personal financial benefit.

Government Code 1090 – Financial Interest of Public Officials, Officers and Employees

Simply stated, the intent of Government Code 1090 is to prohibit a public official, officer or employee from engaging in a contract in which he or she has a financial interest in both a governmental and personal capacity.

Section 1090 has broad implications, applies to school districts and can also apply to charter schools if included in the charter petition or the memorandum of understanding. Section 1090 provides as follows:

> Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.
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> As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

The WAYS charter petition states the governing board has adopted its own conflict of interest policy and will abide by the conflict of interest Government Code 1090.

This report will establish that a business relationship exists between the founder/former executive director and the WAYS schools as evidenced by contracts, lease agreements and other related business as vendors. There is conclusive documentation to support that the founder/former executive director and her family members as well as close business associates have significant personal involvement and financial interest, violating the conflict of interest statutes.

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[redacted]

Related-Party Transactions and Significant Influence

OCI Development Corporation – Building Leasehold Agreements

The current WAYS petition is subject to specific conditions including adherence with conflict of interest laws and regulations. WAYS charter school appealed to LACBOE in the spring of 2011 following a denial by LAUSD Board of Education to renew its petition after five years of operation.

The denial by LAUSD included concerns that WAYS failed to comply with the terms of the charter by allowing the charter school to enter "into a self-dealing transaction" with the founder/former executive director and her privately owned facilities that were leased to two of the three schools. Specifically, WAYS could not provide "evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director."

In an attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools, the founder/former executive director placed the properties in a revocable trust named OCI Development Corporation in 2010-11. It was subsequently determined and concurred by the WAYS legal counsel that transferring the property to a holding company through a revocable trust did not ultimately transfer property ownership under California law and therefore did not resolve the conflict of interest concern.

The WAYS governing board approved the 2012-13 facility leasehold agreements August 3, 2012. These agreements were signed by the former governing board president and current executive director as the "tenant," and by Dora Obienu, CEO for OCI Development Corporation.

According to a report on the WAYS charter petition and appeal to LACBOE dated May 10, 2011 by the LACOE Charter School Review Team, it was revealed that WAYS' governing board failed to disclose that LAUSD had awarded facilities under a Proposition 39 request for facilities on April 1, 2011. Subsequent to the approval for facilities by LAUSD that could have alleviated conflict of interest concerns, WAYS did not respond to LAUSD to indicate acceptance of the offer.

As previously stated in this report, board meetings surrounding the relocation were met with strong opposition by the founder/former executive director and others during open board meetings ultimately exercising significant influence over the decision not to accept the LAUSD offer. WAYS continues to lease the facilities owned by the founder/former executive director through OCI Development Corporation.

WAYS paid $1,070,921 to the founder/former executive director and her holding company, OCI Development Corporation, for leasehold agreements located at 706 E. Manchester Avenue, Los Angeles, CA and 8778 S. Central Avenue, Los Angeles, CA from the 2007-08 through 2012-13 fiscal years as shown in the following table.

OCI Development Corporation and Founder/Former Executive Director Facility Leasehold Payments, 2007-2008 through 2012-13

Fiscal Year	Payee	Annual Total
2007-08	Founder	$110,400
2008-09	Founder	169,440
2009-10	Founder	179,560
2009-10	Founder - "Advanced Rent"	30,000
2010-11 (June - January)	Founder	93,245
2010-11 (February - June)	OCI	74,840
2011-12	OCI	226,450
2012-13	OCI	216,986
Grand Total		$1,100,921

The facility leasehold agreement for 2013-14 was approved by the governing board in January 2014. Lease payments are estimated to be $223,878 for the current fiscal year and are not included in the table above.

Other general ledger entries from the WAYS financial records show additional rent payments that are listed in the general ledger with no supporting documentation totaling $115,550:

Loraine Turner	2007-08 – 2012-13	$89,350
Wisdom Pre-School	2007-08	2,900
Founder: Recruiting Students	2007-08	2,000
Founder: ERATE Consultancy	2007-08	500
Founder: "Good Faith Offer"	2008-09	10,000
Pre-School Rent	2008-09	10,800
Grand Total		$115,550

There are three school sites under the WAYS name located in Los Angeles on Manchester Ave, S. Central and Central. Two are owned by the founder/former executive director and one leased with the Salvation Army. In addition, the school on Manchester Avenue pays $2,400 per year for additional parking spaces. No contracts or lease agreements exist for Loraine Turner, Wisdom Pre-School or Pre-School Rent. The payment of $10,000 made to the founder/former executive director for "Good Faith Offer" is unsubstantiated. Other payments for recruiting students and E-Rate consultancy fees paid to the founder/former executive director are questionable.

WAYS' balance sheet dated June 30, 2013 shows leasehold improvements totaling $341,710 plus $35,483 in federal E-Rate funding for leasehold improvements to the properties owned by the founder/former executive director.

Summary of Payments - Facility Leasehold, Rent, and Other Payments, 2007-08 through 2012-13

Facility Lease Payments	$1,070,921
Advanced Rent	30,000
Rent and Other Unsubstantiated Payments	$115,550
Leasehold Improvements	341,710
Leasehold Improvements – E-Rate	35,483
Total	$1,593,664

Founder/Former Executive Director – Settlement Agreement

As a condition of approval for WAYS' charter school petition to LACOE in June 2011, the founder/former executive director was to terminate her employment with WAYS and be removed from any association with the school.

Approximately seven months later in a letter dated January 20, 2012, the founder/former executive director asserted claims totaling $700,000 for money owed including interest accrued and damages but said she would be "content with a settlement of $350,000 that will help me in the new project (Middle School) that I am currently working to establish."

In a separate letter dated May 21, 2012 three months later, the founder/former executive director revised her claim for $480,312.90 for unused vacation, sick and personal necessity leave for the entire time of her employment with WAYS commencing July 1, 2008 through June 30, 2011, claiming she took "zero" days off work during this period of time. The accompanying schedule of liabilities showed a calculation that included 150 days of vacation plus 50 days of "accrued time off due for five years" totaling $97,391.30. No time records or other documentation were supplied to substantiate this claim other than a single typed page identified as Attachment E by the founder/former executive director.

The founder/former executive director claims that she loaned the charter school money from personal savings, mortgaged her personal residence and loaned funds from her private preschool, Wisdom Pre-School.

A review of the QuickBooks records and audited financial statements show a short-term loan on December 18, 2007 from Los Angeles Unified School District and a line of credit from Wells Fargo Bank, both of which were fully repaid, but no mention of any other loans.

On October 26, 2012, the Merle Williamson Foundation, doing business as Wisdom Academy of Young Scientists, entered into a settlement agreement with the founder/former executive director. This agreement was signed by the current executive director and former board president in the amount of $228,665.38. The breakdown of the final payment is as follows:

Severance pay – one year.	$112,960.60
Contractual leave and vacation days accrued at the time of separation. Last three years.	$58,434.78
Lease of a 2004 Toyota Land Cruiser.	57,940.00
Total	$228,665.38

The employment contract for July 1, 2008 through June 30, 2011 states that the founder/former executive director shall be permitted to be paid upon termination. However, the contract provides that "written documentation of the Executive Director's earned and accrued vacation days" shall be maintained through a third-party vendor providing business services to the schools. According to the business services provider, no vacation or time records were ever provided to its office to support the founder/former executive director's claim for accrued vacation and other leave categories. The settlement agreement does not provide any documentation to support this claim; therefore, FCMAT cannot substantiate that the $58,434.78 paid for 90 days of vacation leave and 30 days of unused time off was substantiated with independent records by the business services provider in accordance with the employment contract.

The contract from July 1, 2005 through June 30, 2008 as well as the most current contract states that the executive director shall be provided an automobile vehicle and operating expenses for her use in conducting official business and reasonable personal use during the period of the contract. Attached to the settlement agreement is a closed end motor vehicle 60-month lease agreement identifying the founder/former executive director as the lessee for a new 2004 Toyota Land Cruiser dated December 20, 2004. The gross capitalized cost on the lease agreement is $57,940, which included extra add-ons:

- Maintenance agreement for $1,800
- Credit life insurance premium for $995

The employment contract states that a vehicle shall be provided to her, not that she could enter into a vehicle lease for a luxury vehicle paid by the school and be reimbursed for the lease and extra items prior to her contract. It is unclear if the school had available and/or provided a different vehicle during the contract period.

Professional Liability for Founder/Former Executive Director

Documents from a lawsuit settled against the Merle Williamson Foundation (MWF) for wrongful termination of a former teacher at WAYS against the school show that the founder/former executive director traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for purposes of making the brother-in-law a United States citizen. Although the teacher married the brother-in-law, she ultimately refused to complete the Department of Homeland Securiry form I-130, Petition for Alien Relative, and brought suit against MWF. On December 4, 2012, a jury found in favor of the teacher plaintiff and subsequent judgment was awarded of $566,803.

The contract dated July 1, 2008 through June 30, 2011 clearly states that the executive director shall be held harmless and be indemnified "from any and all demands, claims, suits, and legal proceedings brought against the Executive Director in her official capacity as agent and employee of the MWF, provided the incident arose while the Executive Director was acting within the scope of employment." (emphasis added) Clearly this action by the "Executive Director" was not within the scope of employment, was conducted during winter break in Nigeria, and yet the settlement was paid by WAYS charter school.

The Certificate of Marriage document from Federal Republic of Nigeria shows the founder/former executive director's signature as witness to the marriage between the teacher and Joseph Njor Enwezor (the founder/former executive director's brother-in-law) on January 4, 2010. According to staff at LACOE who conducted interviews, these interviews with former teachers and board members indicate many trips to Nigeria to visit a personal residence in that country by the founder/former executive director, yet she asserts that she took "zero" days off during the last five years.

OSE Business Services – Owner, Obiesie Enwezor

The analysis of large increases in purchases of books and supplies during the 2011-12 and 2012-13 fiscal years was attributed to one vendor, OSE Business Services (OSE). OSE is owned by Obiesie Enwezor, who is related to other WAYS vendors: Godfrey Okonkwo, Emeka Enwezor, and DeDe Dance Studio and bears the same last name as the founder/former executive director's brother-in-law, Joseph Njor Enwezor.

Godfrey Okonkwo is the husband of the founder/former executive director of WAYS and father of the owner of DeDe Dance Studio and vice principal of WAYS and director of operations. (These WAYS relationships are further described in detail later in this report.)

FCMAT compiled all OSE vendor invoices to review and analyze expenditure transactions and spending patterns. Purchases totaling $158,871 for 20 invoices lacked any supporting documentation for the receipt of materials, supplies and snack food items.

WAYS Back Office Service Provider Warned of Books and Supplies Expenditures Exceeding Budget

During FCMAT's interview of the WAYS back office business services provider on Monday, November 25, 2013, the back office provider stated to the team that the WAYS governing board and management had been advised during a board presentation and in the budget narratives that the books and supplies expenditures "... are expected to be over budget at the end of the year by about $70,000."

The back office provider presented for the team two samples of WAYS board and management reports for the periods ended January 31, 2013 and again on June 30, 2013 titled "Snap Shot Summary of Financial Condition of the School." These reports showed that the actual expenditures for books and supplies exceeded current budgeted amounts. Even though the WAYS back office provider warned of excessive expenditures, the management of WAYS continued to purchase from OSE.

WAYS Paid $158,871 to OSE Business Services Over Two Years

The books and supplies category consists of textbooks, books other than textbooks, instructional materials, custodial supplies, automobile expenses, fuel, office supplies, other supplies, classroom furniture and equipment, computers, and other non-capitalized equipment.

During the fiscal years 2011-12 and 2012-13, WAYS paid $57,533 and $101,338 respectively to OSE, totaling $158,871 for the two-year period. Of the combined 2011-2012 and 2012-13 payments to OSE, 98% was accounted for in WAYS' books and supplies expenditures category.

A total of 20 invoices were issued by OSE and paid by WAYS. All invoices were approved by the director of operations - the founder/former executive director's son, along with the current executive director/former board president. Ten of the payments to OSE were issued by cashier's checks and nine of the payments by check. During the interview conducted with both the executive director and director of operations, the director of operations stated that cashier's checks were used because WAYS "... bounced a check and OSE only wanted to be paid by cashier's check."

FCMAT requested copies of the OSE cashier's checks and regular checks, both front and back, from the director of operations and copied the executive director in an email dated Friday, December 13, 2013. One month later, on January 13, 2014, the team received nine of the 10 requested cashier's checks. The missing cashier's check was received on January 21, 2014. Repeated requests to management for the regular check copies were never received and no explanation was provided.

Of the nine copies of the cashier's checks provided to the team, it is not entirely clear that the copies came directly from the bank. The endorsement for OSE Business Services on the reverse side of the cashier's checks is by signature. No account number or other identifying information is provided on the back of these cashier's checks. The OSE cashier's check that was provided on

January 21, 2014 showed that the check was printed through an online account at https://oibservices.wellsfargo.com/OIB/PrintImage.jsp.

Because WAYS executive management failed to provide OSE's regular checks front and back copies as requested by the team, and because OSE cashier's checks did not contain account information identifying the account where funds were deposited, the team is unable to authenticate the OSE payments.

OSE Business Services Irregular Invoices

During the 2011-12 and 2012-13 fiscal years, WAYS received from OSE 20 invoices that were authorized for payment by both the director of operations and executive director and present the following irregularities:

1. Invoices fail to provide a contact phone number.
2. Invoices lack proper authorization to purchase and/or accept OSE merchandise that would authenticate the supplies shipped by OSE to WAYS.
3. Invoices are not accompanied by packing slips identifying the shipping contents and quantities.
4. Invoices fail to identify any "ship to" or delivery address.
5. Invoices fail to present a shipping cost line item, or indicate if there was a charge for shipping.
6. Invoices do not appear professional and consistent and appear to be produced on a spreadsheet.
7. Invoices fail to present consistent per-unit pricing calculating quantities of items purchased and extending the quantity multiplied by the per-unit pricing to the total amount for each inventory line item purchased.
8. Management could not provide an OSE product catalogue for review.
9. The OSE invoices fail to present consistent and clear descriptions of the supplies identified.
10. The OSE address of 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 is a postal service location and is not a warehouse or physical storefront.
11. The address is identical to that of Innovative WAYS Academy, which is owned and operated by the WAYS vice principal, the founder/former executive director's daughter.

The team interviewed the WAYS back office provider on Monday November 25, 2013. During the interview, the back office provider claimed there were repeated requests to WAYS management to provide OSE's approved purchase orders and packing slips in accordance with the back office provider's procedures manual. WAYS management failed to comply with these requests to follow procedures, and failed to provide the requested documentation.

OSE Business Services Address at 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 – Related Parties

The audit fieldwork visit on November 13-15, 2013 revealed large quantities of supplies purchased from OSE. During the team's joint interview with the executive director and director of operations, the team was told that none of the WAYS vendors were related. The team made further inquiries regarding any relationship between WAYS management team or family members and OSE. The director of operations said that OSE Business Services was a legitimate business with many customers and that no relationship existed between these two entities.

During the fieldwork, the team visited the OSE address printed on their invoices at 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045. This same address is identified as the mailing address of Innovative WAYS Academy.

The CEO of Innovative WAYS Academy is:

- The founder of DeDe Dance Studio and vice principal of WAYS,
- The daughter of the founder/former executive director of WAYS,
- The sister of WAYS' director of operations, and
- The CEO of DeDe Dance Studio that operates business at the WAYS school site.

The team interviewed the WAYS vice principal, Innovative WAYS Academy founder and CEO, and owner of DeDe Dance Studio on Friday, November 15, 2013 and discussed the 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 address. In her statement to the team, she provided the following information for business operations associated with that address:

1. The 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 address was the address used for Innovative WAYS Academy.
2. Stated that she "does not know much about the business side of Innovative WAYS" and said that her mother (founder of WAYS) operated Innovative WAYS Academy and is the most knowledge about its business operations.
3. She does not check the mail at the 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 address. Instead, her mother, the founder/former executive director, is the only person who checks the mail and has the only key to the mailbox at that location.

On December 11, 2013, FCMAT made an inquiry to the director of operations and copied the executive director to verify that 6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045 is the same address as Innovative WAYS Academy and OSE Business Services, and that the founder/former executive director is the only person that checks the mail and has a key. WAYS management did not provide requested supporting documentation other than to provide invoices from OSE. In an attempt to corroborate the $158,871 in materials and supplies purchased from OSE and concerns that OSE represented an undisclosed related-party, the team requested the following information to verify a legitimate business address and a warehouse facility with the ability to service numerous customers based on the statement from the director of operations:

- OSE business information documents IRS W9,
- IRS Form 1099 issued by WAYS to OSE,

- OSE's actual physical address and business phone number, and
- Notified the OSE business owner, Obiesie Enwezor, that FCMAT would like to review his supplier purchases to support the products OSE sold to WAYS.

On January 10, 2014, one month after the FCMAT's request for information, the director of operations provided the phone number and email address for OSE but failed to provide the actual physical address. The director of operations could not verify the WAYS vice principal's statements regarding access to the 6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045 address, and suggested that the team speak with the founder/former executive director regarding the relationship between OSE and WAYS. He stated during the interview, "I am not aware of any related party business relationships … I have no expectations for the framework of OSE Business Services and infrastructure."

FCMAT attempted to contact the owner of OSE, Obiesie Enwezor, through a certified return receipt letter dated December 23, 2013 at the address on the invoices (6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045). This letter was returned on January 24, 2014, marked by the US Postal Service as Return to Sender, Unclaimed, and Unable to Forward.

WAYS Failed to Issue an IRS Form 1099 to OSE

FCMAT visited the back office provider to review records and conduct interviews. The team reviewed the IRS Federal Forms 1099 and W-9 files and was unable to locate either form in the back office provider files. Form 1099 is required for unincorporated vendors for payments in excess of $600 in a calendar year to report miscellaneous income to IRS.

IRS Form W-9 is used to certify that payments made to vendors meet the IRS guidelines. These guidelines are intended to ensure that the taxpayer identification number to report Form 1099 is correct and that the vendor is not subject to backup withholding. Once complete, the W-9 form is signed by the owner or designated person. According to the back office provider, several requests made by staff to WAYS management for OSE's W-9 were unsuccessful.

Subsequent to FCMAT's request on November 29, 2013 for a W-9 from OSE, the director of operations sent a copy of a W-9 prepared by OSE on December 9, 2013 to the back office provider, which was forwarded to the team. The document was dated November 11, 2011.

On December 11, 2013, FCMAT requested the director of operations to provide a copy of Form 1099 issued to OSE but did not receive a response. There is no evidence that Form 1099 was sent either to the OSE or to the IRS. Shortly after FCMAT's request on December 11, 2013 for these documents, the director of operations provided a email from OSE dated December 16, 2013, which stated, "I still have not received a 1099 from you." The team was not provided prior requests or concerns by OSE before December 16, 2013 regarding the issuance of a Form 1099 from the prior two calendar years.

Obiesie Enwezor, owner of OSE, refused to meet with FCMAT; therefore, the team cannot confirm that OSE is a legitimate business that properly reported income and sales taxes totaling $158,871 from WAYS to the taxing authorities, or that merchandise was actually delivered by OSE and received by WAYS.

OSE Business Services is Not a Resale Company or Store According to OSE

On January 10, 2014, the director of operations sent FCMAT the OSE Fictitious Business Name Statement dated November 2011 and OSE's W-9, Request for Taxpayer Identification Number and Certification, dated November 11, 2011. The OSE business address identified on both forms is 6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045, the same post office box service center address where the founder/former executive director has possession of the only key.

The first OSE transaction entered into QuickBooks is dated August 17, 2011 as OSE Invoice Number One; however, the team was provided a copy of Invoice Number One that is dated December 5, 2011, approximately four months later.

The 20 OSE invoices for the 2011-12 and 2012-13 fiscal years have 289 inventory items ranging from paper and office supply products to food items, stamps, and small equipment. A summary of the OSE invoice items and price per item calculated by the team is presented in Appendix A. WAYS management was unable to provide any supporting documentation that would attest to the authenticity of the OSE purchases approved by the director of operations and the current executive director.

Each invoice that OSE issued to WAYS includes a total charge at the bottom of each invoice for sales tax on the inventory items purchased, providing evidence that WAYS is purchasing directly from OSE. According to OSE's email dated December 16, 2013, the owner states that OSE does not buy or resell as follows:

> "Also, bear in mind that OSE Business Services is not a resale company or store, OSE is a service provider. We do not buy or resale. We provide and coordinate purchasing and delivery services to various agencies."

The owner's statement that OSE is a service provider and is "not in the resale business" is not supported by the presentation of the paid invoices to his company. First, the invoices include charges for California sales taxes. This would only occur if the business was reselling products. Second, none of the invoices state that the amount due is for consulting, service or coordination fees as described in the owner's statement to FCMAT.

FCMAT sent three emails and four voicemails during January 10-13, 2014 in an attempt to meet and clarify the OSE owner's assertion that the business was not a resale business, review records related to invoices sent to WAYS and ask general questions regarding suppliers that were utilized to provide merchandise.

Mr. Enwezor initially responded by saying, "I recognize the situation that you are facing, and I will do everything I can to help." However, on January 13, 2014, Mr. Enwezor sent the following statement declining to meet with the team:

> "I understand that you are auditing the school but are you attempting to audit my business also? Under what authorization? For what reason. I am unable to meet with you. Send me your questions and I will respond in the best interest of my company."

Because Mr. Enwezor rescinded his decision to cooperate with the audit and allow inspection of OSE's sales and customer support documents, the following information cannot be confirmed:

- Whether WAYS is OSE's only customer,
- Where OSE obtained the merchandise allegedly sold to WAYS,

- California State Board of Equalization report of sales tax payments that would assist in confirming the purchase and sale of merchandise,
- Quarterly sales tax reports,
- Documentation supporting OSE's supplier relationships from which OSE provided supplies to WAYS.

In addition, the team cannot audit and/or confirm if any of the alleged 288 OSE inventory items sold to WAYS representing payments of $158,871 are for actual books and supplies received by the school.

OSE Business Services Product Inventory Sales to WAYS

FCMAT prepared an analysis of the 20 OSE invoices representing 288 inventory items, focused on items that exhibited high volume, and compared those items with other charter schools located in the metropolitan area of Los Angeles of similar size. Pricing was compared to vendors that specialize in office and cleaning supplies as well as snack foods WAYS offered in the after school program.

There are 6,696 per-unit inventory items on the OSE invoices that include cases of copier paper, numerous miscellaneous office supplies, various cleaning supplies and snack foods. In total there are 288 uniquely defined inventory products.

One example of the volume of supplies WAYS purchased from OSE during the 2011-12 and 2012-13 fiscal years is 971 boxes of paper totaling $41,408.24 and representing 26.1% of the total purchases. Each box of paper contains 10 reams of paper, and each ream of paper contains 500 sheets representing a total of 4,855,000 sheets of paper. Based on the size of WAYS' schools and compared with other charter schools in the Los Angeles area, this is an excessive amount of paper purchased from one vendor over a two-year period of time.

Because this appeared excessive based on the average enrollment of 505 students over a two-year period from 2011-12 through 2012-13, the team compared copier paper purchases with a sample group of elementary charter schools.

The team received information from the seven comparable elementary charter schools listed in the table below. This analysis compares purchases of copier paper from all vendors in the selection group with the WAYS purchases from OSE (even though paper was also purchased from other vendors described later in this report) and based on student enrollment for 2011-12 through 2012-13.

Cases of Copier Paper Purchased per Student, 2011-12 through 2012-13

School	Average Enrollment	No. of Cases Purchased	Cases of Copier Paper per Student
Charter School #1	227	151	0.67
Charter School #2	304	186	0.61
Charter School #3	387	332	0.86
Charter School #4	416	332	0.80
Charter School #5	476	369	0.78
Charter School #6	601	551	0.92
Charter School #7	648	588	0.91
Averaged Totals – All Sample Schools	382	314	0.82
WAYS	505	971	1.92

On a per student enrollment basis, WAYS averaged 1.92 cases of copier paper purchased per student over the two-year period, which is 2.34 times greater than the .82 average of all seven similar elementary charter schools combined.

The quantity of 971 cases of copier paper allegedly sold to WAYS by OSE is even more significant considering that during FCMAT's fieldwork visit on November 15, 2013, the team attempted to use the WAYS copy machine, which did not contain any copy paper. When the team asked the director of operations' permission to use the copy machine, the director stated, "They use very little paper and it is tightly controlled." He returned with a ream of copy paper that was locked in his office.

The volume of paper purchased and the director of operations' statement that the school uses very little paper do not reconcile. FCMAT anticipated that since WAYS' use of copier paper was tightly controlled, the amount purchased would be significantly lower than that of the seven comparative elementary charter schools sampled, but found the opposite.

OSE Sales Tax Calculations

The OSE invoices each include a line item for sales tax. OSE invoice number three, dated February 25, 2012 in the amount of $6,172.39, is comprised of OSE inventory sales totaling $5,625.76 and sales tax stated of $546.63. The OSE invoice states that the sales tax rate is 8.75%; however, 8.75% of $5,625.76 is $492.25 rather than $546.63, which is a difference of an additional $54.38 that WAYS paid to OSE for sales tax.

FCMAT reverse calculated what percentage the $546.63 in sales tax is compared to the total supplies WAYS purchased from OSE and arrived at a rate of 9.72%. In February 2012, the city of Los Angeles sales tax rate was 8.75%, not 9.72%.

Because the OSE invoices present numerous irregularities including the extension of per unit pricing to total charges and the incorrect calculation of sales tax noted above, OSE does not present itself as a legitimate business.

WAYS Purchases Office Supplies from Other Vendors in Addition to OSE, and OSE Inventory Pricing is Higher than Other Compared Vendors

During FCMAT's review of sampled WAYS American Express credit card statements, it was found that several statements were missing vendor receipts and other supporting documentation to support the purchases charged to that account. Without proper receipts, the team was unable to verify individual vendor purchases on the credit card statements.

The sampling showed several purchases for office supplies and other similar products from Staples, Office Max, and Smart & Final including copier paper, three-ring binders, and food snacks. It is apparent from these purchases that OSE was not the exclusive provider of office supplies to WAYS.

The following represent examples of purchases from other vendors with similar OSE merchandise discovered by FCMAT during the in-depth review of WAYS American Express credit card statement receipts compared with OSE's pricing:

Office Depot – Receipt dated April 30, 2013	Item 675041- Paper, Copy, AST	$12.49
Office Depot– Receipt dated April 30, 2013	Item 348037 – Paper, Copy DD	$41.99
OSE	Case of Paper 8 X 11.5	Ranging from $35.00 - $48.99
OSE	O/I COPY-20# 8.5 C/6-9	Ranging from $39.99 - $48.99
Office Depot – online	Store brand 8.5 X 11, 20#/500 sheets, case of 10 reams	$43.99
OSE	Office Impressions 92 Bright 20# 8.5 X 11 CASE	$45.00
Staples – online	Various 8.5 X 11 cases of paper, 92 Bright, 20#	$26.99 - $43.99

The OSE invoice items are vague in description; therefore, an absolute comparison of products purchased is impossible. Without clarification from either OSE or WAYS management, FCMAT is unable to determine a reasonable explanation for the large variance in pricing based on OSE's invoices and like kind vendors.

FCMAT identified several OSE invoices with similar inventory items to those of other vendors, such as the Smart & Final receipt dated 04/10/13, inventory description, "Austin Cracker Vrt" at $8.39, and "Rice Krisp Orig" at $8.99. When FCMAT calculated the price per unit of the OSE inventory items, the amounts that OSE charged WAYS were varied and much higher. In some cases, OSE charged WAYS more than double the price for the same inventory items that WAYS also purchased from other vendors. Examples include:

1. OSE invoices list "Austin Variety 45 ct," with pricing calculated by FCMAT from $7 per unit to $19.99 per unit depending on the month of purchase.
2. OSE invoices list "Rice Crispy," with pricing calculated by FCMAT from $11.99 to $19.99 per unit, depending on the month of purchase.
3. Staples store location at 3701 W. Santa Rosalia Dr., Los Angeles, California, dated 06/15/12, inventory description "1.5 In Better Binde" at $9.49 per unit. WAYS purchased four units of binders. The OSE invoices vaguely described binders that FCMAT calculated the per unit pricing for as follows: 3" binders at $30 per unit, 3.5" binders at $24 per unit, 5" binders at $24 per unit, Premium View Binders at $29.99 per unit, and Premium Binder at $46.00 per unit.

FCMAT searched prices at Staples online at www.staples.com and found 3" Avery Heavy-Duty View Binders with One Touch EZD Rings, item number 318402, Model 79-793 priced at $9.99 per unit. Because OSE invoice inventory descriptions are not specific and are not identified with an item number, FCMAT cannot determine how these same items are sold by OSE for three times the cost of other vendors.

FCMAT also examined the WAYS vice principal reimbursements, which included receipts from the Staples store location at 3701 W. Santa Rosalia Dr., Los Angeles, California. One Staples receipt dated 11/27/12 contained the inventory description "PENTEL LEAD REFIL" at $2.79 per unit, and the reimbursement identified a quantity of three. OSE invoices have an inventory item called "Pencil" listed as $12 per pencil.

OSE business sales documentation for products allegedly sold to WAYS cannot be confirmed because the documentation is limited to a one-sheet invoice from OSE similar to a spreadsheet, with no additional documentation to support the delivery of materials and supplies to WAYS. In addition, OSE has declined requests to meet and provide proof of its sales of merchandise to

WAYS. The irregularities described in this report attributable to alleged supplies purchased from OSE raise serious concerns about the OSE and WAYS business relationship and whether OSE actually sold any supplies to WAYS.

The following summarizes the inconsistencies regarding WAYS purchases from OSE identified in this report:

- WAYS purchased 2.34 times more cases of copier paper per student from OSE than the seven comparable elementary schools sampled. Additional purchases of copier paper from other vendors further increases the average of 2.34.
- OSE invoices and other authorization to purchase and accept OSE merchandise that should be used to authenticate the supplies shipped by OSE to WAYS are missing packing slips that identify the shipping contents.
- OSE invoices fail to identify any ship to address or contact phone number.
- OSE invoices fail to present a shipping cost line item or indicate that shipping is waived and not charged.
- OSE invoices do not present a professional and consistent look.
- OSE invoices fail to present any per unit pricing calculating quantities of items purchased and extending the quantity multiplied by the per unit pricing to the total amount for each inventory line item purchased.
- OSE product catalogue was not available for review.
- OSE invoices appear to have been prepared from a spreadsheet program.
- OSE invoices fail to present consistent and clear descriptions of the supplies identified in the invoices.
- OSE address of 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 is not a warehouse or store location. This same address is used for other WAYS vendors, including the private middle school previously operated by the vice principal of WAYS. This is the same address where the only key belongs to the founder and former executive director.
- OSE will not allow inspection of its sales and customer documents that would verify if WAYS is the only customer and the location of the warehouse or suppliers.

FCMAT was unable to confirm that OSE has paid $12,926.35 in sales taxes collected from WAYS to the California State Board of Equalization, or that OSE has a valid California sales tax identification number, because the sales tax number is not printed on OSE's invoices or located on check requests that authorize payment to OSE by the director of operations. FCMAT is unable to audit and confirm that WAYS issued a IRS Form 1099 totaling $158,871 over the audit time period.

WAYS Audited Financial Statement Reports and Qualified June 30, 2013 Audit Report

FCMAT's findings are consistent with the independent auditor's reports for WAYS for the fiscal years ending June 30, 2012 and June 30, 2013. Both FCMAT and independent auditors find that WAYS has significant internal control conditions and has failed to ensure that adequate internal controls are in place.

The WAYS June 30, 2013 independent auditors report at Finding 2013-6, "Credit Card Supporting Documentation" states:

> "The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they are used."
>
> "Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets."

FCMAT has documented in this report that the necessary supporting documentation authenticating OSE Business Services payments was not available for the FCMAT audit. The team is unable to audit and confirm if any of the alleged inventory supplies purchased from OSE totaling $158,871 actually received, because WAYS and OSE have failed to present the necessary supporting documentation.

The WAYS independent auditor issued its report dated January 15, 2014 on the WAYS financial statements for the year ended June 20, 2013. An integral component of the audit is a report titled Independent Auditor's Report on Internal Controls Over Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.

This report describes various categories of deficiencies in internal controls that may exist. As reported by the independent auditors, a deficiency in internal control exists when a particular conttol does not allow management or employees in the normal course of business the ability to prevent, detect or correct misstatements in a timely manner. A material weakness presents a deficiency, or a combination of deficiencies, indicating a reasonable possibility that a material misstatement of the financial statements exists that cannot be detected, corrected or prevented in a timely manner. The auditors identified six findings and questioned costs to be classified as material weaknesses. A significant deficiency is a deficiency that is less severe yet represents enough merit to bring to the attention of those charged with governance. The auditors identified three findings that met this particular classification.

Depending on the number and severity of the audit findings, independent audit reports are either unqualified or qualified in accordance with auditing standards contained in the Government Auditing Standards issued by the Comptroller of the United States. These standards require that auditors obtain reasonable assurance about whether the financial statements are free from material misstatement.

When the independent auditors express an opinion regarding the reasonableness of the financial statements, the report is issued as either an unqualified or a qualified audit. A qualified audit report is issued when the auditors believe that the overall presentation of the financial statements does not represent a fair presentation that significant accounting estimates made by management and the overall presentation of the financial statements meet the auditing standards.

The independent auditor's report was qualified because the "audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion." Auditors cited the following in the June 30, 2013 annual audit report:

1. The WAYS Independent Auditor's Report was Qualified because WAYS failed to maintain a detail of capital assets or depreciation.
2. The WAYS Independent Auditor's Report on State Compliance was Qualified because WAYS failed to comply with requirements of the class size reduction program and after school education and safety program.
3. WAYS did not meet the state requirement for audits to be completed and sent to the State Controller's Office, California Department of Education, and Los Angeles County Office of Education by the deadline date of December 15, 2013.
4. The WAYS operating facilities lease with OCI Development Corporation (OCI Development Corporation is the holder of the WAYS facilities property on behalf of the founder of WAYS) was entered into in July 2013; however, as of January 15, 2014, the date of the audit report, the lease agreement has not been approved by the WAYS governing board.
5. The WAYS operating facilities lease with the Salvation Army was entered into in August 2013; however, as of January 15, 2014, the date of the audit report, the lease agreement has not been approved by the WAYS governing board.
6. In December 2013, WAYS sold a vehicle (Lexus RX350) for $26,000; however, as of January 15, 2014, the date of the audit report, the payoff of the vehicle and sale of the vehicle has not been approved by the WAYS governing board.
7. The auditors had to amend their audit report because the management of WAYS provided the auditor with incorrect board member names as of June 30, 2013, including the chairperson of the board.
8. The Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards cited six WAYS deficiencies in internal controls and three significant deficiencies in internal controls. The report also identified three instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
9. The Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 cited one deficiency in internal control over compliance to be a material weakness in internal control.

WAYS Irregular Van Lease – Vendors Godfrey Okonkwo & Emeka Enwezor

During FCMAT's review of the WAYS disbursement payments to various WAYS vendors, two vendors were identified as each receiving $4,800 for leasing a van to the charter school. The two

individuals are the husband of the founder of WAYS, Godfrey Okonkwo, and a vendor identified in the books and accounting records of WAYS as Emeka Enwezor.

Godfrey Okonkwo was paid $2,400 with WAYS check number 8339, dated January 7, 2011 and $2,400 with check number 8950, dated June 27, 2011, totaling $4,800 during the WAYS 2010-11 fiscal year.

Emeka Enwezor was paid $2,400 with WAYS check number 9513, dated December 9, 2011 and $2,400 with check number 9625, dated December 9, 2011, also totaling $4,800 during the WAYS 2011-12 fiscal year.

The WAYS leasing of a van totaling payments over two fiscal years of $9,600 paid to Godfrey Okonkwo and Emeka Enwezor presents numerous irregularities.

First, during FCMAT's fieldwork at the WAYS back office business provider, the payment documentation for the van payments to Emeka Enwezor was reviewed. Documentation for the van lease payments authorized by the WAYS director of operations show that the van lease agreement and additional back-up documentation for lease was missing even though the back office provider had requested these documents on previous occasions. At the time of the FCMAT fieldwork in November 2013, the WAYS back office service provider still had not received from the WAYS any van lease supporting documentation dating back to the first payment from December 9, 2011 approximately two years later.

According to the WAYS director of operations, the owner of the lease is Emeka Enwezor. The team requested the director, in an email dated November 29, 2013, to supply information to support the van lease agreement and board approval. In an email dated January 10, 2014, the WAYS director of operations replied to FCMAT stating:

> "I was able to locate the Van Lease Agreement from 2011-12. However I was unable to locate a signed copy of the agreement. During this year WAYS experienced significant turn-over in the Board of Directors and administration. Many official school documents were kept by those individuals who are no longer associated with WAYS, and have yet to be returned after several requests to do so. I suspect that the signed van lease and Board documentation, if any, may be within those lost documents."

The WAYS back office provider had been requesting van lease supporting documentation from various management personnel of WAYS since at least December 2011. Approximately two years later, the executive team of WAYS failed to provide signed copies of the van lease.

The fiduciary duty of the executive level management of WAYS, which includes the executive director and the director of operations is the safeguarding of assets and proper administration of the financial affairs of WAYS.

It is the fiduciary responsibility of the WAYS executive management team to ensure contracts receive proper authorization by the governing board prior to entering into agreements and to safeguard the school's assets. WAYS' executive management team failed in their fiduciary duty to obtain contracts, failed to have authorized signatures prior to entering into contracts, failed to obtain governing board approval for contracts, and failed to ensure that documents are safeguarded.

1. The van lease agreement provided by WAYS presents irregularities.
   a. The van lease agreement is not signed or dated by either WAYS executive management or Emeka Enwezor,
   b. The unsigned van lease agreement states, "Lessee may not sublease the vehicle under this contract without Emeka Enwezor prior consent." (sic)

      Godfrey Okonkwo, father of the director of operations and husband of the founder/former executive director of WAYS, was paid $4,800 for the use of Emeka Enwezor's van. This violated the sublease provision in the contract.
   c. The unsigned van lease is undated; therefore, language does not present any date that the lease is entered into; therefore, the team cannot determine when the unsigned van lease was created.
2. The WAYS documentation of the payments for the unsigned van lease is irregular.
   a. The Emeka Enwezor invoice approved by the director of operations failed to identify an address for the payee. The van invoice is titled "VAN LEASE/RENTAL" and states at the bottom of the invoice, "Make all checks payable to Emeka Enwezor."
   b. The WAYS check request the team examined approving payment of the unsigned van lease omits the invoice number and address of the payee.

WAYS Related Parties – WAYS Founder/Former Executive Director, Godfrey Okonkwo, WAYS Director of Operations, WAYS Vice Principal, Emeka Enwezor & Obiesie Enwezor

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-50 contains the disclosure requirements for related party relationships and transactions as follows:

- "Affiliates" of the entity.
- Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity.
- Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
- Principal owners of the entity and members of their immediate families.
- Management of the entity and members of their immediate families.
- Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

- Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. The FASB ASC glossary also defines the terms: affiliate, control, immediate family, management, and principal owners.

The executive management of nonprofit organizations such as WAYS have the responsibility to document in detail and fully disclose to the auditors, governing board, county oversight agencies, and the state for purposes of conflict of interest and full disclosure reporting requirements any and all potential related party transactions to comply with Generally Accepted Accounting Principles (GAAP). Failure to disclose related party transactions may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution.

The facts below demonstrate that several related party transactions exist between the founder/former executive director, her family members, vendors and associates.

The team discussed the WAYS van lease payments with the WAYS director of operations while on site at the WAYS offices located at 706 East Manchester Avenue, Los Angeles, California on Thursday, November 14, 2013. The director of operations is the son of Godfrey Okonkwo, and Godfrey Okonkwo is the vendor that received $4,800 representing van lease payments for a van owned by Emeka Enwezor, who also was paid $4,800 for the lease of the van.

During the Thursday, November 14, 2013 discussion with the WAYS director of operations, he stated that Godfrey Okonkwo was paid for the van lease in the first year of the lease for the van from Emeka Enwezor, and the second year Emeka Enwezor was paid directly for the van lease. The team inquired whether Emeka Enwezor was related and was told that, "She is a friend of the family and we rent her van … but she gave the van to the school this year."

The association of the van lease payments establishes that Godfrey Okonkwo, father of the director of operations and husband of the founder/former executive director of WAYS, received payments for the van owned by Emeka Enwezor. Emeka Enwezor, a related party, shares several similar characteristics with Obiesie Enwezor, owner of OSE Business Services, as follows:

1. Obiesie Enwezor and Emeka Enwezor share the same unusual last name of Enwezor.
2. A Social Security number is comprised of three segments: XXX-XX-XXXX. The first segment represents the first three digits known as the area number, the middle segment representing two digits is the group number and the last four digits is known as the serial number. Obiesie Enwezor and Emeka Enwezor share the same area numbers and group numbers. The serial numbers, which are 12 digits apart, indicates that the two Social Security numbers were issued at approximately the same time.
3. Obiesie Enwezor; Emeka Enwezor, the founder/former executive director; Godfrey Okonkwo, the director of operations and the vice principal, share common addresses located at: 4326 Enoro Dr., Los Angeles, CA and 117 W. 112th Street, Los Angeles, CA. Both properties are owned by Godfrey Okonkwo and the founder/former executive director.

Based on the team's analysis of possible relatives, transactions authorized by the director of operations do not represent an arm's-length transaction. An arm's-length transaction would be evidenced by signed agreements, board approvals, complete and detailed transaction documentation, and comparative contracts.

1. The director of operations is the individual authorizing the check requests and financial transactions for WAYS and the son of the founder/former executive director and son of Godfrey Okonkwo, who was paid $4,800 by WAYS for a van rented from Emeka Enwezor.

2. Emeka Enwezor is a friend of the Okonkwo family according to the director of operations. Based on the team's research, Emeka Enwezor is related to the Okonkwo family and Obiesie Enwezor, owner of OSE Business Services.

   a. Emeka Enwezor was paid $4,800 by WAYS for the van leased to WAYS. WAYS failed to obtain a signed contract and board authorization to lease the van.

   b. Emeka Enwezor shares addresses owned by Godfrey Okonkwo and the founder of WAYS. This same address is linked to the WAYS director of operations and the WAYS vice principal (brother and sister.)

   c. Emeka Enwezor also shares the same address as Obiesie Enwezor..

3. OSE Business Services owner Obiesie Enwezor received $158,871 from WAYS.

   a. Obiesie Enwezor shares two addresses owned by Godfrey Okonkwo and/or the founder/former executive director, who are related as family and/or address to Obiesie Enwezor, the founder/former executive director, Godfrey Okonkwo, the director of operations, and the WAYS vice principal.

   b. Obiesie Enwezor has refused to meet with FCMAT to assist the team in substantiating the $158,871 in alleged supplies sold to WAYS by OSE and the existence of OSE as a legitimate business with customers other than WAYS.

   c. WAYS failed to issue 1099s to OSE and is missing significant corroborating financial information that FCMAT considers necessary to substantiate the office and food supply items approved by the director of operations for payment to OSE.

   d. OSE Business Services owner Obiesie Enwezor shares the identical business address location at 6709 La Tijera Blvd, Suite 274, Los Angeles, California 90045 as the WAYS vice principal's own private middle school known as Innovative WAYS Academy.

   e. According to the WAYS vice principal, the founder/former executive director and mother of both the director of operations and vice principal is the individual who checks the mail and has the key to the OSE and

Innovative WAYS Academy address at 6709 La Tijera Blvd, Suite 274, Los Angeles, California 90045.

4. The director of operations and WAYS vice principal are brother and sister and are children of the founder/former executive director and Godfrey Okonkwo.

5. LACOE engaged the services of a private investigator following written and verbal complaints that the vice principal of WAYS was working at Innovative WAYS Academy, her private middle school of which she was the executive director. Direct surveillance and video on 16 separate occasions between March 5, 2013 and April 22, 2013 revealed that the WAYS vice principal spent 29.5 hours at her private middle school while employed full time at WAYS.

6. The WAYS vice principal is the owner of Innovative WAYS Academy private middle school, and a non-profit corporation known as DeDe Dance Studio.

   a. DeDe Dance Studio was paid a total of $73,800 by WAYS between April 2009 and April 2013.

   b. The address of DeDe Dance Studio is reported in the DeDe Dance Studio 2010 and 2011 nonprofit tax returns as 706 East Manchester Avenue, Los Angeles, CA, which is the same address as the WAYS primary school site and administrative offices location.

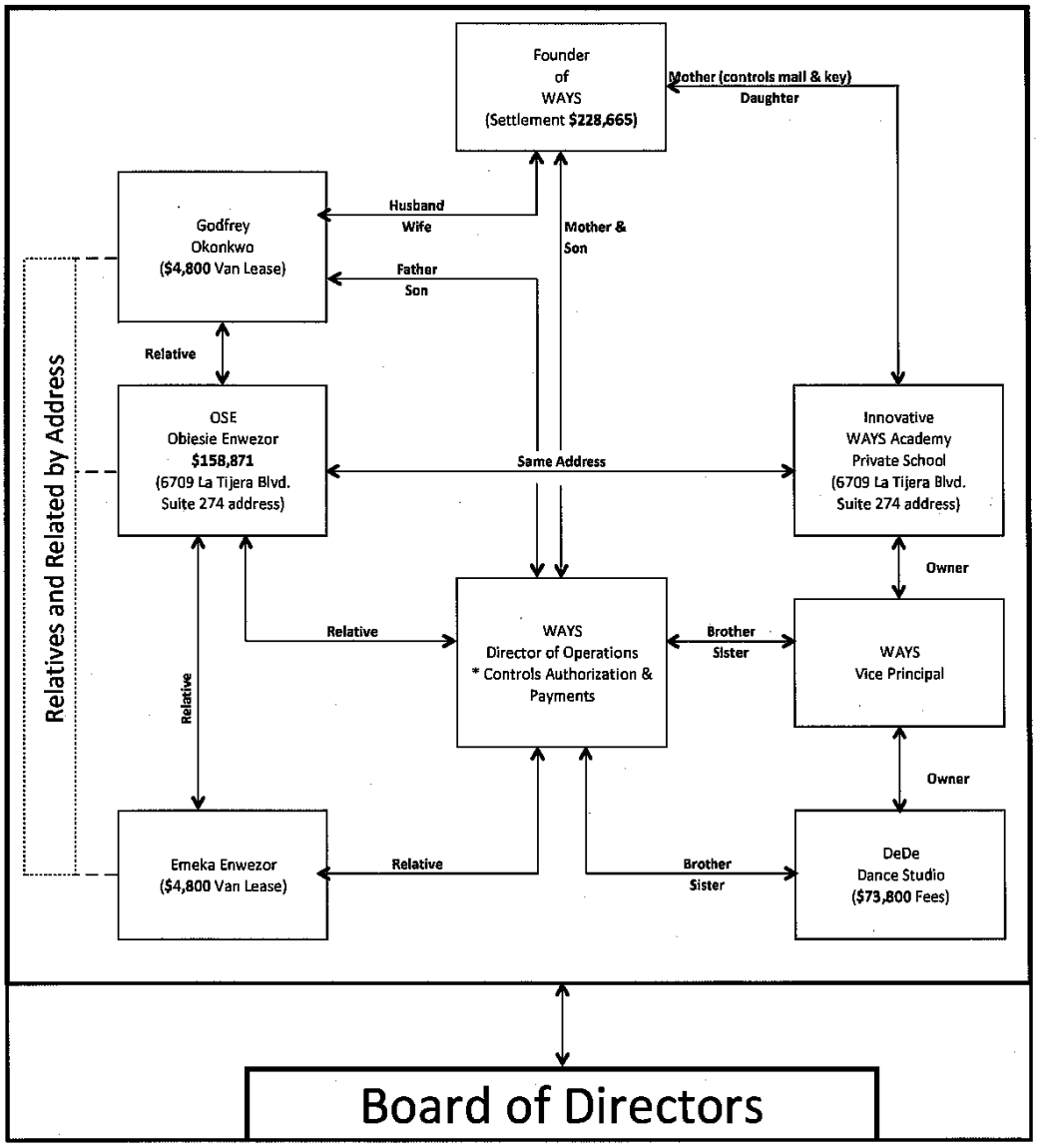
   c. The director of operations and brother of the WAYS vice principal and owner of DeDe Dance Studio authorized the checks from WAYS totaling $73,800 that were paid to DeDe Dance Studio.

   d. During the team interview of the WAYS vice principal on November 15, 2013, she stated that DeDe Dance Studio was paid from the ASES program funds for dance study during the after school program and that 10 volunteers are present for the dance activities. She further stated that there was also a manager present; however, the team did not observe students present in that facility during the fieldwork days. FCMAT also observed postings in the DeDe dance studio indicating that DeDe Dance studio has a check payment policy for payments and nonsufficient funds checks at the studio located at the WAYS property address.

   e. DeDe Dance Studio is operated at and identifies the business location as the WAYS school site. The team was unable to determine that any offsetting rent for the facility was paid by DeDe Dance Studio to WAYS.

   f. The DeDe Dance Studio nonprofit tax returns for 2010 and 2011 do not identify any rent paid expense activity, including rent for occupying the same facility as the WAYS school site or for facilities use as DeDe Dance Studio services where dance instruction allegedly occurred at the WAYS school site.

The relationships and related parties are presented in the following table:



WAYS Irregular Purchase and Sale of Lexus

During FCMAT's meetings and fieldwork in November 2013 at the WAYS back office provider, the team discussed WAYS Lexus payments of $891.94 per month identified in the WAYS accounting records. The WAYS back office service provider stated they had been requesting backup documentation for the Lexus transaction from the director of operations but never have received any.

The back office provider was unable to determine if the Lexus payments were for a leased vehicle or purchase that should be capitalized and depreciated.

In an email dated Friday, November 29, 2013, FCMAT requested information about the Lexus from the director of operations:

- The original board approval documentation and minutes authorizing the purchase of the Lexus,
- Original Lexus purchase/lease documents,
- The board approval documentation and minutes authorizing the sale of the Lexus,
- The analysis that would have provided the WAYS board establishing the financial profitability, viability, or reasoning for the purchase and subsequent sale of the Lexus,
- Copies of any Lexus payoff documentation,
- Copies of any Lexus proposed sale documentation.

The director of operations replied to the FCMAT November 29, 2013 request for Lexus information in an email dated Friday, January 10, 2014; however, the information provided was incomplete. Based on the information received from the director of operations, FCMAT has determined that the 2011 Lexus RX350 was purchased for $41,163.45 on August 19, 2012, to be used by the director of operations. The payments of $891.94 per month started October 3, 2012 for 47 months, at 1.90% annual percentage rate. The WAYS board approval for the purchase of the Lexus dated July 31, 2012 states, "Be it Resolved, that the Board of Directors of this corporation ... authorize the Executive Director or designee to enter into a lease or purchase agreement for a vehicle for school use behalf of said corporation." The current executive director of WAYS issued a letter dated August 6, 2012 authorizing the director of operations to "... lease or purchase a vehicle for school use ..."

The Lexus purchase analysis provided to the team by the director of operations is titled Capital Expense Analysis.

- The Capital Expense Analysis identifies two separate dates, July 2012 and August 2013, and is not attached to the WAYS board minutes or agenda as a document reviewed by the WAYS board.
- The Capital Expense Analysis fails to include any vehicle cost and/or terms of the Lexus and fails to identify that the vehicle is a Lexus only identifying the item as "SUV or Sedan (Vehicle)." Without any cost or terms of the Lexus purchase or specifically identifying the vehicle as a Lexus, the WAYS board may not have had sufficient information to make an informed decision regarding the purchase of the Lexus.
- The Capital Expense Analysis fails to identify if the vehicle will be capitalized as an asset or is a vehicle lease.
- The Capital Expense Analysis states, "Merle Williamson Foundation (MWF) may provide the Administrative Personnel an automobile vehicle and operating expenses for the use of conducting MWF business and reasonable personal use."
    - The WAYS July 31, 2012 minutes omit the authorization to use the Lexus for personal use and omit language in the minutes that MWF or WAYS has agreed to pay for the vehicle and operating expenses.

- Since the WAYS Board July 31, 2012 minutes and the Capital Expense Analysis wording differ, FCMAT cannot confirm that the Capital Expense Analysis was ever presented to the WAYS board.

The WAYS executive team failed to provide any information about the Lexus purchase to the WAYS back office provider so the back office service provider could properly account for the Lexus as a purchase, which would have resulted in capitalizing the Lexus in accordance with GAAP. The current executive director of WAYS and the director of operations failed to obtain WAYS governing board approval prior to selling the Lexus.

The sale of the Lexus as identified in the Capital Expense Analysis presents significant irregularities:

a. The vehicle identity is not disclosed as a Lexus.

b. Failure to disclose any Blue Book and/or fair market values of the Lexus.

c. Failure to disclose the beginning and ending Lexus odometer reading.

d. Failure to disclose if the Lexus had been in any accidents, if the maintenance was up to date, and what condition the Lexus was currently in such as excellent, good, fair, or poor condition, all of which are factors in avoiding any potential post sales liabilities.

   i. Based on the documents provided by WAYS, the team determined that the WAYS management team failed to disclose the Lexus Blue Book values as potentially excellent, $28,872; very good, $28,072; good, $27,172 and fair, $24,872.

   ii. The director of operations failed to provide any documentation explaining how the sales value of the Lexus was determined to be sold at $26,000 rather than at values of good, very good, or excellent.

e. Failure to disclose the estimated gains or loss on the sale of the Lexus.

f. Failure to present an amortization schedule showing the principal payments and remaining payoff on the Lexus as of the estimated date of the sale.

g. Failure to disclose if the sale of the Lexus would be confined to California or sold out of state.

Because the governing board was not provided any specific information as described above, FCMAT cannot determine how the governing board would be able to determine that the sale of the Lexus was a proper transaction for approval.

The WAYS board approval authorized the "vehicle for school use" but did not identify the type of vehicle or that the vehicle was for the explicit use of the director of operations. FCMAT had observed the director of operations using the Lexus as his own personal vehicle. The team's audit of WAYS' American Express credit card statements reveal that vehicle fuel receipts failed to list to which vehicle the fuel receipts were attributable; therefore, the team cannot determine if the fuel receipts were for WAYS vehicles or if WAYS was subsidizing personal fuel costs of WAYS employees and management.

The team has determined that the sale of the Lexus resulted in a ($4,187) loss to WAYS. The purchase price of the Lexus was $41,163 on August 19, 2012 and the Bill of Sale dated December 17, 2013 states that the Lexus was sold for $26,000 to an individual in Canada. The Lexus was owned by WAYS for approximately 16 months between August 19, 2012 and December 17, 2013. Depreciation of the vehicle is calculated over five years or 60 months at $686 per month, and accumulated depreciation over 16 months is calculated as $10,976.

The approximate net loss of $4,187 on the sale of the Lexus is calculated as:

- Purchase Price $41,163
- Less Accumulated Depreciation ($10,976)
- Book Value $30,187
- Less Selling Price of $26,000
- Net Loss on Sale of Lexus ($4,187)

The sale of the Lexus also resulted in a net loss of cash of $4,345 because the amount of principal paid down as calculated by FCMAT based on an amortization of 16 months, interest rate of 1.9% is $10,818. The original purchase price of the Lexus of $41,163 less the principal paid on the Lexus loan of $10,818 leaves an approximate payoff balance of $30,345. The payoff to Toyota Motor Corporation of $30,345 less the selling price of $26,000 results in an estimated cash loss of $4,345.

WAYS Failed to Obtain Governing Board Approved for Purchase of Computers and Issued an Irregular Payment

During FCMAT's meetings and fieldwork in November 2013 at the WAYS back office provider, the team discussed two payments to WAYS vendor Avatar Technology for a $37,986.51 purchase of computers dated January 23, 2012 and a $358.75 purchase dated February 10, 2012, totaling $38,345.26. The back office provider stated that the Avatar invoices received from the director of operations did not include governing board approval documents for this transaction.

The team examined the WAYS check request authorized by the director of operations and the vendor invoice documentation for the $37,986.51 paid to Avatar, and found several irregularities:

- The January 23, 2012 Avatar invoice stated that the purchase was for 85 "Legerro 13.3" items at $410 per item, with a total invoice price including sales tax of $37,540.63.
- The amount authorized by the director of operations to be paid to the computer vendor in the WAYS check request was $37,986.51.
- The difference between the computer vendor invoice of $37,540.63 and the amount WAYS paid to the computer vendor of $37,986.51 is $445.88.
- The check request authorized for payment by the director of operations identifies an additional amount of $445.88, which the team believes to be one additional computer.

In an email dated Friday, November 29, 2013, the team requested documentation from the director of operations of the governing board authorization, board agenda identifying the item for action on the agenda or any other documentation to support the purchase of the computers. His reply on Friday, January 10, 2014 states that:

"I was unable to locate any Board documentation regarding the purchase of the Avatar Computers. However, I can attest that the Board was fully aware of the purchase before it was executed and after they were purchased. I've attached the newsletter showing our students using the computers."

Based on the information the team received from the director of operations, the team has determined that there are several irregularities concerning the purchase of computers authorized by the director of operations:

1. The WAYS board was not properly notified by the director of operations' decision to purchase computers totaling $38,345.26.
2. There are no requests for quotes or for proposals.
3. There is no documentation of computers specifications.
4. The authorization for payment to Avatar by the director of operations in excess of the invoiced amount totaling $445.88 cannot be located.
5. The transaction lacks governing board approval and lacks supporting documentation for payment.
6. The team cannot confirm if the computers presented by the director of operations in a newsletter are in fact the computers purchased from Avatar.

WAYS Automobile Fuel Purchase Irregularities

The team examined WAYS fuel purchases, which consist of receipts for fuel from Costco Gas, Chevron, Shell Oil, Union 76, Exxon Mobil, and Valero gas stations. Over a two-year period from July 1, 2011 through June 30, 2013, according to the WAYS accounting records, the total paid for fuel and mileage reimbursements was approximately $18,261.

The team calculated that over the two-year period, the amount spent on mileage reimbursement and other non-fuel expenses was approximately $2,305. Removing the mileage reimbursement and other non-fuel expenses of $2,305 from the total fuel cost of $18,261 left a remaining net fuel cost of $15,956. The team calculated that $15,956 in fuel purchases during WAYS fiscal years 2011-12 and 2012-13 at an estimated $3.79 per gallon represents 3,989 gallons ($15,956 / $3.79 per gallon = 4,210 gallons) of fuel used or approximately 175 gallons of fuel per month (4,210 gallons / 24 months = 175 gallons per month).

The $3.79 per gallon price was calculated by the team based on fuel cost data from www.gasbuddy.com for the Los Angeles, California area. The price of fuel in Los Angeles at July 2011 was $3.79/gallon, June 2012 at $3.60/gallon, and June 2013 at $3.97/gallon. The average price per gallon between July 2011 and June 2013 was $3.79 per gallon (($3.79 + $3.60 + $3.97) / 3 = $3.79 per gallon).

The non-board approved and unsigned Emeka Enwezor van lease identifies the van as a 1995 Ford model E-350 van. The team researched the fuel economy of a 1995 Ford model E-350 van at www.motortrend.com and found that the van's fuel economy is 13 miles per gallon in the city, and 16 miles per gallon on the highway. Using the fuel economy of the van of 13 miles per gallon and 175 gallons of fuel per month represents that the WAYS vehicles traveled 2,275 miles per month for school business purposes. Students attending WAYS' three charter school sites reside

in the local neighborhoods and all three school sites are within a mile or two of each other. The mileage of 2,275 per month is excessive based on the location of the students and school sites.

The team was unable to determine if the fuel that WAYS management charged to the WAYS American Express credit cards was for official WAYS school business. Based on the examined fuel receipts, the team was unable to determine if any of the WAYS fuel purchases and fuel usage of an average 175 gallons per month were for personal vehicles or for personal trips because WAYS' accounting for fuel purchases fails to identify in the fuel receipts which vehicle and business purpose each receipt represents.

Failure by the management team of WAYS to document fuel purchases represents accounting irregularities, because the fuel purchases the team examined as reported by the executive management team and paid with the American Express credit card cannot be reconciled to any specific vehicle of WAYS.

WAYS Charter School Summary of Related and Irregular Transactions

The table below is a compilation of payments made through WAYS to the founder/former executive director, family members of the founder and close associates. Many of these payments were authorized by the director of operations and the current executive director (former board president.)

WAYS Charter School Summary of Related and Irregular Transactions	Time Period	Type	Accounting Records Amounts
Founder/Former Executive Director	2007-08 through 2012-13	Facility Leasehold Agreements	$1,100,921
Founder/Former Executive Director, Loraine Turner, Wisdom Pre-School, Preschool Rent	2007-08 through 2012-13	Rent and Other Unsubstantial Charges	115,550
Founder/Former Executive Director	2007-08 through 2012-13	Leasehold Improvements	341,710
Founder/Former Executive Director	2007-08 through 2012-13	Leasehold Improvements – E-Rate	35,483
Founder/Former Executive Director	2004-05	Professional Liability Wrongful Termination Lawsuit	566,803
Founder/Former Executive Director	2012-13	Settlement-Employment Contract	228,665
Director of Operations	2012-13	Avatar-Excess Payment Authorized	446
OSE Business Services	12/21/2011 - 06/27/2013	Alleged Supplies	158,871
DeDe Dance Studio	4/23/2009 - 4/12/2013	Alleged After School Dance	73,800
Godfrey Okonkwo	1/7/2011 - 6/27/2011	Alleged Van Lease	4,800
Emeka Enwezor	12/9/20111	Alleged Van Lease	4,800
Sale of Lexus	12/17/2013	Sale of Lexus	26,000
Fuel Purchases	7/1/2011 - 6/30/2013	Fuel	15,956
Total			$2,673,805

The above transactions represent significant influence that the WAYS founder/former executive director, family of the founder and close associates had over financial decisions that personally benefitted them. Several of these transactions were authorized for payment by the director of operations, who is the son of the founder/former executive director, and the current executive director (the former board president) and gave these individuals the ability to simultaneously control and benefit from these transactions. The lack of documentation to support transactions

through board approval and records creates the perception of fraud, misappropriation of assets and possible criminal activity.

There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.

Prevention and Detection

As previously mentioned, the internal control environment includes ethical values and integrity displayed by the governing board and management as well as the underlying tone set by the organization's site administrators. The tone of the organization set by management through its words and actions demonstrates to others that dishonest or unethical behavior will not be tolerated. An atmosphere in which employees feel safe to communicate concerns is a fundamental component of a strong and effective internal control environment.

The control environment is an essential element and provides the foundation for other internal controls to be effective in achieving the goals and objectives to prevent and/or deter fraud or illegal acts. Regular external audits are a strong deterrent to mismanagement and fraud, but they cannot serve as the only method of ensuring accountability. It is imperative for the county office and WAYS governing board to review the findings and recommendations of this audit to implement the appropriate internal controls and hold the responsible parties accountable for their actions.

Internal controls clearly are among the most important aspects of any fraud prevention program. Managers are in a position of authority and therefore have a higher standard of care to establish the ethical tone and serve as examples to other employees. Employees with administrative responsibility have a fiduciary duty to the organization in the course of their employment to ensure that those activities are conducted in compliance with all applicable board policies, laws, regulations, and standards of conduct. Management personnel are entrusted to safeguard the charter's assets and ensure that internal controls function as intended. Relatives of employees should not be employed on a permanent or part time basis by the charter where the relative reports directly to the employee or the employee exercises any direct influence with regard to the relative's hiring, salary placement, promotions, evaluations or pay increases.

While the governing board and all employees in the organization have some responsibility for internal controls, the founder/former executive director and family members and close associates holding key administrative positions had a fiduciary duty and responsibility to make certain that the assurances in the charter petition and the governing board fiscal policies and procedures were conducted responsibly and ethically.

Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred. There exists a significant material weakness in the charter school's internal control environment, which increases the probability of fraud and/or abuse. These findings should be of great concern to the WAYS governing board and the LACOE governing board and require immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.

In accordance with Education Code Section 42638(b), action by the county superintendent shall include the following:

> If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the charter school, the State Controller, the Superintendent of Public Instruction and the local district attorney.

Recommendation

The county superintendent should:

1. Notify the governing board of WAYS charter school, LACOE's governing board, the State Controller, the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriation of assets or other illegal activities may have occurred.

Appendices

Appendix A - Summary of OSE Invoice Items

Appendix B – Study Agreement

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$39.99	Book/Supplies	HP 72XL InkJet Cartridge	0	2	2
$17.99	Books/Supplies	HEAVY DUTY VIEW	5	0	0
$20.00	Books/Supplies	#10 SEC ENV	0	3	0
$16.99	Books/Supplies	3 Hole Punch	0	2	2
[illegible]	Books/Supplies	[illegible]	0	1	0
$9.99	Books/Supplies	3.18 M-M PATCH CABLE	1	0	0
[illegible]	Books/Supplies	[illegible]	0	4	4
[illegible]	Books/Supplies	[illegible]	0	4	4
$60.00	Books/Supplies	8.5X11 GLOSS PREM	0	5	0
$14.58	Books/Supplies	Acco 72585 Jumbo Non-skid Paper Clips, 10/100 ct	0	0	2
$14.32	Books/Supplies	AVERY DURA VIEW	3	0	0
$16.00	Books/Supplies	AVI Cord	0	4	0
$5.78	Books/Supplies	Ball Pump and Neddle	0	4	0
$24.99	Books/Supplies	BANDAID 185CT	0	3	0
$9.99	Books/Supplies	BD SWAG 300	0	1	0
$6.98	Books/Supplies	Bicycle Pokr	0	0	4
$16.00	Books/Supplies	Canon MX882 Ink Jet Cartridge	0	4	4
$48.99	Books/Supplies	Case of Paper 8X11.5	0	**60**	**126**
$35.00	Books/Supplies	Cases of Paper 8x11.5	0	**47**	0
$39.99	Books/Supplies	Cases of Paper 8x11.6	0	**60**	0
$10.29	Books/Supplies	CLIP, BNDR, 30PK	0	1	0
$11.18	Books/Supplies	CLP,PPR,NSKD,J	0	12	0
$10.98	Books/Supplies	CLPBRD, OD,3PK	0	3	0
$63.33	Books/Supplies	College Ruled 8.5 x 11 Case	0	6	0
$52.49	Books/Supplies	COLORSPLASH PENCILS PK/240	14	0	0
$40.00	Books/Supplies	Copies X 400PGS	0	**4**	0
$87.60	Books/Supplies	Crayola Broad Washable Marker Asst 256 ct - Item 958201	0	0	11
$10.00	Books/Supplies	Crayola Broad Washable Marker Asst 8 ct - Item# 285484	0	0	10
$9.99	Books/Supplies	Crayola Long Colored Pencils Assorted 12 ct - Item #626637	0	0	10
$59.99	Books/Supplies	CRAYOLA MARKER CLSSPACK 16CO	6	0	0
$5.00	Books/Supplies	Crayon	0	10	10
$25.99	Books/Supplies	CS PASS AROUND PACK CRAYONS	36	0	0
$15.29	Books/Supplies	CVR, RPT,GRPLCK	0	1	0
$30.99	Books/Supplies	Custom Address Stamp	0	1	1
$125.00	Books/Supplies	DA LITE LAPTOP CART CHARGER 2PK	0	2	0
$12.25	Books/Supplies	DIVIDER PLASTIC TABS	0	4	0
$4.65	Books/Supplies	DIVIDERS STAB	0	2	0
$1,222.68	Books/Supplies	DOUBLE-SIDED MAGNETIC MARKBOARD W/WOOD FRAME	1	1	0
$34.99	Books/Supplies	DTR, SLF-INKXT	0	1	0
$30.99	Books/Supplies	Easel Pad-Stickable	0	2	0
$1.19	Books/Supplies	ECONOMY COMPOSITION BOOK	80	0	0
$1.00	Books/Supplies	Economy Games Misc	0	0	180
$0.88	Books/Supplies	Economy Games Misc	0	180	0
$59.98	Books/Supplies	Envelope #9, 2W	0	0	1
$14.99	Books/Supplies	Envelopes 500ct	0	4	12
$19.99	Books/Supplies	Envelopes 500ct	0	2	2
$32.00	Books/Supplies	Exec Fabric Exp F1	0	2	0
$25.96	Books/Supplies	EXPO D80989 Asst Chisel Tip Low Odor Dry Erase Marker Kit	0	0	12
$22.70	Books/Supplies	EXPO DRY ERASE 16CT	24	24	0
$120.00	Books/Supplies	FILE FOLDER	0	2	0
$14.98	Books/Supplies	FILE FOLDER	0	0	2
$32.99	Books/Supplies	FILE, CASE, POLY	0	1	0
$19.99	Books/Supplies	FILE, O/D, 13 PK	0	1	0
$16.80	Books/Supplies	Fish Drive	0	0	1
$36.00	Books/Supplies	First Aid Kit + Refills	0	8	8
$1.00	Books/Supplies	Fun Dough	0	12	0
$5.98	Books/Supplies	Geographics Award Certificates Blue Border 25 ct	0	0	4
$5.98	Books/Supplies	Geographics Award Certificates Gold Border 12 ct	0	0	14
$5.98	Books/Supplies	Geographics Award Certificates Green Border 25 ct	0	0	**4**
$5.98	Books/Supplies	Geographics Award Certificates Red Border 25 ct	0	0	4
$23.17	Books/Supplies	Green Folder	0	6	6
$29.99	Books/Supplies	Guestures	0	0	1
$12.00	Books/Supplies	Hanging File Folder pk	0	2	2
$5.75	Books/Supplies	HEAVY DUTY VIEW	0	8	0
$99.97	Books/Supplies	HLPNCHR SWINGLN ELEC	0	1	0
$82.50	Books/Supplies	HP CB5XL4 Toner All Colors	0	4	4

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$30.00	Books/Supplies	Ink CD-226-cy 688852	0	5	0
$110.00	Books/Supplies	Ink Canon 4pk 687147	0	2	0
$30.00	Books/Supplies	Ink Cli-228, bi	0	5	0
$30.00	Books/Supplies	Ink Cb-228-ye	0	4	0
$30.00	Books/Supplies	Ink C4-226-mg	0	1	0
$25.00	Books/Supplies	Jenga	0	0	2
$3.99	Books/Supplies	JUMBO PENCILS PK/12 NO ERAS	112	0	0
$3.20	Books/Supplies	JUMBO PENCILS NO ERAS	0	0	56
$153.98	Books/Supplies	Laser, Mono, TN3	0	0	2
$19.99	Books/Supplies	Legal Note Pad pk	0	1	1
$29.99	Books/Supplies	License Word	0	0	1
$40.00	Books/Supplies	MAGIC TAPE	0	2	0
$40.99	Books/Supplies	MAGIC TAPE	0	4	4
$12.99	Books/Supplies	Mancala	0	0	4
$13.00	Books/Supplies	Manilla Folder pk	0	4	4
$11.99	Books/Supplies	Mixed Highlighter pk	0	4	4
$8.00	Books/Supplies	Mixed Highlighter pk	0	4	4
$13.99	Books/Supplies	Number Divider	0	8	8
$39.99	Books/Supplies	O/I COPY-20#/8.5X11/6-9	60	188	280
$48.99	Books/Supplies	O/I COPY-20#/8.5X11/6-9	0	0	92
$46.99	Books/Supplies	O/I COPY-20#/8.5X11/6-9	0	0	10
$17.38	Books/Supplies	Office Impressions #90 Clasp Envelope 9 X 12 Kraft 100 ct	0	0	4
$45.00	Books/Supplies	Office Impressions 92 Bright 20# 8.5x11 Case	0	25	0
$45.00	Books/Supplies	Office Impressions 92 Bright 20# 8.5x11 Case #562633	0	23	0
$13.00	Books/Supplies	Office Scissor pk	0	6	6
$19.99	Books/Supplies	Paid Stamp	0	1	1
$25.26	Books/Supplies	Pendflex Lgl Top Tab Folder 3./4" Manila 150 ct	0	0	1
$12.00	Books/Supplies	Pencil	0	2	2
$18.79	Books/Supplies	Pencil Sharpener	0	2	2
$25.76	Books/Supplies	POST-IT 3X3	0	1	0
$16.00	Books/Supplies	Post-it pk	0	4	4
$45.96	Books/Supplies	POST-IT 559 White 25 X 30 Self-Stick Easel Pad	0	0	4
$16.99	Books/Supplies	Premium Specialty Paper - Blue	0	4	0
$16.99	Books/Supplies	Premium Specialty Paper - Gold	0	4	0
$16.99	Books/Supplies	Premium Specialty Paper - Tan	0	4	0
$29.99	Books/Supplies	PREMIUM VIEW BINDER	0	1	0
$46.00	Books/Supplies	Premium Binder	0	5	0
$15.98	Books/Supplies	RED BASELINE JUMBO NEWSPRINT	40	0	0
$10.58	Books/Supplies	RED BASELINE JUMBO NEWSPRINT-GR1	40	0	0
$10.58	Books/Supplies	RED BASELINE JUMBO NEWSPRINT-GR2	16	0	0
$10.58	Books/Supplies	RED BASELINE JUMBO NEWSPRINT-GR3	16	0	0
$20.00	Books/Supplies	Scholatic Workbooks K-5	0	100	0
$231.27	Books/Supplies	Spectrum Ball Pack & Mesh Bag	0	0	2
$3.39	Books/Supplies	SPLIT KEY RING PK/25	12	0	0
$40.00	Books/Supplies	SPLS 70 Crate Black	0	4	0
$25.00	Books/Supplies	STAPLER	0	2	0
$18.99	Books/Supplies	Stapler Pkg	0	6	6
$12.99	Books/Supplies	STICK PENS	0	6	0
$8.49	Books/Supplies	SUNWORKS GW CNSTR PAPER 9X1	96	0	0
$3.99	Books/Supplies	Swingline 1.4" Standard Staples 5000 ct	0	0	10
$10.58	Books/Supplies	Red Baseline Ruled Newsprint - Grade 1	0	40	0
$9.40	Books/Supplies	Red Baseline Ruled Newsprint - Grade 2	0	18	0
$9.40	Books/Supplies	Red Baseline Ruled Newsprint - Grade 3	0	18	0
$39.99	Custodial Supplies	SHIPLOCK PANELING 8'X4"X.8"	0	4	0
$25.00	Custodial Supplies	1/2 Fold Seat Cover	0	4	0
$49.99	Custodial Supplies	12"x10" 6PK TRAY -EATING TRAYS	0	10	10
$56.00	Custodial Supplies	12-16g Clear Bag	0	0	8
$23.00	Custodial Supplies	12-16g Clear Bag	0	18	6
$54.99	Custodial Supplies	16"X12" 6PK TRAY -EATING TRAYS	0	10	0
$25.00	Custodial Supplies	16g Bin Bag 500ct	0	8	0
$36.00	Custodial Supplies	55g Industrial Bag 500ct	0	0	12
$26.99	Custodial Supplies	55g Industrial Bag 500ct	0	24	8
$70.00	Custodial Supplies	55g Recycled Material Bag 500ct	0	4	0
$54.99	Custodial Supplies	Antibactierial Hand Soap CS	0	2	12
$13.99	Custodial Supplies	ALL PURPOSE DRYWALL PATCH ANTI-MOLD	0	1	0
$29.99	Custodial Supplies	BAR RINSE	0	4	0

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$19.98	Custodial Supplies	BarORinse Disinfectant	0	3	3
$10.00	Custodial Supplies	BarORinse Disinfectant	0	12	12
$31.12	Custodial Supplies	BAR TWL	0	6	0
$10.99	Custodial Supplies	BLACK PLUNGER 18" PLASTIC	1	0	0
$46.89	Custodial Supplies	Blu Hwk Roller Kit	0	0	1
$19.99	Custodial Supplies	Brooms 12"	0	0	7
$20.00	Custodial Supplies	Broom-Light Weight	0	2	0
$24.99	Custodial Supplies	Broom	0	1	1
$12.00	Custodial Supplies	Broom	0	4	4
$40.00	Custodial Supplies	CAN LINER 56G BLK	0	10	0
$4.00	Custodial Supplies	Clorox 1.5G	0	0	0
$49.99	Custodial Supplies	12" X 10" 6PK Tray	0	10	0
$10.00	Custodial Supplies	Clorox Bleh 3PK	0	12	24
$16.99	Custodial Supplies	Clorox Bleh 3PK	0	0	4
$29.99	Custodial Supplies	CLOROX ULTRA GERM	6	0	0
$38.99	Custodial Supplies	Clorox Wipes	0	0	12
$19.78	Custodial Supplies	Clorox Wipes	0	0	12
$19.99	Custodial Supplies	Clorox Wipes	0	6	6
$19.94	Custodial Supplies	CO CAULK GUN	0	1	0
$19.99	Custodial Supplies	Corn Broom 10"	0	0	3
$8.89	Custodial Supplies	Doorstop Solid Brass	0	0	1
$40.00	Custodial Supplies	Drywall Package - 100SP Fill	0	1	0
$26.99	Custodial Supplies	Dust Pan w/Handle	0	0	5
$59.74	Custodial Supplies	Extra Soft BR 2000	0	4	12
$19.90	Custodial Supplies	Extra Soft BR 2000	0	10	10
$59.74	Custodial Supplies	Extra Soft BR 2001	0	0	4
$28.96	Custodial Supplies	Faucet Stem R	0	0	1
$17.98	Custodial Supplies	FEBREZELINE OCEANFRSH	0	3	0
$17.98	Custodial Supplies	FEBREZELINE TRPCL	0	3	0
$19.94	Custodial Supplies	GE ULT SL	0	1	0
$17.86	Custodial Supplies	Germ-X Original hand Sanitizer with Pump Top, 67.6 oz	0	0	24
$87.98	Custodial Supplies	Gloves Latex Large 100	0	0	1
$29.99	Custodial Supplies	H/D SPONGE 12PK	0	1	0
$44.99	Custodial Supplies	Hand Towel Single Fold	0	12	0
$20.00	Custodial Supplies	Hand Towel Single Fold	0	12	12
$19.78	Custodial Supplies	Hard Surface Wipes 4pk	0	0	48
$19.99	Custodial Supplies	Husky 9 PC SAE/MIRC Folding Hax Set	0	0	1
$15.57	Custodial Supplies	HVY DEG	1	0	0
$24.99	Custodial Supplies	Kleenex	0	36	42
$9.99	Custodial Supplies	KNOCKDOWN/SPATULA	0	1	0
$49.34	Custodial Supplies	KW TOILET SEAT HDC	0	2	0
$59.84	Custodial Supplies	KS Sig Lido Bed/Bath Satin Nickel	0	0	3
$10.00	Custodial Supplies	Lit Bulbs T18"	0	12	0
$33.50	Custodial Supplies	Lysol Disinfectant Spray 4/19 oz	0	0	1
$30.70	Custodial Supplies	Lysol Disinfecting Wipes, 4/80 ct	0	0	12
$39.67	Custodial Supplies	MICROFBR TOWEL	0	6	0
$27.96	Custodial Supplies	ML 2* BRASS RESET COMBINA	1	0	0
$25.00	Custodial Supplies	Mop Head	0	12	12
$22.50	Custodial Supplies	Mop Head	0	8	0
$9.35	Custodial Supplies	Mop Head (Single)	0	0	4
$49.99	Custodial Supplies	Natural 400 Single Fold	0	18	54
$26.67	Custodial Supplies	Natural 400 Single Fold	0	54	0
$45.00	Custodial Supplies	Natural 400 Single Fold	0	8	0
$17.97	Custodial Supplies	PAD LOCK	0	2	0
$95.00	Custodial Supplies	PALM LIQ ANTIBACT	4	0	0
$63.33	Custodial Supplies	PALM LIQ ANTIBACT	0	6	0
$10.00	Custodial Supplies	PAPER SEAT COVER	0	28	24
$20.00	Custodial Supplies	PineSol Lemon	0	12	24
$26.73	Custodial Supplies	PineSol Lemon	0	0	4
$39.99	Custodial Supplies	PineSol LEM CS	0	3	0
$5.69	Custodial Supplies	PLUNGER CADDY	1	0	0
$54.99	Custodial Supplies	Poly Gloves 6PK	0	12	18
$36.00	Custodial Supplies	Poly Gloves 6PK	0	18	6
$93.96	Custodial Supplies	Schlage Acc Keyed SN	0	0	1
$95.99	Custodial Supplies	Soap Hand Anti-Bac 4PK16	0	5	10
$39.98	Custodial Supplies	SOFT TOUCH 4000	0	40	20

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION			2011	2012	2013
Price Per	Type	Item	Quantity	Quantity	Quantity
$39.95	Custodial Supplies	SOFT TOUCH 4000	0	16	0
$14.11	Custodial Supplies	SOFTSOAP ANT1BACT	1	0	0
$39.96	Custodial Supplies	SPACKLNG	0	1	0
$25.00	Custodial Supplies	Tissue	0	0	12
$25.00	Custodial Supplies	Tissue	0	6	6
$30.00	Custodial Supplies	Tissue	0	8	0
$49.99	Custodial Supplies	Tissue Bath JJ 2PL 3.75"	0	0	8
$51.97	Custodial Supplies	TISSUE JUMBO	0	6	0
$29.24	Custodial Supplies	Tisue4000	0	8	0
$25.00	Custodial Supplies	Tisue4000	0	6	0
$30.00	Custodial Supplies	Toilet Paper Jumbo Dispenser	0	2	2
$39.99	Custodial Supplies	Towels	0	0	6
$15.57	Custodial Supplies	TOWEL ROLL WHITE	1	0	0
$35.88	Custodial Supplies	TP HLDR-PB	0	1	0
$24.99	Custodial Supplies	Tray Liner	0	3	11
$169.00	Custodial Supplies	Val Ext Mnsry Stc Wht Paint - 5G	0	0	1
$169.00	Custodial Supplies	Val Ext Mnsry Stc Tan Paint - 5G	0	0	1
$5.47	Custodial Supplies	Wall Protect 3-1/4" White	0	0	1
$29.99	Custodial Supplies	W/P H/E COMBI LCK	0	1	0
$4.00	Custodial Supplies	CLOROX 1.5G	0	24	0
$1.92	Custodial Supplies	Clorox Powder 32 oz	0	96	0
$5.00	Custodial Supplies	PineSol 2G	0	24	0
$19.99	Custodial Supplies	ANTIfBac Hand Soap 1G	0	10	0
$10.00	Custodial Supplies	ANTIfBac Hand Soap 1G	0	4	0
$434.98	F & E	Netgear R6300 AC Router 802.11AC Dual-Band	0	0	1
$830.25	F & E	Brother 8910DW Printer Dlux	0	0	1
$366.00	F & E	Brother TN350	0	1	1
$819.99	F & E	Sunroc SS Drinking Fountain	0	0	1
$725.87	F & E	Dalite Laptop Cart	0	3	0
$765.00	F & E	DOUBLE-SIDED MAGNETIC MARKBOARD W/WOOD FRAME (6' W X 4' H)	0	0	1
$649.00	F & E	Franklin Indoor Enclosed Bulletin Board W/Two Doors (5' X 3'H)	0	0	1
$489.00	F & E	ABC Magnetic Dry Erase Board (6'W X 4' H)	0	0	1
$50.19	F & E	Programable Micro Automatic Gate Remote (HomeLink Compatible)	0	0	10
$4,703.91	F & E	6' x 8" H Freestanding Portable Partition - Nine Panels (16' 9"L)	0	0	1
$8.85	F & E	Quality Tray 10 X 14	0	0	48
$125.24	F & E	Quality Cart Black	0	0	3
$599.99	F & E	Epson EX-51	0	1	1
$462.37	F & E	ACER Note Book	0	2	0
$961.25	F & E	Toshiba Laptop	0	1	0
$1,299.99	F & E	PA Sound System - 2 Wired Mics, 1 Wireless Mic, Mixer	0	1	0
$1,000.00	F & E	JBL PA System	0	2	0
$20.00	F & E	Projector Case	0	3	0
$800.00	F & E	Mackie Thump PA Speakers 15"	0	2	0
$10.00	Food Supplies	ANIMAL CRACKER	0	11	0
$7.00	Food Supplies	Austin Variety 45ct	0	10	0
$12.99	Food Supplies	Austin Variety 45ct	40	254	290
$16.99	Food Supplies	Austin Variety 45ct	0	24	0
$17.99	Food Supplies	Austin Variety 45ct	0	0	16
$19.99	Food Supplies	Austin Variety 45ct	0	24	24
$12.50	Food Supplies	Austin Zoo	20	0	0
$12.99	Food Supplies	Austin Zoo	0	18	0
$12.50	Food Supplies	Cheeze It	20	0	0
$11.99	Food Supplies	Cheeze It	0	8	0
$10.00	Food Supplies	CINNAMON TOAST BAR	0	15	0
$10.00	Food Supplies	COCOA PUFFS BAR	0	12	0
$12.99	Food Supplies	Disney Cracker	0	5	5
$17.99	Food Supplies	Dnr Napkins	0	0	1
$10.00	Food Supplies	GOLD FISH CRACKERS	0	11	0
$7.99	Food Supplies	Honey Maid	25	0	0
$7.99	Food Supplies	Honey Maid	0	25	0
$8.99	Food Supplies	Honey Maid	0	90	72
$13.99	Food Supplies	Honey Maid	0	10	0
$12.99	Food Supplies	Honey Maid	0	18	80
$12.98	Food Supplies	Honey Maid	0	0	36
$12.97	Food Supplies	Honey Maid	0	12	0
$17.99	Food Supplies	Honey Maid	0	0	16

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$19.99	Food Supplies	Honey Maid	0	24	16
$10.00	Food Supplies	MINI PRETZELS	0	11	0
$16.99	Food Supplies	Nature Valley - Oats n' Honey	0	0	14
$25.99	Food Supplies	Pape Plates	0	0	2
$19.99	Food Supplies	Quaker Chewy	0	0	37
$11.99	Food Supplies	Rice Crispy	20	20	0
$12.23	Food Supplies	Rice Crispy	0	0	17
$12.97	Food Supplies	Rice Crispy	0	20	0
$12.99	Food Supplies	Rice Crispy	0	80	0
$12.98	Food Supplies	Rice Crispy	0	0	36
$12.99	Food Supplies	Rice Crispy	0	32	118
$16.99	Food Supplies	Rice Crispy	0	24	20
$19.99	Food Supplies	Rice Crispy	0	24	28
$65.71	Food Supplies	S&F - Snacks and Fruits Variety 12/15	0	1	0
$10.00	Food Supplies	SCOOBY CRACKERS	0	11	0
$10.00	Food Supplies	STRAWBERRY CHERRIOS	0	12	0
$19.98	Food Supplies	Veg Tray	0	0	6
$7.99	Food Supplies	Water 8oz 35PK	0	0	30
$6.00	Food Supplies	Water 8oz 35PK	0	4	0
$39.98	Other Supplies	68 SCHLAGEKEY	0	1	0
$153.00	Postage	Federal Exp	0	1	0
$0.44	Postage	USPS Stamps	0	1000	0
$182.07	Postage	USPS Stamps	0	1	0
$150.00	Postage	USPS Stamps	0	1	0
		NSF Charge	0	0	0
			0	0	0
Total			0	0	0
Sales Tax			0	0	0
Total With Tax			0	0	0
		Quantity Totals	703	3,551	2,442
		Grand Total 2011 - 2013 Quantities		6,696	

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
AB139 STUDY AGREEMENT
May 20, 2013

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Los Angeles County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to school districts and county offices of education upon request. Pursuant to the provisions of Education Code Section 1241.5 (b), a county superintendent of schools may review or audit the expenditures and internal controls of any school in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. The extraordinary audits conducted by the county superintendent shall be focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner.

All work shall be performed in accordance with the terms and conditions of this agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The COE has requested that the team assign professionals to conduct an AB 139 extraordinary audit of the Wisdom Academy for Young Scientists. Per Education Code Section 1241.5 (b), (c), the superintendent has reason to believe that fraud, misappropriation of funds, or other illegal practices may have occurred.

The Wisdom Academy for Young Scientists Charter School conducts business as a California nonprofit organization. In addition to the authority granted under Education Code sections 1241.5 (c) and 47604.3, the county superintendent may conduct an investigation of the charter school based on written complaints by parents or other information that justifies the review.

The primary focus of this review will be to provide the county office with reasonable assurances, based on the testing performed, that adequate management and internal controls are in place for the reporting and monitoring of financial transactions, and that fraud, misappropriation of funds or other illegal activities have not occurred.

Internal controls include the processes for planning, organizing, directing and controlling program operations, including systems for measuring, reporting and monitoring performance. The receipt of cash and/or cash transactions, payroll, purchasing, and accounts payable are high-risk areas in which potential fraud and issues such as nonexistent employees or vendors, or misappropriation of assets including cash, may be detected. This review's objectives will include evaluation of policies, procedures, internal controls and transactions performed by the charter school.

Testing for this review will be based on sample selections from the current and one prior fiscal year; it will not include all transactions and records for this period. Sample testing and review results are intended to provide reasonable but not absolute assurance regarding the accuracy of the charter school's financial transactions and activity to accomplish the following:

- Prevent internal controls from being overridden by management.
- Ensure ongoing state and federal compliance.
- Provide assurance to management that the internal control system is sound.
- Help identify and correct inefficient processes.
- Ensure that employees are aware of internal control expectations.

The team's review of the Wisdom Academy for Young Scientists will include, but not be limited to, the items below. The team will do the following:

1. Evaluate the charter school's internal control structure, policies and procedures to test transactions and reporting processes to determine if adequate procedures are in place to safeguard assets, including physical objects, charter school data, and intellectual property.

   Evaluation of policies and procedures will include the following:

   i. Review compliance with policies and procedures including, but not limited to, those related to human resources, finance, purchasing, granting agencies, and state and federal government programs and funding.

   ii. Review document and records retention procedures to determine whether the charter school provides reasonable assurance that asset records are safeguarded and transactions are correctly recorded.

2. Evaluate the reliability and integrity of information used for internal management decisions and external agency reports.

3. Determine if authorization procedures are appropriate and consistently followed. Review administrator and manager approvals and whether signature authority is delegated only to authorized employees.

4. Determine whether proper segregation of duties exists. The team will evaluate personnel, payroll, accounts payable and cash transactions, and will do the following:

   i. Review the authorization process for cash receipts

   ii. Determine if protective measures are in place for safeguarding assets, processes and data.

   iii. Determine whether safe combinations are changed periodically and anytime a staff member who knows the combination terminates employment.

5. Evaluate reporting processes. The team will do the following:

   i. Evaluate monitoring and verify that controls are operating properly.

   ii. Evaluate controls that prevent management from overriding internal controls and thus prevent the potential misappropriation of funds.

   iii. Evaluate whether clearly established lines of authority and responsibility exist within and between departments for proper review and reporting purposes, and if these are shown on organizational charts.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the charter to brief management and supervisory personnel on the team's procedures and the purpose and schedule of the study.

2. On-site Review - The team will conduct an on-site review at the charter office and at school sites if necessary; and will continue to review pertinent documents off-site.

3. Progress Reports - The team will inform the COE of material issues as the review is performed.

4. Draft Reports – When appropriate, electronic copies of a preliminary draft report will be delivered to the COE's administration for review and comment on a schedule determined by the team.

5. Final Report - Electronic copies of the final report will be delivered to the COE and/or charter following completion of the review. Printed copies are available from FCMAT upon request.

6. Follow-Up Support – If requested, the team will meet with the COE and/or charter to discuss the findings and recommendations of the report.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

A.	Julie Auvil, CPA, CMGA	FCMAT Fiscal Intervention Specialist
B.	Debi Deal, CFE	FCMAT Fiscal Intervention Specialist
C.	Marisa Ploog, CPA, CFE, CGMA	FCMAT Fiscal Intervention Specialist

Other equally qualified staff or consultants will be substituted in the event one of the above individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8 (d) (1) shall be:

A. $800 per day for each FCMAT staff member while on site, conducting fieldwork at other locations, presenting reports, or participating in meetings. The cost of independent consultants will be billed at their actual daily rate.

B. All out-of-pocket expenses, including travel, meals and lodging.

Based on the elements noted in Section 2A, the total estimated cost of the study will be $18,000.

C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services may be reimbursed from funds pursuant to EC 1241.5 set aside for this purpose. Other payments, when deemed necessary, are payable to Kern County Superintendent of Schools - Administrative Agent.

5. RESPONSIBILITIES OF THE COE AND/OR DISTRICT

A. The charter will provide office and conference room space during on-site reviews.

B. The charter will provide the following if requested:

1) A map of the local area
2) Existing policies, regulations and prior reports addressing the study request

3) Current or proposed organizational charts
4) Current and two prior years' audit reports
5) Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the charter and sent to FCMAT in an electronic format
6) Documents should be provided in advance of field work; any delay in the receipt of the requested documents may affect the start date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository to which the charter shall upload all requested documents.

C. The COE and/or charter's administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The charter shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for different phases of the study:

Orientation:	***To be determined***
Staff Interviews:	***To be determined***
Exit Interviews:	***To be determined***
Preliminary Report Submitted	***To be determined***
Final Report Submitted	***To be determined***
Board Presentation	***To be determined***

7. CONTACT PERSON

Contact person:	Alex Cherniss, Assistant Superintendent, Business
Telephone:	(562) 922-6124
FAX:	(562) 922-6678
E-mail:	Cherniss_alex@lacoe.edu

Arturo Delgado, Superintendent — 5-22-13 Date
Los Angeles County Office of Education

May 20, 2013 Date
Anthony L. Bridges, CFE
Deputy Executive Officer
Fiscal Crisis & Management Assistance Team

WISDOM ACADEMY FOR YOUNG SCIENTISTS

Beritez

April 5, 2014

Arturo Delgado, Ed.D
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242

APR 14 2014

Dear Dr. Delgado:

We are responding to information and allegations contained in the FCMAT audit on this date, as you have improperly demanded. You are not following Education Code section 1241.5, in that **you have not communicated any findings or recommendations for us to respond to**. Rather, your staff emailed the FCMAT audit to our individual board members with no explanation or recommendations. We sent you a letter explaining that you have 45 days to report your findings and recommendations, if any, to the WAYS Board. You have not done so, and you have not provided any findings or recommendations whatsoever. Instead, your staff responded by stating that LACOE will present its report at our board meeting later this month, but demanded that we "respond" to that future report now. We cannot see into the future and anticipate what your determinations and/or findings might be—and your demand that we guess is improper. Education Code section 1241.5 requires that we respond to your determinations and recommendations within 15 days **after you present them**. Your initial letter from staff was correct in that regard. Your initial letter made no mention of a Saturday April 5 deadline. It correctly stated that WAYS must respond to the superintendent's report of findings and recommendations made to our board 15 days thereafter. But now, your staff is inexplicably demanding that we respond today (a Saturday no less) to findings and recommendations **you have not yet made, and may never make. You are failing to proceed in the manner required by the statute, and we have stated that to you twice now.**

Because we cannot respond to your findings or recommendations that you have not provided us, this letter and attachments instead are in response to the alleged deficiencies identified by FCMAT in its audit. Notably, the FCMAT audit does **not** conclusively state **any** factual findings or determinations whatsoever. Nor does the audit make any recommendations whatsoever to WAYS. Rather, the audit concludes with its starting point—a "suspicion" that WAYS and/or its officials committed "fraud" or other "illegal activities". Rather than provide any factual findings, the audit identifies billing irregularities and misstates the circumstances and/or significance surrounding several transactions. For example, FCMAT incorrectly implies that there is something illegal or wrong about a WAYS employee participating in and/or founding a nonprofit corporation that serves children who may also attend WAYS. Nothing could be further from the truth. By definition, there is no conflict of interest for such service to nonprofit public benefit corporations. Similarly, there is no "eternal prohibition" against former employees from having financial transactions with WAYS. While true that there appears to have a conflict several years ago when WAYS leased property owned by a person who was then then executive director, any such conflict was long ago cured (at the Los Angeles County Board of Education's direction and approval) when the former executive director was separated from employment. There is no unlawful conflict or "fraud" evidenced by WAYS leasing property from the former executive director; and FCMAT did not (and cannot) conclude otherwise.

Also notable is that the FCMAT audit report erroneously states that *"WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates."* This statement is plainly untrue, and reflects a fundamental misunderstanding of nonprofit corporations. WAYS is a small public charter school formed and operated entirely under the California Nonprofit Public Benefit Corporations Law. It was

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Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
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WISDOM ACADEMY FOR YOUNG SCIENTISTS

founded by the former executive director, governed by robust nonprofit corporate board of directors composed of members of the community, and is operated by professional teachers, and administration.

Another strange item in the FCMAT audit relates to LAUSD—an allegation with no explanation or evidence. The auditor appears to not understand how Proposition 39 works, or the SB740 rent reimbursement program (not even mentioned in the audit). The FCMAT audit report states, *"WAYS' governing board failed to disclose that LAUSD had awarded facilities under a Proposition 39 request for facilities on April 1, 2011. Subsequent to the approval for facilities by LAUSD that could have alleviated conflict of interest concerns, WAYS did not respond to LAUSD to indicate acceptance of the offer."* First and foremost, there is no requirement that a charter school "disclose" or "accept" Proposition 39 facilities. In fact, many charter schools within LAUSD do not accept the district's Prop 39 offers, because their commercial options are more practical for the schools, especially if they serve large free and reduce meal populations. FCMAT appears to think that Prop 39 is free—it's not. It's very expensive in LAUSD. In 2011, only about half the schools that received Prop 39 offers from LAUSD accepted them. The state's SB 740 rent reimbursement **does not pay** for Prop 39. Often in LAUSD, Prop 39 offers are much expensive than commercial space. In WAYS case, acceptance of Prop 39 space would render us completely ineligible for SB740 rent reimbursement. So, moving to Prop 39 space would in reality be at least twice as expensive to the school's bottom line. In any event, WAYS did in fact dialogue with LAUSD about the Prop 39 space. LAUSD denied the charter renewal in March 2011. LACOE did not approve the renewal until June 7, 2011—more than a month after the regulatory deadline for Prop 39 acceptance. LAUSD acknowledged WAYS response on July 6, 2011. There is nothing "fraudulent" about any of that.

These examples demonstrate that while the FCMAT audit may provide some useful information for LACOE and WAYS to consider, much of it is incorrect or incomplete in facts and circumstances. That is why it is beholden on the superintendent to make findings and recommendations to WAYS as required by the statute. **If the LACOE Superintendent believes that findings and/or recommendations are in order as a result of the FCMAT audit, he should present that in a report to the WAYS Board within 45 days as is required by statute. WAYS would very much appreciate a meaningful opportunity to consider and adopt LACOE's recommendations, if any. But at this point, LACOE has not provided any findings or recommendations whatsoever as a result of the FCMAT audit.**

Attached is a table responding to statements made in the FCMAT audit. Supportive evidence is attached as exhibits.

Sincerely,

Edward Cabil
Executive Director

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

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Allegation that county office had received allegations of multiple fiscal irregularities, questionable expenditures and inappropriate related-party transactions at WAYS charter school.	1	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	WAYS management has made several requests to LACOE staff to provide evidence of the allegations they claim to have received.	N/A
"FCMAT focused on the allegations of misappropriation of assets, misuse of grant funds and conflict of interest to "determine" whether Wisdom Academy for Young Scientists Charter School and/or its personnel were involved in or committed fraudulent activities." *"Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred."*	1 & 45	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit made no findings or determinations that WAYS and/or its personnel were involved in or committed fraudulent activities. However the audit suggests that fraudulent activities may have occurred in the closing recommendation on page 45.	Exhibit 1: Pages 1 and 45 of the FCMAT audit report.
"The FCMAT study team conducted initial county office interviews in June 2013 during the schools' summer vacation and then visited the three charter school campuses in	1	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The report failed to declare that the FCAMT audit team interviewed and collected documents from the WAYS back office provider in July 2013, prior to the audit teams fieldwork in November 2013. Moreover, the FCMAT audit team failed to notify WAYS management of the initial meetings with the back office provider. Emails from the back office provider and the FCAMT audit team verify this event.	Exhibit 2: Emails from the back office provider and the FCMAT

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
November 2013 to conduct interviews, collect data and review documents."				audit team.
"The inability for the governing board to exercise due diligence and implement internal controls has effectively allowed the former executive director, current executive director and related parties unrestricted access to the assets of the organization and implied authority to enter into a variety of business arrangements for personal gain without board authorization and/or approval."	3	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	This statement is ambiguous and inflammatory. The FCMAT audit does not provide verification of whether the audit team witnessed the alleged actions of the former executive director, current executive director, and "related parties". Moreover, it does not base its allegation on any evidence other than hearsay.	N/A
"The involvement of the former executive director, related parties, business associates, former board members and numerous businesses owned by the former executive director and her husband has raised questions regarding potential conflict of interest, significant influence over financial transactions, self-dealing, control over fiscal management and related party transactions in violation of government and education codes."	3	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Since the 2010-11 school year, the former executive director has not been involved in any WAYS business. Her private business affairs do not concern WAYS.	N/A

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
"Since that time, the management of the charter school has repeatedly resisted implementation of the conditions for approval by ignoring requests by the County office staff for information to support that the conditions have been met. On several occasions, verification that the conditions have been met including required reports such as financial information, interim budget reports, audited financial statements and monthly reports have been submitted after repeated requests by Los Angeles County Office of Education (LACOE) staff or have not been submitted at all."	3	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit does not provide verification of whether the audit team witnessed or if evidence exists that the alleged resistance of WAYS to implement the conditions for approval, failure to provide required reports, or ignored requests by the county office staff.	N/A
"In January 2014, three of five board members resigned, citing similar complaints that are verified in the minutes and audio recordings of board meetings."	4	*" verified in the minutes and audio recordings of board meetings."*	The FCAMT audit report erroneously states that three of five board members resigned in January 2014. The WAYS board meeting minutes and audio records verify that one of the seven Board Members resigned in January 2014.	Exhibit 3: WAYS Board Meeting February 3, 2013 Agenda, Minutes, and Audio (Audio available upon request.)

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

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"LACOE staff note several irregularities and possible misappropriation of funds within the WAYS charter school organization that oversees three charter school sites. These allegations of fraud involve ongoing conflicts of interest and the mismanagement of charter school funds related to facility leases, related-party transactions between the former executive director who owns two of the properties leased by the school and is related to owners of private businesses that conduct business with the charter school, execution of a vehicle lease without board approval, and a substantial separation of service payment to the former executive director without sufficient supporting documentation. Governance issues include an ineffective governance structure caused by continued interference by the former executive director through her son and daughter that hold key positions of authority and	4	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	*Evidence does not exist to confirm that the allegations the LACOE noted can be verified.* *Contrary to the allegations made in this report, the WAYS Board Meeting Minutes and Audio since 7/2011 to date, verify that there is no evidence that the current former executive director, current executive director, director of operations, and vice principal disrupted or eliminated the governing board's ability to exercise its fiduciary responsibilities and duty of care.* *WAYS board meeting minutes dated July 31, 2012 (Exhibit 4), provide evidence to verify the board approval for the school vehicle lease.* *WAYS board meeting minutes and resolution dated October 26, 2012, provide evidence to verify the WAYS board received legal counsel from the WAYS attorney, and approved the settlement with the former executive director.*	Exhibit 4: WAYS Board Meeting July 31, 2012 Minutes and Resolution to Purchase School Business Vehicle Exhibit 5: WAYS Board Meeting October 26, 2012 Minutes and Settlement Agreement Resolution

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
decision making in the organization, effectively eliminating the governing board's ability to exercise its fiduciary responsibilities and duty of care. Evidence of board meeting cancellations and disruption by the current executive director and the founder's son (director of operations) are corroborated through emails, board minutes and audio recording of board meetings."				
"Prior to the board president's resignation in January 2014, threatening outbursts by the founder's son at a specially scheduled board meeting ended the meeting, after which she obtained a restraining order for her personal protection."	4	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The WAYS governing board has no record of a resignation from the former board [chair]. The former board chair was voted off of the WAYS board on January 30, 2014 by a unanimous vote, as verified in the WAYS board meeting minutes (Exhibit 4). Furthermore, the director of operations did not commit any crime, or make a threatening outburst during any board meeting. The rumor of a restraining order being obtained by the former board chair cannot be confirmed. Moreover, there exists no record of a restraining order against the WAYS director of operations.	Exhibit 6: WAYS Board Meeting January 30, 2014 Minutes
"Based on these allegations, the Los Angeles County Office of Education, Charter Schools Division conducted a preliminary investigation, and based on the results of their initial findings, requested assistance from FCMAT	4	Education Code Sections 47604.4 and 1241.5(c).	WAYS was not involved in LACOE's initial investigation. LACOE did not inform WAYS of an investigation, nor did they request WAYS management team participation at any point. This is the first indication to WAYS that LACOE conducted a preliminary investigation regarding the aforementioned allegations. Moreover, all of the allegations that the report asserts that LACOE based its preliminary investigation, seem to be based on events that LACOE staff claim to have occurred subsequent to the they requested assistance from FCMAT in May 2011, which	Not applicable.

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
pursuant to Education Code Sections 47604.4 and 1241.5(c)."			makes the FCMAT audit report and LACOE's allegations even more ambiguous.	
"If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the charter school, the State Controller, the Superintendent of Public Instruction and the local district attorney."	4	Education Code Sections 47604.4 and 1241.5(c).	Both FCMAT and the county superintendent failed to provide evidence to determine that fraud or misappropriation of funds has occurred prior to, subsequent to, and in the FCMAT audit report.	Exhibit 1: Pages 1 and 45 of the FCMAT audit report.
"...and previous board president to hold key positions in the organization and run the day-to-day operations."	9-44	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report erroneously refers to WAYS' current executive director as a "former board president" throughout the audit report. Exhibit___, WAYS board member rosters, provide evidence that the current executive director never served as 'president' of the WAYS board of directors.	Exhibit 7, WAYS Board Member Rosters 2010-11, 2011-12, 2012-13, 2013-14
"Blank Page or Missing Information	8	Blank Page or Missing Information	WAYS cannot determine whether the published FCMAT audit of WAYS report is complete because there are various blank pages throughout the audit report.	Not applicable.
WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates."	9	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit erroneously states that "WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates." WAYS is a nonprofit public benefit corporation founded by the former executive director, governed by robust board of directors composed of members of the community, and is operated by professional teachers, and administration. Evidence of this is provided in Exhibit __: List of WAYS Board Members and Administration.	Exhibit 8: List of WAYS current Board Members and Administration.
" [the] founder/former	9	FCMAT failed to provide evidence to WAYS and in the	The FCMAT audit report makes this false and misleading	Exhibit 9:

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

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executive director selected the board members, which gave her and other family members significant influence over financial decisions that benefited them financially."		AB139 audit report.	allegation with no substantial evidence. The former executive director did not select the WAYS board members. She does not have any influence over financial decisions that benefit her or her family. Evidence of this is provided in (Exhibit 9) the WAYS Board Meeting Minutes 2011-12, 2012-13, 2013-14, in which Board Members were inaugurated; and (Exhibit 10) required WAYS Board questionnaire form, completed by current and previous Board Members.	WAYS Board Meeting Minutes and Audit (Audio can be provided upon written request) 2011-12, 2012-13, 2013-14 Exhibit 10: WAYS Board Questionnaire
"...the founder/former executive director positioned her son, daughter and previous board president to hold key positions in the organization and run the day-to-day operations, and by this action still maintained effective control over the financial affairs of the organization."	9	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The director of operations, reports to and is immediately supervised and evaluated by the executive director and the WAYS Board of Directors (Exhibit 11). The vice principal, reports to and is immediately supervised and evaluated by the principal, and executive director (Exhibit 12). The aforementioned facts identifies the structure that WAYS has in place creates checks and balances in efforts to avert the abuse of power and manipulation of decision-making. The FCMAT audit report fails to provide evidence that the director of operations and vice principal are involved in any positions or transactions that will personally benefit them. The current director of operations and vice principal was employed by WAYS before the release of the former executive director. The former executive director did not appoint or position any WAYS employee, nor does she have any influence or control over the financial affairs of the organization. Moreover, the WAYS board of directors fully implements its governance structure, which sets forth provisions to avert any	Exhibit 11: WAYS Director of Operations Job Description Exhibit 12: WAYS Vice Principal Job Description Exhibit 13: WAYS Governance Structure

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			possibility of nepotism and/or conflicts of interest. Evidence of this is provided in Exhibit __: the WAYS governance structure illustration.	
"Although WAYS had a fiscal policies and procedures handbook, the organization failed to implement or monitor several of the adopted policies and procedures. Recent board minutes document that when board members expressed the need to review and approve certain financial transactions or asked for the back office provider to present the financial statements during open board meetings, management repeatedly ignored these requests."	10	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	This allegation is unsupported by any evidence. Although FCMAT claims that "recent board documents this allegation", FCMAT fails to provide specific evidence of the alleged occurrence presented in the WAYS board meeting audio recordings and/or minutes. WAYS board minutes and WAYS board meeting audio recordings from July 1, 2013 through March 13, 2014 (Exhibit 9), do not verify the statements in the audit report. WAYS administration and back office provider give financial reports to the Board regularly at monthly meetings and follow all approval protocol.	Exhibit 9: WAYS Board Meeting Minutes and Audio (Audio can be provided upon written request) 2011-12, 2012-13, 2013-14
"In some cases, management canceled board meetings and caused major disruptions that ended board meetings prematurely."	11	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report makes this subjective statement, without providing viable evidence to support their claim. Considering that the FCMAT audit report deliberated on all information provided to them up to February 28, 2014, WAYS is surprised that the FCMAT audit report fails to bring light to the LACOE superintendent letter titled "Notice of Concern" dated December 20, 2013 (Exhibit 14), and a follow-up letter from the LACOE Charter Schools Office (CSO) coordinator dated January 24, 2014 (Exhibit 15) issued WAYS governing board, which required a response from WAYS by January 31, 2014. The LACOE superintendent's letter and follow-up from the CSO coordinator indicate that LACOE had concerns regarding misinformation provided to them from staff in LACOE internal	Exhibit 14: LACOE Notice of Concern dated December 20, 2013 Exhibit 15: LACOE Charter Schools Office

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			offices. Not surprising, the concern was regarding the statements made in the scurrilous email from the former WAYS board member. The LACOE superintendent inappropriately refers to the scurrilous email addressed the executive director as 'a written complaint received by LACOE from a former board member'. On January 31, 2014 the WAYS executive director, on behalf of the governing board, provided LACOE a detailed written response to the LACOE superintendent's concerns stated in the notice of concern letter (Exhibit 16). In the response letter, the executive director verified that the former board member's email that was an internal communication intended for him, not address to LACOE, and indicated that he investigated the claims asserted in the former board member's letter, as well as a grievance letter from the director of operations, which provided a different view of the incident that occurred on October 24, 2013. Furthermore, the executive director explained that the November 21, 2013 board meeting was cancelled, because the agenda was not posted in accordance with the Brown Act. To date, WAYS has not received any inquiry or response from the LACOE staff regarding this matter. WAYS management did not cancel or cause any major disruptions that ended board meetings prematurely. Evidently the statement in the FCMAT Audit Report, was based on the scurrilous email addressed to the WAYS executive director, on January 25, 2014, from a former disgruntled Board Member who was voted off of the WAYS board by a majority board vote, subsequent to the WAYS school site council recommendation to the board of directors to remove the former board member and her counterpart from the WAYS governing Board for several reasons outlined in the school site councils resolution dated January 23, 2014 (Exhibit 17). The WAYS school site council is a committee initiated by the school principal, is made up of elected parents, teachers, and community members. The school site council is charged with representing the WAYS community made up of students, parents and teachers.	coordinator letter dated January 24, 2014 Exhibit 16: WAYS Executive Director letter dated January 31, 2014 Exhibit 17: WAYS School Site Council Resolution dated January 23, 2014

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

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"Independent audit reports for the last three fiscal years report 15 instances of significant and/or combined internal control conditions. Several of these findings have not been addressed by management and the governing board; therefore, these findings are repeated each year."	11-14	Audited Financial Statements Schedule of Findings and Questioned Costs for Audit Years 2011, 2012 and 2013 (Table on Page 11-14)	The FCMAT audit report misrepresents the WAYS annual independent report issued over the past three fiscal years. The independent audit and reports for fiscal years ending June 30, 2011, and June 30, 2012, were conducted and written by the same audit firm. Specifically: 2011) In the independent audit report year ending June 30, 2011, the audit firm identified 6 material findings. In the summary of this report auditors gave WAYS an unqualified opinion. 2012) In the independent audit report year ending June 30, 2012, the audit firm identified only 2 material findings. In the summary of this report auditors gave WAYS an unqualified opinion. WAYS changed its audit firm in 2013, to audit the fiscal year ending June 30, 2013. Audit Firms are likely to have different philosophy and approach to the audit process, all toward the same purpose of ensuring that the financial statements are fairly presented. When such change occurs, it is very possible that unusual findings will arise, which is within the intent of the independent audit report. 2013) In the independent audit report year ending June 30, 2013, the audit firm identified 7 material findings and issued WAYS a qualified opinion. The report exaggerates 15 findings referenced in the audit report, which were issued over three years. Instead, the audit report suggests, "Several of these findings have not been addressed by the governing board." In fact, only 2 of the categories of were repeated over three years. Moreover, the details of the findings were different in each of the reports for three years. Technically, there are no findings, which were repeated over three consecutive years; therefore the FCMAT audit report's suggestions are inaccurate and exaggerated in efforts to implicate the WAYS board and management. Exhibits 18, 19, and 20 contain the internal audit report summaries for fiscal years ending June 30, 2011, 2012, and 2013.	Exhibit 18: WAYS Independent Audit Report year-end June 30, 2011 Exhibit 19: WAYS Independent Audit Report year-end June 30, 2012 Exhibit 20: WAYS Independent Audit Report year-end June 30, 2013
"... the sale of a school vehicle used by the director	16	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report falsely suggests that the director of operations overstepped his authority by managing the school's	Exhibit 21:

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
of operations was not approved by the governing board. Instead, the vehicle, a Lexus, was sold by the founder/former executive director's son in December 2013 without board approval."			sizeable assets without direction or approval from the executive director and board of directors. On August 30, 2013, the WAYS executive director and director of operations determined that it would be in the best interest of the school if WAYS sold the school business vehicle in order to meet the expense of the acquiring a second school van. By doing so, WAYS would reduce the school expenses associated with pupil transportation, and hiring chartered school bus companies. Verified in the board meeting documents on September 26, 2013, and February 3, 2014 (Exhibit 21), the executive director presented the recommendation to sale the school vehicle, in which the WAYS board of directors considered and approved. The director of operations was not present at the aforementioned board meeting. The director of operations, within the scope of his responsibilities, carried out the directive of the WAYS executive director and board of directors, in the best interest of the school.	WAYS Board Meeting Agenda and Documents September 26, 2013 and February 3, 2014
"This report will demonstrate that payments made to the private dance studio owned by the vice principal were not disclosed in accordance with laws and regulations set forth by the FPPC."	16	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	There are no records to ascertain the audit reports allegation that WAYS made payments to any private dance studio, nor to any company privately owned by the vice principal. Moreover, the vice principal verified she does not "own" a private dance studio.	Not applicable.
"Evidence in the board minutes and audio recordings, verbal and written complaints by former board members and direct observations by LACOE staff reveal instances where the founder/former executive director continued to be present and seated at the	16	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	These statements are not substantiated by the aforementioned board documents as FCMAT and LACOE suggested. In fact, the founder was at no point seated at the Board table during discussions regarding facility leasehold agreements for properties that she owned. This did not occur during the duration of her employment with WAYS and certainly not after her employment was terminated. The WAYS board is acutely knowledgeable of the law as it relates to California conflicts of interest codes. The WAYS board excused the founder from the consideration of the WAYS Manchester and Kinder Campus lease agreements because of a possible conflict of interest or lack	Not applicable.

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
board table during discussions regarding facility leasehold agreements for her personal properties. Evidence in the board minutes indicates that at least two occurrences transpired when she was no longer employed by WAYS."			of impartiality.	
"On September 16, 2011, subsequent to her departure from WAYS, the founder/former executive director was present at the board meeting. She refused to be unseated from the board table during discussions concerning the relocation of WAYS to a property not owned by the founder/former executive director." *"Individuals at this meeting who supported continued use of her facilities by WAYS schools caused such a disruption that the board meeting was disbanded."* *"During the September 22, 2011 board meeting one week later, the founder/former executive*	16-17	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	In several instances throughout the FCMAT audit report, it appears that the FCMAT audit team drew several conclusions based on hearsay from specific former and current LACOE employees, who seem to have vengeful personal agendas against the WAYS founder. The audit report erroneously repeats "as fact" several false and defamatory statements against the WAYS founder that were made to impugn her character and damage her reputation. The aforementioned citations from the FCMAT audit report risk the possibility of a claims for damages for slander and defamation against FCMAT, LACOE and WAYS. The statements were reckless. To the extent WAYS is subjected to any such claims for damages, we intend to seek indemnity from FCMAT and LACOE. There is no evidence that an official board meeting was held on September 16, 2011. According to WAYS employees, parents, community members, and former board members, five of the board members in attendance ended the meeting abruptly following the directive of the LACOE Charter School Office coordinator to "shut the [board] meeting down" for an undisclosed reason, as was quoted by a former WAYS board member, before the board meeting was brought to order. Furthermore, the "individuals" who supported the continued location of the school, as cited in the FCMAT audit report, were	Exhibit 22: WAYS Board Meeting Cancelation Notice

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<table>
<tr><th>FCMAT audit / LACOE statements, allegations, and errors</th><th>On Page(s) of the FCMAT audit</th><th>Evidence to support the allegations provided in the FCMAT Audit</th><th>WAYS response to the statements, allegations, and errors</th><th>Evidence to support the WAYS response</th></tr>
<tr><td>director was observed by LACOE staff seated at the board table having private conversations with one board member."

"The founder/former executive director and other family members were present and exercised significant influence during board meetings that provided a direct personal financial benefit."</td><td></td><td></td><td>WAYS employees, students, parents, and other stakeholders.

On September 22, 2011, no board meeting was held due to a lack of quorum, as confirmed by the notice of board meeting cancellation provided in Exhibit 22. There is no evidence that the founder communicated with a board member, moreover no evidence to confirm her presence at the attempted board meeting.

Additionally, the WAYS governing board is knowledgeable of the Ralph M. Brown Act and California Non-Profit 501(c)(3) laws and regulations specifically to the degree that board meetings are open to public attendance. Prohibiting the founder from attending the WAYS Board meetings, as LACOE and the FCMAT audit team appear to indirectly suggest WAYS should do, is absolutely discriminatory and unlawful.</td><td></td></tr>
<tr><td>Blank Page or Missing Information</td><td>18</td><td>Blank Page or Missing Information</td><td>WAYS cannot determine whether the published FCMAT audit of WAYS report is complete, because there are various blank pages throughout the audit report.</td><td>Not applicable.</td></tr>
<tr><td>In an attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools, the founder/former executive director placed the properties in a revocable trust named OCI Development Corporation in 2010-11.

WAYS paid $1,070,921 to the founder/former executive director and her holding company, OCI Development Corporation, for leasehold agreements located at 706 E.</td><td>19</td><td><table><tr><th>Fiscal Year</th><th>Payee</th><th>Annual</th></tr><tr><td>2007-08</td><td>Founder</td><td>$110,400</td></tr><tr><td>2008-09</td><td>Founder</td><td>169,440</td></tr><tr><td>2009-10</td><td>Founder</td><td>179,560</td></tr><tr><td>2009-10</td><td>Founder -</td><td>30,000</td></tr><tr><td>2010-11</td><td>Founder</td><td>93,245</td></tr><tr><td>2010-11</td><td>OCI</td><td>74,840</td></tr><tr><td>2011-12</td><td>OCI</td><td>226,450</td></tr><tr><td>2012-13</td><td>OCI</td><td>216,986</td></tr><tr><td>Grand</td><td></td><td>$1,100,921</td></tr></table></td><td>The FCMAT audit report erroneously cites, in attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools. It appears there was a conflict of interest several years ago when the school's executive director was an owner of the school site. That conflict was cured when the former director separated from employment in 2011at the direction and approval of the LACOE Board. There has been no conflict in that regard since 2011.

Furthermore, the grand total ($1,070,921 and $1,100,921) paid in rent expenses over the 8-year period provided in the FCMAT audit report erroneously reflects conflicting figures. Later in the report, FCMAT attempts to total an amount of questionable expenses using these erroneous figures.</td><td>Not applicable</td></tr>
</table>

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Manchester Avenue, Los Angeles, CA and 8778 S. Central Avenue, Los Angeles, CA from the 2007-08 through 2012-13 fiscal years as shown in the following table.				
According to a report on the WAYS charter petition and appeal to LACBOE dated May 10, 2011 by the LACOE Charter School Review Team, it was revealed that WAYS' governing board failed to disclose that LAUSD had awarded facilities under a Proposition 39 request for facilities on April 1, 2011. Subsequent to the approval for facilities by LAUSD that could have alleviated conflict of interest concerns, WAYS did not respond to LAUSD to indicate acceptance of the offer.	19	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	See WAYS transmittal letter. The timeline of events, which led to the WAYS governing board's refusal of the Proposition 39 facilities offer: March 1, 2011 LAUSD denied WAYS charter renewal petition (Exhibit 23) April 1, 2011 LAUSD awarded WAYS facilities under Proposition 39, without an approved charter renewal petition. (Exhibit 24) May 1, 2011 LAUSD required a response to the Proposition 39 grant award from WAYS, who was denied charter renewal at the time. WAYS did not meet the deadline. June 7, 2011 LACOE approved WAYS charter renewal petition. (Exhibit 25) June 30, 2011 The WAYS board of directors officially denied the Proposition 39 award, at the special board meeting, in which the founder was not present. (Exhibit 26) July 6, 2011 LAUSD confirms receipt of the WAYS governing boards official response. (Exhibit 27) WAYS could not enter into a long-term agreement with LAUSD under Prop 39 without securing its charter petition authorization, which did not occur until two months after the LAUSD Prop 39	Exhibit 23: Evidence of LAUSD denial of WAYS Charter Petition Exhibit 24: Proposition 39 Facilities Award Email from LAUSD Exhibit 25: Evidence of LACOE authorization of WAYS Charter Petition. Exhibit 26: WAYS June 30, 2011 Board Meeting

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			facilities grant was awarded.	Minutes Exhibit 27: LAUSD Confirmation of receipt of WAYS response to Proposition 39 award.
"No contracts or lease agreements exist for Loraine Turner..."	20	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	(Exhibit 28) Lease agreements were made available to the FCMAT audit team during their field work visit at the WAYS campus on November 13-15, 2013	Exhibit 28: Lease Agreements between WAYS and 714 East Manchester Avenue. Los Angeles, CA 90001
"As a condition of approval for WAYS' charter school petition to LACOE in June 2011, the founder/former executive director was to terminate her employment with WAYS and be removed from any association with the school."	21	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The Memorandum of Understanding agreement between WAYS and LACOE (Exhibit 29), an attachment of conditions that WAYS must meet subject to LACOE charter authorization, specifically states, *"Prior written notice of any proposed service/employment contract and/or agreement with the former executive director whose contract was terminated by the WAYS board in June 2011, and a copy of the contract agreement prior to execution (to monitor fulfillment of the conditions of authorization attached hereto as Attachment E.)"* There is no mention of a conditional requirement to disassociate or terminate the employment of any WAYS employee in the executed binding MOU document.	Exhibit 29: Memorandum of Understanding agreement between WAYS and LACOE
"Founder/Former	21-22	FCMAT failed to provide evidence to WAYS and in the	WAYS issued written notice to the LACOE superintendent and	Exhibit 30:

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
Executive Director – Settlement Agreement" (Section)		AB139 audit report.	a copy of the proposed settlement agreement with the former executive director, prior to execution on October 26, 2012. LACOE did not provide any comment or ask any questions. In maintaining is fiduciary responsibility to protecting the interest of the school, the FCMAT allegations regarding the settlement in the FCMAT audit report cannot be responded to in detail in this response, other than to state that WAYS carefully evaluated its exposure to liability in consultation with its liability insurance carrier, and reached a prudent settlement result rather than defend expensive litigation.. The LACOE charter schools office coordinator, confirmed receipt of the WAYS issued written notice to the LACOE superintendent on October 26, 2014 at 11:22am (Exhibit 30), and a copy of the proposed settlement agreement with the former executive director, prior to execution. In maintaining its fiduciary responsibility to protect the interest of the school, the allegations regarding the settlement in the FCMAT audit report are not established in this response.	LACOE confirmation of WAYS notice to LACOE dated October 26, 2012
"WAYS Back Office Provider Warned of Books and Supplies Expenditures Exceeding Budget" (Section)	23-30	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	In accordance with the Generally Accepted Accounting Principals (GAAP), WAYS based its 2011-12 projected budget on prior year receivables and expenditure data. In efforts to maintain a tone of conservative spending, the WAYS budget did not make significant adjustments to the approved budget. In the same year and shortly after charter renewal, WAYS encountered an unforeseen substantial increase in student population upon the authorization revocation of several nearby charter schools. In 2011-12, the WAYS student population more than doubled compared to the prior year. The increase in student enrollment required the lease of another facility to house up to 280 new enrollees. Naturally, WAYS operating significantly expenses exceeding the budget. The increased expenditures included cost similar to a start-up charter, such as classroom furniture, classroom supplies, capital equipment, technological equipment, security systems, instructional materials, custodial	Exhibit 31: WAYS Enrollment Trends 2007-2013

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			supplies, and more. The needs associated with the substantial increase in enrollment and deadlines to open the school put WAYS under significant pressure. OSE Business Services (OSE), an independent company, supported WAYS by providing the aforementioned school supplies and equipment. Through this, OSE established a healthy association with WAYS. (Exhibit 31) Provided by the California Department of Education, WAYS annual enrollment trends in years 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, corroborate the aforementioned explanation.	
"FCMAT requested copies of the OSE cashier's checks and regular checks, both front and back, from the director of operations and copied the executive director in an email dated Friday, December 13, 2013. One month later, on January 13, 2014, the team received nine of the 10 requested cashier's checks. The missing cashier's check was received on January 21, 2014. Repeated requests to management for the regular check copies were never received and no explanation was provided." *"Of the nine copies of the cashier's checks provided to the team, it is not*	23-24	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	During the course of the FCMAT audit team fieldwork days at the WAYS campus, the director of operation provided the audit team with the checking account cancelled-check images, which included copies of the front and back of OSE Business Services checks. In emails dated January 10, 2014 (Exhibit 32), January 13, 2014 (Exhibit 33), and January 22, 2014 (Exhibit 34), the Director of Operations provided the FCMAT team all information and explanations requested by FCMAT in emails dated November 29, 2013 (Exhibit 35), December 11, 2013 (Exhibit 36), and December 13, 2013 (Exhibit 37).	Exhibit 32: WAYS Director of Operations email dated January 10, 2014 Exhibit 33: WAYS Director of Operations email dated January 13, 2014 Exhibit 34: WAYS Director of Operations email dated January 21, 2014

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<table>
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<tr><td>entirely clear that the copies came directly from the bank."
"Because WAYS executive management failed to provide OSE's regular checks front and back copies as requested by the team, and because OSE cashier's checks did not contain account information identifying the account where funds were deposited, the team is unable to authenticate the OSE payments."</td><td></td><td></td><td></td><td>Exhibit 35: FCMAT email dated November 29, 2014.

Exhibit 36: FCMAT email dated December 11, 2014

Exhibit 37: FCMAT email dated December 13, 2014</td></tr>
<tr><td>"The team received information from the seven comparable elementary charter schools listed in the table below. The analysis compares purchases of copier paper from all vendors in the selection group with the WAYS purchases from OSE (even though paper was also purchased from other vendors described later in this report) and based on student enrollment for 2011-12 through 2012-</td><td>28-29</td><td><table><tr><th>School</th><th>Average Enrollment</th><th>No. of Cases</th><th>Cases of Copier</th></tr><tr><td>Charter School</td><td>224</td><td>151</td><td>0.67</td></tr><tr><td>Charter School</td><td>304</td><td>186</td><td>0.61</td></tr><tr><td>Charter School</td><td>387</td><td>332</td><td>0.86</td></tr><tr><td>Charter School</td><td>416</td><td>332</td><td>0.80</td></tr><tr><td>Charter School</td><td>476</td><td>369</td><td>0.78</td></tr><tr><td>Charter School</td><td>601</td><td>551</td><td>0.92</td></tr><tr><td>Charter School</td><td>648</td><td>588</td><td>0.91</td></tr><tr><td>Averaged Totals – All Sample</td><td>382</td><td>314</td><td>0.82</td></tr><tr><td>WAYS</td><td>505</td><td>971</td><td>1.92</td></tr></table></td><td>The FCMAT audit report attempts to compare WAYS to several unidentified charter schools. The accuracy of the charter comparison cannot be ascertained because it does not account for variables such as: technology, equipment, accommodations, or services that schools often use to subsidize expenses on paper such as, purchasing low quality recycled paper in quantities that require special storage accommodations from wholesale distributors, digital curriculum, consumable notebooks, and reproduction services.

Contrary to the actions and statements quoted in the FCMAT audit report regarding the director of operations description of copier usage and paper provisions, the WAYS management made efforts to reduce the cost of paper and reproduction by distributing paper to individual teachers and staff, which is a common practice in all public schools.</td><td>Not applicable.</td></tr>
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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
13."				
"Documentation for the van lease payments authorized by the WAYS director of operations show that the van lease agreement and additional back-up documentation for lease was missing even though the back office provider had requested these documents on previous occasions."	33-35	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The vehicle referenced on this page is a 1995 Ford E-350 (15-passenger) van. This van has been in use since the founding years of WAYS in 2006, and was finally donated to WAYS by the previous owner, Emeka Enwezor in the fall of 2012. Also previously owned by Godfrey Okonkwo until 2011, WAYS made lease payments to Mr. Okonkwo totaling $4800 in fiscal year 2010-11. Subsequently, the van was sold or transferred to Emeka Enwezor in 2011. WAYS made final lease payments to Mr. Enwezor totaling $4800 in fiscal year 2011-12, and afterward the van was donated to WAYS in the winter of 2012. The WAYS director of operations email to FCMAT dated January 10, 2014 (Exhibit 32) provides evidence that WAYS, and the back office provider, had the 2011-12 lease agreement on file. Additionally, the email the director of operation explicitly explains the prospect for missing executed leases and board approvals. The director of operations writes, *"I was able to locate the Van Lease Agreement from 2011-12. However I was unable to locate a signed copy of the agreement. During this year WAYS experienced significant turnover in the Board of Directors and administration. Many official school documents were kept by those individuals who are no longer associated with WAYS, and have yet to be returned after several requests to do so. I suspect that the signed van lease and Board documentation, if any, may be within those lost documents."*	Exhibit 32: Director of Operations email dated January 10, 2014
"During the Thursday, November 14, 2013 discussion with the WAYS director of operations, he stated that Godfrey Okonkwo was paid for the van lease in the first year of the lease for the van from Emeka Enwezor, and the second year Emeka	36	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report erroneously paraphrases the director of operations statements, and as a result presents misleading information. Also, the report refers to Emeka Enwezor as "her" [gender being female], which further demonstrates the erroneously paraphrased statements. When the FCMAT team inquired about the lease payments that were made to toward the van lease, the WAYS director of operations specifically stated *"The van lease reimbursement was paid to Mr. Okonkwo in fiscal year 2010-11, lease paid to Mr. Enwezor in fiscal year 2011-12, and the van was finally donated*	Exhibit 38: Vehicle Donation Letter from Emeka Enwezor

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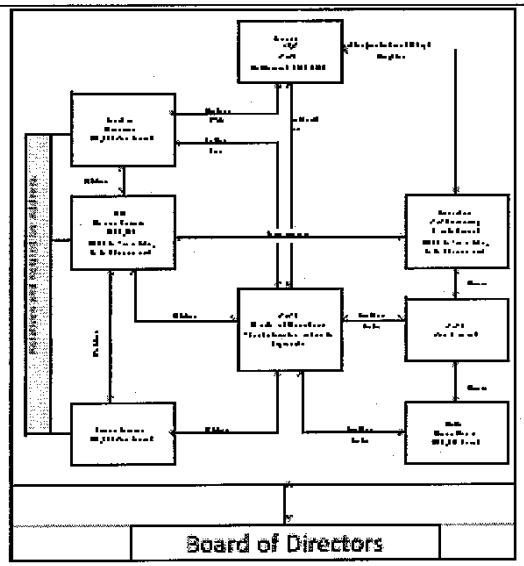
FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
Enwezor was paid directly for the van lease. The team inquired whether Emeka Enwezor was related and was told that, "She is a friend of the family and we rent her van ... but she gave the van to the school this year.""			*to the school last year [fall of 2012]."* Furthermore, the donation letter verifies Mr. Enwezor's donation of the van (Exhibit38)	
"WAYS Related Parties – WAYS Founder/Former Executive Director, Godfrey Okonkwo, WAYS Director of Operations, WAYS Vice Principal, Emeka Enwezor & Obiesie Enwezor" (Section) *"Based on the team's analysis of possible relatives, transactions authorized by the director of operations do not represent an arm's-length transaction."* *"The relationships and related parties are presented in the following table:"*	35-39		The aforementioned excerpt and illustration from the FCMAT audit report is misleading. According to the documentation provided to WAYS and subsequently provided to the FCMAT audit team, The address for the former van owner is 953 west 45th street, which is not in any way similar to that of any vendor, the initial van owner, the former executive director, the director of operations, and the vice principal. Moreover, the statements made in the FCMAT audit report discredits the integrity of WAYS management, and its conflicts of interest policy (Exhibit 39) and financial policies and procedures (Exhibit 40), and governance structure (Exhibit 13), which specifically provide for arm's length transactions, and full disclosure. The WAYS financial procedures specifically identify the executive director as the person who approves checks. The director of operations is permitted to sign checks in rare unusual occasions, when the executive director is not capable of doing so. The misleading illustration published on page 39 FCMAT audit report attempts to unfairly implicate the WAYS director of operations as the center of connections with several independent individuals who are somehow connected with an unidentified "Board of Directors". To the extent that this illustration does not verify a specific problem, it is misleading and should be considered immaterial.	Exhibit 39: WAYS Conflict of Interest Policy Exhibit 40: WAYS Financial Policies and Procedures Exhibit 13: WAYS Governance Structure
"5. LACOE engaged the services of a private	38	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report raises several concerns that question the credibility of the audit report. The report asserts that LACOE	Exhibit 41 WAYS

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
investigator following written and verbal complaints that the vice principal of WAYS was working at Innovative WAYS Academy, her private middle school of which she was the executive director. Direct surveillance and video on 16 separate occasions between March 5, 2013 and April 22, 2013 revealed that the WAYS vice principal spent 29.5 hours at her private middle school while employed full time at WAYS."			used federal and state government resources to hire someone to "stalk" the WAYS vice principal for 48 days, following alleged written and verbal complaints that she founded a private middle school. FCMAT and LACOE fail to provide the objective of securing private investigation services to "stalk" the vice principal. The only finding of from "stalking" the vice principal was that she was observed at the private middle school for 29.5 hours during the 48 day period. First, in accordance with the California Education Code, the WAYS approved charter states *"The Charter School, as the LEA, shall be ultimately responsible for determining how to respond to parent concerns or complaints."* LACOE consistently failed to comply with the terms set forth by California Education Code by refusing to notify WAYS management of complaints made against the school or its personnel, in accordance with the due process procedures regarding complaints set forth in the WAYS charter. Historically, LACOE repeatedly ignored WAYS request for evidence of the written and verbal complaints LACOE claims to have received. The FCMAT audit report provides the first clue that there was any complaint regarding the WAYS vice principal. Moreover, the FCMAT audit report fails to disclose that the 48-day period, in which LACOE employed "private investigative services" to stalk the vice principal, include weekends, federal holidays, and 5 weekdays in which WAYS was closed for spring break. During the 48 –day period the vice-principal hosted a number of events at the location of the private middle school, which required planning and rehearsals. (See evidence of the events in (Exhibit 41) WAYS March 2013 and April 2013 calendars, and (Exhibit 42) evidence of the formal ball and cumulative science competition events that were held at the private middle school location.)	March 2013 and April 2013 calendars Exhibit 42 Evidence of the formal ball and cumulative science competition events

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
"c. The director of operations and brother of the WAYS vice principal and owner of DeDe Dance Studio authorized the checks from WAYS totaling $73,800 that were paid to DeDe Dance Studio."	38	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	There is no historical or present evidence to support the allegation that director of operations ever "authorized the checks" paid to DeDe Dance Studio.	Not applicable.
"...the [FCMAT audit] team did not observe students present in that facility during the fieldwork days."	38	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	DeDe Dance Studio, a Non-Profit 501(c)(3) organization (Exhibit 43) founded by the WAYS vice principal and the other community members, was envisioned for the benefit of the children and families of the WAYS community. The nonprofit corporation has no owners whatsoever—it's a nonprofit public benefit corporation. On an unpaid-volunteer basis, the stakeholders operate the non-profit. No person, including the WAYS vice principal, "owns" any financial interest in the non-profit organization as the FCMAT audit report erroneously suggests. Furthermore, the DeDe Dance Studio program operates in Building A of the WAYS Manchester Campus. After being notified on October 30, 2013 that the FCMAT audit fieldwork days would take place on November 13-15, 2013, WAYS management reserved the Building A to accommodate the audit team for the time-period of their site visit. During the FCMAT team's fieldwork days, the team occupied the WAYS Manchester Campus buildings A and C. The FCMAT introduction interview with the executive director and director of operations took place in Building A. During that meeting, the executive director presented several large photos that decorate the interior walls throughout the school building and identified them as pictures of current and former WAYS students who benefited from DeDe Dance Studio program by participating in events that range from volunteer work in the community to an annual grand Debutante and Beaux Formal Ball.	Exhibit 43: DeDe Dance Studio Non-Profit 501(c)(3) organization letter. Exhibit 44: Photographic evidence of the DeDe Dance Studio events. Exhibit 45: Email from FCMAT regarding fieldwork schedule

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
"e. DeDe Dance Studio is operated at and identifies the business location as the WAYS school site. The team was unable to determine that any offsetting rent for the facility was paid by DeDe Dance Studio to WAYS."		FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Historically, WAYS entered into a separate lease agreement with the founder for Building A of the Manchester Campus (Exhibit 46), in which rent is listed as one dollar ($1) per month. Considering the invaluable benefits WAYS students receives from DeDe Dance Studio over the past decade compared to the insignificance of cents on the dollar that WAYS potentially accrued, WAYS does not collect rent reimbursements from DeDe Dance Studio.	Exhibit 46: Commercial Lease Agreement for 706 East Manchester Ave, Building A
"The WAYS back office service provider stated they had been requesting backup documentation for the Lexus transaction from the director of operations but never have received any." *"FCMAT cannot confirm that the Capital Expense Analysis was ever presented to the WAYS board."* *"FCMAT had observed the director of operations using the Lexus as his own personal vehicle."*	39-42	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	On August 20, 2013 the director of operations dropped off the complete file of all original Lexus purchase documents at the office of the back office provider for them to make copies. The file contains the original Retail Installment Sale Contract and amortization schedule showing the principal payments and remaining payoff on the Lexus, which the back office provider should have used to properly account for the Lexus in accordance with GAAP. The complete file containing the originals was returned to the director of operations on August 23, 2013, after the back office provider had completed copying the original documents for their files. Furthermore, precisely same file containing all original purchase documentation for the Lexus was provided to FCMAT on January 10, 2014 in the email response from the director of operations to the FCMAT audit team (Exhibit 32), and made available to during their fieldwork visit in November 2013. Moreover, the capital lease expense analysis was provided in the WAYS board meetings on July 31, 2012, September 26, 2013, and February 3, 2014. Additionally, the audit report does not describe or provide the criteria that FCMAT used to determine that they observed the director of operations using the Lexus as his own personal vehicle, which is an incredibly subjective and immaterial	Exhibit 32: WAYS Director of Operations email to FCMAT dated January 10, 2014

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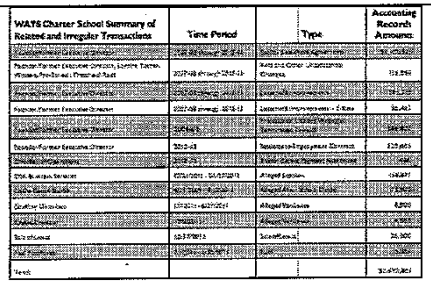
FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			accusation.	
"WAYS Failed to Obtain Governing Board Approved for Purchase of Computers and Issued an Irregular Payment" (Section)	42-43	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Note: Payment information not provided on Wells Fargo website. Search for records at school.	Not applicable.
"WAYS Charter School Summary of Related and Irregular Transactions" (Section) *"The table below is a compilation of payments made through WAYS to the founder/former executive director, family members of the founder and close associates. Many of these payments were authorized by the director of operations and the current executive director (former board president.)"* *"The above transactions represent significant influence that the WAYS founder/former executive director, family of the founder and close associates had over financial decisions that personally benefitted them. Several of these transactions were authorized for payment by*	44-45	 WAYS Charter School Summary of Related and Irregular Transactions / Time Period / Type / Accounting Records Amounts	The FCMAT report's attempt to create the perception of fraud, misappropriation of assets and possible criminal activity is egregiously defamatory and specifically targets the family of the WAYS director of operations and vice principal. The report consistently makes allegations with out providing supporting evidence, and selectively distorts partially factual evidence to skew the perception of the reader of the FCMAT audit report. $1,100,921 Facility Leasehold Agreements subsidized by the Charter Schools Facilities Initiative Grant over an 8 year period, were approved by the WAYS board annually after the founder/former executive director disclosed her financial interest in the properties, as evidenced in previously filed full disclosure form 700s; and evidence that the she was not permitted to make recommendations or participate in Board considerations of lease agreements. Moreover, in 2010 the WAYS governing board hired The Service Company, an independent real estate service provider, to conduct research which confirmed that the founder leased the properties to WAYS at a rate significantly less that the fair market value. $115,550 Rent and other charges were subsidized by the Charter Schools Facilities Initiative Grant over an eight-year period to through the aforementioned property leases with the founder and another independent property owner. Evidence of the lease agreements for the referenced independent property owner was provided to the FCMAT audit team during the site visit and back office provider visit.	Not applicable.

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
the director of operations, who is the son of the founder/former executive director, and the current executive director (the former board president) and gave these individuals the ability to simultaneously control and benefit from these transactions. The lack of documentation to support transactions." *"There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control."*			\$341,710 Leasehold improvements to all properties leased by WAYS were made in compliance with Los Angeles City building codes to accommodate the needs of the charter school program, families, and students. \$35,483 was subsidized over an eight year period by the federal Universal Service Administrative Company through the E-rate Program to enhance the technological infrastructure of each of the WAYS campuses, including the Salvation Army and those owned by the founder, to meet the 21st Century technology standards and enhance the students educational experience. \$566,803 was covered by and paid through the WAYS insurer subsequent to the wrongful termination lawsuit judgment in favor of the plaintiff in 2012. WAYS did not pay this amount from its financial resources. \$228,665 was paid through a settlement agreement between WAYS and its former executive director, which is legally confidential by nature. \$466 payment to Avatar Technology was issued in error and voided. On average \$52,957 annually supplies and equipment provided by OSE Business Service over a three-year period totaling \$158,871, were ordered and received by WAYS management to meet the need of WAYS' educational program and directly benefited the WAYS students. \$73,800 was subsidized through the California After School Education and Safety (ASES) grant over a five-year period, was disbursed to through contracts with the non-profit 501(c)(3) organization, DeDe Dance Studio, to provide afterschool character enrichment and extra curricular skills development	

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			programs and events. WAYS leased the Ford van, which was previously owned by Godfrey Okonkwo until 2011. WAYS made lease payments to Mr. Okonkwo totaling $4800 in fiscal year 2010-11, prior to LACOE charter authorization. WAYS made its final lease payments to Mr. Enwezor totaling $4800 in fiscal year 2011-12, and afterward the van was donated to WAYS in November 2012. In August 2013, the WAYS executive director recommended the sale of the school's Lexus, in efforts to provide financial provisions to afford the purchase of another school van to better service the needs of the students and WAYS community. Subsequently, the Lexus was listed for sale on various websites at the competitive price of $27,000, and sold for the negotiated price of $26,000. The WAYS board of directors approved the sale of the Lexus on February 3, 2014. Contrary to the accusations regarding the WAYS governing board and management staff alleged in the FCMAT audit report, the aforementioned facts validate the effectiveness of the WAYS management staff and substantiates that the WAYS governing board fulfills it fiduciary responsibilities to maintain and exercise its authority, and control.	
"Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred."	45	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Throughout the FCMAT audit report, the audit team asserts that it will demonstrate the aforementioned deficiencies, but fails to provide factual evidence to substantiate their allegations. The audit reports assertions of the aforementioned alleged deficiencies are corroborated through scandalized subjective hearsay, and "written and verbal reports" that FCMAT and LACOE allege to have received, but never provide to WAYS or in this audit report.	Not applicable.

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response

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FCMAT AB 139 Audit – WAYS RESPONSE
TABLE OF EXHIBITS

Exhibit 1	Pages 1 and 45 of the FCMAT audit report.
Exhibit 2	Emails dated July 12, 2013 from the back office provider and the FCMAT audit team.
Exhibit 3	WAYS Board Meeting February 3, 2013 Agenda, Minutes, and Audio (Audio available upon request.)
Exhibit 4	WAYS Board Meeting July 31, 2012 Minutes and Resolution - School Business Vehicle
Exhibit 5	WAYS Board Meeting October 26, 2012 Minutes and Resolution - Settlement Agreement
Exhibit 6	WAYS Board Meeting January 30, 2014 Minutes
Exhibit 7	WAYS Board Member Rosters 2010-11, 2011-12, 2012-13, 2013-14
Exhibit 8	List of WAYS current Board Members and Administration.
Exhibit 9	WAYS Board Meeting Minutes and Audit (Available upon written request) 2011-12, 2012-13, 2013-14
Exhibit 10	WAYS Board Questionnaire
Exhibit 11	WAYS Director of Operations Job Description
Exhibit 12	WAYS Vice Principal Job Description
Exhibit 13	WAYS Governance Structure
Exhibit 14	LACOE Notice of Concern dated December 20, 2013
Exhibit 15	LACOE Charter Schools Office coordinator letter dated January 24, 2014
Exhibit 16	WAYS Executive Director letter dated January 31, 2014
Exhibit 17	WAYS School Site Council Resolution dated January 23, 2014
Exhibit 18	WAYS Independent Audit Report year-end June 30, 2011
Exhibit 19	WAYS Independent Audit Report year-end June 30, 2012
Exhibit 20	WAYS Independent Audit Report year-end June 30, 2013
Exhibit 21	WAYS Board Meeting Agenda and Documents September 26, 2013 and February 3, 2014
Exhibit 22	WAYS Board Meeting September 22, 2011 Cancelation Notice
Exhibit 23	Evidence of LAUSD denial of WAYS Charter Petition
Exhibit 24	Proposition 39 Facilities Award Email from LAUSD
Exhibit 25	Evidence of LACOE authorization of WAYS Charter Petition.
Exhibit 26	WAYS June 30, 2011 Board Meeting Minutes
Exhibit 27	LAUSD Confirmation of receipt of WAYS response to Proposition 39 award.
Exhibit 28	Lease Agreements between WAYS and 714 East Manchester Avenue. Los Angeles, Ca 90001
Exhibit 29	Memorandum of Understanding agreement between WAYS and LACOE
Exhibit 30	LACOE confirmation of WAYS notice to LACOE dated October 26, 2012
Exhibit 31	WAYS Enrollment Trends 2007-2013
Exhibit 32	WAYS Director of Operations email dated January 10, 2014
Exhibit 33	WAYS Director of Operations email dated January 13, 2014
Exhibit 34	WAYS Director of Operations email dated January 22, 2014
Exhibit 35	FCMAT email dated November 29, 2014.
Exhibit 36	FCMAT email dated December 11, 2014
Exhibit 37	FCMAT email dated December 13, 2014
Exhibit 38	Vehicle Donation Letter from Emeka Enwezor
Exhibit 39	WAYS Conflict of Interest Policy
Exhibit 40	WAYS Financial Policies and Procedures
Exhibit 41	WAYS March 2013 and April 2013 calendars
Exhibit 42	Evidence of the formal ball and cumulative science competition events
Exhibit 43	Dance Studio Non-Profit 501(c)(3) organization letter.
Exhibit 44	Photographic evidence of the DeDe Dance Studio events.
Exhibit 45	Email from FCMAT regarding fieldwork schedule
Exhibit 46	Commercial Lease Agreement for 706 East Manchester Ave, Building A

EXHIBIT

2

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Fw: Document Request List WAYS

1 message

Bali Business Management <balibusinessmanagement@yahoo.com> Fri, Jul 12, 2013 at 2:45 PM

Reply-To: Bali Business Management <balibusinessmanagement@yahoo.com>
To: EDWARD CABIL <edcabil@sbcglobal.net>

I am forwarding this email to you because you were not copied in the original email from Debi Deal and I believe you need to be informed of it. See attached list and message below from FCMAT Specialist Debi Deal. Thank you.

Haji

Bali Business Management
4221 Wilshire Blvd., Suite 350
Los Angeles, CA 90010
323 935-4220 (office)
323 935-4230 (fax)

Thank you - *Have a Great Day!*

----- Forwarded Message -----
From: Debi Deal <ddeal@fcmat.org>
To: "balibusinessmanagement@yahoo.com" <balibusinessmanagement@yahoo.com>
Cc: Veronica Morrow <vmorrow@fcmat.org>; Hazel Fields <hfields@fcmat.org>; "Michael Ammermon (mwacpa@me.com)" <mwacpa@me.com>; Anthony Bridges <abridges@fcmat.org>
Sent: Friday, July 12, 2013 11:07 AM
Subject: FW: Document Request List WAYS

Mr. Haruna,

Please find attached a document request list for the AB139 Extraordinary Audit for WAYS charter school. As explained to Linda Williams in your office this morning, the FCMAT team will be at LACOE on Monday to commence the audit. The team would like to interview you on Thursday or Friday of next week if possible as your company is the back office provider.

Contact information for instructions for uploading the documents are listing on the attachment. Please provide general ledger information in Excel format.

Please let me know of your availability.

Thank you.

Debi Deal, CICA, CFE
Fiscal Intervention Specialist
FCMAT
661-802-0228

Document Request List WAYS.pdf
245K

EXHIBIT

3

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Monday, February 3, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted January 31, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Hon. Saundra Davis _____/_____
6. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes – August 29, 2013 and January 30, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. Board Member Resignation Letter– Action
b. Newly Required Student Fee's Policy – Action
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Resolution to sell school vehicle – Action Item
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – Action
h. Wisdom Academy for Young Scientists Annual Financial Audit – Action
i. Single Plan for Student Achievement – Action
j. Unaudited Actuals Financial Report – Action
k. Title I Budget 2013-14 – Action
l. Special Education Budget 2013-14 – Action
m. After School Education and Safety Program 2013-14 Budget
n. First Interim Financial Report – Action
o. Updates Regarding FCMAT Audit – Discussion Item

Recommendations
a. Approval of Board Member Resignation Letter
b. Adoption of Student Fee's Policy
c. Approval of 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Approval of Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Approval of Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Approval of Resolution to sell school vehicle – Action Item

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to accept the resignation of Board Member Kimberly Daniels on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to adopt the Student Fee's Policy on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Employment Agreement with Edward J. Cabil on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the resolution to sell the school vehicle (2011 Lexus RX350) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

Wisdom Academy for Young Scientists
Capital Expense Analysis

Purchase

Item: SUV or Sedan (Vehicle)

Use: Executive Business Transportation

Reason: Merle Williamson Foundation (MWF) may provide the Administrative Personnel an automobile vehicle and operating expenses for the use of conducting MWF business and reasonable personal use. Provided that MWF Administrative Personnel chose to utilize the Executive Business Transportation, this will reduce the automobile use reimbursement costs and wear and tear for individual Personnel property.

Impact: +/- 10,000 annual Personnel transportation expenses

Date: July 2012

Sale

Item: SUV or Sedan (Vehicle)

Use: Executive Business Transportation

Reason: In best interest of the stakeholders of the Merle Williamson Foundation (MWF), selling the Executive Business automobile vehicle should provide the funds to better serve the school. In which those funds may be used to purchase a vehicle for pupil transportation.

Impact: $26,000 - $32,000 one-time payment; +/- $10,000 annual Personnel transportation reimbursements.

Date: August 2013

Purchase

Item: School Bus/Van (Vehicle)

Use: Pupil Transportation, Utility Vehicle

Reason: Subsidize expenses for rentals and chartered school buses for short-distance fieldtrips and destinations. Provide a van for Pupil transportation and select utility use.

Impact: +/- 10,000 annual Pupil transportation expenses

Date: TBD

Transaction #679061 - Jason-Inyoung-RX350
(You are the Seller)

Logged in as: Jason Okonkwo (mrjason7@gmail.com)
Help | Sign Out

Status
Select any status for help.

1. BUYER AND SELLER AGREE TO TERMS
2. BUYER SENDS PAYMENT TO ESCROW.COM
3. SELLER SHIPS MOTOR VEHICLE TO BUYER
4. BUYER RECEIVES MOTOR VEHICLE
5. ESCROW.COM PAYS SELLER
   - Closing Statement sent

Closing Statement sent via E-Mail

- The Buyer has accepted the merchandise.
- The closing statement was sent to your E-Mail account.
- Did you enjoy using Escrow.com? Send us your feedback!

[redacted]

Merchandise

No.	Item Description	Quantity	Unit Price	Total Price
1	Lexus RX350 2011	1	$26,000.00	$26,000.00

Sub-total	$26,000.00
Shipping Fee	$0.00
Fee: Escrow	$-115.70
Total	
Transaction ID: 679061	$25,884.30
Escrow ID: 484243	

Terms

Transaction #:	679061
Escrow #:	484243
Transaction Title:	Jason-Inyoung-RX350
Buyer:	Inyoung Kwon (iykwon@hotmail.com)
Seller:	Jason Okonkwo (mrjason7@gmail.com)
Inspection Period:	3 calendar days
Escrow Fee to be paid by:	Split(Buyer/Seller) The buyer is responsible for 100% of the escrow fee in the event the transaction is cancelled or the merchandise is returned.
Transaction fulfilled using:	Cargo Shipping
Shipping fee to be paid by:	Buyer

History

Jan 28 2014 10:09AM PDT
Funds disbursed. Final closing statements sent to both parties.

Jan 27 2014 9:26PM PDT
Inspection period ended, Buyer accepts merchandise.

Jan 27 2014 9:26PM PDT
Buyer received merchandise. Inspection period starts.

Jan 27 2014 12:02PM PDT
Seller shipped goods by Buyer pick up (Phone: 4036080016) with tracking number -

Buyer
Pick-up

Dec 12 2013
2:49PM PDT
Escrow.com approves payment.

Dec 12 2013
2:48PM PDT
Buyer paid by wire transfer, awaiting Escrow.com approval.

Dec 2 2013
3:12PM PDT
Both parties have accepted the offer, awaiting buyer payment.

Nov 30 2013
2:30PM PDT
Buyer initiates the transaction

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PROVIDED BY ESCROW.COM

Internet Escrow Services, Inc.
Escrow Trust Account
30318 Esperanza
Rancho Santa Margarita, CA 92688
(949) 635-3800

BANK OF AM
16-66/122

Escrow Number: 13--484243

Pay TWENTY-FIVE THOUSAND EIGHT HUNDRED EIGHTY-FOUR AND 30/100**********US Dollars

TO THE ORDER OF
Merle Williamson Foundation
706 East Manchester Ave
Los Angeles, CA 90001

INTERNE
ESCROW AC

RED CHECK NUMBERING IMAGES THROUGH TO BACK OF SHEET

⑈119107⑈ ⑆122000661⑆ 4594⑈ 2844O⑈

INTERNET ESCROW SERVICES, INC.

Escrow Number: 13--484243

Sellers Proce
Transaction N

Check No: 119107
Date: 01-28-2014
Amount: 25,884.30
Property:
Buyer : Inyoung Kwon
Seller : Jason Okonkwo

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the auditor selection of Wilkinson Hadley King & Company, LLP on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the Audit year-end June 30, 2013 on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

EXHIBIT

4

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

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RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 31 day of JULY, 2012, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to authorize the Executive Director or designee to enter a lease or purchase agreement for a **vehicle for school use** behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board President)

Wisdom Academy for Young Scientists

August 6, 2012

To the Finance Authority,

In accordance with Merle Williamson Foundation dba Wisdom Academy for Young Scientists Resolution of Board of Directors dated July 31, 2012 regarding "authorization to lease or purchase a vehicle for school use on behalf of the corporation. I authorize and designate Jason Okonkwo to carry out all business regarding this matter, and to sign on behalf of the organization.

Sincerely,

Edward Cabil
Executive Director

Empowering Students to be Leaders, Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

EXHIBIT

5

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, October 26, 2012 3:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Friday, October 26, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 3:55pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Norman Golden
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, Karen Horowitz, Larry Moore, Halilu Haruna

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. July 31, 2012 – Approved 5/0
   b. September 27, 2012 – Approved 5/0

VI. **Reports**
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report

VII. **Discussion/Action Items**
   a. Action: Amended Fiscal Policy – Moved to Next Board Meeting
   b. Discussion: Board Retreat – Mrs. Jones will coordinate the Board Retreat and provide updates at next Board Meeting.
   c. Discussion: Prospective Board Members – Prospective Board Members will be recruited and invited to join the Board.

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – In close session the Board considered a claim made against WAYS that presented significant exposure to litigation. With consultation with our legal counsel, the Board authorized the Executive Director to make a settlement offer to the claimant. Action Taken, See Board Resolution attached. – Approved 5/0

IX. **Oral Communication**
   a. **None**

X. **Future Agenda Items**
   a. Amended Fiscal Policy

XI. The board meeting of WAYS was officially adjourned at 5:32 PM

Eleanor D. Jones 31 Jan '13 — 1-31-13

Secretary of Board — Date — President of Board — Date

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 26th day of October, 2012, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve Edward Cabil to propose a **Settlement Offer to the Previous Executive Director** (Exhibit A) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

Dorothy Valenti

(Signature of Board President)

EXHIBIT

6

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, January 30, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, January 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 6:28pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Kimberly Daniels, Armando Espinoza
Board Members Absent: Carol Lee Tolbert, Saundra Davis
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports**
   a. None

VII. **Closed Session**
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation.

VIII. **Open Session**
   a. Consideration of and potential action concerning the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis)
      i. Removal of Carol Lee Tolbert as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Kimberly Daniels
         2. Oppose – None
      ii. Removal of Saundra Davis as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
         2. Oppose – Kimberly Daniels

IX. **Oral Communication**
   a. Adrienne Cooks – Oral Report
   b. Flora Gomez – Oral Report

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 7:41 PM.

Secretary of Board — Date 2-3-14 — President of Board Vice-Chair — Date 2-3-14

EXHIBIT

7

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WAYS BOARD ROSTER
2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	Member	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Adraine Cook	Member	aecook@lasd.org	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Interim Chair/Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Maria Garcia	Member	cmcmarycg@hotmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cheryl Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/12	1/30/14	02/27/14	03/27/14	04/25/13	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:30pm	5:30pm	5:30pm

*Subject to change. Updated 3/13/14

WAYS BOARD ROSTER

FY – 2012/2013

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	President	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Karen Haynes	Treasurer	katoant@aol.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Secretary	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Eleanor Jones	Member	eleanor@c-pass.biz	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cherly Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Norman Golden	Member	normanskx@gmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/26/12	08/30/12	09/27/12	10/25/12	11/29/12	1/31/13	02/28/13	03/28/13	04/25/13	03/30/13	06/27/13
Time	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm

*Subject to change.

WAYS BOARD ROSTER
FY - 2011/2012

Board Member Name	Tittle	Email Address	Telephone	Address
Edward Cabil	Member	edcabil@sbcglobal.net	323-933-1993	706 E. Manchester Avenue. LA,Ca. 90001
Jonathan Fields	Member	jonathanfields55@yahoo.com	323-377-9937	706 E. Manchester Avenue. LA,Ca. 90001
Karen Haynes	Member	karen.haynes@twcable.com	323-459-5000	706 E. Manchester Avenue. LA,Ca. 90001
Kandee Lewis	Vice President	Kandeele@aol.com	323-787-9252	706 E. Manchester Avenue. LA,Ca. 90001
Alex Love	President	alexlove93@hotmail.com	310-972-9527	706 E. Manchester Avenue. LA,Ca. 90001
Loretta McDonald	Member	lmcdonald@lbmbs.com	310-902-5293	706 E. Manchester Avenue. LA,Ca. 90001
Oliver Ortega	Member	oliverisloco@gmail.com	323-545-8312	706 E. Manchester Avenue. LA,Ca. 90001
Cathy Roby	Treasurer	cathy_roby@yahoo.com	310-488-2489	706 E. Manchester Avenue. LA,Ca. 90001
Tamara Smith	Member	tdsmith0052@yahoo.com	310-333-1982	706 E. Manchester Avenue. LA,Ca. 90001
Adell Walker	Member	jazz4azz@aol.com	323-630-8886	706 E. Manchester Avenue. LA,Ca. 90001
Dorothy Valenti	Secretary	dvalenti747@yahoo.com	770-882-5252	706 E. Manchester Avenue. LA,Ca. 90001

Date	07/28 - 29/2011	8/19/2011	9/16/2011	10/21/2011	11/18/2011	1/20/2012	2/17/2012	3/16/2012	4/20/2012	5/18/2012	6/22/2012
Location	Board Retreat	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS
Time	All Day	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.

Wisdom Academy for Young Scientists
Conflict of Interest Filers - Assuming/Leaving
Form 2010-11

Name	Assumed Office	Assuming Office Received	Left Office	Leaving Office Received
Cabil, Edward	6/7/2011	7/14/2011		
Cureton, Michael	6/7/2011	7/14/2011		
Fields, Jonathan	6/7/2011	7/14/2011		
Haynes, Karen	6/7/2011	7/14/2011		
Lewis, Kandee	6/7/2011	7/14/2011		
Love, Alexandria	6/7/2011	7/14/2011		
McDonald, Loretta	6/7/2011	7/14/2011		
Okonkwo, Jason	6/7/2011	7/14/2011		
Onweighbusi, Dorothy	6/7/2011	7/14/2011		
Ortega, Oliver	6/7/2011	7/14/2011		
Roby, Cathy	6/7/2011	7/14/2011		
Smith, Tamara	6/7/2011	7/14/2011		
Walker, Adell	6/7/2011	7/14/2011		
Watson, Alake	6/7/2011	7/14/2011		

Los Angeles County Office of Education
Conflict of Interest - Annual During the Year
For Tbe Fiscal Year 2008-2009

	Name	Division	Title	Date Signed	Date received
1	Albright, David	Business Operation	Facility Planning Office		
2	Anderson, Annette	Labor Relations/ HRS	Director, Labor Relations		
3	Anderson, Sandra	Board	Board Member		
4	Barrios, Patricia M.	Business Operation	Buyer		
5	Beauchamp, Sharon	Board of Education	Board Member		
6	Berndt, John Stirling	Head Start-State Preschool	Assistant Director		
7	Brache, Anne Karen	Business Operations - Contracts	Procurement Services Assistant		
8	Brettin, Ronald	Business Operation	Senior Real Estate Specialist		
9	Carrera, Pablo	Technology Services	Data Center Manager		
#	Chavez, Raymond	Instructional Technology Outreach	Director		
#	Cleveland-Woods, Keesha	Head Start-State Preschool	Assistant Director		
#	Coleman, Billie Joe	Special Education	Regional Director		
#	Crotty, Jonathan	Human Resource Services (HRS)	Project Director III		
#	Delgado, Lupe	Parent and Community Services	Director		

#	Dickinson, Jack Vernon	Technology Services	Data Center Manager		
#	Elkins, William	JCCS	Interim Director		
#	Esparza, Mike P.	Business Operation	Buyer		
#	Farran, Robert W.	Special Education	SELPA Director		
#	Fees, Pamela Ann	School Financial Services	Director, SFS		
#	Ferrara, Ronald Kenneth	Personnel Commission	Personnel Commissioner		
#	Flores, David G.	Alternative Education	Director		
#	Ford, Anna	Personnel Commission	Personnel Commissioner		

Los Angeles County Office of Education
Conflict of Interest - Annual During the Year
For Tbe Fiscal Year 2008-2009

	Name	Division	Title	Date Signed	Date received
#	Freer, Rudell	Board of Education	Board President		
#	Freudenberg, Rodney	Personnel Commission	Director, Office of Personnel Commission		
#	Gale, Shari Kim	Office of General Counsel	General Counsel		
#	Gibbs, Pamela	Governmental Relations	Director		
#	Gilbert-Lurie, Leslie K.	Board of Education	Board Vice President		
#	Gong-Guy, Ellen	Special Education	SELPA Director		
#	Guilleaume, Raymond Charles	Special Education	Regional Director		
#	Gundry, Jon	Superintendent Office	Deputy Superintendent		

#	Harris, Deborah	Business Operation	Procurement Services Manager		
#	Henry, Michael	Personnel Commission	Personnel Commissioner		
#	Hopko, Kim Sharon	Special Education	Director		
#	Landry, Paul	Internal Audit & Analysis	Director		
#	Larrabee, Lawrence Duane	Business Operation	Real Estate Specialist		
#	Lem, Elizabeth D.	Educational Services	Assistant Superintendent		
#	Lopez, Marie	Business Operation	Supervising Buyer		
#	Lucas III, John	Educational Programs	SELPA Director III		
#	MacKeamp, Russell J.	Technology Services	Interim Director		
#	Maloney, Cynthia	Business Operation	Procurement Services Assistant		
#	Martinez, Abel	Technology Services	Assistant Director, Technology Support		
#	Martinez, Elsa Denise	Alternative Education	Principal		
#	McNulty, Timothy	Downey-Montebello SELPA	Consultant (retired)		
#	Morales, Rocio Terrazas	Business Operation	Buyer		

Los Angeles County Office of Education
Conflict of Interest - Annual During the Year
For Tbe Fiscal Year 2008-2009

Name	Division	Title	Date Signed	Date received

#	Morelos, Lilibeth	Business Operation	Buyer		
#	Mothner, Henry	School Improvement	Director III		
#	Papadakis, Angeline (Angie)	Board of Education	Board Member		
#	Pavia, Carolina	Human Resource Services (HRS)	Assistant Superintendent		
#	Quinones, Richard	Technology Services	Director, Educational Technologies Network		
#	Reza, Martha R.	Human Resources Services	Director, EASE		
#	Riley, Gerald	Educational Programs	Assistant Superintendent		
#	Robinson, Sheila Lorraine	Business Operations	Buyer		
#	Robles, Darline P.	Superintendent Office	Superintendent		
#	Rush, Dale	Technology Services	Personal Computing Support Manager		
#	Russo, Pietro V.	Technology Services	Assistant Director, Technology Services		
#	Saenz, Thomas A.		Board Member		
#	Sanchez, Raynette Roez	Curriculum and Instructional Services	Director		
#	Santamaria, Anneli V.	Business Operations	Facilities Planning Manager		

#	Shelton, Donald Kenneth	Business Services	Assistant Superintendent		
#	Socik, Stephen Charles	Business Operations	Procurement Services Manager		
#	Stephens, Roberta Liston	Business Operations	Real Estate Specialist		
#	Tausch, Debbie L.	School Financial Services	Assistant Director, SFS		
#	Thibodeaux, Patrick Joseph	Technology Services	Interim Assistant Director		
#	Thompson, Victor C.	Student Support Services	Director		

Los Angeles County Office of Education
Conflict of Interest - Annual During the Year
For The Fiscal Year 2008-2009

	Name	Division	Title	Date Signed	Date received
#	Wagner, Nancy	Career and Workforce Development/ ROP	Director		
#	Waugh, Sophia	Board of Education	Board Member		
#	Westmoreland, Vera Martina	Educational Programs	SELPA Director		
#	Yamarone, Stephen Paul	Head Start-State Preschool	Assistant Director		
#	Younglove, Sarah	Head Start-State Preschool	Director		

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

MERLE WILLIAMSON FOUNDATION

Wisdom Academy for Young Scientists

Board of Directors and Administration

2013-14

Name	Title
Armando Espinoza	Board Member
Dr. Dorothy Valenti	Board Member
Cheryl Johnson	Board Member
Adraine Cook	Board Member
Maria Garcia	Board Member
Edward Cabil	Executive Director
Jason Okonkwo	Director of Operations
Karen Horowitz	Principal
Deara Okonkwo	Vice-Principal

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WAYS Board Meeting Minutes and Audio Records 2011-12, 2012-13, 2013-14 are maintained at the Manchester Campus (706 East Manchester Avenue Los Angeles, Ca 90001) and available upon written request to the Executive Director.

EXHIBIT

10

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

PROSPECTIVE CHARTER SCHOOL BOARD MEMBER QUESTIONNAIRE

As you are already aware, serving on a public charter school board is a position of great trust and responsibility. As a board member of a public school, you are not only ultimately responsible for the education of all students enrolled in the school but also entrusted with the obligation to see that the public monies which are given to the charter school are legally and wisely spent.

In providing the information requested, prospective board members will assist the Innovation and Charter Schools Division in determining if the application demonstrates that the school will be run in a financially, organizationally and educationally sound manner.

Background

1. Please provide your educational and employment history. Please attach your resume.

2. Please indicate whether you will be at least eighteen years old by January 1 of the year in which the proposed charter school would open.

3. Please indicate how you became aware of the proposed charter school and the opportunity to serve as a member of its board if it is chartered, including who invited you, to sit on the board.

4. Please explain why you wish to serve on the board.

5. Please indicate if you have previously served on a board of a school district or a not-for-profit corporation (including the board of a non-public school) and describe any relevant experience.

6. Please describe your understanding of the appropriate role of a public charter school board member.

7. Please indicate specifically the knowledge and experience that you would bring to the board.

8. Please provide a forecast of where you see the school in one year and then again in five years.

9. How would you handle a situation in which you believe one or more members of the school's board are involved in self-dealing (working for their own benefit, or the benefit of their friends and family)?

Conflict of Interest

10. If you, your spouse or other immediate family members knew any of the other prospective board members prior to being invited to sit on the board, please so indicate and describe the relationship with each such other prospective board member.

11. If you, your spouse or other immediate family members know any people already known to be prospective school employees, please so indicate and describe the relationship.

12. If you, your spouse or other immediate family members know anyone that plans to do business with the school, please so indicate and describe the relationship and the nature of the potential business.

13. If the school proposes to partner with an educational service provider (a management company), please indicate if you, your spouse or other immediate family members know any employees, owners, or agents of that provider. If your answer is yes, please indicate the individuals you know and the nature of the relationship.

14. If the school proposes to enter into a contract with an educational service provider, please indicate whether you, your spouse or other immediate family member have a direct or indirect ownership, employment, contractual or management interest in the educational service provider.

15. Please indicate if you, your spouse or other relative (by marriage or blood) anticipate conducting any business with the educational service provider, the school, or both. If so, please describe the potential relationship.

16. Please indicate if you foresee any potential ethical or legal conflicts of interests should you serve on the school's board. If so, describe such potential conflicts.

Educational Philosophy

17. Please describe your understanding of the school's mission and/or philosophy.

18. Please indicate your level of familiarity with the educational program that the school proposes to utilize.

19. Please describe what you believe to be the key characteristics of a successful school. What specific steps do you think the board of the school will need to take to ensure that this school is successful?

Name (please print)

Signature Date

This request for information was developed by the State University of New York Charter Schools Institute.

EXHIBIT

11

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Wisdom Academy for Young Scientists Charter

Page. 115-116

DIRECTOR OF OPERATIONS, FINANCIAL MANAGER

Purpose:

The position of Director of Operations is a Full time/Exempt position/with an at-will-work agreement. Under direct supervision of the CEO, and in collaboration with the Principal: The Director of Operations is responsible for planning, coordinating, and supervising the day-to-day business operations of the organization; and is responsible to plan, organize; prepare, develop, monitor, review, analyze, maintain and adjust the organizations budgets, funds, and accounts; coordinate, direct, and participate in financial record-keeping and related auditing functions to assure accurate and timely accounting and reporting of funds and budgets.

Qualifications:

- B.A. or B.S. degree from a recognized four-year college.
- Three years broad, varied and increasingly responsible experience with budgeting, computer information systems, and organizational procedures.
- Possession of a Certified Public Accountant (CPA) License is highly desirable;
- Two years of experience in finance or accounting work;
- At least one years in a management/supervisory position involving policy development, and budget preparation.
- Charter school experience desirable.

Knowledge, Skills, Abilities:

- Knowledge of principles, methods and procedures, related to purchasing, operation, safety, computer networking programs, food service, budgeting and accounting, electronic data processing techniques and methods, purchasing and inventory control systems;
- Knowledge of principles, methods, techniques and strategies of organization, management and supervision; Knowledge of law, policies and regulations pertaining to youth and employee records;
- Preparation of financial and statistical documents and reports;
- Analyze student achievement data, draw logical conclusions and prepare comprehensive reports;
- Deal effectively and graciously with situations requiring tact and judgment;
- Exercise patience, common sense, and good humor to thrive within the pressures, competing priorities and demands of a school office environment.

The Primary roles and responsibilities of the Director of Operations shall include/but are not limited to:

- Operations: Prepares necessary to hire, upgrade, terminate or authorize special payments to staff.
- Processes Department of Justice Live Scan appointments; may be designated to be the Custodian of Records, and monitor Live Scan results.
- Plans and coordinates arrangements for school and community activities; acts as liaison between school and other schools, the Charter Authorizer, outside agencies, the parents, and the public at large.
- Develops, implements, and monitors work practices, systems, and methods that are effective, efficient, and consistent with Charter School standards, policies, and procedures.
- Collaborates with the school Principal to coordinate master calendar of meetings and events.
- Investigates circumstances of employee on-the-job injuries; prepares required documentation; and reports safety hazards.
- Scrutinizes facility wear and tear and makes recommendations as to facility improvement.
- Monitors accountability timelines and coordinates timely completion of administrative/clerical tasks.
- Promotes and maintains a positive and effective school climate by ensuring that all interactions with staff, students, parents, and the public at large are prompt, efficient, helpful and friendly.
- Finance: Plans, coordinates, supervises and administers the financial operations of the Charter School, including accounting, budgeting and payroll;
- Assures compliance with policies, practices and procedures; plans, organizes, coordinates, administers, integrates, evaluates and controls such functions as accounting, budgeting and payroll for the Charter School;
- Gathers, reviews, compiles, organizes, coordinates, analyzes and integrates all accounting functions, statistical analyses and financial reports;
- Provides leadership and works with staff to develop and retain highly competent, service-oriented staff through training and management practices;
- Participates in various budget review sessions and incorporates revisions; reviews, evaluates and within level of authority, approves requisitions and invoices and monitors expenditures to appropriate funds or accounts;
- Plans, organizes, coordinates and supervises internal and external auditing functions;
- Advises Board Members, CEO, and management regarding financially related issues;
- Confers with representatives of private firms, other governmental agencies, legal authorities and the public in regard to matters affecting

financial services;

Establishes and maintains effective working relationships with federal, state, county and District staff; perform other duties as assigned.

EXHIBIT

12

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Wisdom Academy for Young Scientists Charter

Page. 114-115

PRINCIPAL

Purpose:

The position of Principal is a Full time/Exempt position/with an at-will-work agreement. Candidate must have proven experience in educational leadership, educational vision for and experience and success with at-risk children, demonstrated ability in program design and/or development, entrepreneurial, and interest and commitment to educational reform.

Qualifications:

- Bachelor's degree from an accredited institution; and
- California Teaching Credential; CLAD or BCLAD
- California Administrative Services Credential
- Masters Degree

The Primary roles and responsibilities of the Principal shall include/but are not limited to:

- The Principal is responsible for instructional leadership, including developing school direction, in collaboration with the Director of Operations and CEO, consistent with WAYS needs and goals.
- The Principal is responsible for setting and maintaining high standards for student performance. The Principal is responsible for enabling the school to meet the improvement standards and other goals and obligations established in the charter.
- The Principal shall cooperate, with prior approval from the CEO, with outside evaluators in their efforts to assess the school's performance by establishing strong systems for data management and analysis and making the same available to the evaluators. The Principal shall assist the CEO in developing and implementing a school accountability plan.
- The Principal must ensure smooth running of daily school operations, which includes managing crises effectively, maintaining discipline and order in the school and most importantly ensuring the overall safety and security of the school.
- The Principal, in constant collaboration with all stakeholders, shall be the lead person in the implementation of WAYS discipline policies.
- The Principal is responsible for managing staff and employees at all school sites. Managing staff includes utilizing each employee in an effective manner as well as evaluating and responding to professional development needs. The Principal must also conduct periodic evaluations on performance and give feedback in a timely manner.

- The Principal must develop and manage relationships with parents, family and students including monitoring student status and progress and ensuring that students are aware of progress.
- The Principal is expected to be committed to the school's mission, vision and policies and to promote and enforce the same in concert with the CEO.
- The Principal will attend and prepare a report for each scheduled CEG board meeting. The report will take into consideration the school accountability plan.
- The Principal will assist the CEO by helping to edit and or write grants.
- The Principal will work in collaboration with the Director of Operations in developing and proposing an annual budget for the fiscal year with input from faculty and parents and present it to the CEO.
- Prepare regular student achievement reports
- Recruit, evaluate and manage staff including certificated teaching staff, classified staff and special programs classified assistants.
- Develop, coordinate and assess instructional programs including standards based core curriculum intervention programs special education program master plan for English Learner students.
- Supervise school wide curriculum and assessment mapping including regular student achievement data analysis.
- Develop Master Schedule in alignment with instructional program needs and supervise implementation of schedule.
- Manage and direct safe school program including emergency operations and student discipline.
- Develop and implement relevant and meaningful professional development for instructional personnel.
- Supervise implementation and or implement school policies.
- Supervise and support all compliance related reporting including categorical programs (Title, Bilingual) Civil Rights Compliance, Federal Meal Program.
- Supervise and support the maintenance of all Enrollment and admissions procedures and records as well attendance procedures and records.
- Facilitate the development of school wide vision goal setting and positive school culture.
- Train and coach teaching staff on school wide teaching and learning practices.
- Coordinate and support parent workshops, parent participation programs and family evaluations.

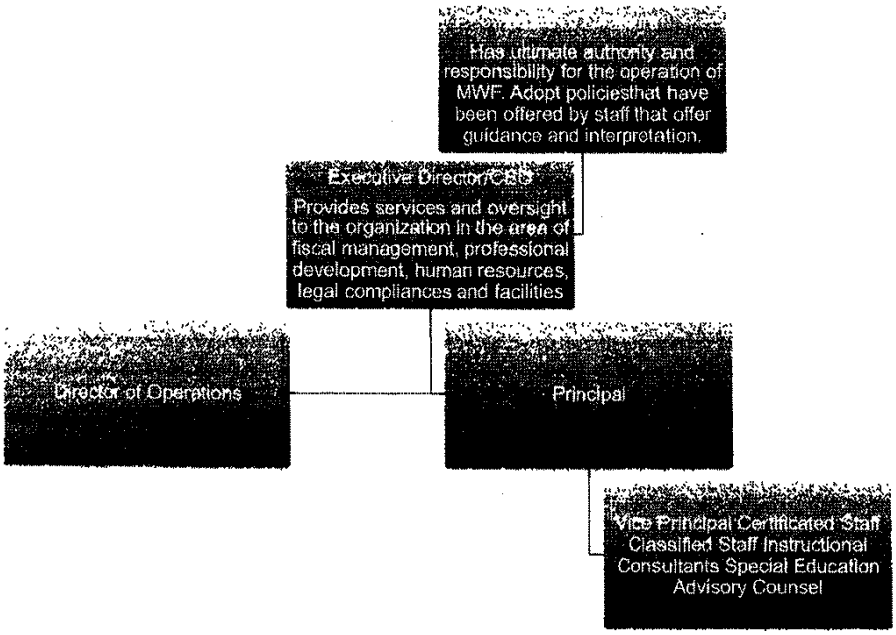
EXHIBIT

13

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Merle Williamson Foundation
Dba Wisdom Academy for Young Scientists

Governance Structure



Revised 7/2011

EXHIBIT

14

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rebecca J. Turrentine
President

Katie Braude
Vice President

Douglas R. Boyd

José Z. Calderón

Rudell S. Freer

Raymond Reisler

Thomas A. Saenz

December 20, 2013

Via First Class Mail
and E-mail: kids@civicpride.net

Hon. Carol Lee Tolbert, President
Wisdom Academy for Young Scientists Board
Ms. Kimberly Daniels
Ms. Saundra Davis
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Cherly Johnson
Ms. Eleanor Jones
Ms. Dorothy Valenti
5106 Genoa Street
Oakland, CA 94608

Hon. Tolbert and Members of the Wisdom Academy for Young Scientists Board:

Notice of Concern: Noncompliance with Law, Charter and Terms and Conditions of Authorization

This *Notice of Concern* (*Notice*) documents ongoing areas in which Wisdom Academy for Young Scientists (WAYS) has failed to comply with the law, its charter, and the Los Angeles County Office of Education (LACOE) Monitoring and Oversight Memorandum of Understanding (MOU).

Failure to Fulfill Reporting Requirements: WAYS has not been responsive to reasonable requests from the authorizer (*Education Code* (*EC*) 47604.3) for fiscal information and other reporting requirements as follows:

1. Monthly financial reporting: WAYS has not submitted its monthly financial statements for October, November, and December 2013. While there have been multiple requests from the Controller's Office for these reports, the school has been nonresponsive.

   Resulting Violations: EC 47604.3; Charter Element 4 Section 4.6 (Governance: Responding to Inquiries); and MOU Section 3.4 (Revenue and Expenditure Reporting) and Attachment B (Fiscal Oversight Requirements and Financial Reporting).

2. First Interim Financial Report: The First Interim Financial Report was due December 2, 2013 (*EC* 47604.33). There were multiple requests from the Controller's Office, with a communication from the school on December 5, 2013, indicating WAYS would submit on December 6, 2013; it was not received. As of the writing of this letter, the signed certification for the First Interim Financial Report has not been received.

   Resulting Violations: EC 47604.3 and 47604.33; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); Charter Element 9 (Annual Financial Audits) paragraph 2; and MOU Section 3.4 (Revenue and Expenditure Reporting).

3. Title I Budget: The September 27, 2013 *Notice of Concern Regarding Student Achievement* requested that WAYS submit "...a copy of the school's Title I budget to the Charter School Office (CSO) by November 15, 2013. LACOE will review the budget to ensure funds are correctly allocated and monitor expenditures to ensure they are aligned with the SPSA/SSDP." The school's principal was reminded to submit the budget during a site visit on October 17, 2013, and again during a meeting with WAYS on November 21, 2013. To date, the budget, which must be approved by the School Site Council and Governing Board, has not been submitted. A November 20, 2013 email from the WAYS Board President states the school's Governing Board has not approved the expenditure plan and a review of board meeting agendas/minutes provides no evidence of approval.

   Resulting Violations: Federal Title I Requirements; *EC* 47604.3; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); and Charter Element 7, Section 7.3 (Means to Achieve a Racial and Ethnic Balance: Federal Compliance).

4. Previously Documented Reporting Failures for School Year 2013-14: In addition to the current issues of non-compliance, WAYS received the following formal and informal communications regarding its failure to comply with the reporting requirements:

   a. Valid Unaudited Actual Report for 2012-13: On October 3, 2013, LACOE's Chief Financial Officer, Dr. Alex Cherniss, sent a letter to the WAYS Board regarding the school's failure to submit a valid unaudited actual report for 2012-13 by the September 15, 2013 due date.

      Resulting Violations: EC 47604.33(a)(4), 42100(b), and 47604.3; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); Charter Element 9 (Annual Financial Audits) paragraph 2; and MOU Section 3.4 (Revenue and Expenditure Reporting).

   b. Student Exit Reports: On November 21, 2013, CSO staff met with WAYS' principal and support staff to discuss submission of the Student Exit Reports required under its MOU. A meeting summary was sent to WAYS by email on December 2, 2013, regarding the specific reporting issues discussed at this meeting. That meeting constituted the third communication on this reporting requirement. On November 30, 2013, an email was sent to WAYS' Executive Director outlining the school's failure to comply with the reporting requirements subsequent to two (2) prior verbal communications.

      Resulting Violations: EC 47604.3; Charter Element 4, Section 4.6 (Governance: Responding to Inquiries); Charter Element 9 (Annual Financial Audits – Audit and Inspection of Records); and MOU Section 3.3 (Student Attendance Accounting and Reporting).

Failure to Comply with Other Charter Terms:

1. Element 9, Annual Financial Audits: The WAYS charter dated December 18, 2012 states, "*Board Finance Committee will develop a contract that includes the scope of the audit and requirements in the form of a Request for Application (RFA) to seek qualified applicants.*" A review of WAYS Board Agendas/minutes and board meeting audio recordings do not reflect compliance with the Charter for the change in the Auditor used in school year 2011-12 to the Auditor identified for school year 2012-13. Additionally, there is no indication the board approved the contract with the current auditor.

2. Element 4, Governance:

   a. Monthly Board Meetings: The WAYS charter dated December 18, 2012 states, "*The Governing Board of WAYS will meet monthly.*" Since July 2013, the WAYS Board held regular meetings in July and September, special meetings in August and October (due to lack of a quorum on regular

meeting dates), and **no meeting** in November or December. On November 19, 2013, at 4:45 p.m., the CSO received an email from the Executive Director that the November meeting [calendared for November 21, 2013] was "postponed." No reason was provided, WAYS did not respond to the CSO's inquiry as to the reason for the "postponement," and no board meeting was held in November. No regular meeting was scheduled for December, and no special meeting was held.

b. Provide Overall Oversight: The WAYS charter dated December 18, 2012 states,

The Governing Board ultimately will be charged with assessing how the school is doing overall. The President of the Governing Board will provide an annual report to the Board of Principals of the Merle Williamson Foundation in April of each year.... it will review the information [from administration] *and ascertain whether recommendations need to be made or committees need to be formed to work on specific issues. These committees may examine closely the curriculum and staffing priorities for maximum effectiveness; identifying budgetary priorities involving the use of discretionary funds; evaluating the academic effectiveness of the school program, its administration and staff, and make recommendations for improvement, accordingly. These committees are established to implement the business of the Governing Board and to facilitate it's functioning. Furthermore, the Governing Board facilitates communication and team building and acts as negotiator for disagreements.*

Matters that arise concerning budgets, curriculum, school discipline, and other school matters will begin at the level of teachers and parents. The Governing Board may, from time to time, establish committees and working groups to develop a policy for the school regarding specific issues and present its findings to the Governing Board and the School Community. WAYS has adapted a set of detailed procedures and policies for all fiscal matters, which are outlined in Element I. Core policies that the board will adopt include:

- *Fiscal Policies – how the school's budget is drafted, approved and monitored; budget development calendar; staff roles related to fiscal issues.*
- *Instructional Program Policies – when necessary, establish formal policies to clarify or add specific/amend specific charter elements*
- *Personnel Policies – Establishes how the school recruits, hires, monitors, compensates, and dismisses staff. Policies will also be adopted that address state and federal labor laws related to non-discrimination, leaves, sexual harassment, and other matters. These policies will be adopted prior to hiring staff and will be drafted with legal consultation.*
- *Student and Parent Policies – how the school recruits orients, admit, disciplines, suspends, and expels students. These polities will also clarify parents' roles and responsibilities.*
- *Legal Policies – Board members' legal responsibilities, including conflict of interest, duty of care, confidentiality (See Appendix E).*
- *Internal Board Policies – Board composition and renewal/succession and to clarify any policy ambiguities*
- *Policy, policy – this policy will help to keep the policy development process at a minimum and describe how policies are made and revised.*

The Governing Board will:

- *Insure that the entire school is moving in the direction of the school vision.*
- *Serve as a clearinghouse for information to facilitate communication.*

- *Monitor committees to ensure progress toward goals and accomplishment of duties.*
- *Assist Administration in dealing with incoming information to the school and disseminating information to the School Community.*

A November 20, 2013 email from the WAYS Board President to the Executive Director states,

... I read your email unilaterally postponing the Board of Directors' meeting; even though I emailed a draft agenda to you at 4:40 PM – in time for you to post it by 5:00 PM to meet the 72-hour deadline required by the Brown Act... However, you did find time to send out a scurrilous email requesting that the 'new' board members step down; and identifying me specifically.

a. Your administrative responsibilities do not give you the prerogative to postpone Board meetings... Moreover, you were keenly aware of the time-sensitive documents being requested by LACOE. We were to submit these documents below not later than November 22, 2013. I will list them for you:

1. *Board Policy on Admissions/Enrollment/Lottery*
2. *Board Policy on Student Fees*
3. *Board Policy on Suspension & Expulsion*
4. *Board Meeting Minutes for September 26, 2013*
5. *Board Meeting Minutes for October 24, 2013*

b. Interestingly enough, LACOE sent an email earlier today indicating staff had emailed these unapproved Board Policies. I requested you to place the above policies on the November 21, 2013 Board agenda for review/modification/approval for the 2013-14 School Year in order to meet the requested deadline. These policies must still be approved by the Board of Directors; similar to Board minutes.

Additionally, other matters that needed to be considered by to the Board at its November 21, 2013 meeting included:

c. The Single Plan for Student Achievement along w/ the draft Student Achievement Plan outlining the strategies to be implemented that would ensure African-American and Special Education students; who did not meet their 2012-13 AYP growth targets, would meet their 2013-14 AYP growth targets. The final Student Achievement Plan is due to LACOE on December 2, 2013. I am sure Board members would like to have this information presented in a timely manner.

d. The Title One Budget due to LACOE by November 15, 2013 that was not submitted, and has yet to be reviewed and approved by the Board. This budget identifies the funds to be used to support both the 2013-14 Single Plan for Student Achievement as well as the Student Achievement Plan.

e. An overdue monthly budget presentation from Bali Business Management explaining to the Board a line item budget increase of $118,000 from the previous school year in supplies. As you may recall, in August the Board 'conditionally' approved this year's budget in order that some funds could be used to open the school-year, although LACOE would receive a 'conditionally approved' 2013-14 budget. Since August, the Board has not had an opportunity to review the school's budget. In September, the contractor was called and instructed not to come. In October, when the contractor did come, the Board meeting was disrupted and the contractor was unable to present the budget, nor was the Board able to continue with the meeting as we were told to "get out". In fact, was directly yelled at and

> *threatened by the employee to, "Get out and don't come back!" among his other verbal and physically menacing gestures.*
>
> *f. Scheduling of Board Retreat that every board member agreed was needed for several reasons. (See Agenda)*
>
> *g. Hearing critical Closed Session items*
>
> *h. The review/approval of a contract for the Executive Director; if one had been provided. In fact, no contracts for this school year have been presented to the Board for review, approval or denial. Were the teachers' contracts approved prior to the end of school? I know this current Board did approve their Salary Schedule.*
>
> *Since there is no scheduled Board Meeting in December, I am recommending that the Board schedule a December meeting, due to 'postponement' of its November meeting.*

A review of WAYS Governing Board agendas/minutes and board meeting audio recordings documents concerns that the WAYS Governing Board is not fulfilling its responsibilities, corroborating the Board President's statements in the email cited, above. While there is evidence the Governing Board is requesting the information it needs to make informed decisions, that information is not being provided in a manner that allows the Governing Board to fulfill the duties and obligations described in the charter petition dated December 12, 2012.

The Board President's allegation (stated in paragraph "*e*") that a school employee's behavior resulted in the premature conclusion of a WAYS Board meeting was corroborated by the Executive Director's statement (Attachment 1) accompanying the audio recording of the meeting and a verbal report from another school employee. This is the **second time** we have received notice of an altercation that ended a WAYS Board meeting. In 2011, LACOE received written complaints from WAYS Board members that the behavior of another individual associated with the school resulted in the cancellation of a meeting. Those complaints were corroborated by verbal reports from parents and school staff. These incidents are serious; the WAYS Board must ensure compliance with charter Element 6, Health and Safety, Section 6.2, which states, "*Wisdom Academy for Young Scientists will maintain a safe and secure environment for its students, staff, administration, school volunteers, and visitors.*"

The Board President's allegation that the school's Executive Director is overstepping his authority is also an ongoing concern. In an email dated October 10, 2011, the Executive Director wrote to LACOE, "*I called a special meeting because a total of six board members resigned, thus leaving the board with only five active board members.*" While the email states, "*four of the remaining board members all agreed that we needed a called meeting because of the desperate and crucial situation surrounding WAYS...*" There is no evidence the board called the meeting as required by the Bylaws. The email continues, "*In an October 05, 2001* [sic] *email, the board VP promised the board members that she would schedule a meeting with an agenda by Friday, October 07, 2011, if not sooner; however, no meeting nor agenda items were posted as promised, thus prompting my immediate actions!*" The email corroborates the administrator's history of overstepping his authority.

As you are aware, the December 12, 2012 version of the charter petition still contains contradictions and inconsistencies and fails to meet the conditions of authorization imposed by the County Board in its June 7, 2011 approval action.

Previously documented concerns reported to the County Board on May 10, 2011 (Attachment 2) and May 1, 2012 (Attachment 3) resulted in County Board action compelling WAYS to arbitration (Attachment 4). Arbitration documents have been filed; an arbitration date is pending.

Additionally, due to ongoing fiscal concerns documented in the school's 2011-12 Independent Audit and other evidence, I authorized an audit under *EC* 1241.5(c) and informed the school of such on May 17, 2013. (Attachment 5)

Based on the school's continued failure to comply with law, the terms and conditions of its charter, and the LACOE MOU, I will be recommending that the County Board issue a *Notice of Violation* under *EC* 47607(c) as follows:

> *A charter may be revoked by the authority that granted the charter under this chapter if the authority finds, through a showing of substantial evidence, that the charter school did any of the following: (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter... (4) Violated any provision of law.*

Should the results of the audit conducted under *EC* 1241.5(c) provide evidence of the school's failure to meet generally accepted accounting principles or fiscal mismanagement, the *Notice of Violation* may be broadened to encompass *EC* 47607(c)(3).

Prior to revocation, the County Board shall notify the charter public school of any violation of this section and give the school a reasonable opportunity to remedy the violation, unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. (*EC* 47607(d))

The school shall be notified of the time and date the recommendation to the County Board and shall be given the opportunity to review the evidence presented in support of the recommendation. Should the County Board approve the recommendation, the County Board and the LACOE will comply with the requirements of *EC* 47607(c) and the *California Code of Regulations*, Title 5, Article 2, Section 11965, subsections (b) – (f).

I am hopeful that the WAYS Board will take action to correct the violations documented in this letter and prevent future violations. Such a plan, and definitive Board actions that document its implementation, should be submitted to the CSO by January 20, 2014.

Should you have any questions, please contact the CSO at (562) 922-8806.

Sincerely,

Arturo Delgado, Ed.D.
Superintendent

AD/JH:ls
Attachments (5)

c: Los Angeles County Board of Education
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE
Judy Higelin, Project Director III, Charter School Office, LACOE

Attachment 1

Wisdom Academy for Young Scientists

November 12, 2013

Neha Patel
LACOE Charter Schools Office
9300 Imperial Highway
Downey, California 90242

Dear Ms. Patel,

I am writing regarding Wisdom's October 24, 2013, Board Meeting audio recording.

The Wisdom's October 24, 2013, Board Meeting was ended abruptly at 8:40pm at the conclusion of the closed session due to an unanticipated interruption.

The audio enclosed is the only audio there is for the October 24, 2013, Board Meeting.

Sincerely,

Edward Cabil

Empowering Students to be Leaders, Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(329) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

Attachment 2

Board Meeting – May 10, 2011

Item VII. Reports / Study Topics

Report on the *Wisdom Academy for Young Scientists, Grades K-5* Appeal of a non-renewed Petition by Los Angeles Unified School District Board of Education

The Wisdom Academy for Young Scientists Charter School renewal petition is presented to the Los Angeles County Board of Education (County Board) pursuant to *Education Code* section 47605. Upon denial by Los Angeles Unified School District Board of Education, the petitioner exercised the statutory right of appeal to the County Board.

Charter renewal is governed by *EC* sections 47607 and 47605:

Section 47607(a)(2) states: Renewals... of charters are governed by the standards and criteria in § 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

Section 47605(b) limits the reasons for denying a renewal petition to the following:

(1) The charter school presents an unsound educational program

(2) The petitioners are demonstrably unlikely to successfully implement the program

(3) The petition does not contain an affirmation of specified assurances

(4) The petition does not contain reasonably comprehensive descriptions of 16 required elements of a charter

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Section 47607(b) states: Commencing on January 1, 2005, or after a charter school has been in operation for four years, whichever date occurs later, a charter school shall meet at least one of [5 academic performances] ... criteria prior to receiving a charter renewal....

Section 47605(b) states: A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Summary of Key Findings:

Finding 1: WAYS **met the academic performance criteria** for renewal under EC § 47607(b)(1) and (2).

Finding 3: **The petitioner is unlikely to successfully implement the program.** The governing board has demonstrated a lack of capacity to oversee the operation of the school by allowing self-dealing transactions and other Conflicts of Interest. In addition, members of the governing board have personal and business ties to the school and/or Executive Director. The board was ineffective in responding to the Conflict of Interest concerns identified in the Notice to Cure; this ultimately led to non-renewal of the charter. Deficiencies in the renewal petition and responses by the board during the Capacity Interview indicate a continued lack of understanding and familiarity with the content of the petition and requirements of law necessary to successfully implement the charter.

Finding 5: **The petition lacks a reasonably comprehensive description of eleven (11) of the 16 required elements.**

- Proposed **educational program** lacks an adequate description of the school's target populations, overestimates the number of students to be served in the first year of the renewal charter, and provides no build-out plan to support this level of enrollment. The petition fails to indicate how the school will identify and respond to the needs of pupils who are not achieving at or above expected levels, students with disabilities, and English learners. The **Measurable Outcomes** and **Means for Measuring Pupil Progress** do not address the needs of all student subgroups the school proposes to serve.

- The proposed **Governance Structure** fails to provide evidence of an organizational and technical design that reflect a seriousness of purpose necessary to ensure that the school will become and remain a viable enterprise The governance structure fails to provide adequate oversight of the school's operation and fiscal management. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no

evidence that the board can implement the proposed educational program stated in the petition. The Organization Chart conflicts with information provided elsewhere in the petition regarding key management positions. The petition does not commit to complying with the Political Reform Act, which is required of all charter schools, and fails to include a Conflict of Interest policy. Certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

- The following Required Elements are not reasonably comprehensive: Employee Qualifications, Means to Achieve a Racial and Ethnic Balance, Admission Requirements, Submission of Annual Independent Audit, Suspension and Expulsion Procedures, and Public School Attendance Alternatives, and Dispute Resolution Procedures.

The full Report on the Findings of Fact for the Wisdom Academy for Young Scientists Charter School is attached.

LACOE staff will present the report to the County Board.

Los Angeles County Office of Education
Charter School Office
Date: May 10, 2011

Report on the *Wisdom Academy for Young Scientists Charter Petition, Grades K-5*
Appeal of a Petition for Charter Renewal Denied by Los Angeles Unified School District
Board of Education

Background Information

The *Wisdom Academy for Young Scientists Charter School* (WAYS) petition seeks an application for renewal of their K-5 charter school in accordance with *Education Code* Section 47607.5. The school's current enrollment is approximately 250 students. The school proposes to grow enrollment to 500 students over the next five (5) years by expanding operations from its two (2) current sites (706 East Manchester 90001 and 8878 South Central Avenue 90002) to a larger facility. WAYS also applied to LAUSD for a Prop 39 site; sites were awarded on April 1, 2011.

The petition states the charter school's mission "is to create a transformational learning climate in which students become 'Empowered to be Leaders Change Agents and True Scientists.'"

The school's vision is "to create an educational program that educates the whole child." Nine (9) goals are stated under the vision.

WAYS first year of operation was 2006-07. Its Academic Performance Index (API) history (calculated as a small school with less than 100 students in Growth API) and enrollment figures are presented below.

Growth API			Enrollment Figures			
Year	Growth API	Number of Valid Scores*	Enrollment on First Day of Testing Grades 2-5	Total Enrollment Grades 2-5	Total Enrollment Grades K-1	Total Enrollment Grades K-5
2009-10	879	90	127	129	108	237
2008-09	843	95	98	97**	76	173**
2007-08	774	78	93	59	87	141
**Number of students included in Growth API. Students must be continuously enrolled since Census day (CBEDS)* Source: CDE DataQuest			***4 additional students are included as enrolled in grade 6 although school is authorized for grades K-5* Source: CDE DataQuest			

The CDE states "APIs based on small numbers of students are less reliable and therefore should be carefully interpreted." Schools with less than 100 Valid Scores on the California Standards Test (CST) do not receive Similar School Rankings or comparison schools; therefore, it cannot be determined how WAYS' API compares to schools with similar demographics.

The chart compares the demographics of WAYS and the two (2) closest public non-charter schools.

2009-10 DEMOGRAPHIC Information	WAYS	LAUSD Local District 7	South Park Elem.	93rd Street Elem.
Black or African American	61%	18.6%	17%	24%
Hispanic or Latino	38%	80.4%	82%	76%
Free & Reduced Price Lunch	100	[redacted]	100	100
English Learners	15	[redacted]	52	41
Students with Disabilities	4	[redacted]	9	8
Average Parent Education Level	2.53 *	[redacted]	1.58**	1.57***

* 21% Not HS Grad. / 37% HS Grad. / 9 % Some College / 33% College Grad. ** 59% Not HS Grad. / 28% HS Grad. / 9 % Some College / 2% College Grad. / 2% Grad. School ***60% Not HS Grad. / 25% HS Grad. / 13% Some College / 1% College Grad. / 1% Grad. School

Data Sources: CDE STAR and LAUSD http://search.lausd.k12.ca.us/cgi-bin/fccgi.exe#racialandethnichistory

Racial and ethnic demographic data shows WAYS does not reflect diversity of the community (LAUSD Local District 7) in which it is located or the two (2) closest LAUSD non-charter elementary schools. WAYS also enrolls fewer students with disabilities and English learners than near-by public non-charter schools. Conversely, its parents have a higher education level, which positively correlates with higher levels of student academic achievement.

Reason for Denial by the Local District

The Los Angeles Unified School District (LAUSD) Board of Education denied the petition based on written Findings of Fact that comply with requirements for denial under the following sections of the Charter School Act:

EC § 47605(b)(2) The petitioners are demonstrably unlikely to successfully implement the program:

Conflict of interest concerns exist pertaining to members of the WAYS Board of Directors and the WAYS Executive Director and Principal. Specifically, the WAYS founder and Executive Director receives both a salary for her position and lease payments for two properties which she owns that are occupied by the school. She negotiated the leases to WAYS charter school. The WAYS governing board was asked to independently address and resolve the conflicts by the mutually agreed upon date of October 15, 2010; the WAYS Board of Directors' response failed to resolve the issues by that deadline. The WAYS governing board was minimally responsive to staff communications; the Executive Director was the primary respondent to address the Conflict of Interest issues. LAUSD considered the governing board's lack of independent and effective response to the Notice of Concern to be inconsistent with its fiduciary responsibility considering that the Executive Director was the subject of the self-dealing Conflict of Interest concerns which called into question the Board's capacity to govern the Charter School and successfully implement the program set forth in the petition. The WAYS Board failed to resolve the Conflict of Interest issues and only minimally attempted to do so in January 27, 2011.

The WAYS governing board is unfamiliar with the content of the petition and/or requirements of law. Cited examples included inconsistencies between the charter petition and the WAYS' corporate bylaws regarding compliance with the Brown Act which called into question whether the Board is familiar with and complies with the requirements of the Brown Act. Additionally, the Board allowed self-dealing transactions to transpire, even though the Board in the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest.

EC § 47605(b)(5) The petition fails to provide a reasonably comprehensive description of 12 of the 16 required elements: The Educational Program, Method for Measuring Pupil Progress, Governance Structure, Health and Safety Procedures, Means for Achieving a Racial and Ethnic Balance, Admission Requirements, Submission of Independent Audit, Suspension and Expulsion Procedures, Identification of Retirement Systems, Public School Alternatives, Dispute Resolution, Closure Procedures.

Any of the above findings alone may be cause for the denial of a charter under *EC* § 47605(b).

The Findings of Fact state the academic performance criteria for renewal under *EC* § 47607(b) were met.

Response from the Petitioner

The petitioner provided a written response to the findings of the local board and submitted it as part of the petition package. The response was considered during the review process.

Appeal to the Los Angeles County Board of Education

The Los Angeles County Board of Education (County Board) held a Public Hearing to determine support for the petition on April 19, 2011.

Report on the Wisdom Academy for Young Scientists Charter

LACOE Review Process

The LACOE Charter School Review Team (Review Team) considered the petition according to the requirements of law, *California Administrative Code of Regulations*, County Board Policy and Regulations, and LACOE review procedures.

The Review Team included staff from the Controller's Office, Business Operations and Services, Risk Management, Divisions for School Improvement, Curriculum and Instruction, Special Education, Student Support Services, Human Resource Services, Office of General Counsel, and the Charter School Office.

Findings are based on a review of the same petition submitted to the local district and supporting documents submitted by the petitioner, and information provided through the Capacity Interview and other communications with the petitioner and other representatives of the school. The petitioner also submitted proposed changes (technical adjustments) to the petition necessary to reflect the County Board as the potential authorizer. These changes should reflect the statutory, policy, and structural differences between a county office of education and a local district. These differences include, but are not limited to, the statutory authority of the County Superintendent of Schools to investigate complaints as well as structural differences in the responsibilities with regard to special education services. Proposed changes provided by the petitioner were considered by the Review Team.

Findings also take into account the petition was initially submitted to a local district and contains specific references to that district. The Charter School Office confirmed that LAUSD requires the petitioner to include specific language or content in a petition. This requirement was considered by the Review Team.

Findings of Fact

Finding 1: WAYS met the academic performance criteria for renewal under *EC* § 47607(b)(1) and (2).

WAYS *attained its Academic Performance Index (API) growth target in the prior year, in two of the last three years, and in the aggregate for the prior three years.*

Academic Performance Criteria: Met Assigned Growth Targets				
Year	API Base	Growth Target	API Growth	Actual Growth
2007-08	782*	5	774	-8
2008-09	775*	6	843	68
2009-10	843*	A**	879	36
	Aggregate Growth	10	[redacted]	96

**API is calculated for a small school (between1 1 and 99 valid scores) which makes it less reliable and should be carefully interpreted. ** No growth target for schools where API is 800 or above.*

WAYS *ranked in deciles 4 to 10, inclusive, on the API in the prior year and in two of the last three years.*

Academic Performance: Decile Ranks*		
Year	Statewide Rank	Similar Schools Rank
2007-08	6	N/A*
2008-09	5	N/A*
2009-10	8	N/A*
* *Not calculated for small schools*		

While WAYS met the academic criteria necessary to be considered for renewal, there are concerns that the school has not increased or sustained its percentage of "Valid" CST scores indicating an unstable student enrollment base. Valid scores are based on the number of students tested who were continuously

enrolled from norm day (CBEDS) in October through the first day of testing. For 2009-10, only 71% of tested students were continuously enrolled. At South Park Elementary School, 88% of tested students were continuously enrolled. On average, 26% of students who enroll at WAYS withdraw prior to standardized testing based the "Elementary Principal's Statistical Report" for 2007-08 through 2010-11.

Finding 2: The petition provides an unsound educational program for students to be enrolled in the school. [*EC* § 47605(b)(1)]

The program is determined to be unsound for specific subgroups of students as described under Finding 5: Elements 1 – 3.

Additionally, based on enrollment data for Hispanic/Latino students, English learners, students with disabilities, and data showing the number of students who leave during the year, the school is not providing a *program of educational benefit* for all students the petition states the school intends to serve.

Finding 3: The petitioners are demonstrably unlikely to successfully implement the program. [*EC* § 47605(b)(2)]

Based on review of the petition, supporting documents provided by the petitioner, documents provided by LAUSD, and the Capacity Interview with the school's leadership team, the petition does not meet the criteria established in *CCR, Title 5*, § 11967.5.1(c).

1. Review of the renewal petition submitted on behalf of the WAYS board indicates the WAYS governing board lacked the capacity to govern the school.

   A. The governing board was *unfamiliar with the content of the petition* and *requirements of law* with respect to Conflict of Interest. The submitted charter states the school will comply with *Government Code* 1090; however, some members of the board had prior relationships with the school and/or the Executive Director and members of her family.

      i. The board president, a business management consultant, lists Wisdom Academy as a client on her resume, which contradicts her statement on the *Prospective Charter School Board Member Questionnaire* that consulting services were not provided.

      ii. One board member stated on the *Prospective Charter School Board Member Questionnaire* that she is the Board President for DeDe Dance Studio, owned by the Executive Director's daughter, and is currently used by the charter school; this indicates a Conflict of Interest.

   B. The governing board failed to comply with the terms of the charter by allowing the school to enter into a self-dealing transaction with its Executive Director regarding the school's facilities. There is no evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director.

   C. The governing board allowed other conflicts of interest to exist through the hiring of members of the Executive Director's family and by permitting the Executive Director to supervise these family members while the Principal supervised other similarly employed personnel. The Executive Director's son, originally hired to oversee custodial and gardening services was promoted to Director of Operations, which involves financial responsibilities according to the Executive Director. The Executive Director's daughter, who is employed as a teacher and dance instructor, owns the dance studio used by the school.

   D. The governing board demonstrated its inability to effectively govern the school by its failure to respond fully and in a timely fashion to the September 29, 2010 Notice to Cure regarding Conflicts of Interest issued by LAUSD. The LACOE Review Team reviewed documents received

from both the district and the charter school. The documents indicate WAYS failed to provide a sufficient cure. WAYS governing board had eight (8) months (September 2010 to April 2011) to remedy the concerns in the Notice to Cure, and failed to do so.

2. The WAYS governing board continues to be *unfamiliar with the content of the petition and requirements of law that would apply to the proposed charter school* and lacks the *necessary background* to effectively govern the school.

   A. In its response to the Findings of Faot upon which the LAUSD Board of Education denied charter renewal, WAYS submitted documents pertaining to the governance structure of the school in an effort to demonstrate that the school had taken steps to address Conflict of Interest concerns. Although these documents may not have been considered by the LAUSD Board of Education because they were submitted after the deadline to provide evidence, the LACOE Review Team considered the documents to determine whether they would substantially resolve the conflicts. The Review Team determined the documents were inadequate to resolve the Conflict of Interest concerns based on the facts presented below:

      i. The action taken by the Executive Director, and supported by the WAYS governing board, failed to resolve the conflict regarding her ownership of the property. Documents submitted by WAYS indicate the properties were placed into a revocable trust. WAYS' attorney concurred that this action failed to resolve the conflict in that "the transfer to a holding company through a revocable trust, [was] not transferring the property ownership under California law." (page 3 of the March 25, 2011 Response to LAUSD Findings of Fact) WAYS' governing board allowed the conflict to continue by executing a lease agreement with the holding company rather than requiring the Executive Director to take action that would definitively end the conflict.

      ii. The governing board failed to disclose that the school had been offered Prop 39 facilities, a viable option to resolving the issue. At the April 19, 2011 Capacity Interview, the Review Team inquired about the school's statement that it had requested a Prop 39 site. Neither the Executive Director nor WAYS board members disclosed that LAUSD had offered the school facilities on April 1, 2011. LAUSD received a letter of acceptance signed by the Executive Director on May 2, 2011. LACOE has yet to hear from WAYS regarding their decision.

      iii. Changes to the governance structure proposed after the petition was submitted to LAUSD continue to be inadequate. The Organizational Chart indicates three (3) positions report directly to the board due to the Conflict of Interest posed by the familial relationships: the Executive Director, Principal, and Director of Operations. This structure places an undue burden on the board to manage the day-to-day operations of the school. There is no evidence the current board has the capacity to govern effectively under this structure.

      iv. The governing board failed to demonstrate the ability to avoid future Conflict of Interest situations. When asked at the Capacity Interview about potential conflicts arising from the employment of multiple family members, the chain of command, and continued use of the facilities owned by the Executive Director, the board members did not explain how they would ensure that no future Conflicts of Interest would develop or how they would handles such conflicts if they did occur. The board stated that additional changes to the governance structure are being considered; these options are outside of the scope of this review as they were not available to be considered by the LAUSD Board of Education.

      v. The renewal petition submitted by WAYS fails to comply with *EC* § 47607(a)(2) which requires that *Renewals...of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter*

schools enacted into law after the charter was originally granted or last renewed... The petition contains references to outdated laws, policies, and practices, contains significant contradictions and omissions regarding key positions of employment, and provides elements that are no reasonably comprehensive. These deficiencies, reported under Finding 5, indicate the governing board lacks the knowledge of the laws under which the charter would operate.

3. *The petitioner has a history of involvement in education agencies (public or private) considered as unsuccessful.*

   A. The Executive Director is listed as the petitioner. Properties she owns and leased to WAYS were previously used to house her private school. CDE records compiled from data supplied by the private school operator indicate that enrollment declined from 60 to 20 students in the three years prior to the school closing.

   B. The WAYS Executive Director closed her private school with the intent to use the facilities she owned to house a charter school. The chronology of public records and statements made by the Executive Director during the Capacity Interview indicate she closed the private school due to insufficient enrollment. The petitioner stated she inquired about the process of becoming a charter school and was informed that the private school would need to be closed for one year prior to becoming a charter. The petitioner purposely closed the charter school as required and applied for a charter after the one year required waiting period.

The status of the Conflict of Interest issues is unclear. With the acceptance of the Prop 39 sites, the conflict regarding facilities may be resolved only if the school stops leasing its current facilities. The conflicts concerning personnel could only be resolved through a material revision to the governance structure of the charter including, but not limited to, the Executive Director's resignation or release from her current position and with the provision that she hold no future positions funded by the school. Regardless of the potential resolution to the certain Conflict of Interest issues, the Review Team considers the governing board to be ineffective in governing the school and demonstrably unlikely to successfully implement the proposed charter.

Finding 4: The petition contains an affirmation of all specified assurances. [*EC* § 47605(b)(4); *EC* § 47605(d)]

Finding 5: The petition does not contain a reasonably comprehensive description of all required elements. [*EC* § 47605(b)(5)(A)-(P)]

Based on criteria provided by the *California Code of Regulations, Title 5*, (*5 CCR*) eleven (11) of the 16 elements are not reasonably comprehensive.

Element 1: Description of the Educational Program. *Not reasonably comprehensive*

The *5 CCR* § 11967.5.1(f)(1) requires the petition to address eight (8) requirements. The petition fails to meet each of the established criteria rendering aspects of the educational program deficient for specific populations the school proposes to serve: English Learners, low-achieving students, high-achieving students, and students with disabilities. The deficiencies are as follows:

1. Failure to *indicate the proposed charter school's target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.*

   A. The petition overestimates the number of students to be served in the first year of the renewal charter and provides no build-out plan to support this assumption.

i. There is no build-out plan to support the proposed enrollment. The petition states (page 31) 520 students will be served in the first year of operation. At the Capacity Interview, the leadership team indicated that number is attainable only if a new site is obtained with increased capacity. The petition lacks an expansion plan except to state "...scheduled expansion to 25 [classrooms]." No plan was provided during the Capacity Interview.

ii. WAYS has never increased enrollment by 250 students in a single year. In 2009-10, the school enrolled 237 students, 46% of which were in grades K-1; in 2008-09, the school enrolled 177 students, of which 43% were in K-1; and in 2007-08, the school enrolled 146 students, of which 60% were in K-1. Historically, the school has seen reduced enrollment in its upper grades, although that trend was not as pronounced in 2009-10, the most recent year for which CDE data is available. At the Capacity Interview, the school stated it currently enrolls about 250 students.

B. The school failed to meet its goal of serving a target population "similar to that of the surrounding community" defined as 50% Hispanic/Latino and 50% African American (page 34). In 2009-10, 61% of the students were Black or African American and 38% were Hispanic or Latino as compared to LAUSD Local District 7 which was comprised of 18.6% Black or African American students and 80.4% of Hispanic or Latino Students.

C. The petition lacks specific information regarding its target population for students with disabilities and English learners. It states (page 33) the student population at the nearest non-charter public school is 63% English learners while the CDE reports 7% of WAYS students are English learners. The CDE reports 4% of WAYS students are identified as having disabilities which is half the rate of the two (2) closest non-charter public elementary schools.

2. *Lacks a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.*

A. The petition lacks detail regarding the grade levels and outcomes for each grade level and there is no framework for curriculum and/or instructional approach for English learners outlining how this population of students will be provided access to core curriculum.

B. While the petition states the school will provide more instructional minutes than required by the state, WAYS has been reducing the number of minutes it provided based on its Independent Audit Reports. The year ended June 30, 2009, shows 72,900 actual minutes and the year ended June 30, 2010, shows 70,200 minutes. The petition proposes 53,500 minutes for year 2011-2012; it does not explain the reason for the reductions or how the school intends to maintain its academic performance as instructional minutes are reduced.

3. Fails to *indicate how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.* The goals (page 47) for low achieving students are not clear and there is no indication of what advanced academic challenges will be provided for gifted and talented students (page 48).

4. *Indicates how the charter school will meet the needs of students with disabilities, English learners, students achieving substantially above or below grade level expectations, and other special student populations.*

A. The element is deficient with respect to English learners because it fails to:

i. Describe adequate basic and supplemental resources to provide English learners equitable access to the core curriculum.

ii. Provide the manner in intervention will be given to students who struggle to acquire English language skills outside of the "45 minutes during the school day for focused English language development. This instruction will emphasize vocabulary development, phonemic awareness, and oral and writing English." (page 48)

iii. Describe how the Individualized Education Program (IEP) Team determines placement of English learners in need of special education services, state that non-biased assessments used to determine placement must be conducted in the student's primary language under Federal law, and that the IEP must be linguistically appropriate.

iv. Demonstrate understanding of the difference between meeting the needs of English learners and meeting the needs of students with disabilities. The petition (page 22) indicates that to ensure the success of English learners, the school will use a collaborative approach that fosters communication between its Resource Specialist and Speech Therapist. These specialists only provide direct services to students identified as having disabilities.

B. The element is deficient with regard to students with disabilities because it fails to *specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.*

i. It does not describe accommodations and/or modifications that may be used during standardized assessments or how WAYS is responsible for students with disabilities when the IEP Team exempts them from standardized testing.

ii. There is no mention of how parents of students with disabilities are informed about the school's educational program.

iii. There are deficiencies with regard to English learners and special education services as stated in "A," above.

Element 2: Measurable Pupil Outcomes. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(2) as follows:

1. It fails to *specify skills, knowledge, and attitudes that reflect the school's educational objectives and can be assessed by objective means that are frequent and sufficiently detailed enough to determine whether pupils are making satisfactory progress.*

A. There are no identified measurable outcomes for students in Kindergarten and first grade who do not participate in Standardized Testing and Reporting (STAR).

B. There is no ongoing means for measuring English learners' acquisition of English or academic growth in content areas. The petition states the (California English Language Development Test (CELDT) will be administered "periodically" to monitor student progress of English language acquisition; however, it can only be administered annually which is insufficient to *evaluate the effectiveness of and to modify instruction.* The petition indicates Open Court Reading assessments will be used as formative assessments for English learners; however, they are not designed to measure progress towards English language proficiency but rather language arts skills and concepts. It fails to provide assessments to determine academic growth in other content areas.

C. Goals cannot be measured as stated. The petition states the percentage of students achieving proficient and advanced in History/Social Science will increase on the CST by 5% each year; there is no History/Social Science CST for grades K-5.

D. It lacks information on how students with disabilities will be assessed on making progress toward meeting their goals and benchmarks.

Element 3: Method for Measuring Pupil Progress. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(3) as follows:

1. It does not *utilize a variety of assessment tools that are appropriate to the skills, knowledge, or attitudes being assessed, including, at minimum, tools that employ objective means of assessment consistent with the measurable pupil outcomes.*

   A. Information is limited on how stated internal assessments (text based, benchmark performance, unit level, etc.) are used *as objective means* to assess student progress *consistent with measurable outcomes* (page 98). Language is vague and fails to indicate how assessments are used in English-Language Arts, math, science, social studies, and English Language Development.

   B. There is no information regarding assessment of K-1 students who do not participate in STAR. This is of particular concern since about half the school's enrollment is in grades K-1.

   C. Out of date assessments are proposed in violation of *EC* § 47606(a)(2). The petition states the school will administer the CAT 6, which is obsolete, and proposes performance objectives based on data from this assessment.

2. It does not *outline a plan for collecting, analyzing, and reporting data on achievement* of English learners *to school staff and to pupils' parents and guardians, and for utilizing the data continuously to monitor and improve the charter school's educational program.* There is no mention of English learner's testing performance or academic monitoring of English language levels beyond use of the CELDT. Nor is there mention of providing accommodations and/or modifications for standardized tests for students with disabilities; tests used to determine eligibility for special education programs and services; the manner and type of data maintained for students with disabilities; or how information will be disseminated to parents of students with disabilities.

Element 4: Governance Structure. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(4) as follows:

1. There is lack of *evidence of the charter school's incorporation as a non-profit public benefit corporation* for the purpose of running a charter school. While the articles of incorporation and bylaws provide evidence of the charter school's non-profit public benefit corporation status, governing a charter school is not listed as the specific purpose of this corporation. The petitioners have failed to amend these documents to reflect the running of a public charter school. As stated above in Finding 3, 3.B, the WAYS Executive Director purposely closed her private school with the intent to use the facilities she owned to house a charter school.

2. There is a lack of *evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:*

   A. *The charter school will become and remain a viable enterprise.* The governance structure fails to provide adequate oversight of the school's operation and fiscal management. Failure of the articles of incorporation and bylaws to state the purpose of the corporation is to provide for the

operation of a publicly funded charter school is further evidence that the structure lacks a *seriousness of purpose*. The bylaws states the board has only one regularly scheduled meeting, which is insufficient to provide for effective governing of a public charter school. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no evidence that the board can implement the proposed educational program stated in the petition.

B. The petition does not provide a clear description of the governance and management structure. It is difficult to know the duties and responsibilities of management. The Organization Chart (Appendix B) conflicts with information provided elsewhere in the petition.

C. The petition makes no commitment to complying with the Political Reform Act (PRA), which is required of all charter schools. The petition fails to include a Conflict of Interest policy which is required under the PRA.

D. The body of the petition states that meetings will comply with the Brown Act (page 109). However, certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

i. Section 4.6, Place of Meetings allows for meetings outside California. The Brown Act requires that the Board's meetings be held within the boundaries of the territory within which it has jurisdiction.

ii. Section 4.7, Regular Meetings authorizes meetings "without call or notice" in violation of the Brown Act. The Brown Act requires that at least 72 hours before a regular meeting an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting shall be posted.

iii. Section 4.11, Telephone Meetings, authorizes teleconferencing and video teleconferencing to constitute presence but fails to state the necessary safeguards that would render it compliant with the Brown Act such as posting agendas at the teleconferencing location and ensuring those locations are fully accessible to members of the public.

iv. Section 4.14, Action without Meeting, permits the Board to take an action without a meeting if all the members of the Board consent in writing to such action. This violates the Brown Act requirement that the board not take action on any item of business outside a meeting.

v. Section 4.7, the Board of the Merle Williamson Foundation is required to meet only once per year, on the last Friday in June; the Brown Act requires regularly scheduled meetings.

vi. The Agenda for the Special Board Meeting held Saturday, April 30, 2011, documents specific violations of the Brown Act with respect to items discussed in Closed Session.

Element 5: Employee Qualifications. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(5) as follows:

1. There is insufficient information on *the general qualifications for the various categories of employees (e.g., administrative, instructional, instructional support, non-instructional support)* and whether the *qualifications are sufficient to ensure the health, and safety of the school's faculty, staff, and pupils.*

2. It fails to *identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions.*

A. The petition fails to provide job descriptions and/or minimum qualifications for the following positions listed in the petition: Special Education Program Coordinator (page 96), Academic Co-Principals (page 112), Coordinator of Operations (page 128), and Academic Consultants and Director of Operations (Appendix B). Qualifications for Executive Director are absent.

B. The Organization Chart (Appendix B) is deficient. It fails to include an Executive Director, although there is a job description (page 120) outlining critical duties such as "oversee the school-operating budget...instructional program...classroom management...supervise staff...be an active member of the school board." Based on the job description, it is unclear if the Executive Director is a member of the board. Appendix B lists board members by name; the Executive Director's name is absent. The Organizational Chart includes a "Director of Operations," with no job description or qualifications provided for that position. It is unclear if it is the same as "Coordinator of Operations." The Organizational Chart identifies "Auxiliary Staff," but lacks specific corresponding positions.

3. *Specify that all requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary.* Teacher qualifications (page 122) state the CA *SB* 2042 teaching credential is required; this will exclude teachers who hold Ryan multiple subject credentials and life elementary credentials with added English language certification.

Element 6: Health and Safety Procedures. *Reasonably comprehensive*

Element 7: Means to Achieve a Reflective Racial and Ethnic Balance. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(7) based on evidence that:

1. During the term of its first charter, WAYS failed to *achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district in which it is located* as indicated on in the chart on page two (2) of this report. Enrollment of Hispanic/Latino students is not comparable to the two (2) closest LAUSD non-charter elementary schools.

2. The description of the student population (required under Element 1) and the proposed recruitment plan show no indication WAYS is aware that it failed to achieve the required ethnic balance and provides no corrective action in its plan. The recruitment plan is vague and lacks benchmarks that could guide the school toward correcting the deficiency.

Element 8: Admission Requirements. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(8) as follows:

1. It does not comply with *the requirements of* EC § *47605(d)* which, by reference, includes *EC* § 220 and *CA Penal Code* § 422.55 as the *other applicable provision*[s] *of law* in its statement of non-discrimination of protected classes. The petition additionally violates *EC* § 47607(a)(2) because the deficiency is the result of failing to update the renewal petition. This failure could result in the school engaging in discriminatory practices in its admissions procedures and policies.

2. *The process for conducting the lottery* is absent from the petition.

3. The preference given to siblings is *likely to negatively impact* the school from attaining its stated *racial and ethnic* goal.

Element 9: Annual Independent Financial Audits. *Not reasonably comprehensive*

Report on the Wisdom Academy for Young Scientists Charter

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(9) as follows:

1. It does *specify the timeline in which audit exceptions will typically be addressed* or specify the timelines for statutory reporting requirements including the submission of the preliminary budget.

2. It does not specify that the school's Board of Directors will hire an independent auditor or that the auditor selected will be on the State Controller's list of educational auditors.

Element 10: Suspension and Expulsion Procedures. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(10) as follows:

1. There is no differentiation between *offenses for which students in the charter school must and may be suspended* and *separately, the offenses for which students in the charter school must or may be expelled, providing evidence that the petitioner reviewed the offenses for which students must or may be suspended or expelled in non-charter public schools.*

2. There is insufficient specificity regarding *the procedures by which pupils can be suspended or expelled.* It fails to provide timelines necessary to comply with due process requirements. It refers to due process but never defines it with regard to the suspension and expulsion process. No information is provided regarding how members of the expulsion hearing panel will be selected to avoid Confliot of Interest. The petition lists three (3) standards where "a student's suspension may lead to expulsion..." but lacks criteria for meeting the standards, which could result in capricious and prejudicial practices.

3. It does not describe how parents are informed *of their due process rights in regards to suspension and expulsion.*

4. It fails to *demonstrate an understanding of the rights of pupils with disabilities in...regard to suspension and expulsion.* The petition references the Individuals with Disabilities Act (IDEA) and Section 504 but does not differentiate between them regarding the procedures to be used for suspension and expulsion. The petition discusses Manifestation Determination; however, there is no mention of how WAYS deals with pupils when the behavior is associated with the disability, or ensure the pupil is in the appropriate program/services. There is no mention of how WAYS deals with a student with disabilities who begins displaying negative behaviors, of calling an IEP Team meeting and writing a Behavior Support Plan, or deals with suspensions (cumulative) of over 10 days.

Element 11: STRS, PERS, and Social Security. *Reasonably comprehensive with specific omission*

The petition does not state *the staff who will be responsible for ensuring that appropriate arrangements for coverage have been made* as required under *CCR, Title 5,* § 11967.5.1(f)(11).

Element 12: Public School Attendance Alternatives. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(12) as it does not *specify that the parent/guardian of each pupil enrolled in the charter shall be informed that the pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.*

Element 13: Post-Employment Rights of Employees. *Reasonably comprehensive*

Element 14: Dispute Resolution Procedures. *Not reasonably comprehensive*

The petition fails to meet the minimum requirements of *CCR, Title 5,* § 11967.5.1(f)(14) as follows:

1. Provides an unacceptable description of *how the costs of the dispute resolution process would be funded.* LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."

2. It fails to *recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto.*

   A. While the petition states that "any controversy or claim... except [one] that is in any way related to revocation of this Charter must be put in writing," the language does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).

   B. The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.

Element 15: Exclusive Public Employer. *Reasonably comprehensive*

Element 16: Closure Procedures. *Reasonably comprehensive with specific deficiencies*

The petition fails to meet the requirements as defined by *CCR, Title 5,* § 11962 as follows:

1. It does not comply with the requirement for *transfer and maintenance of personnel records in accordance with applicable law or* state how the school *will return any donated materials and property if closed.*

2. Closure procedures reflect the LAUSD Board of Education as the authorizer; the petitioner did not submit necessary changes to reflect the County Board as the potential authorizer. This is of particular importance with regard to special education as WAYS currently operates as a school of the district for special education services and would be a Local Education Agency (LEA) if authorized by the County Board.

Finding 6: The petition does not satisfy all of the Required Assurances of *Education Code* section 47605(c), (e) through (j), (l), and (m) as follows:

Standards, Assessments and Parent Consultation. *Does not meet the condition*

The petition does not provide evidence required by *EC* § 47605(c) that charter schools:

1. *Meet all statewide standards and conduct the pupil assessments required pursuant to EC § 60605 and 60851 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in non-charter public schools.* It fails to meet this condition due to its stated use of outdated tests and failure to specify correct procedures for students with special needs.

2. *The school shall, on a regular basis, consult with their parents and teachers regarding the school's educational programs.* It fails to meet the condition as there is no indication that WAYS provides a method for parents of English learners to provide input on programs specific to English learners and there is no mention of how parents of students with disabilities will be informed about the school's educational program.

Effect on the Authorizer and Financial Projections. *Does not provide the necessary evidence*

Report on the Wisdom Academy for Young Scientists Charter

EC § 47605(g) requires the petition to provide information regarding the proposed operation and potential effects of the school on the authorizer. Requirements regarding the budget and facilities currently under lease were met. Concerns are as follows:

1. The petition does not provide evidence that there are no potential civil liability effects. Due to the Conflict of Interest issues raised by LAUSD and WAYS' failure to resolve those conflicts, there are concerns with the potential liability effects that authorizing the charter may bring to the County Board if the charter is authorized and the conflicts continue or recur.

2. While the current budget and projections for the next two years seem reasonable, the cost of facilities is unknown as the current lease expires in June 2011. The budget reflects an increase to lease expenses for expansion, based on current expenditures; however, if the school were to remain at the current site, it is unknown whether the holding company might raise the rate for the current sites, which would impact the out-year budgets.

Teacher Credentialing Requirement. *Does not meet the condition*

EC § 47605(l) requires that *teachers in charter schools shall be required to hold a CCTC certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold...It is the intent of the Legislature that charter schools be given flexibility with regard to noncore, non-college preparatory courses.* The petition fails to meet the condition because there is no mention of the type of credential a teacher would need to teach students with disabilities and teacher qualifications limited to *SB* 2042 credentials as reported under Element 5.

Attachment 3

Board Meeting – May 1, 2012

Item VI. Reports / Study Topics

Report on the *Wisdom Academy for Young Scientists Charter School* status of the June 7, 2011 conditions of renewal established by the County Board

On June 7, 2011, the County Board took action to grant renewal for Wisdom Academy for Young Scientists (WAYS) subject to specified conditions. The conditions of the County Board and WAYS' status on fulfilling those conditions are summarized below.

Make changes to the petition to reflect the County Board as the authorizer by June 30, 2011. (Required by *California Code of Regulations*, Title 5 § 11967)	Not met
WAYS' Board to approve and sign LACOE Monitoring and Oversight Memorandum of Understanding (MOU) by June 30, 2011.	WAYS' Board approved and signed MOU; however, the school has not complied with specific monitoring and oversight requirements.
Make an application to a Special Education Local Plan Area (SELPA) by June 30, 2011.	Met
WAYS' former Executive Director was not to be "employed by or at the charter school until such time, if any, that the allegations of conflict of interest be resolved fully in her favor."	WAYS' former Executive Director has not been employed by the charter. However, she has been involved in the school's day-to-day operations and governing board activities, and she attended a conference after her employment ended for which expenses were charged to WAYS. Allegations of Conflict of Interest that existed June 7, 2011, have not been resolved.
WAYS was to comply with all California Conflict of Interest Laws.	Unclear if the condition was met. WAYS did not provide requested information needed to determine if condition was met.
WAYS was to contract with Michael Cureton as its Executive Director for two (2) years.	WAYS contracted with Mr. Cureton for two (2) years; however, he abruptly resigned effective October 1, 2011, citing interference from the former Executive Director and

	Director of Operations as reason.
If any changes to Governance or Conflict of Interest were not permanent, it would be grounds for revocation.	Unclear if the condition was met. WAYS did not provide requested information needed to determine if condition was met.

Additional Concerns

(1) WAYS failed to meet or pursue student outcomes identified in the charter (*EC* 47607(c)(2)); its 2011 Growth Academic Performance Index (API) score declined 143 points over the preceding year.

(2) WAYS failed to respond to reasonable requests from authorizer for fiscal information pertaining to the school's internal controls and fiscal operations (*EC* 47604.3).

(3) LACOE received complaints against WAYS, its governing board, and the former Executive Director by a parent, school employees, and former members of the WAYS' Board. Based on allegations identified in the complaints, the County Superintendent of Schools opened an investigation pursuant to *EC* 47604.4. The complaints allege WAYS engaged in fiscal mismanagement, the board did not fulfill its fiduciary responsibility or duty of care, conflicts of interest exist, and the school failed to implement the academic program stated in the charter. WAYS failed to cooperate with the County Superintendent of Schools investigation.

Background

WAYS is a K-5 school comprised of three (3) sites located within the geographic boundaries of the Los Angeles Unified School District (LAUSD). Current enrollment is 488 students.

The County Board received the renewal petition as an appeal after denial by the LAUSD Board of Education. LAUSD had denied the petition based on the following findings:

(1) *EC* 47605(b)(2) The petitioners were demonstrably unlikely to successfully implement the program. Specific concerns regarding the WAYS Board included:

- Allowing self-dealing transactions to transpire, even though the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest;
- Failing to resolve Conflict of Interest issues and only minimally attempting to do so;
- Being minimally responsive to staff communications and acting in a manner inconsistent with its fiduciary responsibility, calling into question its capacity to govern and successfully implement the program; and
- Unfamiliarity with the content of the petition and/or requirements of law including the *Brown Act.*

(2) EC 47605(b)(5) The petition failed to provide a reasonably comprehensive description of 12 of the 16 required elements.

The full report on the *WAYS Charter School* is attached.

Los Angeles County Office of Education
Charter School Office
May 1, 2012

Report on the *Wisdom Academy for Young Scientists Charter School* Status of the June 7, 2011 Conditions of Renewal Established by the County Board

Background

Wisdom Academy for Young Scientists Charter School (WAYS) is located within the geographic boundaries of the Los Angeles Unified School District (LAUSD). The school has three (3) sites; one was approved by the Los Angeles County Board of Education (County Board) as a Material Revision to the Charter on August 9, 2011. WAYS currently has an enrollment of 488 students (CALPADS Spring 1 Certification, April 2, 2011).

The County Board took action to renew WAYS subject to specific conditions. The renewal petition was received by the County Board on appeal after it was denied by the LAUSD Board of Education based on the following findings:

> *EC* 47605(b)(2) The petitioners are demonstrably unlikely to successfully implement the program:
>
> Conflict of interest concerns exist pertaining to members of the WAYS Board of Directors and the WAYS Executive Director and Principal.... the WAYS Board...was minimally responsive to staff communications.... LAUSD considered the governing board's lack of independent and effective response to the Notice of Concern to be inconsistent with its fiduciary responsibility...which called into question the Board's capacity to govern the Charter School and successfully implement the program set forth in the petition. The WAYS Board failed to resolve the Conflict of Interest issues and only minimally attempted to do so....
>
> The WAYS governing board is unfamiliar with the content of the petition and/or requirements of law... [including] whether the Board is familiar with and complies with the requirements of the Brown Act. Additionally, the Board allowed self-dealing transactions to transpire, even though the Board in the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest.
>
> *EC* 47605(b)(5) The petition fails to provide a reasonably comprehensive description of 12 of the 16 required elements: The Educational Program, Method for Measuring Pupil Progress, Governance Structure, Health and Safety Procedures, Means for Achieving a Racial and Ethnic Balance, Admission Requirements, Submission of Independent Audit, Suspension and Expulsion Procedures, Identification of Retirement Systems, Public School Alternatives, Dispute Resolution, Closure Procedures.

Action to Grant Renewal by the County Board was Subject to Conditions

The June 7, 2011 action to grant renewal was subject to the following conditions:

1. WAYS was to make changes to the petition to reflect County Board as the authorizer as required by the *California Code of Regulations*, Title 5 section 11967 by June 30, 2011;

2. WAYS' Board was to approve and sign the LACOE Monitoring and Oversight Memorandum of Understanding (MOU) by June 30, 2011;
3. WAYS was to make application to a Special Education Local Plan Area (SELPA) by June 30, 2011;
4. WAYS' former Executive Director was not to be "employed by or at the charter school until such time, if any, that the allegations of conflict of interest be resolved fully in her favor;"
5. WAYS was to comply with all California Conflict of Interest Laws;
6. WAYS was to contract with Michael Cureton as its Executive Director for two (2) years; and
7. If any changes to Governance or Conflict of Interest were not permanent, it would be grounds for revocation.

Status of Compliance with County Board Conditions of Renewal

To date, the school's status on fulfilling the conditions of renewal is as follows:

1. WAYS did not make changes to the petition to reflect County Board as the authorizer. Events relevant to the school's failure to comply with the conditions of renewal are as follows:

    a. June 2011, WAYS began the revision process under the direction of Executive Director Michael Cureton; LACOE received a draft of proposed changes on August 21, 2011.

    b. September 15, 2011, Mr. Cureton tendered his resignation effective October 1, 2011. He notified LACOE that Ms. Watson, school principal, would continue to lead the revision process until a new Executive Director is named.

    c. October 14, 2011, WAYS Board Member, Edward Cabil resigned from the WAYS Board and is appointed interim Executive Director.

    d. October 21, 2011, WAYS submitted a second revision of proposed charter changes to LACOE.

    e. November 17, 2011, WAYS' attorney notified LACOE that the charter agreement is "fully authorized" and there "can be no other terms or conditions imposed by staff." The school rescinded previously submitted changes and invoked Dispute Resolution on the requirement to make changes. (November 11, 2011, WAYS Board named Mr. Cabil permanent Executive Director.)

    f. December 21, 2011, LACOE responded to WAYS stating (1) the County Board has the authority to impose conditions of authorization; (2) WAYS' Board agreed to the changes reflecting the County Board as authorizer by signing the MOU (necessary changes were specified in the MOU as Attachment F); and (3) invoking Dispute Resolution regarding WAYS' unauthorized changes to the petition.

    g. January 26, 2012, LACOE received a letter from WAYS dated *December 11, 2012*, which (1) disputed LACOE's ability to impose conditions for authorization; and (2) failed to respond to LACOE's request for an Issues Conference.

    h. February 2, 2012, LACOE invited WAYS to an Issues Conference to discuss "whether the County Board may, as a condition of authorization, require changes to the charter necessary to reflect the County Board as the authorizer."

i. February 6, 2012, WAYS sent LACOE a letter stating the purpose of the Issues Conference had not been identified. The letter states, "It is our position (as should be yours) that the WAYS charter document speaks for itself, as does the County Board's action approving the charter."

2. WAYS' Board approved and signed the LACOE MOU; however, the school has not complied with specific monitoring and oversight requirements of the MOU including:

   a. Monthly attendance reports are not adequately reviewed by WAYS prior to submission, resulting in LACOE staff spending more than 131 hours through March overseeing WAYS attendance reports as compared to the average 29 hours spent for other charter schools authorized by the County Board. Additionally, reports were submitted as late as three (3) weeks past the due date and/or without required student exit reports.

   b. School contact and student information lists are not submitted timely or accurately resulting in LACOE's inability to (1) determine resident schools, which is necessary for comparing the school's academic performance; and (2) contact families in the event of an emergency. Late and inaccurate submission results in a disproportionate amount of LACOE staff time being needed for monitoring and oversight as compared to other charters authorized by the County Board.

   c. WAYS' Board agendas, minutes, meeting schedules, membership updates, and recordings are not submitted timely and complete. LACOE has conferenced with the school and provided written notice of *Brown Act* violations.

3. WAYS made application to and was accepted by the LACOE Charter SELPA.

4. WAYS' former Executive Director has not been employed by the charter as the Executive Director; however, she has been at the school, involved in its day-to-day operations and governing board activities, and attended a conference after her employment ended for which expenses were charged to WAYS. Allegations of Conflict of Interest that existed June 7, 2011, have not been resolved. See *Additional Concerns*, below.

5. It is unclear whether WAYS has complied with all California Conflict of Interest Laws. See *Additional Concerns*, below.

6. WAYS contracted with Mr. Cureton as its Executive Director for two (2) years; however, Mr. Cureton precipitously resigned after less than three (3) months, citing interference by the former Executive Director and her son. See *Additional Concerns*, below.

7. It is unclear whether changes to the governance structure or Conflict of Interest required by the County Board have been permanent. See *Additional Concerns*, below.

Additional Concerns

1. WAYS failed to meet or pursue student outcomes identified in the charter (*EC* 47607(c)(2)):

   a. The California Department of Education (CDE) reported that in 2010-11, WAYS' Growth Annual Performance Index (API) declined 143 points from 2009-10.

2. WAYS has not been responsive to reasonable requests from the authorizer for fiscal information

pertaining to the school's internal controls and fiscal operations *(EC* 47604.3*)*.

a. Based on a review of credit card statements (supporting documents not available for review), and inquiries to WAYS' management and back-office services provider, WAYS exhibits a lack of internal control and oversight over credit card usage. For example, WAYS made credit card payments prior to obtaining receipts and verifying the validity of the charges, which is contrary to its fiscal policies and procedures.

b. Controller's Office staff was scheduled to visit WAYS' back-office services provider on November 18, 2011, to make further inquiries and review documentation, but the visit was objected to and cancelled by WAYS. Subsequently, on January 10, 2012, staff met with WAYS Executive Director and Director of Operations to discuss LACOE's concerns regarding WAYS' internal controls. WAYS' Executive Director acknowledged weaknesses exist.

3. LACOE received verbal and written complaints against WAYS, its governing board, and the former Executive Director by a parent, staff, and former members of WAYS' Board. Based on allegations identified in the complaints, the County Superintendent of Schools opened an investigation pursuant to *EC* 47604.4[1]. The complaints allege WAYS engaged in fiscal mismanagement, the Board did not fulfill its fiduciary responsibility or duty of care, there were ongoing conflicts of interest, and the school failed to implement the academic program stated in the charter. Evidence supporting the various allegations includes but is not limited to the following:

   a. The former Executive Director interfered with governing board's ability to fulfill its responsibility to oversee the governance of the school.

      i. Five (5) of WAYS' nine (9) Board members, in office at the time of County Board action, resigned between September 19 and October 20, 2011. The letters of resignation indicate concerns regarding conflict of interest, on-going Board resignations, dissention, the former Executive Director's verbal abuse of Board members, and the precipitous resignation of Mr. Cureton.

      ii. The former Executive Director failed to comply with the WAYS Board request to remove herself as a signatory on school accounts until after October 28, 2011.

      iii. Multiple complaints that the former Executive Director was present at and refused to be unseated from the board table at the September 16, 2011 board meeting. The agenda for this meeting included discussion of moving the school to facilities not owned by the former Executive Director. The meeting was disbanded due to unruly behavior by individuals supporting continued use of the former Executive Director's facilities.

      iv. At the September 22, 2011 special Board meeting, LACOE staff observed that the former Executive Director was seated at the Board table, held private conversations with one Board member during the course of the meeting, and called an absent Board

[1] 47604.4(a) In addition to the authority granted by Sections 1241.5 and 47604.3, a county superintendent of schools may, based upon written complaints by parents or other information that justifies the investigation, monitor the operations of a charter school located within that county and conduct an investigation into the operations of that charter school.

member to ask if they were coming to the meeting. The meeting was disbanded due to lack of a quorum.

b. The former Executive Director interfered with the day to day operations of the school.

i. In July 2011, the former Executive Director represented WAYS in a Department of Labor Relations Division of Labor Standard Enforcement Hearing as reported by the filing party.

ii. On August 30, 2011, LACOE staff observed the presence of the former Executive Director at a WAYS' professional development day including her access to confidential student level data. LACOE also obtained written evidence, corroborated by Mr. Cureton, that she had addressed the staff using materials identifying her as the "Chief Executive Officer of Wisdom Academy."

iii. On September 30, 2011, Mr. Cureton sent an email stating, "I will resign my position as Executive Director at Wisdom Academy for Young Scientists Charter School on October 1, 2011, because I am being constantly harass[ed] by the founder/former executive director and her son."

c. WAYS has not implemented the academic program described in the charter.

i. WAYS has not provided the science-centered curriculum stated in Element 1 of the charter. The petition states WAYS' mission as follows:

> The mission consists of three main concepts: Empowering students to be leaders, through high quality education that is anchored in the California State Standards, **enabling them to become true scientists who are global citizens as evidenced by their participation in a rigorous content rich science program** and expecting them to be leaders who will act as change agents in their local community. (Emphasis added)

As part of WAYS' renewal application to LAUSD, the district asked the question, "What innovative elements of your charter could be considered best practices and replicated by other schools?" WAYS' response, in part, was its "Science Centered curriculum."

A. The 2010-11 California Standards Test (CST) for science (administered at fifth grade) indicates only 33% of students scored proficient or above in science. In the previous year, 81% of students scored proficient or above.

B. Observation by LACOE staff during October 19, 2011, and February 22, 2012, site visits is that the science kits named in the charter are not being utilized and are not present in classrooms. WAYS staff verbally confirmed this observation.

C. The complaint that textbooks are out of date is corroborated by statements made by WAYS staff that the school is in need of textbooks.

D. At a December 2011 Board meeting, the WAYS principal reported to the WAYS Board that the school was meeting with a contractor to "bring back"

a science program the school previously utilized. There was no evidence of that program during a February 22, 2012 site visit. During that visit, the principal stated the school has deferred the science focus until the school's performance in math and language arts improves.

E. April 2012, LACOE received a complaint against WAYS alleging the school did not provide adequate instructional materials, including textbooks, to implement the educational program.

d. The WAYS Board failed to fulfill its duty of care and fiduciary responsibility by:

i. Permitting the former Executive Director access to school financial accounts past her date of employment:

A. She remained as a signatory on school bank accounts for more than four (4) months past her date of employment.

B. She made charges to a credit card in the school's name between June 13 and June 30, 2011, for travel, accommodations, meals, and gasoline in the amount of $2,155.00.

ii. Providing insufficient oversight to ensure adherence to its fiscal policies, including

A. The Director of Operations, son of the former Executive Director, approved the check request for the school's credit card payment including charges he initiated.

e. The following allegations are still pending due to WAYS' failure to cooperate with LACOE's request for information pursuant to *EC* 47604.4:

- ***Fiscal mismanagement***
- ***Breach of fiduciary responsibility***
- ***Conflict of interest***
- ***Breach of duty of care***

f. Over the course of the past six (6) months, LACOE issued repeated invitations to WAYS Board and Executive Director to participate in the investigation, only to be met by resistance and later refusal. WAYS even improperly invoked the Dispute Resolution Process to as to what it claims were "false" allegations prompting the investigation. In its last correspondence WAYS maintained its position that it refuses to participate in the investigation.

Attachment 4

APPROVED
LOS ANGELES COUNTY
BOARD OF EDUCATION

MAY 01 2012

BY: AD:RC
Ex Officio Secretary

Board Meeting – May 1, 2012

Item VIII. Recommendations

D. Approval for the Superintendent to issue a letter to *Wisdom Academy for Young Scientists Charter School* requesting mediation pursuant to the Dispute Resolution Process stated in the charter petition

The Superintendent recommends that the Los Angeles County Board of Education (County Board) directs the Superintendent to issue a letter to Wisdom Academy for Young Scientists Charter School requesting mediation pursuant to the Dispute Resolution Process stated in the petition.

Attachment 5

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

May 17, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 537-8209
E-mail: edcabil@sbcglobal.net

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Rudell S. Freer
President

Rebecca J. Turrentine
Vice President

Douglas R. Boyd

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Dr. Dorothy Valenti, President
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Karen Haynes
Ms. Cherly Johnson
Ms. Eleanor Jones
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Notice of Audit Pursuant to *Education Code* Section 1241.5(c)

This letter notifies the Wisdom Academy for Young Scientists (WAYS) that my office has approved the initiation of an audit under *Education Code* section 1241.5(c) to investigate possible fraud. We have contracted with the Fiscal Crisis and Management Assistance Team (FCMAT) to perform the audit. We have requested that FCMAT begins this audit as quickly as they can assign available staff.

We consider this to be an extraordinary request and we are approving the audit based on information contained in the school's 2011-12 Independent Audit as well as information provided by my staff. We will apprise you of the audit findings once the work has been completed.

My staff will be in contact with you regarding details as to the scope of the work and other contract issues. Should you have any questions regarding this audit, please contact Dr. Alex Cherniss at (562) 922-6124, or Ms. Marlene Dunn at (562) 922-6131.

Sincerely,

Arturo Delgado, Ed.D.
Superintendent

AD/AC/JH:ls

c: Los Angeles County Board of Education
Joel Montero, Chief Executive Officer, FCMAT
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Alex Cherniss, Ed.D., Chief Business Officer, Business Services, LACOE
Marlene Dunn, Director, Business Advisory Services, LACOE

EXHIBIT

15

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Los Angeles County Office of Education

Leading Educators • Supporting Students • Serving Communities

January 24, 2014

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Rebecca J. Turrentine
President

Katie Braude
Vice President

Douglas R. Boyd

José Z. Calderón

Rudell S. Freer

Raymond Reister

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Hon. Carol Lee Tolbert, President
Ms. Kimberly Daniels
Mr. Armando Espinosa
Ms. Saundra Davis
Mr. Norman Golden
Ms. Cherly Johnson
Dr. Dorothy Valenti
706 E. Manchester Ave.
Los Angeles, CA 90001

Via First Class Mail and E-mail to:
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klds@civicpride.net;
kimberly@ksdanielslaw.com;
armando.espinosa.10@my.csun.edu;
saundavis@aol.com;
normanskx@gmail.com;
johnsoncenter@msn.com;
dvalenti747@yahoo.com

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Confirmation of Receipt of Responses to Superintendent's Notice of Concern

On December 20, 2013, Superintendent Dr. Arturo Delgado issued a *Notice of Concern* to Wisdom Academy for Young Scientists (WAYS). The letter requested an action plan, responsive to the issues stated in the letter, be submitted to the Charter School Office by January 20, 2014.

On January 21, 2014, the Los Angeles County Office of Education received two (2) responses: one from the WAYS Board President and one from the WAYS Executive Director. The responses contain contradictory information and request different timelines for submitting the action plan.

By Friday, January 31, 2014, please submit the school's response to the Superintendent's *Notice of Concern* to the Charter School Office.

Sincerely,

Judy Higelin
Project Director III
Charter School Office
Division of Accountability, Support and Monitoring

JH:ls

c: Los Angeles County Board of Education
Arturo Delgado, Ed.D., Superintendent, LACOE
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE

EXHIBIT

16

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Wisdom Academy for Young Scientists

January 31, 2014

Via Electronic Mail & U.S. Mail
delgado_arturo@lacoe.edu
higelin_judy@lacoe.edu

Arturo Delgado, Ed.D
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242-2890

Re: Response to your letter dated December 20, 2013 and letter from Judy Higelin dated January 24, 2014

Dear Dr. Delgado:

Thank you for stating your concern to us about WAYS' Board governance. We recognize that we have had recent issues with inappropriate actions and communication coming from a specific Board Member. We, too, have been very concerned and our Board has taken steps to correct this matter, and we will continue to do so. At the January 30, 2014 Special Board Meeting, the Board voted to remove Carol Lee Tolbert from the WAYS Board. Thus, Carol Lee Tolbert is no longer a member of the WAYS Board and is no longer associated with WAYS in any capacity whatsoever. We believe this action is a major step in correcting our recent governance issues. Attachment 1 of this letter is our updated school contact list and attachment 2 of this letter is our List of current board members. WAYS intends to appoint additional members to its Board as soon as practicable.

I am further responding to your letter dated December 20, 2013, which you incorrectly mailed solely to the former WAYS Board Chair's residence in Oakland and her personal email address. As a result, WAYS did not receive your letter until January 14, 2014. Thus, it is unreasonable that you requested a response by January 20, 2014, which date is also a Federal recognized holiday. Going forward, please comply with the LACOE MOU with regard to such notices. The MOU specifically provides that LACOE send any and all notices and correspondence concerning WAYS to the Executive Director at the school's address. By incorrectly sending your notice to a single board member but addressing all of them, you could have inadvertently triggered a serial board communication (transmittal of your letter) in violation of the Brown Act. We expect you to comply with the MOU in this regard.

At the time your letter was sent, WAYS had in fact submitted the following required reports. It is unclear why you were under the impression that they had not been sent by that date. One report (the December financial statement) did not exist yet at the time of your letter. In any event, here is a summary of when each report was submitted.

October Financials were submitted November 15, 2013
November Financials were submitted December 13th 2013
December Financials were not due by the time LACOE wrote the letter, it was subsequently submitted January 15, 2014
First Interim was submitted December 12, 2013
Unaudited Actuals was submitted before the due date but LACOE asked for adjustments and final submission was October 9th

The on a number of instances, the former WAYS Board Chair and one other Board Member incorrectly included a member of your office as a recipient in WAYS internal confidential communication, which was explicitly intended for me, which you quote in your letter. Her email dated November 20, 2013, was not a "notice of an altercation" to LACOE. Furthermore, a majority of the statements made in the former Board Chair's email dated November 20 were inaccurate and unfounded. That is being sorted out as an internal matter.

The former WAYS Board Chair was new to the organization, and had not been appointed, authorized, or delegated an authorized point of contact between LACOE and WAYS. As you know, any information provided by a single member of the WAYS Board, without prior authorization from the WAYS Board, is not and cannot be an official communication concerning the business and operations of WAYS. The former Board Chair, took an oath with the understanding that the authority rests with the Board as a whole and not with individuals. A single board member does not speak for the board or the organization. Many of your December 20, 2013 statements are based on what appears to be your misinterpretation of that internal communication.

Furthermore, your assertion that the CSO requested an explanation as to why the WAYS November 21, 2013 Board meeting was "postponed" is not correct. We did not receive any such request. In any event, the WAYS November 21, 2013 Board Meeting was postponed because I determined that the agenda was not posted in accordance with the Brown Act. We did not wish to proceed with an improperly noticed meeting, so we cured any potential violation by postponing the meeting until proper notice was provided. The improper notice was a result of the former Board Chair's learning curve on these issues.

Since the charter renewal period in May 2011, your office has made habitual misstatements and unfounded claims. We have been trying to resolve that problem with you, and will continue to do so. Most recently, your December 20, 2013 letter refers to "[my] history of overstepping [my] authority." That is false and misleading. You misquote my October 10, 2011, email insinuating that I overstepped my authority by calling a Board Meeting. However on October 10, 2011, I was still a member of the

WAYS Board: consequently my statement that "four of the remaining board members all agreed that we needed a called meeting because of the desperate and crucial situation surrounding WAYS" is in fact evidence that the Board called a meeting as required by the Bylaws, and in no way supports your suggestion that I have a "history" of "overstepping" my authority.

Also for the record, as my letter dated November 12, 2013 implied, the October 24, 2013 Board Meeting was ended abruptly at 8:40pm at the conclusion of the closed session with an unofficial Board consensus due to an unanticipated interruption. There was no threat to the health and safety of anyone in attendance at the October 24, 2013 meeting. Furthermore, my statements in my November 12, 2013 do not support any allegations or claims made by any board or staff member. WAYS maintains a safe and secure environment for its students, staff, administration, school volunteers, and visitors.

WAYS reviews its policies regularly. There were no changes made to the board approved policies including the Admissions/Enrollment/Lottery Policy, and Suspension & Expulsion Policy, which were initially submitted to LACOE in during the WAYS Charter Renewal in May 2011. On November 7, 2013, an email from Neha Patel indicates that the LACOE CSO was unable to locate these policies, and additionally requesting the newly required Student Fees Policy. These policies were resubmitted to LACOE on November 8, 2013, along with a draft version of the newly required Student Fees Policy Draft which was expected to be reviewed by the WAYS Board at the November 24, 2013 Board Meeting. We anticipate approval of the Student Fees Policy at our next board meeting.

We will continue to provide you information and document as we move forward. We agree that WAYS has experienced some difficulties with board governance; many volunteer boards do. We have several new board members, and the board is quickly working through some growing pains. We expect board meetings to operate much more smoothly going forward. Similarly, we expect the Board to meet regularly.

Concerning your comments about arbitration over "conditions of authorization", we hope to resolve that with you within the schedule set by the arbitrator, Mr. Mainland. Our attorney has asked LACOE for your proposed award language so we could consider agreeing to it without any objection or further waste of public dollars. We understand that LACOE's attorney agreed to provide that. We believe that will entirely resolve those issues.

Sincerely,

Ed Cabil

Cc: WAYS Board of Directors

WAYS BOARD ROSTER
2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	President	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Saundra Davis	Member	saundavis@aol.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Eleanor Jones	Member	eleanor@c-pass.biz	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cherly Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Norman Golden	Member	normanskx@gmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Kimberly Daniels	Member	kimberly@ksdanielslaw.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/12	1/30/14	02/27/14	03/27/14	04/25/13	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm

*Subject to change. Updated 1/31/14

*Subject to change. Updated 1/31/14

WISDOM ACADEMY for YOUNG SCIENTISTS
School Contact Information

Primary Contact
Name: Edward Cabil
Title: Executive Director/Principal
Mailing Address: 706 East Manchester Ave. Los Angeles, Ca 90001 Office
Phone: 323--537--8194
Direct Phone: 323--947--8083
Fax Number: 323--537--8209
Email Address: edcabil@sbcglobal.net

Secondary Contact
Name: Karen Horowitz
Title: Principal/Homeless Liaison
Mailing Address: 706 East Manchester Ave. Los Angeles, Ca 90001
Office Phone: 323--537--8208
Direct Phone: 320—994--8510
Fax Number: 323--537--8209
Email Address: klhorowitz@verizon.net

Name: Jason Okonkwo
Title: Director of Operations/On-Site Fiscal Manager
Mailing Address: 706 East Manchester Ave. Los Angeles, Ca 90001 Office Phone: 323--752--6655
Direct Phone: 323--253--8907
Fax Number: 323--752--6644
Email Address: mrjason7@gmail.com

Vice Principal
Deara Okonkwo
323-537-8208
deara7@gmail.com

Office Manager – Manchester Site
Tanya Castro- 323-752-6655

Office Clerk – Manchester Site
Bernardo Lopez – 323-752-6655

Office Clerk – Salvation Army Site
Justine Alvarez– 323-537-8294

EXHIBIT

17

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

RESOLUTION OF SCHOOL SITE COUNCIL OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the School Site Council of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 23rd day of January, 2014, the following resolution was offered, seconded, and adopted:

Summary: The School Site Council of Wisdom Academy for Young Scientists considered the Board of Director's membership of Board Members Carol Lee Tolbert and Saundra Davis. The said board members were elected to serve on the Board of Wisdom Academy on July 26, 2013. The said board members took an oath to consistently strive to promote the best interests of the school as a whole and follow ethical standards. However, since that time, their actions have proven to serve their own interests only and not the interests of the students or the school. The said board members have made gross violations of the Brown Act and their fiduciary responsibility to the organization and children, which has only been a distraction from the growth of the school and the enhancement of the educational program to which they originally took an oath to uphold. After thorough consideration, the School Site Council Members resolved that the aforementioned board member's actions are not in the best interests of said organization and they are demonstrably unlikely to serve as effective members of the Wisdom Academy for Young Scientists Board of Directors.

> "Be it resolved, that the School Site Council of Wisdom Academy for Young Scientists be and is hereby authorized, empowered, and directed to recommend the removal of Board Member and President Carol Lee Tolbert and Board Member Saundra Davis from the Wisdom Academy for Young Scientists Board of Directors on behalf of the parents, students, staff, and friends of the said organization.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the School Site Council Members of this organization on the date specified.

Tamyn [illegible]
(Signature of School Site Council Secretary)

EXHIBIT

18

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

MERLE WILLIAMSON FOUNDATION
DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A CALIFORNIA NON-PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTH ENDED JUNE 30, 2011

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Not-for-Profit Organization)

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Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors of
Wisdom Academy for Young Scientists
Los Angeles, California

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of **Wisdom Academy for Young Scientists** (WAYS) (a California not-for-profit organization), as of June 30, 2011, and the related statements of activities and changes in net assets, and cash flows for the twelve months period then ended. These financial statements are the responsibility of **Wisdom Academy for Young Scientists'** management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the organization's 2010 financial statements and, in my report dated November 9, 2010, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Wisdom Academy for Young Scientists** as of June 30, 2011, and the changes in its net assets and cash flows for the twelve months period then ended in conformity with accounting principles generally accepted in the United States of America.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606

In accordance with *Government Auditing Standards*, I have also issued a report dated December 14, 2011 on my consideration of **Wisdom Academy for Young Scientists'** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

My audit was conducted for the purpose of forming an opinion on the financial statements of **Wisdom Academy for Young Scientists.** The accompanying schedule of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the additional supplementary information section is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clem Payne Jr.

Clem Payne, Jr., CPA
Altadena, California
December 14, 2011

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF FINANCIAL POSITION
June 30,

ASSETS

	2011	2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 513,331	$ 422,535
Accounts receivable - Sponsoring Districts		53,977
Accounts receivable (Note 3)	525,547	368,201
Prepaid expenses	45,756	34,058
Total current assets	1,084,634	878,771
FURNITURE, EQUIPMENT AND IMPROVEMENTS:		
Furniture and equipment (Note 4)	77,221	65,682
Leasehold improvements (Note 4)	197,312	146,543
Leasehold improvements - ERate (Note 4)	35,483	35,483
Less: accumulated depreciation (Note 4)	(53,691)	(34,610)
Total furniture, equipment and improvements	256,325	213,098
Total assets	$ 1,340,959	$ 1,091,869

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 56,732	$ 75,132
Due to Sponsoring District	5,470	
Credit card payable	5,303	
Payroll liabilities	29,125	10,206
Total current liabilities	96,630	85,338
NET ASSETS		
Unrestricted	1,249,799	1,006,531
Temporarily restricted - (deficit)	(5,470)	
Total net assets	1,244,329	1,006,531
Total liabilities and net assets	$ 1,340,959	$ 1,091,869

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF ACTIVTIES AND CHANGES IN NET ASSETS
For the twelve month ended June 30,

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT:				
General purpose block grant	$ 982,763	$	$ 982,763	$ 785,555
Categorical block grant	211,468		211,468	196,988
Class size reduction	89,182		89,182	87,426
Private contributions	8,446		8,446	3,135
Federal income		61,086	61,086	1,234
Charter school facilities grant		118,461	118,461	102,464
In-lieu property taxes	353,049		353,049	310,201
In-lieu property taxes - prior year	8,304		8,304	10,288
After school education and safety	112,500		112,500	-
Fundraising income	9,259		9,259	
Special education		204,578	204,578	175,509
Child nutrition - federal		147,788	147,788	112,524
Child nutrition - state	9,695		9,695	8,080
Title II		4,254	4,254	9,230
Title I		49,576	49,576	121,659
Facility reimbursement	52,738		52,738	
Other state income	89,549		89,549	102,773
Other local income	143,789		143,789	45,212
Interest income	1,488		1,488	1,521
Net assets released from restrictions	591,213	(591,213)	-	-
Total revenue and support	2,663,443	(5,470)	2,657,973	2,073,799
EXPENSES:				
Certificated salaries	833,752		833,752	583,267
Classified salaries	277,200		277,200	211,692
Fringe benefits	172,429		172,429	151,364
Books and supplies	126,532		126,532	93,920
Contract services and other expenses	959,793		959,793	715,687
Fundraising expenses	9,600		9,600	2,208
Depreciation	19,081		19,081	11,506
Other outgo	15,314		15,314	13,556
Total expenses	2,413,701	-	2,413,701	1,783,200
Increase (decrease) in net assets	249,742	(5,470)	244,272	290,599
Net assets, beginning of the year	1,006,531	-	1,006,531	699,705
Prior year adjustments (Note 11)	(6,474)		(6,474)	16,227
Net assets, end of the year	$ 1,249,799	$ (5,470)	$ 1,244,329	$ 1,006,531

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF CASH FLOWS
For the twelve month ended June 30,

	2011	2010
Cash flows from operating activities:		
Increase in net assets	$ 244,272	$ 290,599
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,081	11,506
Prior period adjustments	(6,474)	16,227
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable - sponsoring district	53,977	(53,977)
Accounts receivable	(157,346)	(171,499)
Prepaid expenses	(11,698)	(18,293)
Increase (decrease) in liabilities:		
Accounts payable	(18,400)	52,903
Due to Sponsoring District	5,470	
Other liabilities	5,303	(10,459)
Payroll liability	18,918	(8,799)
Net cash provided by operating activities	153,103	108,208
Cash flows from investing activities:		
Work in progress		35,484
Purchase of property and improvements	(62,308)	(108,177)
Net cash used for investing activities	(62,308)	(72,693)
Net increase in cash	90,795	35,515
Cash and cash equivalents- beginning of the year	422,536	387,021
Cash and cash equivalents - end of the year	$ 513,331	$ 422,536
Supplemental Disclosures:		
Cash paid for interest expense	$	$ 1,197

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 1 - ORGANIZATION

NATURE OF BUSINESS

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (WAYS) is a public charter school of approximately 270 students located in South Los Angeles, serving kindergarten through fifth grade education. Opened in 2006, WAYS serve a population of students traditionally labeled as underperforming or high-risk students. As a charter school, WAYS was created under the approval of the Los Angeles Unified School District and the California State Board of Education, and receives public per-pupil funding to help support its operations. WAYS was granted the Accreditation of Commission for Schools of the Western Association of Schools and Colleges. The term of the accreditation will run through June 30, 2013. WAYS is economically dependent on federal and state funding provided through the Los Angeles Unified School District.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists. Teachers at WAYS are trained to incorporate a variety of assessment strategies including the regular use of authentic assessments, standardized tests, diagnostic tests, portfolios, and parent reports.

WAYS primary emphasis of its instructional program is to produce "leaders of science." Through a rigorous inquiry-based curriculum, rich in science, math, technology, social science and language development. The schools objective is for its students to experience learning in its most powerful, meaningful, and effective environment.

In 2010-2011, WAYS scored 736 on the Academic Performance Index (API).

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

The summary of Significant Accounting Policies of WAYS is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of WAYS' management, who are responsible for their integrity and objectivity.

WAYS accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". WAYS conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Statements Presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of FASB ASC 958-205, (prior authoritative literature: SFAS No. 117, *Financial Statements of Not-for-Profit Organizations).* Accordingly, WAYS' financial statements are present on the following three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Temporarily restricted and permanently restricted net assets are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by WAYS based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flow, WAYS considered all liquid investments with a maturity three months or less to be cash equivalents.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of Accounting

The financial statements of WAYS have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

WAYS accounts receivable consists of amounts due from government sources only. No allowance for doubtful accounts has been established as WAYS deems all amounts to be fully collectible.

Contributions and Contributed Services

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor as required by SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Use of Estimates

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

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Equipment and Improvements

Equipment and improvements are recorded at cost. All property, equipment and improvements with a value of $1,000 or greater and a useful life of 1 year or more are capitalized. Improvements are depreciated under a straight-line method over their estimated useful lives of 20 years. Equipment is depreciated under straight-line method over the estimated useful life of five to seven years. The depreciation expense for the year ended June 30, 2011 is $19,081.

Income Taxes

WAYS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with WAYS' financial statements for the twelve months period ended June 30, 2010, from which summarized information was derived.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2011, reported as follows:

General purpose block grant	$ 525,545
Total	$ 525,545

NOTE 4 - EQUIPMENT AND IMPROVEMENTS

Below is the summary of the changes in fixed assets owned by Wisdom Academy for Young Scientists for the year ended June 30, 2011:

Description	Balance at 7/1/2010	Additions (deletions)	Balance at 6/30/11
Leasehold improvements	$ 146,543	$ 50,769	$ 197,312
Leasehold improvements -ERate	35,483		35,483
Furniture and equipment	65,682	11,539	77,221
Total fixed assets	247,708	62,308	310,016
Accumulated depreciation	(34,610)	(19,081)	(53,691)
Net fixed assets	$ 213,098	$ 43,227	$ 256,325

NOTE 5 - DONATED SERVICES

No amounts have been reflected in the accompanying financial statements for donated services inasmuch as no objective basis was available to measure the value of such services; however, some volunteers have donated their time to WAYS.

NOTE 6 - RECONCILIATION OF ANNUAL FINANCIALS

The schedule on page 17 were prepared by WAYS for the Los Angeles Unified School District.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 7 - COMMITMENTS

WAYS entered into a four-year lease agreement for its main facility with Kendra Okonkwo, Executive Director that commenced in July 2006. Monthly lease payments began at $10,120. The agreement requires annual rent rate to increase approximately 3.0% each year. The lease was terminated in January 31, 2011, due to LAUSD concerns regarding a conflict of interest. Payments made on this facility lease totaled $72,652 for the seven months period ended January 31, 2011 (Refer to Note 9 – Related Parties Transactions).

In addition, WAYS entered into a one-year lease on 8778 Central Avenue. The monthly lease payments are $4,000. The agreement requires annual rent rate to increase approximately 3.0% each year. The lease was terminated in January 31, 2011. Payments made on this facility lease totaled $28,720 for the five months period ended January 31, 2011 (Refer to Note 9 – Related Parties Transactions).

The owner of the real property changed in February 2011.

As such, WAYS entered into a five-month agreement for its main facility located on 706 East Manchester Avenue, L.A., CA with OCI Development Corporation. Monthly lease payments began at $10,728. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2011. Payments made on this facility lease totaled $53,640 for the seven months period ended June 30, 2011.

At the same time, WAYS entered into a five-month agreement with OCI Development Corporation for the property located at 8778 Central Avenue, L.A, CA. Monthly lease payments began at $4,240. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2011. Payments made on this facility lease totaled $21,200 for the seven months period ended June 30, 2011.

WAYS entered into a five-year lease agreement for a facility for additional occupancy and parking near its main facility. The lease commenced in December 2007. Monthly lease payments are $1,450 for the duration of the lease. The lease will expire in December 2012. Payments made on the facility lease totaled $17,400 for the twelve months ended June 30, 2011.

The future minimum lease payments due for the next 2 years are as follows:

Year Ending June 30,		Amount
2012	$	197,016
2013		202,926

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 8 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS). WAYS is not eligible to participate in Public Employees' Retirement System (PERS).

State Teachers' Retirement System (STRS)

Plan Description

WAYS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and WAYS is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2009-10 is 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS

WAYS' contributions to STRS and PERS for this fiscal year are as follows:

Year Ended June 30	STRS Required Contribution	STRS Percent Contributed
2011	$71,650	100%

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 9 - RELATED PARTIES TRANSACTIONS

A related party is one which controls, exercises significant influences over, or is significantly influenced by a group or member in making financial, and operating decisions, along with any group member, is subject to common control or significant influence.

In 2006 WAYS entered into a rental services agreement with its executive director Kendra Okonkwo, a related party, to pay monthly rental installments for the locations of 702-706 East Manchester Street, Los Angeles, California and 8778 S. Central Avenue, Los Angeles, California. It appears that the executive director held title to those real properties until February 3, 2011. At which time the rental arrangement was terminated. During the fiscal year, WAYS made approximately $108,212 in rental payments to this vendor. (Refer to Note 7 - Commitments).

NOTE 10 – SUBSEQUENT EVENTS

WAYS has evaluated subsequent events through December 14, 2011, the date which the financial statements were available to be issued.

WAYS entered into several one-year lease agreements for educational facility located on 706 East Manchester Avenue and 8778 Central Avenue. The lease will commence on July 2011, and ending on the 30th day of June 2012. Monthly lease payments for each property are $10,738 and $4,367.

In addition, WAYS entered into a one-year lease with the Salvation Army on 7651 Central Avenue. The monthly lease payments are $13,492. The lease will commence on August 2011, and ending on July 2012.

On June 30, 2011, Wisdom Academy for Young Scientists' charter expired and was not renewed with the Los Angeles Unified School District. Effective July 1, 2011, Wisdom Academy for Young Scientists was chartered under the authority of the Los Angeles County Board of Education (LACOE).

NOTE 11 - Prior Period Adjustments

Miscellaneous adjustments to the prior period resulted primarily from correction to payable.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

SUPPLEMENTARY INFORMATION SECTION

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

RECONCILIATION OF ANNUAL FINANCIAL
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2011

	2011
June 30, 2011 unaudited financial report fund balances (net assets)	$ 1,428,456
Adjustments and Reclassifications:	0
Increasing (Decreasing) the Fund Balance (Net Assets)	
Cash in bank	(69,358)
Accounts receivable	(75,065)
Other assets	
Prepaid expenses	14,540
Property and equipment	(3,899)
Accumulated depreciation	(19,081)
(Increase) decrease in liabilities:	
Accounts payable	(31,237)
Payroll liabilities	13,158
Due to Sponsoring District	(5,470)
Other liabilities	(7,715)
Net adjustments and reclassifications	(184,127)
June 30, 2011 Audited Financial Statement Fund Balance	$ 1,244,329

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF INSTRUCTIONAL MINUTES
Twelve Months Period ended June 30, 2011

	Requirement	Actual	Number of Days Traditional Calendar	Status
Kindergarden	34,971	64,800	180	In compliance
Grade 1 through 3	48,960	64,800	180	In compliance
Grade 4 through 5	52,457	64,800	180	In compliance

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
Twelve Months Period ended June 30, 2011

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Kindergarden	54.74	54.74	54.50	54.50
Grade 1 through 3	130.18	130.18	127.90	127.90
Grade 4 through 5	71.07	71.07	71.32	71.32
ADA Totals	255.99	255.99	253.72	253.72

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO SUPPLEMENTARY INFORMATION
Twelve Months Period ended June 30, 2011

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Instructional Minutes

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of Education Code Sections 46200 through 46206.

B. Schedule of Average Daily Attendance (ADA)

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS

Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA number	Contract period	Expenditures
UNITED STATES DEPARTMENT OF EDUCATION/			
Pass through State Department of Education/			
Title I	84.010	7/1/10-6/30/11	$ 4,254
Title II	84.018	7/1/10-6/30/11	49,576
Education Job Fund	84.019	7/1/10-6/30/11	61,086
Charter School Facilities Incentive Grant	84.282D	7/1/10-6/30/11	118,461
Total United States Department of Education			233,377
UNITED STATES DEPARTMENT OF AGRICULTURE			
Pass through State Department of Education Child Nutrition/ Fiscal Services			
Child Nutrition - Federal	10.555	7/1/10-6/30/11	147,788
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 381,165

The accompanying notes are an integral part of these financial statements

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Twelve Months Period ended June 30, 2011

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wisdom Academy For Young Scientists and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

ORGANIZATION STRUCTURE
Twelve Months Period ended June 30, 2011

Wisdom Academy for Young Scientists (#839) was formed as charter pursuant to Education Code Section 47600 under an agreement with Los Angeles Unified District granted in July, 2006.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

School Board

Name	Term on Board Expires	Board
Karen Haynes	Perpetual	Secretary
Jonathan Fields	Perpetual	Member
Adell Walker	Perpetual	Member
Queen Collins	Perpetual	Parent Representative
Loretta McDonald	Perpetual	Chairperson
Kandee Lewis	Perpetual	Member
Edward Cabil (Resigned October 8, 2011)	Perpetual	Member
Alex Love	Perpetual	Member
Oliver Ortega	Perpetual	Member
Cathy Roby	Perpetual	Member
Tamara Smith	Perpetual	Member
Dorthy Valenti	Perpetual	Member

Administration

Kendra Okonkwo (Dismissed May 2011)	Executive Director
Michael Cureton (May 2011 through September 2011)	Executive Director
Edward Cabil (Effective October 14, 2011)	Executive Director
Alake Watson	Principal
Bali Business Management	Business Manager

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

I have audited the financial statements of **Wisdom Academy for Young Scientists (WAYS)** as of and for the twelve months period ended June 30, 2011, and have issued my report thereon dated December 14, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered WAYS' internal control over financial reporting as basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **WAYS'** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of **WAYS'** internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

(Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. List of findings, please refer to schedule of findings and questions costs.

Compliance and Other Matters

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

We noted certain matters that we reported to management of **WAYS** in a separate letter dated December 14, 2011.

WAYS' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **WAYS'** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, the Los Angeles Unified School District, the California Department of Education, the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr.

Clem Payne, Jr. CPA
Altadena, California
December 14, 2011

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

REPORT ON STATE COMPLIANCE

Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

I audited the financial statements of **Wisdom Academy for Young Scientists (WAYS)**, a California non-profit corporation, as of and for the twelve months period June 30, 2011, and have issued our report thereon dated December 14, 2011, which was unqualified. My audit was made in accordance with auditing standards generally accepted in the United States of America, the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Education Audit Appeals Panels *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for our opinion.

WAYS' management is responsible for the Academy's compliance with laws and regulations. In connection with the audit referred to above, I selected and tested transactions and records to determine **WAYS'** compliance with the laws and regulations applicable to the following items:

State Compliance Procedures for Charter Schools:	Procedures In Audit Guide	Procedures Performed
Class Size Reduction Program		
General Requirements	7	Not Applicable
Option One Classes	3	Not Applicable
Option Two Classes	4	Not Applicable
Only One School Serving Grades L-3		
After School Education and Safety Program:		
General Requirements	4	Yes
After School	4	Yes
Before School	5	Not Applicable
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Non-classroom – Based Instructions/ Independent Study	15	Not Applicable
Determination of Funding for Non-class Based Instructions	3	Not Applicable
Annual Instructional Minutes – Classroom Based	3	Yes

The term "Not Applicable" is used above to mean either that WAYS did not offer the program during the current fiscal year or that the program applies only to a different type of local education agency.

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Based on my audit, I found that, for the items tested, **Wisdom Academy for Young Scientists** complied with the laws and regulations of the state programs referred to above. Further, based on my examination, for items not tested, nothing came to our attention to indicate that **WAYS** had not complied with the laws and regulations of state programs and requirements.

This report is intended solely for the information and use of the **Wisdom Academy for Young Scientists'** Board of Directors, management, the Los Angeles Unified School District, the Los Angeles County Office of Education, the California Department of Education, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr

Clem Payne, Jr. CPA
Los Angeles, California
December 14, 2011

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2011

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No _

One or more significant deficiencies identified are not considered to be material weaknesses? Yes X No _____

We consider the combination of the following deficiencies in Wisdom Academy for Young Scientists' internal control to be material weaknesses:

Condition:

- Untimely deposit of cash receipts,
- Lack of proper bank reconciliation supervision,
- Lack of accounts receivable reconciliation of general ledger account with sub-accounts,
- Recording of transactions without complete supporting documentation or proper written explanation.

Questioned Costs:

Not Applicable

Context:

This problem was systemic

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2011

A. Summary of Auditors' Results (Continued)

We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies:

- Salaries and wages expense accounts were not reconciled to the quarterly payroll returns.
- Written assets capitalization policy needs to be implemented and followed.

Questioned Costs:

Not Applicable

Context:

This problem was systemic

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

June 30, 2010

Audit findings are identified as one or more of the following six categories:

Five Digit Code	Finding Categories
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
50000	Federal Compliance
60000	Miscellaneous

Findings: None noted.

Questioned Costs: None noted

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

MERLE WILLIAMSON FOUNDATION
DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A CALIFORNIA NON-PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTH ENDED JUNE 30, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Not-for-Profit Organization)

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Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors of
Merle Williamson Foundation, dba
Wisdom Academy for Young Scientists
Los Angeles, California

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of Wisdom Academy for Young Scientists (WAYS) (a California not-for-profit organization), as of June 30, 2012, and the related statements of activities and changes in net assets, and cash flows for the twelve months period then ended. These financial statements are the responsibility of Wisdom Academy for Young Scientists' management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the organization's 2011 financial statements and, in my report dated December 14, 2011, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2012, and the changes in its net assets and cash flows for the twelve months period then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, I have also issued a report dated December 31, 2012 on my consideration of **Wisdom Academy for Young Scientists'** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

My audit was conducted for the purpose of forming an opinion on the financial statements of **Wisdom Academy for Young Scientists.** The accompanying schedule of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the additional supplementary information section is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clem Payne Jr.

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the twelve month ended June 30,

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT:				
General purpose block grant	$ 1,634,727	$	$ 1,634,727	$ 982,763
Categorical block grant	276,279		276,279	211,468
Private contributions	2,304		2,304	8,446
Federal income		411,510	411,510	262,704
In-lieu property taxes	558,869		558,869	353,049
In-lieu property taxes - prior year			-	8,304
Fundraising income	2,736		2,736	9,259
Special education		186,214	186,214	204,578
Other state income	688,296		688,296	472,125
Other local income	6,284		6,284	143,789
Interest income	653		653	1,488
Net assets released from restrictions	649,441	(649,441)	-	-
Total revenue and support	3,819,589	(51,717)	3,767,872	2,657,973
EXPENSES:				
Certificated salaries	1,273,808		1,273,808	833,752
Classified salaries	407,908		407,908	277,200
Fringe benefits	355,384		355,384	172,429
Settlement payment - (Note 11)	228,665		228,665	
Books and supplies	161,609		161,609	126,532
Contract services and other expenses	941,264		941,264	766,181
Occupancy, repairs, and rental	391,331		391,331	193,612
Fundraising expenses	390		390	9,600
Depreciation	31,402		31,402	19,081
Other outgo	2,520		2,520	15,314
Total expenses	3,794,281	-	3,794,281	2,413,701
Increase (decrease) in net assets	25,308	(51,717)	(26,409)	244,272
Net assets, beginning of the year	1,249,799	(5,470)	1,244,329	1,006,531
Prior year adjustments (Note 15)	9,114		9,114	(6,474)
Net assets, end of the year	$ 1,284,221	$ (57,187)	$ 1,227,034	$ 1,244,329

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF CASH FLOW
For the twelve month ended June 30,

	2012	2011
Cash flows from operating activities:		
Changes in net assets	$ (26,409)	$ 244,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,402	19,081
Prior period adjustments	9,114	(6,474)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable - sponsoring district	(27,961)	53,977
Accounts receivable	(731,328)	(157,346)
Due from former executive director	(10,120)	
Security deposits	(30,911)	
Prepaid expenses	26,886	(11,698)
Increase (decrease) in liabilities:		
Accounts payable	5,993	(18,400)
Due to Sponsoring District	(5,470)	5,470
Settlement payable	228,665	
Other liabilities	(823)	5,303
Payroll liability	(1,954)	18,918
Net cash provided by operating activities	(532,916)	153,103
Cash flows from investing activities:		
Purchase of computers and improvements	(181,227)	(62,308)
Net cash used by investing activities	(181,227)	(62,308)
Cash flows from financing activities:		
Proceed from line of credit - Wells Fargo	250,000	
Net cash provided by (used in) financing activities:	250,000	
Net increase (decrease) in cash	(464,143)	90,795
Cash and cash equivalents- beginning of the year	513,331	422,536
Cash and cash equivalents - end of the year	$ 49,188	$ 513,331
Supplemental Disclosures:		
Cash paid for interest expense	$ 1,319	$ -

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 1 - ORGANIZATION

NATURE OF BUSINESS

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (WAYS) is a public charter school of approximately 520 students located in South Los Angeles, serving kindergarten through fifth grade education. Opened in 2006, WAYS serve a population of students traditionally labeled as underperforming or high-risk students. As a charter school, WAYS was created under the approval of the Los Angeles Unified School District and the California State Board of Education, and receives public per-pupil funding to help support its operations. On June 30, 2011, Wisdom Academy for Young Scientists' charter expired and was not renewed with the Los Angeles Unified School District.

Effective July 1, 2011, Wisdom Academy for Young Scientists was chartered under the authority of the Los Angeles County Board of Education (LACOE).

WAYS was granted the Accreditation of Commission for Schools of the Western Association of Schools and Colleges. The term of the accreditation will run through June 30, 2013. WAYS is economically dependent on federal and state funding provided through the Los Angeles County Board of Education.

In 2011-2012, WAYS scored 716 on the Academic Performance Index (API).

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

The summary of Significant Accounting Policies of WAYS is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of WAYS' management, who are responsible for their integrity and objectivity.

WAYS accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". WAYS conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Statements Presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of FASB ASC 958-205, (prior authoritative literature: SFAS No. 117, *Financial Statements of Not-for-Profit Organizations).* Accordingly, WAYS' financial statements are present on the following three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Temporarily restricted and permanently restricted net assets are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by WAYS based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flow, WAYS considered all liquid investments with a maturity three months or less to be cash equivalents.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of Accounting

The financial statements of WAYS have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

WAYS accounts receivable consists of amounts due from government sources only. No allowance for doubtful accounts has been established as WAYS deems all amounts to be fully collectible.

Contributions and Contributed Services

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor as required by SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Use of Estimates

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

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Equipment and Improvements

Equipment and improvements are recorded at cost. All property, equipment and improvements with a value of $1,000 or greater and a useful life of 1 year or more are capitalized. Improvements are depreciated under a straight-line method over their estimated useful lives of 20 years. Equipment is depreciated under straight-line method over the estimated useful life of five to seven years. The depreciation expense for the year ended June 30, 2012 is $31,402.

Income Taxes

WAYS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with WAYS' financial statements for the twelve months period ended June 30, 2011, from which summarized information was derived.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012, reported as follows:

General purpose block grant	$ 697,820
Los Angeles Unified School District	27,961
Special Education	151,044
Categorical grant	28,790
Class size reduction	64,314
Child nutrition – federal	38,088
Child nutrition	67,185
Facility grant	184,983
After school grant	39,375
Total	$ 1,299,560

NOTE 4 - EQUIPMENT AND IMPROVEMENTS

Below is the summary of the changes in fixed assets owned by Wisdom Academy for Young Scientists for the year ended June 30, 2012:

Description	Balance at 7/1/2011	Additions (deletions)	Balance at 6/30/12
Leasehold improvements	$ 197,312	$ 78,471	$ 275,783
Leasehold improvements - ERate	35,483		35,483
Computer and equipment		37,987	37,987
Furniture and equipment	77,221	64,769	141,990
Total fixed assets	310,016	181,227	491,243
Accumulated depreciation	(53,691)	(31,402)	(85,093)
Net fixed assets	$ 256,325	$ 149,825	$ 406,150

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - DONATED SERVICES

No amounts have been reflected in the accompanying financial statements for donated services inasmuch as no objective basis was available to measure the value of such services; however, some volunteers have donated their time to WAYS.

NOTE 6 - RECONCILIATION OF ANNUAL FINANCIALS

The schedule on page 17 were prepared by WAYS for the Los Angeles Unified School District.

NOTE 7 - COMMITMENTS

As such, WAYS entered into a twelve-month agreement for its main facility located on 706 East Manchester Avenue, L.A., CA with OCI Development Corporation. Monthly lease payments began at $13,052. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2012. Payments made on this facility lease totaled $156,627 for the year ended June 30, 2012.

At the same time, WAYS entered into a twelve-month agreement with OCI Development Corporation for the property located at 8778 Central Avenue, L.A, CA. Monthly lease payments began at $4,367. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2012. Payments made on this facility lease totaled $52,404 for the year ended June 30, 2012.

WAYS entered into a five-year lease agreement for a facility for additional occupancy and parking near its main facility. The lease commenced in December 2007. Monthly lease payments are $1,450 for the duration of the lease. The lease will expire in December 2012. Payments made on the facility lease totaled $17,400 for the twelve months ended June 30, 2012.

WAYS entered into a twelve-month agreement with The Salvation Army for the property located at 7651 South Central Avenue, L.A, CA. The lease commenced in August 2011. Monthly lease payments began at $13,492. The lease will expire in July 2012. Payments made on this facility lease totaled $136,413 for the year ended June 30, 2012.

The future minimum lease payments due for the next year are as follows:

Year Ending June 30,		Amount
2013	$	379,632

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 8 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS). WAYS is not eligible to participate in Public Employees' Retirement System (PERS).

State Teachers' Retirement System (STRS)

Plan Description

WAYS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and WAYS is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2011-12 is 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS

WAYS' contributions to STRS and PERS for this fiscal year are as follows:

Year Ended June 30	STRS Required Contribution	STRS Percent Contributed
2012	$96,379	100%

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LINE OF CREDIT – WELLS FARGO

WAYS obtained a revolving line of credit with Wells Fargo Bank that allows WAYS to borrow up to a maximum of $250,000. As of June 30, 2012, WAYS had $250,000 outstanding on the line of credit. The line of credit matures on February 15, 2013. The interest rate on the line of credit is 5%.

Total interest charge to expense for the year ended June 30, 2012 was $1,319.

As December 31, 2012, WAYS outstanding line of credit balance was paid in full.

NOTE 10 - RELATED PARTIES TRANSACTIONS.

A related party is one which controls, exercises significant influences over, or is significantly influenced by a group or member in making financial, and operating decisions, along with any group member, is subject to common control or significant influence.

DeDe Dance Studio, a non-profit organization, provided after school program service to WAYS. WAYS' assistant principal is the executive director of the DeDe Dance Studio and is related to the WAYS' Director of Operations. During the year ended June 30, 2012, DeDe Dance Studio received payments of $36,000 from WAYS.

As of December 31, 2012, DeDe Dance Studio corporate status is suspended with the California Secretary of State.

NOTE 11 – SETTLEMENT WITH FORMER EXECUTIVE DIRECTOR

On October 26, 2012, WAYS and the former executive director entered into a settlement agreement and mutual release of claims. WAYS paid the former executive director a sum of $228,665.38 to settle all claims arising or any way relating to the dispute. In consideration, the former executive director release and discharge WAYS from all cause of action relating to the dispute.

Because the proposed settlement was initiated by letters dated January and May 2012 and as such was related to the June 30, 2012 year end. The amount of $228,665.38 is recognized on the June 30, 2012 statement of financial position as a liability and the statement of activities as a payroll related transaction.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTE 12 – PENDING CLAIMS AND LITIGATION

On April 12, 2011, WAYS has been named in a wrongful employment termination by Plaintiff, who was a former teacher at WAYS. The stated cause of action for wrongful termination is violation of the Labor Code section 1102.5.

A trial was recently held and on December 4, 2012, the jury found in favor of the Plaintiff. A judgment was entered in the amount of $566,803 against the school.

December 31, 2012, management has brought post-trial motion and is contesting the verdict on the grounds that the Plaintiff did not present sufficient evidence to overcome the substantial evidence establishing she was terminated for legitimate, non-retaliatory reasons. The motion is scheduled to be heard in Los Angeles County Superior Court on January 17, 2013. Pending the hearing on this motion, the process to satisfy the existing monetary judgment has not been initiated.

NOTE 13 – DUE FROM FORMER EXECUTIVE DIRECTOR

Prepaid rent the in the amount of $10,120 was paid in the fiscal year 2009-10 to the former executive director. The executive director was also the organization landlord. The prepaid amount was not subsequently earned through the period ending of 6/30/12 and therefore due back to WAYS.

NOTE 14 – SUBSEQUENT EVENTS

WAYS has evaluated subsequent events through December 31, 2012, the date which the financial statements were available to be issued.

WAYS entered into two one-year lease agreements for educational facility located on 706 East Manchester Avenue and 8778 Central Avenue. The lease will commence on July 2012, and ending on the 30th day of June 2013. Monthly lease payments for each property are $13,559 and $4,467.

In addition, WAYS entered into a one-year lease with the Salvation Army on 7651 Central Avenue. The monthly lease payments are $12,548. The lease will commence on August 2012, and ending on July 2013.

NOTE 15 - Prior Period Adjustments

Miscellaneous adjustments to the prior period resulted primarily from correction to petty cash, payable and prepaid expenses.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

SUPPLEMENTARY INFORMATION SECTION

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

RECONCILIATION OF ANNUAL FINANCIAL
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2012

	2012
June 30, 2012 unaudited financial report fund balances (net assets)	$ 1,197,837
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets)	
Cash in bank	16,346
Accounts receivable	239,892
Other assets	
Prepaid expenses	17,089
Property and equipment	33,576
Accumulated depreciation	(31,404)
(Increase) decrease in liabilities:	
Accounts payable	(8,639)
Settlement Payable	(228,665)
Rounding	2
Current Loans	
Net adjustments and reclassifications	38,197
June 30, 2012 Audited Financial Statement Fund Balance	$ 1,236,034

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF INSTRUCTIONAL MINUTES
Twelve Months Period ended June 30, 2012

	Requirement	Reduced	Actual	Number of Days Traditional Calendar	Status
Kindergarden	36,000	33,531	64,800	180	In compliance
Grade 1 through 3	50,400	46,944	64,800	180	In compliance
Grade 4 through 5	54,000	50,297	64,800	180	In compliance

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
Twelve Months Period ended June 30, 2012

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Kindergarten	84.45	84.45	84.51	84.51
Grade 1 through 3	226.73	226.73	215.93	215.93
Grade 4 through 5	138.30	138.30	130.33	130.33
ADA Totals	449.48	449.48	430.77	430.77

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO SUPPLEMENTARY INFORMATION
Twelve Months Period ended June 30, 2012

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Instructional Minutes

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of Education Code Sections 46200 through 46206.

B. Schedule of Average Daily Attendance (ADA)

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA number	Contract period	Expenditures
UNITED STATES DEPARTMENT OF EDUCATION/			
Pass through State Department of Education/			
Title I	84.010	7/1/11-6/30/12	$ 127,246
Charter School Facilities Incentive Grant	84.282D	7/1/11-6/30/12	37,684
Total United States Department of Education			164,930
UNITED STATES DEPARTMENT OF AGRICULTURE			
Pass through State Department of Education Child Nutrition/ Fiscal Services			
Child Nutrition - Federal	10.555	7/1/11-6/30/12	296,287
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 461,217

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Twelve Months Period ended June 30, 2012

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wisdom Academy for Young Scientists and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

ORGANIZATION STRUCTURE
Twelve Months Period ended June 30, 2012

Wisdom Academy for Young Scientists (#839) was formed as charter pursuant to Education Code Section 47600 under an agreement with Los Angeles Unified District granted in July, 2006.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

School Board

Name	Term on Board Expires	Board
Karen Haynes	June 30, 2013	Secretary
Dr. Dorothy Valenti	June 30, 2014	Chairperson
Norman Golden	June 30, 2014	Member
Armando Espinosa	June 30, 2014	Member
Cheryl Johnson	June 30, 2014	Member
Eleanor Jones	June 30, 2014	Member

Administration

Edward Cabil	Executive Director
Jason Okonkwo	Director of Operations

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Merle Williamson Foundation, dba.
Wisdom Academy for Young Scientists (WAYS)
Los Angeles, California

I have audited the financial statements of Wisdom Academy for Young Scientists (WAYS) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 31, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Wisdom Academy for Young Scientists (WAYS) is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Wisdom Academy for Young Scientists' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wisdom Academy for Young Scientists' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wisdom Academy for Young Scientists' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* - *continued*

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Finding and Questioned Costs as Finding 11-01/30000 and 11-02/30000. Wisdom Academy for Young Scientists' response to the findings identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. I did not audit Wisdom for Young Scientists' response and, accordingly, I express no opinion on it.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, the Los Angeles County of Education, the California Department of Education, the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

I have audited the financial statements of the Wisdom Academy for Young Scientists (WAYS) as of and for the year ended June 30, 2012 and have issued my report thereon dated December 31, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. I have also audited the WAYS' compliance with the requirements specified in the State's audit guide, *Standards and Procedures for Audits of California K-12 Local Education Agencies 2011-12*, published by the Education Audit Appeals Panel, applicable to the WAYS' statutory requirements identified below for the year ended June 30, 2012. Compliance with the requirements referred to above is the responsibility of the WAYS' management. My responsibility is to express an opinion on the WAYS' compliance based on our audit.

The auditing standards referred to above require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the state laws and regulations applicable to the items in the schedule below occurred. An audit includes examining, on a test basis, evidence about the WAYS' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for our opinion. My audit does not provide a legal determination of the WAYS' compliance with those requirements.

In connection with the audit referred to above, I selected and tested transactions and records to determine the WAYS' compliance with the state laws and regulations applicable to the following items:

State Compliance Procedures for Charter Schools:	Procedures In Audit Guide	Procedures Performed
Class Size Reduction Program		
General Requirements	7	Not Applicable
Option One Classes	3	Not Applicable
Option Two Classes	4	Not Applicable
Only One School Serving Grades L-3	4	Not Applicable
After School Education and Safety Program:		
General Requirements	4	Yes
After School	5	Yes
Before School	6	Not Applicable
Contemporaneous Records of Attendance	3	Yes
Mode of Instruction	1	Yes
Non-classroom – Based Instructions/ Independent Study	15	Not Applicable
Determination of Funding for Non-class Based Instructions	3	Not Applicable
Annual Instructional Minutes – Classroom Based	4	Yes

The term "Not Applicable" is used above to mean either that WAYS did not offer the program during the current fiscal year or that the program applies only to a different type of local education agency.

In my opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2012.

This report is intended solely for the information and use of the Wisdom Academy for Young Scientists' Board of Directors, management, the Los Angeles County Office of Education, the California Department of Education, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr.

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2012

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
One or more material weaknesses identified?	Yes_ No x
One or more significant deficiencies identified are not considered to be material weaknesses?	Yes X No ___
Noncompliance material to financial statement noted?	Yes____ No__X__

2. State Awards

Internal control over state programs:	
Material weaknesses identified?	Yes____ No__X__
Significant deficiencies identified not considered to be material weaknesses?	Yes____ No__X__
Type of auditor's report issued on compliance for same programs:	Unqualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2012

Significant Deficiencies
Finding 11-01/30000
Deficiency in Internal Control Condition – Bank Reconciliation Over Site

Criteria

Proper internal controls dictate that a supervisor or officer of the organization should review bank reconciliation to ensure that reconciliation is performed in a timely manner and any necessary adjustment is properly authorized.

Condition

Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.

Questioned Costs

None

Context

All material cash transactions were properly reconciled and recorded in the general ledger.

Effect

If the cash reconciliation process does not ensure that all reconciling items are properly identified and recorded, a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.

Cause

The Organization has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor who should compare the reconciled cash balance to the general ledger cash account balance, review and research all reconciling items and authorize any correcting entries needed.

Recommendation

The Organization should establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.

Organization's Response

Wisdom for Young Scientists will continue the audit recommendation. WAYS will implement policies and procedures that will require an explanation for any difference between the reconciled cash balance and the related general account balance. An employee or officer who does not have custody or access to cash and who does not record cash related transaction will review monthly bank reconciliation and authorize any correcting entries as applicable.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
June 30, 2012

Significant Deficiencies:

Finding 11-02 /30000

Deficiency in Internal Control Condition – Payroll Expense Reconciliation

Criteria

A good internal control system uses reconciliation for significant general ledger accounts as a mechanism to verify accuracy, determine validity of purpose and allowableness of recorded transactions.

Condition

Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs

None

Context

The payroll expense reconciling items were not material for the current year financial statements.

Effect

If payroll expenses are not properly reconciled and adjusted in a timely manner, unresolved discrepancies could result in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.

Recommendation

The Organization should establish clear policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. The reconciliation should be in writing and approved by management.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures to reconcile payroll expenses on a regular basis. Management will review and monitor the payroll expense reconciliation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2011

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-01 /30000
Deficiency in Internal Control Condition – Untimely Deposit of Cash Receipts

Criteria

Effective Internal control over cash receipts ensures that all funds are timely deposited in the bank and are properly recorded in the appropriate general account.

Condition

An examination of cash receipts disclosed an incident where a check received was not deposited or recorded timely.

Questioned Costs

None

Context

There were no effect on the current financial statement because the funds were deposited in the proper period.

Effect

Untimely deposit of cash receipts risk the mismanagement of funds (either fraud or loss), misstatement of revenue, receivable or cash, and possible noncompliance with contracts, or laws & regulations.

Cause

A customer's check that was placed in a desk draw was inadvertently over looked and not deposited timely.

Recommendation

The Organization should ensure that all funds are deposited timely. Mail should be open by an employee that restrict endorses all checks, prepares deposited slip and forward a copy of deposit slips and check received to accounting for recording. Monthly bank reconciliation should always compare deposit reported per bank to recorded deposit.

Organization's Response

Wisdom Academy For Young Scientists will establish procedures and over site that will ensure that all cash receipts are deposited and recorded timely.

Current Status

Cash receipts appears to be deposited timely.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-02/30000
Deficiency in Internal Control Condition – Bank Reconciliation Over Site

Criteria
Proper internal controls dictate that a supervisor or officer of the organization should review bank reconciliation to ensure that reconciliation is performed in a timely manner and any necessary adjustment is properly authorized.

Condition
Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.

Questioned Costs
None

Context
All material cash transactions were properly reconciled and recorded in the general ledger.

Effect
If the cash reconciliation process does not ensure that all reconciling items are properly identified and recorded, a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.

Cause
The Organization has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor who should compare the reconciled cash balance to the general ledger cash account balance, review and research all reconciling items and authorize any correcting entries needed.

Recommendation
The Organization should establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.

Organization's Response
Wisdom Academy For Young Scientists will implement policies and procedures that will require an employee or officer who does not have custody or access to cash and who does not record cash related transaction to review monthly bank reconciliation and authorize any correcting entries as applicable.

Current Status
Procedures were established to review bank reconciliation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –(Continued)

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-03 /30000

Deficiency in Internal Control Condition – Account Receivable Reconciliation

Criteria

Effective internal control over financial reporting necessitate that accounts receivable subsidiary ledger balances should be reconciled to the general ledger account balance and reconciling items should be investigated and cleared in a timely manner.

Condition

The accounts receivable general ledger balance was not reconciled to the accounts receivable subsidiary ledger balances.

Questioned Costs

None

Context

The differences noted were not material to the current year financial statements.

Effect

Not reconciling accounts receivable general ledger account balance to the accounts receivable subsidiary ledger balances could result in materially errors or possible fraudulent activities going undetected resulting in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure that the general ledger accounts receivable balance is properly reconciled to subsidiary ledger balances and that difference are investigated and cleared in a timely manner.

Recommendation

The Organization should establish clear policy and procedures to ensure that general ledger control account balances are properly reconciled to subsidiary ledger balances and that any differences be investigated and cleared in a timely manner.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures regarding reconciling general ledger control accounts balances to subsidiary ledger balances. Such procedures will include proper review and supervision.

Current Status

Procedures were developed to compare and review general ledger activity.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - Continued

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-04 /30000

Deficiency in Internal Control Condition – Recording Transaction Without Complete Supporting Documentation

Criteria

Effective internal controls over cash disbursements requires that adequate supporting documentation be attached or otherwise matched to all check requests processed for payment and that such supporting documentation be the basis for recording in financial records.

Condition

During the examination it was noted that supporting documentation for several disbursements were not complete.

Questioned Costs

None

Context

Once notified about the missing documents, the Organization located the proper supporting documentations which were either misfiled or unfiled at that time. As such, there were no effect on the current year financial statements

Effect

Lack of complete supporting documentation could result in payments made for goods or services not received, duplicate payments or payments that are incorrect or fraudulent. In addition records could be lost destroyed, misused or altered to the detriment of the Organization. The results could be material misstated financial statements

Cause

The Organization has not adequately established written policies and procedures and over site to ensure that all check requests are accompanying by proper and complete supporting documentation.

Recommendation

The Organization should establish clear policies and procedures for the approval of all check request and all check requests should be supported by proper and complete documentation.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures requiring complete supporting documentation for all check requests.

Current Status

Procedures were established that requiring adequate supporting documentation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Significant Deficiencies:

Finding 11-05 /30000

Deficiency in Internal Control Condition – Payroll Expense Reconciliation

Criteria

A good internal control system uses reconciliation for significant general ledger accounts as a mechanism to verify accuracy, determine validity of purpose and allowableness of recorded transactions.

Condition

Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs

None

Context

The payroll expense reconciling items were not material for the current year financial statements.

Effect

If payroll expenses are not properly reconciled and adjusted in a timely manner, unresolved discrepancies could result in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.

Recommendation

The Organization should establish clear policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. The reconciliation should be in writing and approved by management.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures to reconcile payroll expenses on a regular basis. Management will review and monitor the payroll expense reconciliation.

Current Status

Procedures established to review and compare payroll activity to general ledger accounts.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Significant Deficiencies:

Finding 11-06 /30000

Deficiency in Internal Control Condition – Written Asset Capitalization Policy

Criteria

Written capitalization policies and procedures for property and equipment are essential in order to systematically and accurately record, classified and document costs incurred from acquiring property, equipment and other long lived assets

Condition

The Organization has no written asset capitalization policies or procedures. As such, costs were expensed in the in the financial records that should have been capitalized and depreciated over lives in excess on one year.

Questioned Costs

None

Context

In reviewing cost related to leasehold improvement, it was determine that leasehold improvement expenditures were classified as repairs and maintenance expense. The examination indicated that the classification was incorrect because the improvement was deemed to be of benefit to the Organization for more than one year and the amount was sufficient enough to warrant capitalization. The amount was not considered material to the current financial statements.

Effect

Lack of written policies and procedures that consistently define and set asset capitalization threshold and valuation, systematically classify and accurately recorded asset acquisition could result in unreliable financial reporting and compliance with applicable laws and regulations.

Cause

The Organization has not adequately established policies and procedures to ensure that fixed assets are properly capitalized and classified in the financial records.

Recommendation

The Organization should establish policies and procedures that ensure that fixed assets are properly capitalized and classified in the financial records.

Organization's Response

Wisdom Academy For Young Scientists will implement policies and procedures to systematically and accurately record, classify and document costs incurred for property, equipment and other long lived assets.

Current Status

Organization to follow LEA procedures.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

June 30, 2010

Audit findings are identified as one or more of the following six categories:

Five Digit Code	Finding Categories
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
50000	Federal Compliance
60000	Miscellaneous

Findings: None noted.

Questioned Costs: None noted

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

MERLE WILLIAMSON FOUNDATION

DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS

Financial Statements and Supplemental Information

Year Ended June 30, 2013

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Financial Statements and Supplemental Information
Year Ended June 30, 2013

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P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

Report on Financial Statements

We have audited the accompanying financial statements of Wisdom Academy for Young Scientists, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

218 W. Douglas Avenue • El Cajon, CA 92020 whllp.com Tel. (619) 447-6700 • Fax (619) 447-6707

Basis for Qualified Opinion

Wisdom Academy for Young Scientists did not maintain a detail of capital assets or depreciation. As a result we are unable to obtain sufficient appropriate audit evidence about the balances recorded in capital assets. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit* Organizations is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional supplementary information, as required by the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2014 on our consideration of Wisdom Academy for Young Scientists' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wisdom Academy for Young Scientists' internal control over financial reporting and compliance.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

FINANCIAL STATEMENTS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Financial Position
June 30, 2013

ASSETS	
Current Assets	
Cash and cash equivalents	$ 185,082
Accounts receivable	1,330,545
Prepaid expenditures	32,325
Total Current Assets	1,547,952
Noncurrent Assets	
Capital assets, net	436,315
Other Assets	
Deposits	30,911
Total Other Assets	30,911
TOTAL ASSETS	$ 2,015,178
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	$ 152,249
Accrued payroll liabilities	12,428
Total Current Liabilities	164,677
Total Liabilities	164,677
Net Assets	
Unrestricted	1,850,501
Temporarily restricted	-
Total Net Assets	1,850,501
TOTAL LIABILITIES AND NET ASSETS	$ 2,015,178

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Activities
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Revenue			
State aid, charter school general purpose grant	$ 1,236,199	$ -	$ 1,236,199
State aid, education protection account	515,580	-	515,580
Payments in lieu of property taxes	658,800	-	658,800
Federal revenue	-	505,490	505,490
Other state revenue	503,188	704,606	1,207,794
Interest	958	-	958
Other local revenue	60,735	-	60,735
Total Revenues	2,975,460	1,210,096	4,185,556
Net assets released from restrictions:			
Grant restrictions satisfied	1,210,096	(1,210,096)	-
TOTAL REVENUE AND SUPPORT	4,185,556	-	4,185,556
EXPENSES			
Certificated salaries	1,064,504	-	1,064,504
Classified salaries	571,532	-	571,532
Taxes and employee benefits	294,016	-	294,016
Books and supplies	179,307	-	179,307
Rentals, leases and repairs	409,226	-	409,226
Consultants	849,650	-	849,650
Other operating expenditures	147,977	-	147,977
Debt service interest	12,352	-	12,352
Depreciation expense	33,525	-	33,525
TOTAL EXPENSES	3,562,089	-	3,562,089
CHANGE IN NET ASSETS	623,467	-	623,467
NET ASSETS, BEGINNING OF YEAR	1,284,221	(57,187)	1,227,034
ADJUSTMENT TO BEGINNING NET ASSETS (Note L)	(57,187)	57,187	-
NET ASSETS, END OF YEAR	$ 1,850,501	$ -	$ 1,850,501

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Cash Flows
Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 623,467
Depreciation	33,525
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	(45,709)
Due from related entity	10,120
Prepaid expenses	(13,455)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	85,045
Accrued payroll liabilities	(14,744)
Settlement payment	(228,665)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	449,584
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	(63,690)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(63,690)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on line of credit	(250,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(250,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,894
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	49,188
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 185,082

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements
Year Ended June 30, 2013

A. Organization and Summary of Significant Accounting Policies

Organization

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (the Academy) was organized on September 12, 2006 as a charter school pursuant to California Education Code §47600 under a charter agreement with Los Angeles Unified School District in July , 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education (LACOE). The Academy operates under a locally elected Board form of government and provides educational services to grades K-5 as mandated by the State and/or Federal agencies.

The Academy is a California public charter academy organized for the purpose of providing rigorous academic environment to a population of students traditionally labeled as underperforming or high-risk students. The Academy's vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the Academy is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor or grant restrictions.
- Temporarily restricted net assets consist of contributed funds or grants subject to donor or grant imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Academy may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Academy had no permanently restricted net assets during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Academy considers all highly liquid debt equity instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Academy's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments results in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as management believes that all amounts are collectible.

Capital Assets

Property and equipment are recorded at cost, or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the Academy's earnings. Management has elected to capitalize and depreciate all assets costing $1,000 or greater and a useful life of 1 year or more. All other assets are charged to expense in the year incurred. The Academy's policy is to evaluate the remaining lives and recoverability in light of the current conditions. It is reasonably possible that the Academy's estimate to recover the carrying amount of the property and equipment will change. Estimated useful lives range from one to fifty years depending on the asset.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition or when resources are received by the Academy prior to the Academy meeting the requirements for legal claim to the resources.

In subsequent periods, when both revenue recognition criteria are met or when the Academy has legal claim to the resources, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

All donor or grant restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Academy receives services donated by volunteers in carrying out the Academy's operations. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Block Grant Revenues and Payments in Lieu of Property Taxes

The Academy's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes two block grants based on statewide charter school rates multiplied by the Academy's average daily attendance (ADA) as reported at the Second Principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the Academy, which is funding in lieu of property taxes. The balance is paid from the state General Fund, in the form of the General Purpose Block Grant and the Categorical Block Grant.

Advertising

Advertising costs are expensed when incurred.

Income Taxes

The Academy is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The Academy is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Academy may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2013, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Academy follows provisions of uncertain tax positions as addressed in ASC 958. The Academy recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2013.

The Academy files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events

In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure through January 15, 2014, the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash in Bank

The Academy's cash ($185,082 as of June 30, 2013) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2013, the Academy did not have any cash that was exposed to uninsured deposit risk.

C. Accounts Receivable

As of June 30, 2013 accounts receivable consisted of:

Federal Government:		
Federal Grants	$	118,459
State Government:		
General Purpose Block Grant		460,031
Categorical Block Grant		34,889
Education Protection Account		515,580
Lottery Revenue		40,372
Other State Grants		128,037
Local Sources:		
In lieu of Property Taxes		10,875
Other Local Sources		22,302
Total	$	1,330,545

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements, Continued
Year Ended June 30, 2013

D. Prepaid Expenses

Prepaid expenses at June 30, 2013 consist of prepaid rent in the amount of $32,325.

E. Deposits

Deposits at June 30, 2013 consist of security deposits for facilities in the amount of $30,911.

F. Capital Assets

As of June 30, 2013 capital assets consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance
Leasehold improvements	$ 311,266	$ 63,690	$ -	$ 374,956
Equipment	37,987	-	-	37,987
Furniture and fixtures	141,990	-	-	141,990
Total capital assets	491,243	63,690	-	554,933
Less accumulated depreciation	(85,093)	(33,525)	-	(118,618)
Capital assets, net	$ 406,150	$ 30,165	$ -	$ 436,315

G. Accounts Payable

As of June 30, 2013 accounts payable consisted of:

Vendors payable	$ 20,647
Food services	130,639
Other liabilities	963
Total	$ 152,249

H. Operating Leases

On December 1, 2012 the School entered into a lease agreement with Elder T. Turner for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of $1,750 for a period of 60 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2014	$ 21,000
2015	21,000
2016	21,000
2017	21,000
2018	8,750
Total	$ 92,750

I. Functional Expenses

As of June 30, 2013 functional expenses consisted of:

	Program Services	Management and General	Total
Certificated salaries	$ 1,064,504	$ -	$ 1,064,504
Classified salaries	90,803	480,729	571,532
Taxes and employee benefits	207,622	86,394	294,016
Books and supplies	94,700	84,607	179,307
Rentals, leases and repairs	368,303	40,923	409,226
Consultants	592,632	257,018	849,650
Other operating expenditures	-	147,977	147,977
Debt service interest	-	12,352	12,352
Depreciation expense	23,468	10,057	33,525
Total expenses	$ 2,442,032	$ 1,120,057	$ 3,562,089

J. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The Academy has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement will not be material. As a result, no liability has been accrued.

Sick Leave

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulate sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, it is not appropriate to accrue the value of the accumulated sick leave.

K. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plan by an agency of the State of California. Certificated employees are members of the State Teachers' Retirement System (CalSTRS). The risks of participating in this multi-employer plan are different from single-employer plan in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Academy's participation in this plan for the fiscal year ended June 30, 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan's year-end at June 30, 2012 and June 30, 2011, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension	Plan	Year Ended June 30		Pending/	Year Ended June 30			Employees	Surcharge
Fund	Number	2012	2011	Implemented	2013	2012	2011	Participating	Imposed
CalSTRS	NPA	Yellow	Yellow	No	$ 85,865	$ 96,379	$ 71,650	24	No

NPA - Not publicly available

CalSTRS:

The Academy contributes to the State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2013 active plan members were required to contribute 8% of their salary and the employer contribution rate was 8.25% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The Academy made contributions as noted above. For the year ended June 30, 2013 the State contributed $55,094 on behalf of the Academy.

L. Adjustment to Beginning Net Assets

Deficit in beginning temporarily restricted net assets was the result of program expenditures in excess of restricted revenue sources. These expenditures were covered by unrestricted sources and as such the beginning balance is being adjusted to reflect those expenditures from unrestricted sources rather than temporarily restricted sources.

M. Subsequent Event

In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month.

In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014.

In December 2013 the Academy sold a vehicle for $26,000.

SUPPLEMENTAL INFORMATION

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Organization Structure
Year Ended June 30, 2013

Wisdom Academy for Young Scientists (Charter #839) was formed pursuant to Education Code Section 47600 under agreement with Los Angeles Unified School District granted in July, 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Carol Tolbert	Chaiperson	Three Year Term Expires June 30, 2016
Dr. Dorothy Valenti	Vice Chairperson	Three Year Term Expires June 30, 2014
Karen Haynes	Secretary	Three Year Term Expires June 30, 2013
Armando Espinosa	Treasurer	Three Year Term Expires June 30, 2014
Norman Golden	Member	Three Year Term Expires June 30, 2014
Cheryl Johnson	Member	Three Year Term Expires June 30, 2014
Eleanor Jones	Member	Three Year Term Expires June 30, 2014
Kimberly Daniels	Member	Three Year Term Expires June 30, 2016
Saundra Davis	Member	Three Year Term Expires June 30, 2016

ADMINISTRATION

Edward Cabil
Executive Director

Jason Okonkwo
Director of Operations

Karen Horowitz
Principal

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Average Daily Attendance
Year Ended June 30, 2013

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Classroom Based Attendance:				
Kindergarten	84.80	N/A	84.00	N/A
Grades 1-3	254.53	N/A	253.70	N/A
Grades 4-6	130.34	N/A	129.39	N/A
Total Classroom Based Attendance	469.67	N/A	467.09	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Instructional Time
Year Ended June 30, 2013

Grade Level	Minutes Requirement	2012-13 Actual Minutes	Number of Traditional Days	Status
Kindergarten	34,971	56,700	180	Complied
Grade 1	48,960	56,700	180	Complied
Grade 2	48,960	56,700	180	Complied
Grade 3	48,960	56,700	180	Complied
Grade 4	52,457	56,700	180	Complied
Grade 5	52,457	56,700	180	Complied

The Academy receives incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the Academy and whether they complied with the provisions of Education Code Sections 46200 through 46206. Charter schools must maintain their instructional minutes at the 1986-87 requirements as adjusted by Education Code sections later adopted.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Financial Trends and Analysis
Year Ended June 30, 2013

	Budget 2014 (Note 1)	2013	2012	2011
Revenues	$ 4,174,783	$ 4,185,556	$ 3,767,872	$ 2,657,973
Expenses	4,170,313	3,562,089	3,794,281	2,413,701
Change in Net Assets	4,470	623,467	(26,409)	244,272
Ending Net Assets	$ 1,854,971	$ 1,850,501	$ 1,227,034	$ 1,244,329
Unrestricted Net Assets	$ 1,867,620	$ 1,863,150	$ 1,227,034	$ 1,244,329
Unrestricted net assets as a percentage of total expenses	45%	52%	32%	52%
Total Long Term Debt	$ -	$ -	$ 250,000	$ -
Average Daily Attendance at P2	468.00	469.67	449.48	N/A

Note 1: The 2014 budget is presented for analysis only and is based on estimates of the 2013-14 fiscal year. The information has not been subject to audit procedures.

This schedule discloses the Academy's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Academy's ability to continue as a going concern for a reasonable period of time.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2013

June 30, 2013 Unaudited Actuals - Charter School Enterprise Fund	$ 1,883,889
Adjustments and Reclassifications:	
Overstatement of Cash and Cash Equivalents	(31)
Overstatement of Accounts Receivable	(88,512)
Understatement of Prepaid Expenses	32,325
Overstatement of Capital Assets, Net	(35,762)
Understatement of Deposits	30,911
Overstatement of Accounts Payable	40,109
Understatement of Accrued Payroll Liabilities	(12,428)
Total Adjustments and Reclassifications	(33,388)
June 30, 2013 Audited Financial Statement Net Assets	$ 1,850,501

This schedule provides the information necessary to reconcile the fund balance as reported on the Annual Financial and Budget Report Alternative Form to the net assets reported in the audited financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education:			
Title I	84.010	14329	191,437
IDEA - Special Education	84.027	13379	53,412
IDEA - Mental Health Services	84.027	14468	46,513
Total Special Education Cluster			99,925
Title II - Teacher Quality	84.367	14341	2,067
Total passed through State Department of Education			293,429
Total U.S. Department of Education			293,429
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education:			
National School Lunch Program	10.555	13391	212,061
Total passed through State Department of Education			212,061
Total U.S. Department of Agriculture			212,061
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 505,490

The accompanying notes to the schedule of expenditures of federal awards is an integral part of this schedule.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Academy and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wisdom Academy for Young Scientists (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and/or significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1, 2013-2, 2013-3, 2013-5, 2013-6 and 2013-9 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-4, 2013-7 and 2013-8 to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wisdom Academy for Young Scientists' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2013-9, 2013-10 and 2013-11.

The Academy's Response to Findings

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

Purpose of this Report

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

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

Report on Compliance for Each Major Federal Program

We have audited Wisdom Academy for Young Scientists' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wisdom Academy for Young Scientists' major federal programs for the year ended June 30, 2013. Wisdom Academy for Young Scientists' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wisdom Academy for Young Scientists' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ABC Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wisdom Academy for Young Scientists' compliance.

Opinion on Each Major Federal Program

In our opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of Wisdom Academy for Young Scientists are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wisdom Academy for Young Scientists' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ABC Academy's internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-9 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies which we considered to be significant deficiencies in internal control over compliance.

The Academy's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Academy's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on State Compliance

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

Report on State Compliance

We have audited the Academy's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the Academy's state programs identified below for the fiscal year ended June 30, 2013.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit Guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012*-13 published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States; and the State's audit guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the district's compliance with those requirements.

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

Description	Procedures in Audit Guide	Procedures Performed
Local Education Agencies Other Than Charter Schools		
Attendance Accounting:		
Attendance Reporting	6	N/A
Teacher Certification and Misassignments	3	N/A
Kindergarten Continuance	3	N/A
Independent Study	23	N/A
Continuation Education	10	N/A
Instructional Time:		
School Districts	6	N/A
County Offices of Education	3	N/A
Instructional Materials, General Requirements	8	N/A
Ratios of Administrative Employees to Teachers	1	N/A
Classroom Teacher Salaries	1	N/A
Early Retirement Incentive	4	N/A
Gann Limit Calculation	1	N/A
School Accountability Report Card	3	N/A
Juvenile Court Schools	8	N/A
School Districts and Charter Schools		
Class Size Reduction:		
General Requirements	7	Yes
Option One	3	Yes
Option Two	4	N/A
Only One School Serving Grades K-3	4	N/A
After School Education and Safety Program:		
General Requirements	4	Yes
After School Component	5	Yes
Before School Component	6	N/A
Charter Schools		
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-Based Instruction/Independent Study	15	N/A
Determination of Funding for Nonclassroom Based Instruction	3	N/A
Annual Instructional Minutes – Classroom Based	4	Yes

The term N/A is used above to mean either the Academy did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Basis for Qualified Opinion on State Compliance

As described in items 2013-10 and 2013-11 in the accompanying schedule of findings and questioned costs, the Academy did not comply with some requirements associated with the class size reduction program and the after school education and safety program. Compliance with such requirements is necessary, in our opinion, for the Academy to comply with the requirements applicable to the programs.

Qualified Opinion on State Compliance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2013.

The Academy's Response to Findings of State Compliance

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

FINDINGS AND RECOMMENDATIONS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Auditor's Results
Year Ended June 30, 2013

FINANCIAL STATEMENTS

Type of auditor's report issued:	Qualified
Internal control over financial reporting:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	X Yes ___ No
Noncompliance material to financial statements noted?	___ Yes X No

FEDERAL AWARDS

Internal control over major programs:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	___ Yes X No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	X Yes ___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education Cluster
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	___ Yes X No

STATE AWARDS

Any audit findings disclosed that are reuired to be reported in accordance with *Standards and Procedures for Audits* of California K-12 Local Education Agencies?	X Yes ___ No
Type of auditor's report issued on compliance for state programs:	Qualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

A. Financial Statement Findings

Finding 2013-1 (30000)
Bank Reconciliations

Criteria or Specific Requirement
Determine that the Academy has sufficient internal controls to ensure proper recording of transactions and safeguarding of assets.

Condition
Upon completion of bank reconciliations, each month an adjustment is made to the financial statements for any amounts that are unknown as to the nature of the transaction. These amounts are being posted into suspense accounts with the intent of subsequently posting a journal entry to record the transactions into the correct expenditure or revenue account. At year end these items were not reconciled and posted into the proper accounts. In addition, these items are not supported by any documentation that verifies the amounts are appropriate or approved.

Questioned Costs
$13,735 recorded in suspense account

Context
Some items recorded in the bank reconciliations are not supported by invoices or approval documentation.

Effect
The Academy is at risk of recording errors and misappropriation of assets.

Cause
The Academy has not established adequate procedures to ensure that supporting documentation is provided for all transactions associated with the bank accounts. As a result, the individual charged with responsibility for reconciling bank accounts does not have sufficient information to adequately report information. Management officials from the school site are not providing information necessary to post correcting journal entries. In addition, these items are not being reviewed subsequent to completion of bank reconciliations.

Recommendation
Establish procedures to ensure supporting documentation is provided for all transactions. Ensure that the procedures include documentation of approval for expenditures and for subsequent review by management of the Academy.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-2 (30000)
Payroll Expense Reconciliations

Criteria or Specific Requirement
Determine that amounts for payroll are accurately reported and reconcile to supporting documentation.

Condition
Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs
None

Context
Adjusting journal entries were posted to the financial statements to correct the payroll liability and payroll expense.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liabilities.

Recommendation
Establish clear policies and procedures to reconcile payroll liabilities and expense accounts monthly. The reconciliation should be reviewed and approved by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll reporting.

Finding 2013-3 (30000)
Year End Accruals and Closing Process

Criteria or Specific Requirement
Determine that the financial statements are accurately reported.

Condition
The Academy did not record closing transactions for accounts receivable, accounts payable, prepaid expenses, and capital assets. In addition, journal entries were posted to the financial statements resulting in recording differences between the trial balance provided for audit purposes and the amounts reported to the Los Angeles County Office of Education for inclusion in their unaudited actuals submitted to the California Department of Education.

Questioned Costs
None

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Context
Adjusting journal entries were posted to the financial statements to correct accounts receivable, accounts payable, prepaid expenses, and capital assets.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures for year-end closing and recording of accruals.

Recommendation
Establish clear written policies and procedures for year-end closing which includes reconciliation of revenue and expense items sufficient to record accruals for accounts receivable, accounts payable, prepaid expenses and capital assets. Review year-end financial statements to ensure accuracy of reporting. Establish a timeline for closing to ensure no changes are made after submission of financial statements to oversight agencies.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of financial statements.

Finding 2013-4 (30000)
Payroll Documentation

Criteria or Specific Requirement
Ensure that individuals charged to payroll are employees of the Academy and that there are adequate controls over payroll to safeguard the assets of the organization.

Condition
Personnel Action Forms which document employee's position and approved pay rates are not complete. In 100% of Personnel Action Forms reviewed there were missing approval signatures on the forms. In addition, in 9 out of 10 I-9's reviewed the forms are not being completed correctly. The I-9 forms were either missing the documentation of what items were reviewed to verify eligibility for employment, missing employer signature of verification, or both.

Questioned Costs
None

Effect
The Academy is exposed to risk of noncompliance with I-9 requirements. In addition, the Academy is exposed to risk of paying individuals who are not approved by management.

Cause
The Academy has not established adequate procedures which require hiring documentation be completed and reviewed prior to filing away in the employee file.

Recommendation
Establish policies and procedures to ensure that hiring documentation is being completed, including approval signatures, and reviewed by management.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll.

Finding 2013-5 (30000)
Capital Assets

Criteria or Specific Requirement
Verify that amounts reported for Capital Assets are correctly stated and that estimates of useful lives are reasonable.

Condition
The Academy is unable to provide a detail of Capital Assets or a depreciation schedule to support amounts recorded in the financial statements. In addition, purchases of capital assets were inappropriately recorded as expenses rather than increases to capital assets. The Academy did not calculate and record depreciation. We attempted to contact the previous auditor to obtain information regarding balances in capital assets but received no response.

Context
Adjusting journal entries were posted to the financial statements to record current year additions and an estimate of depreciation.

Effect
There is not sufficient audit evidence to determine if amounts recorded in capital assets are correct or if there is a material misstatement in the financial statements associated with capital assets. In addition, the Academy is exposed to risk associated with disappearance of capital assets as there is not a tracking system for such items.

Cause
The Academy has not adequately established policies for tracking capital assets and ensuring that they are appropriately recorded in the financial statements. The Academy has relied on previous auditors to post adjusting journal entries for additions and depreciation. The Academy has not established procedures for disposal of capital assets.

Recommendation
Obtain an appraisal of all capital assets owned by the Academy to ensure that all assets of the Academy are tracked and recorded. Establish inventory procedures to ensure that all items are still in custody of the Academy at year end. Establish procedures to ensure recording of additions and depreciation are done as a part of year end closing procedures.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of capital assets.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-6 (30000)
Credit Card Supporting Documentation

Criteria or Specific Requirement
Ensure that the Academy has procedures in place to ensure allowable expenditures and safeguard assets.

Condition
The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they were used.

Questioned Costs
$5,858 known credit card expenses from sample selected.

Context
Credit card statements are being used as the only supporting documentation for some expenditure items.

Effect
Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets.

Cause
The Academy has not established adequate written procedures requiring attachment of supporting invoices or receipts for credit card transactions.

Recommendation
Establish written procedures requiring the attachment of supporting invoices or receipts for all credit card transactions.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions inclusive of credit card transactions.

Finding 2013-7 (30000)
Beginning Net Assets

Criteria or Specific Requirement
Ensure that amounts reported in the financial statements are materially correct.

Condition
Beginning net assets were not in agreement with prior year audited ending net assets. The Academy was unable to provide reconciling items that supported adjustments to beginning net assets. We attempted to contact the previous auditor to obtain a reconciliation and prior year audit adjusting journal entries but received no response.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Questioned Costs
None

Context
Amounts reported by the Academy as beginning net assets varied from the prior year audit report by $9,727. An adjustment was posted to bring the beginning balance in agreement with prior year audit report.

Effect
Beginning net assets were not in agreement with prior year audited ending net assets.

Cause
The Academy did not have procedures to reconcile beginning net assets with prior year audit report and did not have procedures in place to track prior year adjustments.

Recommendation
Establish written procedures to reconcile beginning net assets with audited ending net assets from the previous year.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure beginning net assets reconciles to audited ending net assets.

Finding 2013-8 (30000)
Inconsistent Reporting

Criteria or Specific Requirement
Verify that the Academy has reported accurate financial statements to oversight agencies.

Condition
The Academy is reporting to the Internal Revenue Service that they are operating on a calendar year but reporting to the Los Angeles County Office of Education and California Department of Education that they are operating on a fiscal year beginning July 1 and ending June 30. The financial reporting to the different oversight agencies is not consistent based upon different reporting of fiscal years.

Questioned Costs
None

Context
Established in California statute local education agencies report under a fiscal year beginning July 1 and ending on June 30. Internal Revenue Code requires that tax returns be prepared based upon the fiscal year of operation.

Effect
There is inconsistent reporting between the Academy and government agencies.

Cause
The Academy has not established a fiscal year with the Internal Revenue Service.

Recommendation
File necessary reports with the Internal Revenue Service to align tax reporting years with the Academy's fiscal year.

LEA's Response
The Academy will review this recommendation and subsequently take action to ensure consistent reporting between government agencies.

B. Federal Award Findings

Finding 2013-9 (50000)
Schedule of Expenditures of Federal Awards

Federal Major Program Identification

Award Year	Program	CFDA #	Federal Grantor	Pass-Through Agency
2012-13	National School Lunch Program	10.555	U.S. Department of Agriculture	California Department of Education
2012-13	Special Education Cluster	84.027	U.S. Department of Education	California Department of Education

Criteria or Specific Requirement
Determine that amounts reported in the Schedule of Expenditures of Federal Awards are accurately reported.

Condition
The Academy did not separately track expenditures for federal programs in their financial software.

Questioned Costs
Amounts expended under federal major programs audited were:

2012-13 National School Lunch Program (10.555) - $212,061
2012-13 Special Education Cluster (84.027) - $99,925

Context
OMB Circular A-133 requires the presentation of a schedule of expenditures of federal awards for any agency expending greater than $500,000 of federal awards.

Effect
The Academy had to go through every expenditure item to identify which items were expended under federal awards. It took a significant amount of time to complete the schedule of expenditures of federal awards and delayed the timing of audit procedures associated with the Single Audit requirements under OMB Circular A-133. In addition, failure to track expenditures separately exposes the Academy to risk of understating federal expenditures or potentially using the funds in unallowable manners such as supplanting required services.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Cause
The Academy has not established policies and procedures requiring separate tracking of federal expenditures. There are not adequate internal controls in place to evaluate federal expenditures to ensure that they are accurately reported, meet program requirements, and are not used to supplant existing services.

Recommendation
Establish written policies and procedures requiring separate tracking of federal expenditures. Review expenditures to ensure they meet program requirements.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of federal expenditures.

C. State Award Findings

Finding 2013-10 (40000)
Class Size Reduction Program

Criteria or Specific Requirement
Verify that amounts reported on the form J-7CSR were accurate and were based on average daily enrollment taken from the first day of school through April 15 of the school year being reviewed.

Condition
In our review of the form J-7CSR the data was prepared using average monthly enrollment based upon the last day of the school month rather than average daily enrollment from the first day of classes through April 15.

Questioned Costs
None, See recommendation below

Context
Education Code Section 52124.5 states that school districts and charter schools should compute the average daily enrollment for each class by adding the active enrollment for each class for each instructional day starting from the first day of school through April 15, and dividing that total by the count of instructional days.

Effect
The eligible students reported for grade 1 was understated by 1 student.

Recommendation
Establish procedures to accurately calculate average daily enrollment for classes included in the class size reduction program. Revise the form J-7CSR to accurately report eligible students for grade 1. Revisions should be as follows:

Grade	Class Size	Eligible Students Original	Eligible Students Revised	Change in Funding
1st Grade	21.45 – 22.44	18	36	$ 19,278
1st Grade	22.45 – 22.94	17	0	$(18,207)
			Net Change in Funding	$ 1,071

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate calculations for the form J-7CSR. The Academy will amend the form J-7CSR to accurately reflect class sizes for the 2012-13 fiscal year.

Finding 2013-11 (40000)
After School Education and Safety Program

Criteria or Specific Requirement
A. Verify that elementary students being reported for attendance are participating in the full day of the program except as consistent with the LEA's established early release policy.
B. Verify that Indirect Costs are not in excess of 5% or the LEA's established indirect cost rate, whichever is lower.

Condition
A. Sign out sheets for the after school education and safety program did not include time student was released for 827 out of 896 days tested. It could not be determined if these students participated in the full day of the program or if they met early release policy of the LEA.
B. The Academy used an indirect cost rate of 5.26% which exceeds the allowable 5% for the program.

Questioned Costs
Program revenues were $112,500. Amounts in excess of allowable indirect costs were $2,660.

Context
A. Education Code 8483(a)(2) states that it is the intent of legislature that elementary school students attend the full day of the program every day in which students participate, except as consistent with the LEA's early release policy.
B. Education Code 8483.9(a) limits indirect costs to the lesser of the LEA's approved indirect cost rate or 5%.

Effect
A. It cannot be determined if the students participated for the entire day of the program.
B. The Academy exceeded allowable indirect costs.

Cause
A. The Academy has not established adequate policies and procedures to document time students were released from the program to ensure that only students who participated in the full day or met an early release exception based on the LEA's policies were counted towards attendance reported.
B. The Academy has not established adequate policies and procedures to ensure that indirect costs are not charged at amounts greater than allowable amounts for the program.

Recommendation
Establish procedures to document time students are released from the program and ensure that they meet requirements of the program to be counted for attendance purposes. Establish procedures to ensure correct indirect cost rates are being utilized.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure compliance with the after school education and safety program.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Prior Year Audit Findings
Year Ended June 30, 2013

Finding/Recommendation	Current Status	Management's Explanation if Not Implemented
Finding 2011-1 Internal Control - Bank Reconciliation Over Site Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances. Establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.	Partially Implemented	See Finding 2013-1
Finding 2011-2 Internal Control - Payroll Expenses Reconciliation Payroll Expenses were not consistently reconciled to the general ledger Establish policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. Reconciliation should be approved by management	Not Implemented	See Finding 2013-2

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

[redacted]WISDOM Academy for Young Scientists Public Charter School

Los Angeles, California

Our mission is to create a transformational learning climate, in which students became empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Regular Meeting of the Governing Board

Thursday, September 26, ***2013***

(*Open Session Begins at 5:00pm - Closed Session Begins at 6:00pm)

OPEN SESSION

Meeting Call to Order At: _____ By: _____

[redacted]Board Member Roll Call – Present/Absent:

Hon. Corol Lee Tolbert, President	_____/_____
Dr. Dorothy Valenti, Vice President	_____/_____
Mrs. Kimberly Daniels, Esq.	_____/_____
Hon. Saundra Davis	_____/_____
Mr. Armando Espinoza	_____/_____
Mr. Norman Golden	_____/_____
Mrs. Cheryl Johnson	_____/_____
Mrs. Eleanor Jones	_____/_____

Pledge of Allegiance

Approval of Board Minutes for August 29, 2013

Consent Agenda Items
NONE

OLD BUSINESS

Item 13092609: Election of Governing Board Officers for the 2013-14 School Year:

Item 13092609(a): Election of Governing Board Vice-President requires a Charter change (Action) – *Board Member* Jones

Item 13092609(b): Election of Secretary (Discussion/Action) – *Board President Tolbert* Item

13092609(c): Election of Secretary (Discussion/Action) – *Board President Tolbert*

[redacted]

Item 13092610: Formation of the Board's Finance & Budget Committee - To create the critical infrastructure necessary for sustaining the school's financial health, ensuring transparency, and meeting the Board's fiduciary responsibilities as public o*fficials (Action) – Board* **President** Tolbert

Item 13092611: Certificated Teacher Salary Table for FY 2013-14 *(Clarification) – Board* **President** Tolbert

Item 13092612: FPPC Update- Recently, the school is being audited by the Fair Political Practices Commission. *(Informational) – Executive* **Director, Mr. Cabil**

Item 13092613: FCMAT Update - The school is currently being audited by LACOE. (Informati*onal/Discussion) – Executive* **Director, Mr. Cabil**

NEW BUSINESS

Item 13092614: Formation of the Board's Teaching and Learning Committee – To ensure that the conditions exist for all students to achieve both academically and develop*mental. (Action) – Board* **President Tolbert**

Item 13092615: Errors and Omissions (EO) Insurance Policy – The Governing Board, prior to taking any action, must have EO insurance in place to hold individual members – and the Board as a whole - harmless in the execution of its legal duties and responsibilities. Staff is to provide a copy of the current policy. (Informati*onal/Discussion) - Executive* **Director, Mr. Cabil**

Item 13092616: Monthly Budget Update for 2013-14 School Year – (Discussion/*Possible Action) - Bali* **Business Management**

Item 13092617: Update on Conflict of Interest – Every school employee – whether certificated or classified -should have signed a Form 700. Everyone doing business with WISDOM Academy should have a signed 'Conflict of Interest' Statement on file. This is standard practice in schools and districts in the State of California. This agenda item is for the purposes of ensuring that it is or will be done. It also needs to be determined if a 'Conflict of Interest' presentation should be provided at an upcoming **staff developme**nt.

Item 13092618: WISDOM Organization Chart – Delineates employee responsibilities and lines of supervisorial authority (Informati*onal/Discussion) - Executive* **Director, Mr. Cabil**

Item 13092619: Request for Charter School Petition Consultant in the amount not to exceed $8,000. (*Discussion/Action) – Executive Director, Mr.Cabil*

Item 13092620: Change Vehicle for School Business to Vehicle For Pupil Transportation *(Discussion/Action) – Executive Director*

Convened To Closed Session At: _____

CLOSED SESSION AGENDA ITEMS

It is the Board's intention to approve Agenda Items 13092901-03. However, in response to the scope of the FCMAT and FPPC Audits, leasers will be required to sign the 'Contractor and Consultant Code of Conduct' Agreement that will be developed by the Executive Director and Board of Directors. The purpose of which is to safeguard against and/or prevent any conflict of interest or appearance of conflict. In the event conflict of interest or unethical conduct is found; the condition must cease to exist prior to fully executing the Lease Agreement. Additionally, any concerns expressed by Board Members must be resolved/addressed prior to the execution of said Lease Agreement. Moreover, the Board recognizes its fiduciary responsibility to ensure that ALL financial transactions be transparent and without favoritism or prejudice.

Real Property Negotiation – CONFERENCE WITH REAL PROPERTY NEGOTIATOR (pursuant to Gov. Code § 54956.8):

Item 13092601: 2013-2014 Lease Agreement with the Salvation Army – The August 12, 2013 meeting with the Salvation Army resulted in a smoother opening of school. Director Tolbert represented the Board. At that meeting she requested from Mortimer Jones that a copy of the 2013-2014 Lease Agreement be made available for the Board's review and/or possible action at its upcoming ***meeting on August 29, 2013. (This item was pulled from the August 26, 2013 Board Agenda without approval. No Lease Agreement is currently*** in place.)

Item 13092602: 2013-14 Lease Agreement for the school site located at 7651 South Central Avenue, Los Angeles, CA. – For the purposes of reviewing and/or entering into a lease agreement ***for the current school year. (This item was pulled from the August 26, 2013 Board Agenda without approval. No Lease Agreement is currently in place.)***

Item 13092603: 2013-14 Lease Agreement for the school site located at 8778 South Central Avenue, Los Angeles, CA. – For the purposes of reviewing and/or entering into a lease agreement ***for the current school year. (This item was pulled from the August 26, 2013 Board Agenda without approval. No contract is currently in place.)***

Item 13092604: Personnel - Executive Director ***Contract for review and action - (This item was pulled from the August 26, 2013 Board Agenda.)***

Item 13092605: **Personnel** – Director of Operations Contract for review and discussion

Item 13092606: **Personnel** – Principal Contract for review and discussion

Item 13092607: **Personnel** – Assistant-Principal Contract for review and discussion

Item 13092608: **Personnel** – Administrative Assistant Contract for review and discussion

*Convened To Open Session At: _____

*** Actions from Closed Session**

Item 13092621: Board Member Recommendations *for Future Agenda Items*

Motion to Adjourn By _____ *Meeting Adjourned At* _____

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Monday, February 3, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted January 31, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Hon. Saundra Davis _____/_____
6. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes – August 29, 2013 and January 30, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. Board Member Resignation Letter– Action
b. Newly Required Student Fee's Policy – Action
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Resolution to sell school vehicle – Action Item
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – Action
h. Wisdom Academy for Young Scientists Annual Financial Audit – Action
i. Single Plan for Student Achievement – Action
j. Unaudited Actuals Financial Report – Action
k. Title I Budget 2013-14 – Action
l. Special Education Budget 2013-14 – Action
m. After School Education and Safety Program 2013-14 Budget
n. First Interim Financial Report – Action
o. Updates Regarding FCMAT Audit – Discussion Item

Recommendations
a. Approval of Board Member Resignation Letter
b. Adoption of Student Fee's Policy
c. Approval of 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Approval of Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Approval of Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Approval of Resolution to sell school vehicle – Action Item

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to accept the resignation of Board Member Kimberly Daniels on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to adopt the Student Fee's Policy on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Employment Agreement with Edward J. Cabil on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the resolution to sell the school vehicle (2011 Lexus RX350) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

Wisdom Academy for Young Scientists
Capital Expense Analysis

Purchase

Item: SUV or Sedan (Vehicle)

Use: Executive Business Transportation

Reason: Merle Williamson Foundation (MWF) may provide the Administrative Personnel an automobile vehicle and operating expenses for the use of conducting MWF business and reasonable personal use. Provided that MWF Administrative Personnel chose to utilize the Executive Business Transportation, this will reduce the automobile use reimbursement costs and wear and tear for individual Personnel property.

Impact: +/- 10,000 annual Personnel transportation expenses

Date: July 2012

Sale

Item: SUV or Sedan (Vehicle)

Use: Executive Business Transportation

Reason: In best interest of the stakeholders of the Merle Williamson Foundation (MWF), selling the Executive Business automobile vehicle should provide the funds to better serve the school. In which those funds may be used to purchase a vehicle for pupil transportation.

Impact: $26,000 - $32,000 one-time payment; +/- $10,000 annual Personnel transportation reimbursements.

Date: August 2013

Purchase

Item: School Bus/Van (Vehicle)

Use: Pupil Transportation, Utility Vehicle

Reason: Subsidize expenses for rentals and chartered school buses for short-distance fieldtrips and destinations. Provide a van for Pupil transportation and select utility use.

Impact: +/- 10,000 annual Pupil transportation expenses

Date: TBD

Transaction #679061 - Jason-Inyoung-RX350
(You are the Seller)

Logged in as: Jason Okonkwo (mrjason7@gmail.com)
Help | Sign Out

Status
Select any status for help.

1. BUYER AND SELLER AGREE TO TERMS
2. BUYER SENDS PAYMENT TO ESCROW.COM
3. SELLER SHIPS MOTOR VEHICLE TO BUYER
4. BUYER RECEIVES MOTOR VEHICLE
5. ESCROW.COM PAYS SELLER
   - Closing Statement sent

Closing Statement sent via E-Mail

- The Buyer has accepted the merchandise.
- The closing statement was sent to your E-Mail account.
- Did you enjoy using Escrow.com? **Send us your feedback!**

[redacted]

Merchandise

No.	Item Description	Quantity	Unit Price	Total Price
1	**Lexus RX350 2011**	1	$26,000.00	$26,000.00

Sub-total	$26,000.00
Shipping Fee	$0.00
Fee: Escrow	$-115.70
Total	
Transaction ID: 679061 Escrow ID: 484243	**$25,884.30**

Terms

Transaction #:	679061
Escrow #:	484243
Transaction Title:	Jason-Inyoung-RX350
Buyer:	Inyoung Kwon (iykwon@hotmail.com)
Seller:	Jason Okonkwo (mrjason7@gmail.com)
Inspection Period:	3 calendar days
Escrow Fee to be paid by:	Split(Buyer/Seller) The buyer is responsible for 100% of the escrow fee in the event the transaction is cancelled or the merchandise is returned.
Transaction fulfilled using:	Cargo Shipping
Shipping fee to be paid by:	Buyer

History

Jan 28 2014 10:09AM PDT Funds disbursed. Final closing statements sent to both parties.

Jan 27 2014 9:28PM PDT Inspection period ended, Buyer accepts merchandise.

Jan 27 2014 9:25PM PDT Buyer received merchandise. Inspection period starts.

Jan 27 2014 12:02PM PDT Seller shipped goods by Buyer pick up (Phone: 4036080016) with tracking number -

Buyer
Pick-up

Dec 12 2013
2:49PM PDT
Escrow.com approves payment.

Dec 12 2013
2:48PM PDT
Buyer paid by wire transfer, awaiting Escrow.com approval.

Dec 2 2013
3:12PM PDT
Both parties have accepted the offer, awaiting buyer payment.

Nov 30 2013
2:30PM PDT
Buyer initiates the transaction

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PROVIDED BY ESCROW.COM

Internet Escrow Services, Inc.
Escrow Trust Account
30318 Esperanza
Rancho Santa Margarita, CA 92688
(949) 635-3800

BANK OF AMI
16-667/221

Escrow Number: 13--484243

Pay TWENTY-FIVE THOUSAND EIGHT HUNDRED EIGHTY-FOUR AND 30/100**********US Dollars

TO THE ORDER OF
Merle Williamson Foundation
706 East Manchester Ave
Los Angeles, CA 90001

INTERNET ESCROW AC

RED CHECK NUMBERING IMAGES THROUGH TO BACK OF SHEET

⑈119107⑈ ⑆122000661⑆ 14594⑈2844O⑈

INTERNET ESCROW SERVICES, INC.

Escrow Number: 13--484243

Sellers Proce
Transaction N

Check No: 119107
Date: 01-28-2014
Amount: 25,884.30
Property:
Buyer : Inyoung Kwon
Seller : Jason Okonkwo

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the auditor selection of Wilkinson Hadley King & Company, LLP on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the Audit year-end June 30, 2013 on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

EXHIBIT

22

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WAYS Board of Directors Meeting

September 22, 2011

Cancelation Notice

Canceled due to a lack of quorum.

Board Secretary Adele Walker

EXHIBIT

23

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES
Governing Board of the Los Angeles Unified School District

SPECIAL MEETING STAMPED ORDER OF BUSINESS
333 South Beaudry Avenue, Board Room
1:00 p.m., Tuesday, March 1, 2011

Roll Call

Pledge of Allegiance

Superintendent's Reports

Superintendent's Retirement Recognitions

Public Hearing

1. Charter for Angels Flight Math and Science Academy
   Consideration of the level of support for a charter petition requesting a 5-year term to serve 360 students in grades K-5 with a proposed location at 4900 Calle Pedro Infante in the City of Los Angeles.

   Charter for Green Works Urban Academy
   Consideration of the level of support for a charter petition requesting a 5-year term to serve 168 students in grades 6-8 with a proposed location at 18333 South Main Street in the City of Gardena.

   Charter for Los Angeles Leadership Primary Academy
   Consideration of the level of support for a charter petition requesting a 5-year term to serve 420 students in grades K-5 with a proposed location at 2670 Griffin Avenue in the City of Los Angeles.

   Charter for Sherman Oaks Elementary (Affiliated)
   Consideration of the level of support for a charter petition requesting a 5-year term to serve 885 students in grades K-5 with a proposed location at 14755 Greenleaf Street in the Sherman Oaks area of Los Angeles.

   Charter for Sylmar Charter (Affiliated)
   Consideration of the level of support for a charter petition requesting a 5-year term to serve 2600 students in grades 9-12 with a proposed location at 13050 Borden Avenue in the City of Sylmar.

   (Petitions may be requested from the Innovation and Charter Schools Division Office at 333 South Beaudry Avenue, 25th floor, or by calling (213) 241-2487.)

Consent Items

Items for action below assigned by the Board at the meeting to be adopted by a single vote. Any item may be pulled off of consent for further discussion by any Board Member at any time before action is taken.

New Business for Action

2. Board of Education Report No. 186 – 10/11 **ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Charter for El Camino Real Charter High School) Recommends the approval of the charter petition for El Camino Real Charter High School for the conversion into an independent charter school for 5 years to serve 3600 students in grades 9-12 with a proposed location at its current location at 5440 Valley Circle Boulevard in Woodland Hills, with specific conditions.

3. Board of Education Report No. 187 – 10/11 **ADOPTED**
Innovation and Charter Schools Division
(Charter for Rise Ko Hyang Middle School) Recommends the approval of the charter petition for Rise Ko Hyang Middle School for 5 years to serve 450 students in grades 6-8 with a proposed location in the Koreatown area of the City of Los Angeles, with specific conditions.

4. Board of Education Report No. 188 – 10/11 **PUBLIC HEARING ADOPTED AS AMENDED**
Innovation and Charter Schools Division **(Replaced action proposed in the report with, "approve the initiation of the revocation process for all Crescendo Charter Schools.")**
(Renewal of the Charter for Crescendo Charter Academy) Recommends the approval of the charter renewal for Crescendo Charter Academy for 5 years to serve 210 students in grades K-5 located at 13000 South Van Ness Avenue in the City of Gardena, with specific conditions.

5. Board of Education Report No. 189 – 10/11 **PUBLIC HEARING ADOPTED AS AMENDED**
Innovation and Charter Schools Division **(Replaced action proposed in the report with, "approve the initiation of the revocation process for all Crescendo Charter Schools.")**
(Renewal of the Charter for Crescendo Charter Conservatory) Recommends the approval of the charter renewal for Crescendo Charter Conservatory for 5 years to serve 260 students in grades K-5 located at 2506 West Imperial Highway in the City of Hawthorne, with specific conditions.

6. Board of Education Report No. 190 – 10/11 **PUBLIC HEARING ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Renewal of the Charter for Excel Academy) Recommends the approval of the charter renewal for Excel Academy for 5 years to serve 340 students in grades 6-8 located at 1855 North Main Street in the City of Los Angeles, with specific conditions.

7. Board of Education Report No. 191 – 10/11 **PUBLIC HEARING ADOPTED AS AMENDED**
Innovation and Charter Schools Division **(Amended to have an annual review presented to the Board)**
(Renewal of the Charter for Los Feliz Charter School for the Arts) Recommends the approval of the charter renewal for Los Feliz Charter School for the Arts for 5 years to serve 520 students in grades K-6 located at 2709 East Media Center Drive, in the City of Los Angeles, with specific conditions.

8. Board of Education Report No. 192 – 10/11 **PUBLIC HEARING ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Renewal of the Charter for New Heights) Recommends the approval of the charter renewal for New Heights for 5 years to serve 450 students in grades K-8 located at 4126 Arlington Avenue and at 2202 and 2204 West Martin Luther King Jr. Boulevard in the City of Los Angeles, with specific conditions.

9. Board of Education Report No. 193 – 10/11 **PUBLIC HEARING** **ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Renewal of the Charter for Triumph Academy) Recommends the approval of the charter renewal for Triumph Academy for 5 years to serve 336 students in grades 6-8 located at 919 8th Street in San Fernando, with specific conditions.

10. Board of Education Report No. 194 – 10/11 **PUBLIC HEARING** **ADOPTED**
Innovation and Charter Schools Division
(Denial of the Renewal of the Charter for Wisdom Academy for Young Scientists) Recommends the denial of the renewal petition for Wisdom Academy for Young Scientists to serve 520 students in grades K-5 located at 706 East Manchester Avenue and at 8778 South Central Avenue in the City of Los Angeles, and the adoption of the Findings of Fact.

11. Board of Education Report No. 195 – 10/11 **PUBLIC HEARING** **ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Denial of the Charter Petition for Albert Einstein) Recommends the denial of a charter petition for Albert Einstein to serve 546 students in grades K-6 with a proposed location in City of Van Nuys, and the adoption of the Findings of Fact.

12. Board of Education Report No. 196 – 10/11 **PUBLIC HEARING** **ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Denial of the Charter Petition for Scholars Pathway) Recommends the denial of a charter petition for Scholars Pathway to serve 260 students in grades K-5 grade with a proposed location in the Crenshaw High School area, and the adoption of the Findings of Fact.

13. Board of Education Report No. 197 – 10/11 **PUBLIC HEARING** **ADOPTED**
Innovation and Charter Schools Division
(Approval of the Issuance of Notice of Violations to Cornerstone Prep Charter School Pursuant to Education Code Section 47607(d)) Recommends the approval of the issuance of a Notice of Violations pursuant to Education Code Section 47607 (d) to Cornerstone Prep Charter School.

14. Board of Education Report No. 198 – 10/11 **PUBLIC HEARING** **ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Approval of Waiver Request to the State Board of Education for Vaughn Next Century Learning Center) Recommends the approval of the submission of a waiver request to the State Board of Education on behalf of Vaughn Next Century Learning Center, an independent conversion charter school to waive two portions of California Education Code concerning the State Testing Apportionment Information Report Deadline Waiver.

15. Board of Education Report No. 215 – 10/11 **ADOPTED BY CONSENT VOTE**
Innovation and Charter Schools Division
(Establishment of Pilot School: Science, Technology, Engineering and Math (STEM) Academy) Recommends the Establishment of Science, Technology, Engineering and Math (STEM) Academy as a pilot high school at Helen Bernstein High School with the designation as Predominantly Hispanic, Black, Asian, and Other Non-Anglo (PHBAO).

16. Board of Education Report No. 208 – 10/11 **ADOPTED**
Facilities Services Division
(Amend the Existing Facilities and New Construction Strategic Execution Plans to Define and Fund the Jordan High School Redevelopment Project) Recommends an amendment to the Existing Facilities and New Construction Strategic Execution Plans to define the Jordan High School Redevelopment Project and include it in the Capital Improvement Program Reserve and allocate local bond funds to the Jordan High School Redevelopment Project.

17. Board of Education Report No. 209 – 10/11 **ADOPTED BY CONSENT VOTE**
Facilities Services Division
(Amendment to the New Construction Strategic Execution Plan to Approve Capital Improvement Program Reserve Funded Projects for 11 School Sites in Board District 4) Recommends approval of the amendment to the New Construction Strategic Execution Plan to approve priority projects for 10 school sites in Board District 4, to be funded by the Capital Improvement Program Reserve in the amount of $6,865,662.

18. Board of Education Report No. 210 – 10/11 **ADOPTED BY CONSENT VOTE**
Facilities Services Division
(Resolution Approving the Use of the California Education Code 17250 Project Delivery Method for the Fremont High School Redevelopment Project) Recommends adoption of resolution approving the use of a design-build project delivery method for the Fremont High School Redevelopment project and authorization for District staff to take necessary actions prior to Board approval of a design-build contract.

19. Board of Education Report No. 211 – 10/11 **ADOPTED BY CONSENT VOTE**
Facilities Services Division
(Resolution Approving the Use of the California Education Code 17250 Project Delivery Method for the Jordan High School Redevelopment Project) Recommends adoption of resolution approving the use of a design-build project delivery method for the Jordan High School Redevelopment project and authorization for District staff to take necessary actions prior to Board approval of a design-build contract.

Board Member Resolution for Action

ADOPTED BY CONSENT VOTE

20. Ms. García, Ms. Galatzan and Dr. Vladovic – Resolution to Support Placing a Revenue Extension Measure on the Ballot (Waiver of Board Rule 72)

Whereas, Governor Brown's 2011-12 budget proposal attempts a more balanced approach to solving the state's budget deficit, employing both revenues and reductions and providing for an extension of temporary revenues to support programs our students need and deserve;

Whereas, Over the last several years, K-12 education funding has been deeply impacted by a disproportionate share of state budget cuts;

Whereas, State and local funding for schools have been cut by more than $18 billion, or about $1,900 per student in the last three years;

Whereas, The District has lost $1.5 billion in state funding over the past three years;

Whereas, The loss of $7 billion in one-time federal funding means additional cuts to school budgets statewide;

Whereas, To begin to reverse this downward spiral, Californians must retain the revenues that enable us to invest in our schools and students;

Whereas, The governor's budget proposal to limit further cuts to schools in 2011-12 is dependent on voter approval of an extension of existing temporary tax increases;

Whereas, A ballot measure to extend temporary revenues will help prevent further cuts to schools, and without this extension the California Legislative Analyst Office reports that funding for schools would fall by as much as $5 billion;

Whereas, The District expects our local legislators to work with the governor to protect schools from further cuts and to ensure the continued investment our students deserve; and

Whereas, The District opposes a cuts-only budget and supports a budget that is balanced with a combination of reductions and revenues; now therefore, be it

Resolved, That the Governing Board of the Los Angeles Unified School District supports placing a measure on the June 2011 ballot calling for a five-year revenue extension to protect our schools and students by making education a priority in our state.

Announcements

Bond Oversight Committee Update ..... Mr. David Crippens

Adjournment

Please note that the Board of Education may consider at this meeting any item referred from a Board Meeting five calendar days prior to this meeting (Education Code 54954.2(b)(3)).

The Board of Education may also refer any item on this Order of Business for the consideration of a committee or meeting of the Board of Education.

Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to the Board Secretariat in person or by calling (213) 241-7002.

Individuals wishing to speak at a Board meeting must sign up at the meeting. There will be no sign ups in advance of the meeting. Speakers must sign up prior to the item being acted upon by the Board. Speakers should plan to arrive early as items with no speakers may be acted on at the beginning of the meeting.

If you or your organization is seeking to influence an agreement, policy, site selection or any other LAUSD decision, registration may be required under the District's Lobbying Disclosure Code. Please visit www.lausd.net/ethics to determine if you need to register or call (213) 241-3330.

Materials related to an item on this Order of Business distributed to the Board of Education are available for public inspection at the Security Desk on the first floor of the Administrative Headquarters, and at: www.laschoolboard.org/03-01-11SpclBd.

Items circulated after the initial distribution of materials are available for inspection at the Security Desk.

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Subject: LAUSD Final Offers

From: Anne Lee (ALee@calcharters.org)

To: Legal@calcharters.org;

Date: Thursday, April 7, 2011 5:05 PM

CONFIDENTIAL; ATTORNEY-CLIENT PRIVILEGED; ATTORNEY WORK PRODUCT

Greetings, LAUSD Prop. 39 Applicants!

As you all know, LAUSD was required to provide all eligible Prop. 39 applicants with final notifications of facilities, or final offers, for the 2011-12 school year by April 1, 2011. We are aware that 71 schools received final offers. Charter schools must notify LAUSD whether or not they intend to occupy the offered space no later than May 1, 2011. To that end, CCSA's Legal Advocacy Team would like to provide you with some assistance as you review your final offers. As part of our advocacy efforts directed at increasing the number of Prop. 39 seats available to charter schools, we request that you take the following actions as soon as possible:

Charter School Prop. 39 Applicant Action Plan:

1. Review the Offer Criteria Checklist to Understand What You are Entitled to Receive.

Review the attached memo to guide you as you review your final offer. We also circulated this memo after preliminary offers were issued. In addition, please review the Initial Thoughts on Final Offers section outlined below in this message. Please do not circulate these documents or this e-mail outside of your organization, as they may be privileged and confidential.

2. Discuss Your Final Offer with One of Our Attorneys.

Please make yourselves available for a member of our legal team to call you in the next

week or two to discuss with you the details of your offer. It would be helpful if you have reviewed the attached memo in advance of this call. We anticipate that the call will take around 20 minutes, but may take more or less time depending on the number of requests you have made, offers you have received, and questions that you may have in regards to your offers. **There is no charge to you for this service.**

3. **Accept or Reject your Facilities Offer by May 1, 2011.**

Prepare your response to LAUSD no later than May 1, 2011 (if legal counsel is not already drafting this for you). We suggest using one of CCSA's May 1 LAUSD template response letters, attached. One template is for rejection of space and the other is for acceptance of space, so please make sure you use the correct template! We have modified our statewide templates to address particular issues we have identified in LAUSD's final offers, including those set forth below. We encourage you to carefully review the templates and tailor them as appropriate. There is another attached template response letter to use in the event that you did not receive a final offer and you believe that you remain eligible for a Prop. 39 facilities allocation.

4. **Send In Your May 1 Responses to the Legal Advocacy Team.** Please send copies of any correspondence you send to the District to CCSA's Legal Advocacy Team at legal@calcharters.org.

Initial Thoughts on Final Offers for You To Consider:

The Legal Advocacy Team has had the opportunity to review some of LAUSD's final offers and notes the following points for your to consider.

1. **Pro rata share calculations:** The District's facilities cost calculation continues to include line items not allowed under Prop. 39, including but not limited to District-imposed custodial/maintenance (RRGM). These are ongoing maintenance items which are the responsibility of the school under the Prop. 39 regulations. Our template letters discuss how to respond to these extraneous line items.

2. **Site Visits:** Many of the final offers state that LAUSD will not allow site visits of the

offered campuses, citing staffing and budgetary constraints. CCSA's Legal Advocacy Team is working to obtain schools' access to inspect their offered campuses. As you all know, charter schools must have the ability to tour their offered campuses in order to meaningfully assess their offers, determine if the spaces offered are suitable for their needs, and negotiate a cost reduction resulting from declined, unused square footage.

3. **Shared space:** LAUSD is offering shared specialized classroom and non-classroom space, but then states that access to such space "to the extent available." Districts are required under Prop. 39 to *make available* such spaces to charter schools, not simply provide them with leftover, unused space. Please review each of these allocations of specialized classroom and non-classroom space to determine which of these allocations you will use based on your education program and unique programmatic needs, and to reiterate your entitlement to such space. There is also still time to request an increased proportionate share of certain space, or to indicate which spaces, if any, you will likely not be using. Further refining your shared space allocation should result in a more accurate pro rata share charge. Hopefully, if charter schools have access to tour the offered campuses, they will be more informed when making these decisions.

4. **Disclosures in Exhibit C:** The offers still attach disclosures which contradict terms of LAUSD's existing facilities use agreement ("FUA"), which could potentially severely restrict charter schools' use of their campuses. Specifically, the Civic Center disclosure does not allow for prior consent by the charter school before a Civic Center Act permit is issue for use of the campus. The current version of LAUSD's FUA specifically gives charter schools this right. Additionally, the disclosures state that the use of the campus is subject to the "Beyond the Bell program" and take priority over charter school activities in shared spaces, and that charter schools' use of the campus is subject to any third party leases or licenses given for use of the campus. Charter schools' right to their offered campuses under Prop. 39 cannot be restricted or undermined in this fashion. We recommend that you strongly object to these restrictions. It appears that LAUSD has attempted to modify these disclosures since the preliminary offers were issued, but they are still problematic.

5. **Calculation of Square Footage; Allocation of Space:** There is no documentation in the preliminary proposals or final offers to support the square footage in LAUSD's calculations. We recommend that schools request the exact square footage at their campuses, as well as a description of the non-classroom space and specialized classroom space to which they will have access. If schools are able to visit their offered facilities, they should consider taping the actual square footage of classrooms and other space allocated to them to ensure that the square footage is accurate.

6. **Distant and Non-Contiguous Offers:** We note that several offers still allocate facilities in multiple sites and/or are distant from where charter schools requested space. We do not believe that LAUSD is justified in making such offers, and we believe that these offers do not comply with Prop. 39. Our templates provide guidance on how to respond to non-contiguous and distant offers.

We appreciate your continued cooperation and communication with us throughout this Prop. 39 cycle, especially as we continue to seek enforcement of LAUSD's compliance with Prop. 39. Please do not hesitate to contact the Legal Advocacy Team if you have any questions.

Best regards,

Anne Lee

Senior Legal Counsel

California Charter Schools Association

250 E. 1st St., 10th floor

Los Angeles, CA 90012

office (213) 244-1446 x230

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alee@calcharters.org

California charters are closing the achievement gap between low-income and affluent students. That's one of the key findings in CCSA's first annual ***Portrait of the Movement*** *report, which details charter school academic performance and provides a framework for CCSA to press for increased accountability. For a copy of the report and information*

about CCSA's advocacy efforts on accountability, as well as to access information on the performance of individual charter schools, please visit www.calcharters.org/portraitofthemovement.

This message contains information which may be confidential and privileged. Moreover, this message may contain information protected by the attorney-client privilege and/or attorney work-product doctrine and/or other privileges and/or rights of privacy. Unless you are the intended addressee (or authorized to receive confidential correspondence for the addressee), you may not use, copy, circulate or disclose to anyone the message or any information contained therein. If you have received the message in error, please advise the sender by reply e-mail at alee@calcharters.org. In addition, please delete the message and destroy any printed copies of the same.

To ensure compliance with requirements imposed by the Internal Revenue Service (IRS), California Charter Schools Association and its affiliates inform you that, if any advice concerning one or more U.S. Federal tax issues is contained in this communication, such advice is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

CCSA California Charter Schools Association

250 East 1st Street, Suite 1000 • Los Angeles, CA 90012 • p 213-244-1446 • f 213-244-1448 • www.calcharters.org
1107 Ninth Street, Suite 200 • Sacramento, CA 95814 • p 916-448-0995 • f 916-448-0998 • www.calcharters.org

CONFIDENTIAL; ATTORNEY-CLIENT PRIVILEGED; ATTORNEY WORK PRODUCT; DO NOT CIRCULATE

TO: **CCSA Members in Los Angeles**

FROM: **CCSA Legal Advocacy Team; James L. Arnone, Esq.**

DATE **January 27, 2011**

SUBJECT: **PROP. 39 PRELIMINARY PROPOSAL AND FINAL NOTIFICATION CRITERIA**

CCSA has developed the follow checklist to assist you in analyzing wither your preliminary facilities proposal and your final notification of space from your school district comply with Prop. 39 and its regulations. The first and second parts recite the minimum components required in a preliminary proposal and a final notification under the Prop. 39 regulations, respectively. The third part enumerates additional requirements for Prop. 39 facilities offers generally. If the answers to all questions below are "Yes," then the preliminary proposal and final notification of space comply with Prop. 39. Please do not hesitate to contact a member of CCSA's Legal Advocacy Team if you have questions about these criteria.

1. **Minimum Components of a Preliminary Proposal** (set forth in Prop. 39 Implementing Regulations at 5 Cal. Code Regs. Section 11969.9(f)):
   a. Prepared in writing on or before February 1? (11969.9(f))
   b. Includes projections of in-district classroom ADA on which the proposal is based? (11969.9(f)(1))
   c. Includes the specific location or locations of the space? (11969.9(f)(2))
   d. Includes all conditions pertaining to the space, including a draft of any proposed agreement pertaining to the charter school's use of the space? (11969.9(f)(3))
   e. Includes the projected pro rata share amount and a description of the methodology used to determine that amount? (11969.9(f)(4))
   f. Includes a list and description of the comparison group schools used in developing its preliminary proposal? (11969.9(f))
   g. Includes a description of the differences between the preliminary proposal and the charter school's facilities request? (11969.9(f))

2. **Minimum Components of a Final Notification of Space** (set forth in Prop. 39 Implementing Regulations at 5 Cal. Code Regs. Section 11969.9(h)):
   a. Prepared in writing on or before April 1? (11969.9(h))
   b. Includes a response to the school's concerns and/or counter-proposals, if any? (11969.9(h))
   c. Identifies teaching stations, both exclusive and shared? (11969.9(h)(1))
   d. Identifies specialized classroom space, both exclusive and shared? (11969.9(h)(1))
   e. Identifies non-teaching space, both exclusive and shared? (11969.9(h)(1))
   f. For shared space, identifies arrangements for sharing space? (11969.9(h)(2))
   g. Includes assumptions of in-district classroom ADA on which allocation is based? (11969.9(h)(3))
   h. Includes an explanation of reasons for difference, if any, between charter school's and district's ADA projections? (11969.9(h)(3))
   i. Includes the specific location or locations of the space? (11969.9(h)(4))
   j. Includes all conditions pertaining to the space? (11969.9(h)(5))
   k. Includes the projected pro rata share amount? (11969.9(h)(6))

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l. Includes a payment schedule for the pro rata share amount, which must take into account the timing of revenues from the state and local property taxes? (11969.9(h)((7))

3. **General Compliance of Preliminary and Final Proposals with Prop. 39:**

a. **Sufficient Classroom Space:** Does the proposal make available facilities sufficient for the charter school to accommodate all of the charter school's in-district students? (Ed. Code Section 47614(b))

b. **Conditions:** Are the conditions of the proposal facility reasonably equivalent to those in which the students would be accommodated if they were attending other public schools of the district? (Ed. Code Section 47614(b))

c. **Location:** Has the district made reasonable efforts to provide the charter school with facilities near to where the charter school wishes to locate? (Ed. Code Section 47614(b))

d. **Move Unnecessarily:** If the proposal would require that the charter school move, does the district adequately demonstrate that such a move is necessary? (Ed. Code Section 47614(b))

i. **Conversion Site—SBE waiver obtained for move?**

e. **Contiguity:** Are the offered facilities contiguous (contained on the school site or immediately adjacent to the school site) (Ed. Code Section 47614(b))?

i. If the proposal does not accommodate a charter school at a single school site, has the district's governing board made a finding that the charter school could not be accommodated at a single site and adopted a written statement of reasons explaining the finding? (11969.2(d))

f. **Furnished:** Are the offered facilities furnished and equipped? (Ed. Code Section 47614(b))

g. **Capacity:** Are the facilities being made available in the same ratio of teaching stations (classrooms) to ADA as those provided to students in the school district attending comparison group schools? (11969.3(b)(1)))

h. **Specialized Classroom Space:** Does the space allocation include a share of the specialized classroom space and/or a provision for access to reasonably equivalent specialized classroom space (as described in the regulations)? (11969.3(b)(2))

i. **Non-Classroom Space:** Does the space allocation include a share of the non-classroom space and/or a provision for access to reasonably equivalent non-classroom space (as described in the regulations)? (11969.3(b)(3))

j. **Maintenance/Operations:** Will the school be allowed to conduct its own ongoing operations and maintenance of facilities and furnishings and equipment? (11969.4)

k. **Pro Rata Share:** Does the pro rata share include only those facilities costs allowed under the regulations? (See Section 11969.7 of the Implementing Regulations for description of allowed costs.)

l. **Oversight Fee:** If the district is charging a pro rata share, is the oversight cost limited to the district's actual costs of supervisorial oversight of the charter school not exceeding 1% of the school's revenue? (11969.7(f))

m. **Reasonable ADA Projections:** Is the proposal based on reasonable ADA projections (either the school's reasonable projections, or the district's modified reasonable projections)? (11969.9(b))

n. **Facilities Use Agreement ("FUA"):**

i. Is the district allowing the parties to negotiate the FUA? (11969.9(k))

ii. Will the school district maintain first party property insurance for the facilities allocated to the charter school? (11969.9(k)(1))

iii. Does the FUA include a reciprocal hold harmless/indemnification provision? (11969.9(k)(3))

iv. Will the school district be responsible for any modifications necessary to maintain the facility in accordance with Education Code section 47610(d) or 47610.5. (Building Code, Field Act)? (11969.9(k)(4))

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

APPROVED
LOS ANGELES COUNTY
BOARD OF EDUCATION

JUN 07 2011

BY: [signature]
Ex Officio Secretary

*approved with conditions See attached minutes

Board Meeting – June 7, 2011

Item VI. Recommendations

C. Action on the *Wisdom Academy for Young Scientists Charter School* on appeal of non-renewed Petition by the Los Angeles Unified School District Board of Education

The Interim Superintendent recommends that the Los Angeles County Board of Education (County Board) adopt the revised June 7, 2011 Findings of Fact and the May 10th Report in Support of Denial (Attachments 1 and 2), and take action to deny the charter petition for *Wisdom Academy for Young Scientists Charter School*, received on appeal following denial by the Los Angeles Unified School District Board of Education.

California Education Code Section 47605(b) requires that the County Board evaluate the petition according to the criteria and procedures established in law and may only deny a petition if it provides written findings addressing the reasons for the denial. Denial of a petition is limited to the following reasons, as stipulated by Education Code:

(1) The charter school presents an unsound educational program

(2) The petitioners are demonstrably unlikely to successfully implement the program

(3) The petition does not contain the required number of signatures

(4) The petition does not contain an affirmation of specified assurances

(5) The petition does not contain reasonably comprehensive descriptions of the 16 required elements of a charter

A summary of the Finding of Fact supporting the denial of the Wisdom Academy for Young Scientists Charter School petition is as follows:

Finding 1: Under *EC* section 47605(b)(1), the charter school presents an unsound educational program

The educational program is unsound for specific subgroups of students as described under required Element 1: Description of the Educational Program; Element 2: Measurable Student Outcomes; and Element 3:

ACTION ON THE BUILDING BRIDGES INTERNATIONAL CHARTER SCHOOL APPEAL OF A PETITION PREVIOUSLY DENIED BY CULVER CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

The Interim Superintendent recommended that the Los Angeles County Board of Education adopt the findings of fact in the report as revised and take action to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education.

It was **MOVED** by Dr. Turrentine and **SECONDED** by Mrs. Holt to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education. Discussion followed.

Speaking in support of Building Bridges International Charter School were Dr. Powell, Dr. Hocevar, Dr. Hasan, and Ms. Janelle Ruley.

Mr. Boyd requested definitive information in writing on whether the County Board is allowed to accept and approve a charter petition with material changes or not.

A roll call vote to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education was taken. Voting yes were Ms. Braude, Mrs. Holt, Mr. Saenz, and Dr. Turrentine. Voting no were Mr. Boyd and Ms. Yepes.

The motion **CARRIED** to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education.

ACTION ON THE WISDOM ACADEMY FOR YOUNG SCIENTISTS CHARTER SCHOOL ON APPEAL OF A NON-RENEWED PETITION BY THE LOS ANGELES UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

The Interim Superintendent recommended that the Los Angeles County Board of Education adopt the revised June 7, 2011 findings of fact and the May 10, 2011 report in support of denial, and take action to deny the charter petition for Wisdom Academy for Young Scientists Charter School, received on appeal following denial by the Los Angeles Unified School District Board of Education.

Speaking in support of Wisdom Academy for Young Scientists Charter School was Mr. Mickey L. Cureton.

It was **MOVED** by Mr. Boyd and **SECONDED** by Mrs. Holt to reject the Interim Superintendent's recommendation to deny the charter petition, and to grant renewal of the charter for Wisdom Academy for Young Scientists Charter School. Discussion followed.

Mr. Saenz is concerned about the conflicts of interest and whether the changes that have been made are permanent. He would like to make sure that LACOE has in writing a clear indication that those changes need to be permanent and if there is any departure from the permanence of those changes it would be grounds for revocation for this charter. He also requested that there be

a condition not to employ the previous Executive Director until any and all allegations of conflict of interest have been resolved in her favor.

Mrs. Holt requested that the following also be included in the motion: that Wisdom Academy for Young Scientists will comply with California's conflict-of-interest laws.

Mr. Boyd accepted the amendments to the motion from Mr. Saenz and Mrs. Holt.

Mr. Saenz stated that the motion is to approve the charter school renewal subject to the condition that the current Executive Director be contracted for two years, that the former Executive Director not be employed by or at the charter school until such time, if any, that the allegations of conflict of interest have been resolved fully in her favor, and that the school comply with all California conflict-of-interest laws.

Mr. Boyd and Mrs. Holt agreed to the amended motion.

Ms. Jan Isenberg, Project Director III, Charter School Office, stated that if the County Board moves to approve the charter, the Interim Superintendent recommended that the County Board incorporate the following provisions in its approval action. If authorized, recommended conditions for approval are: Term of the charter begins July 1, 2011 and runs through June 30, 2016 contingent upon the following conditions:

By June 30, 2011, Wisdom Academy shall submit to the Charter School Office the signed LACOE Monitoring and Oversight Memorandum of Understanding following the approval by the Wisdom governing board; shall submit changes to reflect the County Board as the authorizer; and complete and submit an application to a Special Education Local Plan Area (SELPA). The petitioner will notify LACOE Charter School Office in writing to which SELPA the application was made.

A roll call vote to approve the petition for renewal subject to the conditions presented was taken. Voting no were Ms. Braude and Dr. Turrentine. Voting yes were Mr. Boyd, Ms. Yepes, Mrs. Holt, and Mr. Saenz. The motion **CARRIED.**

HEARINGS

3:15 P.M. PUBLIC HEARING ON 2008-2011 LACEA COLLECTIVE BARGAINING TENTATIVE AGREEMENT FOR THE PERIODS 2008-2009, 2009-2010, AND 2010-2011
In compliance with the collective bargaining agreement public disclosure requirements set forth in Government Code section 3547.5 (a), the Office entered into a 2008-2011 Tentative Agreement with Los Angeles County Education Association (LACEA).

The purpose of the public hearing was to receive comments from the public, if any, to the 2008-2011 Tentative Agreement with LACEA.

There was no public comment.

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Century Blvd
Los Angeles, CA 9001

Governing Board Meeting

600 PM

The Wisdom Academy for Young Scientists Charter School governing board was called to order by the President, Loretta McDonald, at 6:43 PM

B. All members and guests stood and saluted the flag
C. **Roll Call: Present** Edward Cabil, Jonathan Fields, Kandee Lewis, Alex Love, Loretta McDonald, Oliver Ortega, Cathy Roby, Tamara Smith, Adell Walker, Dorothy Valenti
Absent Karen Haynes
Others in Attendance Bali Business Management, Michael Cureton, Alake Watson

II. There were no additions to the agenda

III. The minutes of the April 30, 2011 meeting were read by the Secretary, Adell Walker, and should support the changes stipulated by the board. It was properly moved by Tamara Smith to accept minutes with corrections and seconded by Ed Cabil –motion carried

IV. **Communications None**
V. **Board Report** WAYS' board secretary gave a summary of the LACOE charter appeal process indicating a letter was submitted to LACOE addressing the findings of facts re: program implementation, governance, and conflict of interest. Full Response to LACOE's Board Interim President, Jon Gundry, can be found in the document sent to LACOE May 9, 2011
Property Investment Opportunities: Mr. Baron Jones is investigating the opportunities of investment bankers/brokers/capitalists coming in and partnering with the school to possibly adopt the school for the purpose of remodeling/rebuilding/upgrading building. Further talks, dialogue pending charter appeal decision.
Corrective Action Plan President McDonald reported Purpose of the Corrective Action Plan is to Cure the Conflict of Interest (COI) in reference to government code 1090 as it pertains to the Executive Director owning property on which Wisdom Academy for Young Scientists (WAYS) is located. The complete document can be reviewed by contacting the secretary or main office.

Parent/Teacher Student Report
Parent Council Report The PC met on June 2 to discuss the LACOE hearings and meetings. Parents were encouraged to show up to support the WAYS Charter renewal. The parents of WAYS have concerns and ideas they would like to see embraced by the administration. Some of the activities the Council is involved in consist of:

- Book Fair
- Volunteer

- Drill Team

PC needs more support from parents in the school village and is asking for assistance in outreach. The PC asked questions re: the funds raised as a result of the Book Fair, ($1,874 – goal $1,500) Raffle Tickets ($95.00), Sodas sale ($67.00). Total funds in PC account $8,000. PC wanted to know is there a (checking account) for the Parent Council? If there is not an account one is being requested. The class that raised the most money received a class reward of an Ice Cream Party. Parents additionally express concern re: communication from school in a timely manner and the possibility of summer school.

Executive Director's Report

The school is gearing up for STAR testing. Teachers, students, parents are concerned and anxiously awaiting the word from th3e county re: the WAYS charter appeal. Students are prepared to testify before the board and many have written statements, paragraphs addressing "why" WAYS should be approved. Students and teachers are supportive of the school remaining a viable source of quality education in the So Los Angeles community. LACOE hearing report (see document written by Michael Cureton) housed in secretary documents binder. Prop #39 (where will the students be housed?) 520 is the number in the charter. Question—can we get students at another site? Need a marketing campaign to attract students, families and teachers.

Principal's Report State of the school is solid—teachers received profession staff development training from Dr. Kennedy in areas of Assessment, Instruction (teaching), Curriculum, CA Standards, Classroom Environment, Student Behavior. PSD was timely, interactive and meaningful. LACOE's hearing status pending board requests, meeting June 7, 2011.

Business & Finance Bali Business Management gave financials re cash flow, income statement, balance, budget vs. actual and other financial matters. Total current assets: $1,088,819 –the school is financially sound. Full report can be reviewed upon request.

Review of Documents for Submittal to LACOE—packet/book compiled by President McDonald, Secretary, Adell Walker, Principal Alake Watson, and Executive director, Michael Cureton. Board reviewed the submissions and approved for submission.

Action Items

Approval of Prop #39—Not Approved
Approval of Corrective Action Plan –Approved

Installation of New Board Officers/Members: board officers were given the Oath of Office and each officer, President-Alex Love; Vice President-Kandee Lewis; Secretary-Dorothy Valenti; Treasurer-Cathy Roby each accepted duties and responsibilities of the office held by raising right hand and swearing to abide.

Transition of leadership will take place July 1, 2011.
Meeting was adjourned at 9:40 PM

Respectfully submitted

Adell Walker-Secretary

_____ _____
Adell Walker, Secretary Date:

_____ _____
Loretta McDonald, President Date:

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Innovation and Charter Schools
LOS ANGELES UNIFIED SCHOOL DISTRICT
333 South Beaudry Avenue, 25th Floor
Los Angeles, CA 90017
Charter: (213) 241-2487 ♦ iDesign: (213) 241-5104 ♦ Fax: (213) 241-4710

JOHN E. DEASY, PH. D.
Superintendent

MATT HILL
Chief Strategy Officer

JOSÉ COLE-GUTIÉRREZ
Director, Charter Schools

July 6, 2011

Mickey L. Cureton, Executive Director
Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

RE: PROPOSITION 39 FACILITIES BACK OUT NOTIFICATION

On July 1, 2011, the Los Angeles Unified School District ("District") received from Wisdom Academy for Young Scientists ("Charter School") unilateral notification that it will not occupy the District-offered space at 122nd Street ES or Figueroa EL School ("Facilities") as it previously accepted on April 1, 2011, pursuant to Proposition 39 for the 2011-12 school year.

Based on Charter School's recent representation it will not occupy the Facilities, the District will not incur any additional costs (including, but not limited to, acquiring furniture and equipment, reorganizing the campus, and making improvements and modifications to the Facilities) to accommodate Charter School. The Facilities will be used for District programs, and Charter School will not be entitled to any use of the Facilities for the 2011-12 school year.

Notwithstanding the foregoing, the District reserves all of its rights pursuant to 5 C.C.R. section 11969.9(i), and otherwise, based on Charter School's prior acceptance of the District-offered space at the Facilities.

Sincerely,

José Cole-Gutiérrez
Director, Charter Schools

c: Sean Jernigan

EXHIBIT

28

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

THE LANDLORD AND TENANT AGREE TO LEASE THE PREMISES AT THE RENT RATED AND FOR THE TERM STATED IN THIS CONTRACT

LANDLORD;
ELDER T. TURNER
12939 HANWELL AVE.
DOWNEY, CA 90242

TENANT;
WISDOM ACADEMY FOR YOUNG SCIENTIST
706 EAST MANCHESTER AVE.
LOS ANGELES, CA 90062

PREMISES: 714 EAST MANCHESTER AVE., LOS ANGELES, CALIFORNIA 90001

LEASE DATE: DECEMBER 1, 20 12 **TERM** 5 Y. **BEGIN** DECEMBER 1, 20 17

END DECEMBER 1 20 17 **WITH (5) FIVE YEARS OPTIONS**

YEARLY	RT._____
FIRST MONTHLY	RT. 1750.00
SECURITY	RT. $ NONE
LAST MONTH	RT. $ NONE

1. USE: THE PREMISES MUST BE USED BY TENANT AND FOR NO OTHER REASON ONLY AS THE PARTY SIGNING THIS LEASE TANANT.. MAY USE PREMISES.

2. FAILURE TO GIVE POSSESSION: LANDLORD SHALL NOT BE LIABLE FOR FAILURE TO GIVE TENANT POSSESSION OF THE BEGINNING DATE TERM RENT SHALL BE PAYABLE AS OF THE BEGINNING OF THE TERM UNLESS LANDLORD IS UNABLE TO GIVE POSSESSION. IN THAT CASE, RENT SHALL BE PAYABLE WHEN POSSESSION IS AVAILABLE. LANDLORD WILL NOTIFY TENANT AS TO THE DATE POSSESSION IS AVAILABLE THE ENDING DATE OF THE TERM WILL NOT CHANGE.

3. RENT, ADDED RENT: THE RENT PAYMENT FOR EACH MONTH MUST BE PAID ON THE FIRST DAY OF THAT MONTH AT LANDLORD'S ADDRESS ABOVE. LANDLORD NEED NOT GIVE NOTICE TO PAY THE RENT RENT MUST BE PAID IN FULL AND NO AMOUNT SUBTRACTED FROM IT THE FIRST MONTH'S RENT IS TO BE PAID WHEN TENANT SIGNS THIS LEASE. TENANT MAY BE REQUIRED TO PAY OTHER CHARGES TO LANDLORD UNDER THE TERMS OF THIS LEASE THEY ARE TO BE CALLED "ADDED RENT." THIS ADDED RENT IS PAYABLE AS RENT, TOGETHER WITH THE NEXT MONTHLY RENT DUE. IF TENANT FAILS TO PAY THE ADDED RENT ON TIME, LANDLORD SHALL HAVE THE SAME RIGHTS AGAINST TENANT AS IF IT WERE A FAILURE TO PAY RENT. THE WHOLE AMOUNT OF RENT IS DUE AND PAYABLE WHEN THIS LEASE IS EFFECTIVE. PAYMENT OF RENT IN INSTALLMENTS IS FOR TENANT'S CONVENIENCE ONLY. IF TENANT DEFAULTS, LANDLORD MAY GIVE NOTICE TO TENANT THAT TENANT MAY NO LONGER PAY RENT IN INSTALLMENTS. THE ENTIRE RENT FOR THE REMAINING PART OF THE TERM WILL THEN BE DUE AND PAYABLE

4. NOTICES: ANY BILL, STATEMENT OR NOTICE MUST BE IN WRITING AND DELIVERED OR MAILED TO THE TENANT AT THE PREMISES AND TO THE LANDLORD AT THE ADDRESS FOR NOTICES. IT WILL BE CONSIDERED DELIVERED ON THE DAY MAILED OR IF NOT MAILED, WHEN LEFT AT THE PROPER ADDRESS. ANY NOTICE MUST BE SENT BY CERTIFIED MAIL. LANDLORD MUST SEND TENANT WRITTEN NOTICE IF LANDLORD CHANGES THE ADDRESS FOR NOTICES

5. SECURITY: TENANT HAS GIVEN SECURITY TO LANDLORD IN THE AMOUNT STATED ABOVE. IF TENANT FULLY COMPLIES WITH ALL THE TERMS OF THIS LEASE, LANDLORD WILL RETURN THE SECURITY AFTER THE TERM ENDS. IF TENANT DOES NOT FULLY COMPLY WITH THE TERMS OF THIS LEASE, LANDLORD SELLS THE PREMISES, LANDLORD MAY GIVE THE SECURITY TO THE BUY TENANT AND WILL LOOK ONLY TO THE BUYER FOR THE RETURN OF SECURITY

6. UTILITIES AND SERVICES: TENANT MUST PAY FOR THE FOLLOWING UTILITIES AND SERVICES WHEN BILLED: GAS, WATER, ELECTRICITY, FUEL, TELEPHONE, GARDENING, EXTERMINATING** MAINTENANCE SERVICE CONTRACTS SHALL BE MAINTAINED, CONTINUED AND PAID FOR BY TENANT. THESE CHARGES WILL BE ADDED

7. SPACE "AS IS": TENANT TAKES THE PREMISES " AS IS ". TENANT MAY MAKE IMPROVEMENT TO PREMISES ABIDING BY ALL LOCAL BUILDING CODE AT TENANT'S EXPENSE.

8. CARE OF PREMISES, GROUNDS: TENANT SHALL KEEP THE GROUNDS NEAT AND CLEAN. VEHICLES MAY BE DRIVEN OR PARKED ONLY IN DRIVEWAYS OR IN THE BACKYARD OFF OF ALLEY.

9. REPAIR, ALTERATIONS: TENANT MUST KEEP, AND AT THE END OF THE TERM RETURN THE PREMISES AND ALL EQUIPMENT AND OTHER PERSONAL PROPERTY CLEAN AND IN GOOD ORDER AND REPAIR. IF TENANT DEFAULTS, LANDLORD HAS THE RIGHT TO MAKE REPAIR AND CHARGE TENANT. THE COST WILL BE ADDED TO RENT

10. LIABILITY: TENANT MUST PAY FOR DAMAGES SUFFERED AND MONEY SPENT BY LANDLORD RELATING TO ANY CLAIM ARISING FROM ANY ACT OR NEGLECT OF TENANT. TENANT IS RESPONSIBLE FOR ALL ACTS OF TENANT'S FAMILY, EMPLOYEES, GUESTS AND INVITEES

**ADDED OTHER UTILITIES & SERVICES

11. FIRE, DAMAGE: TENANT MUST GIVE LANDLORD IMMEDIATE NOTICE IN CASE OF FIRE. LANDLORD WILL HAVE THE RIGHT TO REPAIR. IF LANDLORD REPAIRS, TENANT SHALL PAY RENT ONLY TO THE DATE OF THE FIRE AND SHALL START TO RENT AGAIN WHEN PREMISE IS USABLE. LANDLORD MAY CANCEL THE LEASE BY GIVING TENANT THREE (3) DAYS "WRITTEN NOTICE." THE TERM SHALL BE OVER AT THE END OF THE THIRD DAY AND ALL RENT SHALL BE PAID TO THE DATE OF THE FIRE DAMAGE.

12. LATE CHARGES: IN THE EVENT RENT IS NOT PAID WITHIN (5) DAYS AFTER DUE DATE, TENANT AGREES TO PAY A LATE CHARGE OF $175.00 PLUS INTEREST AT 15% PER ANNUM ON THE DELINQUENT AMOUNT. TENANT AGREES FURTHER TO PAY TWENTY-FIVE DOLLARS FOR EACH DISHONORED BANK CHECK.

13. LANDLORD'S CONSENT: IF TENANT REQUIRES LANDLORD'S CONSENT TO ANY ACT AND SUCH CONSENT IS NOT GIVEN, TENANT'S ONLY RIGHT IS TO ASK THE COURT TO FORCE LANDLORD TO GIVE CONSENT. TENANT AGREES NOT TO MAKE ANY CLAIM AGAINST LANDLORD FOR MONEY OR SUBTRACT ANY SUM FROM THE RENT BECAUSE SUCH CONSENT WAS NOT GIVEN.

14. LANDLORD MAY ENTER, KEYS, SIGNS: LANDLORD MAY AT REASONABLE TIME ENTER THE PREMISES TO EXAMINE, TO MAKE REPAIRS OR ALTERATIONS, AND TO SHOW IT TO POSSIBLE BUYERS, LENDERS OR TENANTS. TENANT MUST GIVE LANDLORD KEYS TO ALL LOCKS. LOCKS MAY NOT BE CHANGED OR ADDITONAL LOCKS INSTALLED WITHOUT LANDLORD'S CONSENT. DOORS MUST BE LOCKED AT ALL TIMES. WINDOWS MUST BE LOCKED WHEN TENANT IS OUT. LANDLORD MAY PLACE THE USUAL "FOR RENT" OR "FOR SALE" SIGNS UPON THE PREMISES.

15. COMPLIANCE WITH AUTHORITIES: TENANT SHALL COMPLY WITH ALL STATUTES, ORDINANCES AND REQUIREMENTS OF ALL MUNICIPAL, STATE AND FEDERAL AUTHORITIES NOW IN FORCE, OR IN WHICH MAY HEREAFTER BE IN FORCE, PERTAINING TO THE USE OF THE PREMISES.

16. ATTORNEY'S FEES: IN THE EVENT THAT OWNER SHALL PREVAIL IN ANY LEGAL ACTION BROUGHT BY EITHER PARTY TO ENFORCE THE TERMS HEREOF OR RELATING TO THE DEMISES' PREMISES, OWNER SHALL BE ENTITLED TO ALL COSTS INCURRED IN CONNECTION WITH SUCH ACTION, INCLUDING A REASONABLE ATTORNEY'S FEE.

17. WAIVER: NO FAILURE OF OWNER TO ENFORCE ANY TERM HEREOF SHALL BE DEEMED A WAIVER, NOR SHALL ANY ACCEPTANCE OF A PARTIAL PAYMENT OF RENT BE DEEMED A WAIVER OF OWNER'S RIGHT TO THE FULL AMOUNT THEREOF.

18. ILLEGALITY: IF ANY PART OF THIS LEASE IS NOT LEGAL, THE REST OF THE LEASE WILL BE UNAFFECTED.

19. SUCCESSORS: THIS LEASE IS BINDING ON ALL PARTIES WHO LAWFULLY SUCCEED TO THE RIGHTS TO TAKE THE PLACE OF THE LANDLORD OR TENANT.

20. INSURANCE: TENANT MUST PROVIDE LANDLORD WITHIN NINETY DAYS OF SIGNED LEASE LIABILITY AND FIRE INSURANCE ANNUAL.

21. REPRESENTATIONS, CHANGES IN LEASE: TENANT HAS READ THIS LEASE. ALL PROMISES MADE BY THE LANDLORD ARE IN THIS LEASE. THERE ARE NO OTHERS. THIS LEASE MAY BE CHANGED ONLY BY AN AGREEMENT IN WRITING SIGNED BY AND DELIVERED TO EACH PARTY.

22. PARAGRAPH HEADING: THE PARAGRAPH HEADINGS ARE FOR CONVENIENCE ONLY.

23. EFFECTIVE DATE: THIS LEASE IS EFFECTIVE WHEN LANDLORD DELIVERS TO TENANT.

SIGNATURES AND AGREEMENT: THE PARTIES HAVE ENTERED INTO THIS LEASE ON THE DATE FIRST ABOVE STATED.

THE UNDERSIGNED TENANT HEREBY ACKNOWLEDGES RECEIPT OF COPY HEREOF.

ELDER T. TURNER AGENT NAME	WISDOM ACADEMY FOR YOUNG SCIENTISTS TENANT'S NAME
8845 N. CONGRESS AVE. #527 ADDRESS	706 E. MANCHESTER AVE. ADDRESS
KANSAS CITY, MO 64151 CITY STATE ZIP	LOS ANGELES, CA 90001 CITY STATE ZIP
816-509-4474 PHONE NO.	323-253-0864 TENANT'S PHONE NO.
DATE: DECEMBER 1, 2012	S.S. #
LANDLORD'S SIGNATURE	D1390236 DRIVER'S LICENSE NO.
	TENANT'S SIGNATURE

ELDER
T.
TURNER

12929 HANWELL AVE., DOWNEY, CA 90242 (562) 861-1950

July 8, 2008

To Whom It May Concern;

I, Elder T. Turner, owner of the property on 714 E. Manchester Ave., Los Angeles, CA 90001, give Wisdom Academy for Young Scientists, under the direction of Kendra Okonkwo, permission to use the building for educational purposes under our lease agreement.

Sincerely yours,

Elder T. Turner

THE LANDLORD AND TENANT AGREE TO LEASE THE PREMISES AT THE RENT RATED AND FOR THE TERM STATED IN THIS CONTRACT.

LANDLORD; ELDER T. TURNER
12929 HANWELL AVE.
DOWNEY, CA 90242

TENANT; WISDOM ACADENY FOR YOUNG SCIENTIST
706 EAST MANCHESTER AVE.
LOS ANGELES , CA 90062

PREMISES: 714 EAST MANCHESTER AVE., LOS ANGELES , CALIFORNIA 90001

LEASE DATE: DECEMBER 1, 20 07 **TERM** 5 Y. **BEGIN** DECEMBER 1, 20 07

END DECEMBER 1 20 12 **WITH (5) FIVE YEARS OPTIONS**

YEARLY	RT._____
FIRST MONTHLY	RT. 1450.00
SECURITY	RT. $ NONE
LAST MONTH	RT. $ NONE

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THE UNDERSIGNED TENANT HEREBY ACKNOWLEDGES RECEIPT OF COPY HEREOF.

ELDER T. TURNER	WISDOM ACADEMY FOR YOUNG SCIENTISTS
AGENT NAME	TENANT'S NAME
12929 HANWELL AVE.	706 E. MANCHESTER AVE.
ADDRESS	ADDRESS
DOWNEY, CA 90242	LOS ANGELES, CA 90001
CITY STATE ZIP	CITY STATE ZIP

DATE: NOVEMBER 1, 2007

LANDLORD'S SIGNATURE

FTI # 710919256
S.S. #

N/A
DRIVER'S LICENSE NO.

TENANT'S SIGNATURE

EXHIBIT

29

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Los Angeles County Office of Education

Monitoring and Oversight Memorandum of Understanding[1]

Wisdom Academy for Young Scientists Charter School

Charter Authorization Period: July 1, 2011 – June 30, 2016

INTRODUCTION

The Los Angeles County Board of Education (hereinafter "County Board") is guided by the intent of the legislature, that quality charter schools are and should be an integral part of the California educational system. The County Board believes that charter schools provide an opportunity to implement accountability-based school-level reform, support innovation which improves student learning, and provide choice for parents. Charter schools operate under the provisions of the charter, applicable state and federal laws, and the general oversight of the County Board.

The County Board supports this effort by establishing a defined accountability system for determining the effectiveness of the charter schools it authorizes. Charter schools are public schools; as such, their performance is subject to review and comparison with any other publicly funded school. A charter school's demographic composition should reflect the community it serves and in which it is located.

PURPOSE OF AGREEMENT

The State of California enacted the Charter Schools Act of 1992 authorizing the creation of charter schools with the intent that the schools improve student learning through a variety of means, including increased learning opportunities, innovative teaching methods, expanded choice for parents, and performance-based accountability.

Education Code Section 47605 requires a charter petition need to provide a "reasonably comprehensive description" of the manner in which the school will operate; it is not a comprehensive document. An agreement is a useful tool for clarifying the expectations, operations, and responsibilities of both parties beyond that which is required in the charter but is required for successful operation and monitoring of a charter school.

County Board has established this Monitoring and Oversight Memorandum of Understanding ("Agreement") to address matters not covered in the charter in order to clarify the monitoring and oversight expectations and responsibilities. The Charter School Act allows the County Board to authorize charter schools under specified circumstances and by doing so, becomes the authorizing agency of the charter schools. The County Board has delegated to the County Superintendent of Schools, its obligations to oversee its authorized charter schools under the terms of this Agreement, the provisions of the school's charter, applicable laws, regulations, and County Board Policy and Regulation.

The fundamental interest of the Los Angeles County Office of Education (hereinafter "LACOE") is — on a continuing basis — to be reasonably assured that charter schools authorized by the County Board are:

- Implementing the provisions of the charter as approved
- Adhering to all requirements of federal, state, and local law that apply to charter schools
- Being operated reasonably in all respects

[1] Adapted from the Memorandum of Understanding (MOU) utilized by the State Board of Education. This agreement reflects changes made for the Los Angeles County Board of Education as the authorizer.

- Providing a sound education for all their students

LACOE will report periodically to the County Board regarding its delegated oversight of the Wisdom Academy for Young Scientists Charter School (hereinafter, "Charter School").

The County Board recognizes that there are matters related to the operation of the Charter School and to the effective oversight of the Charter School by LACOE that go beyond the provisions included in the school's charter. The County Board also acknowledges that the day-to-day operation of the Charter School is appropriately carried out by the school's leadership, faculty, and staff. This Agreement is intended to address those matters that have not been covered in the charter and to provide guidance on the oversight policies and procedures of the County Board, as carried out by LACOE. Further, this Agreement is intended to outline the parties' agreement governing their respective fiscal and administrative responsibilities and their legal relationships.

The Charter School petition and this signed Agreement, which includes

- Attachment A: Student Achievement Plan Guidelines (if applicable);
- Attachmant B: Fiscal Oversight Requirements and Financial Reporting;
- Attachment C: Reporting Timeline (as revised yearly);
- Attachment D: LACOE Closure Procedures;
- Attachment E: Action of the County Board to authorize the Charter School, including conditions (*To follow after approval of Minutes*);
- Attachment F: Revisions to the charter petition necessary to reflect the County Board as the authorizer; and
- Attachment G: Revisions to the charter petition necessary to comply with Education Code Section 47607(a)(2)

constitute the conditions and terms under which the charter shall be monitored. To the extent that the terms in the charter vary from the provisions of this Agreement, the *Agreement* (Initial) shall take precedence unless both parties agree to other terms.

TERM OF AGREEMENT

This Agreement shall commence on the date upon which it is fully executed by all parties and shall cover the term of the charter. This Agreement between LACOE and the Charter School is inclusive of Attachments A through G.

Any modification of this Agreement must be in writing and executed by duly authorized representatives of the parties.

1. The duly authorized representatives of the Charter School are the governing board president or CEO/Director of the Charter School or designee.
2. The duly authorized representative of the County Board is the County Superintendent of Schools or designee. For purposes of material amendments to the charter, such amendments may only be made upon the approval of the Charter School's governing board, and will take effect only if approved by the County Board.

This Agreement shall be reviewed at least annually, and may be amended or augmented by addendum at any time with mutual agreement. In the case of mid-year changes in laws or policies, the County Board and the Charter School reserve the right to request modifications to this Agreement. Such modifications, if agreed upon, shall be included as Addenda to this Agreement. *Failure to reach agreement on required changes in the Agreement may result in termination of the*

Agreement and the charter. (Initial) The approved Agreement (including any subsequent Addenda) shall continue unless modified in writing. This Agreement shall automatically expire upon the expiration or revocation of the charter. The approved Agreement (including any Addendums) continues in existence as long as the Charter School is operational, but automatically expires if the Charter School becomes non-operational, typically because of non-renewal, revocation, or voluntary closure.

TERM OF THE CHARTER

The Charter School is a public school that is or shall be operating pursuant to a charter (hereinafter the "charter"). On June 7, 2011, the County Board authorized the charter contingent upon the petitioner making any necessary non-material changes to the petition, the signing of the LACOE Monitoring and Oversight Memorandum of Understanding, and upon inspection and approval of facilities.

The Charter School shall operate as a classroom based charter school within the boundaries of Los Angelas Unified School District in the county of Los Angeles. The Charter School shall serve grades K-5 and shall have an approximate enrollment of five hundred twenty (520) students per year for the term of the charter.

The Charter School shall be responsible for all the functions of a charter school subject to applicable statutes, the charter, the terms and conditions set forth in the charter, and this Agreement.

If applicable, the Charter School will commence its first year of operation between July 1 and September 30, 2011, subject to any conditions that were specified by the County Board in the action it took to approve the Charter. Any condition that was not met through revision of the Charter may be addressed in this Agreement.

The Charter School's charter shall have a five (5) year term to expire on June 30, 2016. The provisions of the charter and the Agreement shall be aligned.

The County Board reserves the right to approve material revisions to the charter and/or revoke the charter as specified in Education Code Section 47607. *The school may only seek renewal of its charter after successfully operating the school as specified in Section 4.4 of this Agreement.* (Initial)

SECTION 1: GOVERNANCE AND ORGANIZATIONAL MANAGEMENT

The Charter School is operated by a nonprofit public benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law (Corporations Code § 5110 et seq.). The Charter School is a separate legal entity and neither the County Board nor LACOE is liable for the debts and obligations of the Charter School. The Charter School shall use all revenue received from state and federal sources only for the educational services specified in the charter and this Agreement for the benefit of the students enrolled in and attending the Charter School. Other sources of funding must be used in accordance with applicable state and federal statutes, and the terms or conditions of any grant or donation.

1.1 Organization

The Charter School shall provide to LACOE annually in accordance with Attachment C, Reporting Timeline, and as updated:

- Contact information, including phone numbers, official addresses and e-mail addresses for the principal contacts for the Charter School
- Organization chart displaying relationship between governing board and the Charter School

leadership

- Written notice of any change in the directors, officers, and administrators
- Prior written notice of any proposed service/employment contract and/or agreement with the former executive director whose contract was terminated by the WAYS board in June 2011, and a copy of the contract/agreement prior to execution (to monitor fulfillment of the conditions of authorization attached hereto as Attachment E.)
- A copy of any proposed contract with any person or entity that pertains to facilities prior to the Charter School's execution of that agreement

- **1.2 Governing Board Establishment**

The Charter School shall provide to LACOE annually in accordance with Attachment C, Reporting Timeline, and as updated:

- Articles of Incorporation
- Bylaws approved by the governing board
- Conflict of Interest Policy
- Roster and resumes of current governing board members
- Statement of Economic Interests, Form 700 for all filers

1.3 Governing Board Activities

A. Calendar: The Charter School shall provide an annual calendar of governing board regular meetings, including a description of how parents and community members shall be notified of meetings.

B. Governing Board Meetings: The governing board of the Charter School shall conduct public meetings at such intervals as are necessary to ensure that the board is providing sufficient direction to the Charter School through implementation of effective board policies and procedures. Governing board meetings shall be conducted in keeping with the requirements of the Ralph M. Brown Act (Government Code § 54950 - 54962). Governing board adopted policies, meeting agendas and minutes shall be maintained and available for public inspection and during site visits. For all regular and special meetings of the governing board, the Charter School shall provide LACOE with written notification of the meeting, including a copy of the posted agenda, no less than 72 hours prior to a regular meeting and no less than 24 hours prior to a special meeting. The posted agenda shall contain a description of where the agenda was posted and that the meeting is held in compliance with the Americans with Disabilities Act. Within ten (10) working days of the board meeting, the Charter School shall provide LACOE with an audio recording of the meeting, and any changes, additions and/or materials provided to the governing board. Once approved by the Charter School's governing board, the Charter School shall provide LACOE with a copy of the minutes of the meeting within five (5) calendar days.

C. Brown Act Training: The Charter School should provide Brown Act training to its governing board members and administrative staff prior to the execution of any duties.

D. Governing Board Policies: Prior to opening, the governing board shall develop and adopt policies and procedures to guide the operation of the Charter School, including but not limited to, policies in the following areas. A copy of these policies and procedures shall be submitted to LACOE prior to opening and upon revision.

- *Conflicts of Interest:* If it has not already done so for the current year, at the first meeting of the Charter School's governing board, following July 1, 2011, and annually thereafter, the Charter School's governing board shall: (1) adopt a conflict of interest policy, including

provisions related to nepotism, for itself and the Charter School's employees and contractors to ensure that no action taken by an individual or organization covered by the policy results in actual or apparent conflicts of interest; (2) provide verification that all board members and Charter School management employees (i.e., Form 700 filers) have participated in conflict of interest training; and (3) take action to comply with the Political Reform Act, including adoption of a conflict of interest policy compliant with the Act and its implementing regulations. The Charter School shall follow the Political Reform Act, the California Corporation Code, and IRS regulations.

- *Internal Fiscal Controls:* The Charter School shall develop and maintain internal fiscal control policies governing all financial activities. Such policies and procedures are subject to review during site visits to see that they are being implemented.
- *Campus Supervision:* The Charter School shall implement the governing board policy relative to the supervision of students before and after school, while on campus, student pick-up, as well as a procedure for visitors to enter and leave campus.
- *Discipline Policies:* The Charter School shall implement the governing board policies relative to student discipline, including a list of the offenses for which students may (and must) be suspended or expelled, the procedures for suspension or expulsion, procedures by which parents and students shall be informed about reasons for suspension or expulsion, and of their due process rights in regard to either disciplinary action.
- *Parent/Student Handbook:* The Charter School shall distribute a hard copy of the parent/student handbook to families each year or make the handbook available online and provide a hard copy upon request. At a minimum, the handbook shall include detailed expectations for student attendance, behavior, and discipline, including policies and consequences for bullying and harassment, due process rights related to discipline (including suspension, expulsion, and special education), and a description of both informal and formal complaint procedures that parents may pursue in the event of disagreements.
- *Adherence to County Board of Education Policy and Regulation:* At the first governing board meeting of the Charter School following July 1, 2011, and annually thereafter, the governing board of the Charter School shall review and acknowledge in its board minutes that it shall adhere to all policies and regulations pertaining to charter schools that have been adopted by the Los Angeles County Board of Education, as long as the policies do not conflict with Education Code. LACOE shall provide the Charter School with a copy of these policies and regulations annually and upon revision.

1.4 Administration

A. Enrollment and Admissions Documentation: The Charter School shall maintain on file and provide to LACOE upon request the following information:

- Descriptions of outreach and recruitment activities that have been conducted to reach target populations as described in the charter
- Procedures for application, enrollment, admission, wait listing and lotteries for placement (enrollment preferences) as described in the charter
- Evidence of enrollment preferences consistent with the charter and with LACOE conditions of operation
- Copy of enrollment forms and information provided to prospective families
- Documentation, while pertinent, that start-up enrollment is consistent with enrollment numbers described in the charter

- Evidence that each student is a resident of California in accordance with EC § 47612
- For students over 18, evidence that each student has baen continuously enrolled (no break in enrollment greater than 20 school days) in an educational program and is making satisfactory progress toward completion of a high school diploma

B. Health and Safety Plan: Prior to opening, annually, and upon revision, the Charter School shall provide to LACOE:

- A copy of the health, safety, and emergency plan for students and employees
- Evidence that staff has been trained in health, safety, and emergency procedures
- A calendar of emergency drills for students

The health and safety plan shall address at a minimum, fire emergencies, earthquakes and other natural disasters, civil disorder, accidents, injuries, and other threats to the health and safety of students and staff. The Charter School shall provide training for staff in responding to emergencies and conduct emergency response drills for its students. Amendments to the plan may be made by the Charter School throughout the year. The Charter School shall provide LACOE with a copy of the amended plan.

C. Notice to Parents/Guardians: Annually, the Charter School shall provide to LACOE a copy of the annual notice sent to all parents/guardians regarding their rights under the Family Educational Rights and Privacy Acts (FERPA). If the Charter School receives Title I funding, parent notice shall provide information regarding the federal No Child Left Behind (NCLB) Act, including the right to request and receive essential information about the professional and educational background of the teacher(s) instructing their child and notification when their child is taught for four or more weeks by a teacher who is not "highly qualified."

D. Family Educational Rights and Privacy Act (FERPA): Employees of the Charter School who have a legitimate educational interest are entitled to access students education records under 20 U.S.C.A. § 1232g, the Family Educational Rights and Privacy Act (FERPA) and EC § 49076(b)(6). The Charter School, its officers and employees shall comply with FERPA at all times. In addition, it is agreed that LACOE has an educational interest in the educational records of the Charter School such thet LACOE shall have access to those records for reasons that include, but are not limited to, records requests, complaints, and school closure. Records at a minimum, shall include emergency contact information, health and immunization data, attendance summaries, and academic performance data from the statewide student assessments required pursuant to EC §§ 60605 and 60851.

E. Criminal Records Summaries: All employees of the Charter School, parent and non-parent volunteers who will be performing services that are not under the direct supervision of a certificated teacher, and onsite vendors having unsupervised contact with students shall submit to background checks and fingerprinting in accordance with EC § 45125.1. The Charter School shall maintain documentation, and provide to LACOE upon request, that all employees, volunteers, and vendors (as applicable) have clear criminal records summaries prior to their having any unsupervised contact with students. The Charter School shall maintain on file and have available for inspection during site visits, evidence that the Charter School has performed criminal background checks for all employees and volunteers (as applicable) and documentation that vendors have conducted required criminal background checks for their employees prior to any unsupervised contact with students.

F. Data Reporting: The Charter School shall directly report data to the California School Information Service (CSIS), California Longitudinal Pupil Achievement Data System (CALPADS), and/or any other state-mandated data collection system required by the California Department of Education (CDE).

G. The School Accountability Report Card (SARC): On or before the date determined by the CDE

each year, the Charter School shall post its SARC on the Charter School's website. The Charter School may, but is not required to, use the template developed by the CDE and available at http://www.cde.ca.gov/ta/ac/sa as a guide. The Charter School shall include all elements as determined by the CDE. If the Charter School does not maintain a school website, it shall print and make copies of the SARC available to parents and other members of the community. If the Charter School posts the SARC on its website, and receives a request for a copy, it shall provide the copy at no charge.

H. Insurance and Risk Management: The Charter School shall procure from an insurance carrier licensed to do business in the State of California, or shall otherwise participate in a Joint Powers Authority (JPA) or other self-insurance pool consistent with Government Code § 6528 and keep in full force during the term of the charter, no less than the following insurance coverage:

- Workers' Compensation insurance in accordance with provisions of the California Labor Code, adequate to protect the charter school from claims under Workers' Compensation that may arise from its operations
- Comprehensive Bodily Injury and Property Damage Liability insurance with a limit of no less than $1,000,000 per occurrence, providing coverage for negligence, errors and omissions/educators' legal liability, abuse and molestation, employment practices liability and employee benefits liability
- Property Damage/Boiler and Machinery/Electronic Data Processing Insurance coverage with replacement value limits sufficient to protect the Charter School's assets (buildings, classroom space improvements, instructional materials, computers, furnishings)
- Fidelity Bond coverage with a limit of no less than $50,000 per occurrence, with no self-insured retention, to cover all employees who handle, process, or otherwise have responsibility for the Charter School's funds, supplies, equipment, or other assets

The Charter School shall provide evidence of insurance coverage to LACOE annually and upon renewal and shall instruct the insurance carrier(s) to inform LACOE immediately if the coverage becomes inoperative for any reason. LACOE may request to see evidence of insurance coverage during site visits.

In addition, the Charter School shall institute risk management policies and practices to address reasonably foreseeable occurrences and provide LACOE with evidence of such policies and practices on an annual basis.

The Charter School shall hold harmless, defend, indemnify, and name on the Certificate of insurance as additional insureds the County Board, LACOE, its officers and employees, from every liability, claim, or demand which may be made by reason of (1) any injury to volunteers; and (2) any injury to person or property sustained by any person, firm, or corporation caused by any act, neglect, default, or omission of the Charter School, its officers, employees or agents. In cases of such liabilities, claims, or demands, the Charter School at its own expense and risk shall defend all legal proceedings which may be brought against it and/or the County Board, LACOE, its officers and employees, and satisfy any resulting judgments up to the required amounts that may be rendered against any of them. Certificates of insurance and policies shall name the County Board, LACOE, its officers and employees, as additional insureds with respect to any potential tort liability irrespective of whether such potential liability might be predicted on theories of negligence, strict liability, or products liability.

I. Exclusive Employer: The Charter School is deemed the exclusive employer of the employees of the Charter School for the purposes of the Educational Employee Relations Act (EERA) under Government Code § 3540, et seq. The Charter School shall have sole responsibility for employment, management, dismissal, and discipline of its employees.

J. Employee Handbook: Prior to opening, annually and upon revision, the Charter School shall provide to LACOE a copy of the employee handbook that shall be distributed to employees each year. At a minimum, the handbook shall include detailed expectations for employee performance and behavior, due process rights of employees related to disciplinary actions (including termination), compensation, and benefit information for each type of employee, and a description of both informal and formal complaint procedures that employees may pursue in the event of disagreements.

Amendments to the employee handbook may be made and distributed to employees by the Charter School during the year. A copy of the handbook may be reviewed during site visits.

K. Employee Contracts or Agreements: Annually and upon revision, the Charter School shall provide to LACOE a sample copy of the employee contract that, at a minimum, states that the Charter School is the exclusive employer of employees and has sole responsibility for employment, management, dismissal, and discipline of its employees. Employee contracts, for each type of employee, shall be available for review by LACOE upon request.

L. Teacher Credentials, Highly Qualified Teacher Requirements, and Non-Certificated Personnel: Annually in September and February, in accordance with Attachment C, Reporting Timeline, the Charter School shall provide to LACOE an all Staff Information List (certificated and non-certificated personnel) and documentation that all teachers hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which teachers in other public schools are required to hold, except as otherwise exempted by The Charter Schools Act. The Charter School shall also comply with NCLB highly qualified teacher requirements. The Charter School shall provide documentation that the teachers of any NCLB and/or charter defined core subject meet the highly qualified teacher requirements on an annual basis and when teachers and courses may be reassigned.

The Charter School shall adhere to all provisions of employment laws applicable to charter schools including, but not limited to, EC § 47612.5(e)(1) which states: "Notwithstanding any other provision of law, and as a condition of apportionment, "classroom-based instruction" in a charter school, for the purposes of this part, occurs only when charter school pupils are engaged in educational activities required of those pupils and are under the immediate supervision and control of an employee of the school who possesses a valid teaching certification in accordance with subdivision (1) of Section 47605."

M. Management Contracts: Prior to entering into a new or revised contract with an education or charter management organization (EMO/CMO), the Charter School shall provide the following information:

- A draft of the proposed management contract
- A recent corporate annual report and audited financial statements for the EMO/CMO
- A description of the EMO/CMO's roles and responsibilities for the management of the Charter School and the internal controls that shall be put in place to guide the relationship
- A list of other charter schools managed by the EMO/CMO and the academic and operational results of such management
- A list of and background on the EMO/CMO's leaders and board of directors
- A letter of assurance from the EMO/CMO that it has conflict of interest policies in place and that none of the principals of either the EMO/CMO or the Charter School have conflicts of interests

The County Board considers entering into a contract with an EMO/CMO not identified in the charter to be a meterial revision to that charter. The County Board shall review and approve any charter school management contracts prior to the Charter School entering into the contract. (See Section 4.1

Material Revision to Charter)

N. Facilities: No later than 60 days prior to the opening of school or the occupying or re-occupying of a facility or site, including learning centers, satellite facilities, administrative offices, and/or other facilities used by the Charter School, the Charter School shall provide evidence that the facility is/will be adequate for the Charter School's needs.

The Charter School will provide a written signed Agreement (lease or other similar document) indicating the Charter School's right to use the principal school site and any ancillary facilities identified by the Charter School for the first year of the School's operation and upon any change. The Charter School shall also provide evidence that the facility will be adequate for the Charter School's needs. A pre-opening site visit will be conducted prior to opening regardless of whether the Charter School is locating in a facility provided by a district under Proposition 39 or in a privately-leased facility.

Once open, the Charter School may change facilities only with prior approval of the County Board. Under ordinary circumstances, the School shall provide LACOE not less than 30 days notification of any change in facilities in order for LACOE to conduct a site visit prior to students attending the new facilities. Under extraordinary circumstances, (e.g., a change of facilities necessitated by fire or natural disaster), LACOE may waive the pre-opening site visit.

O. Zoning and Occupancy: At all times it is operational, the Charter School shall maintain on file a certification that its facility or facilities is/are located at a site or sites zoned and/or permitted for operation of a charter school (grades operated by Charter School) and has been cleared for use as a charter school by all appropriate local authorities. The facility shall meet all applicable health and fire code requirements and zoning laws.

The Charter School shall maintain on file, post as required, and upon request furnish LACOE with documentation of all local approvals (EC § 47610(d)) including applicable fire marshal clearances, certificates of occupancy, signed building permit inspections, and approved zoning variances. The Charter School cannot exempt itself from applicable/local zoning or building code ordinances.

Prior to opening a new site or before an existing school may occupy a new or different facility, LACOE may conduct a site review to determine that the facilities are clean, safe, Americans with Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. The Charter School may not operate in the facility until the County Board has granted approval to do so.

A LACOE site review of the Charter School's facilities will determine whether they are clean, safe, American Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. Section 1.4 N of this Agreement describes the pre-opening site visit process and requirements.

If the Charter School seeks facilities from the district in which it intends to locate, or is located, under EC Section 47614 (Proposition 39), it will follow applicable statute and regulations regarding submission of such a request to the district. LACOE will conduct a pre-opening site review to approve any facilities allocated to the school by the district.

SECTION 2: EDUCATIONAL PERFORMANCE

2.1 Educational Program

At all times it is operational the Charter School shall have available the information listed below. The information shall be submitted to LACOE prior to opening, whenever updated, and upon request:

- Scope and sequence for all subjects to be offered by the Charter School during the school year and during any supplemental instruction offering
- The complete educational program for students to be served including, but not limited to:

(1) A description of the curriculum and identification of the basic instructional materials to be used

(2) Plans for professional development, including agendas, topics to be covered, and speakers

(3) Results of interim assessments used to evaluate student specific progress during the school year in addition to the results of the Standardized Testing and Reporting (STAR) program in evaluation of student progress

(4) If a high school, the University of California course descriptions submitted to UC Doorway (http://www.ucop.edu/doorway/)

(5) The Charter School's annual calendar for the school year that includes the number of instructional days (minimum 175 days), minimum or early release days, holidays, board recess days, and professional development days

(6) Daily bell schedule for site-based programs that includes any passing time, breaks or recess, lunch breaks, before and after school activities

(7) Designation of any non-classroom based instructional days

(8) Sample student contracts, description of frequency of contact with teachers, pupil/teacher ratios, and description of how student work will be evaluated for time value for nonclassroom-based programs (if applicable)

(9) Initial and mid-term (as appropriate) Western Association of Schools and Colleges (WASC) accreditation self-study and visiting committee reports (if the school seeks such accreditation)

2.2 Student Achievement Plan

The Charter School shall not be required to submit a Student Achievement Plan if it has met its API growth targets and AYP, both school wide and by significant subgroups, each year.

If the Charter School fails to meet API and/or AYP targets school-wide or by numerically significant subgroups, it shall be required to submit a Student Achievement Plan to LACOE according to the following dates:

- October 1 - Draft Student Achievement Plan
- December 1 - Final Student Achievement Plan

If the Charter School is seeking renewal of a charter and has not met API and/or AYP in the prior year, it shall submit a draft Student Achievement Plan for the future concurrent with the charter renewal request.

The Charter School shall implement its final Student Achievement Plan that sets forth school specific goals, how progress towards and achievement of each goal shall be measured, and plans for addressing areas identified as needing improvement. The Student Achievement Plan shall build upon the assessment measures, educational goals, and student outcomes described in the charter petition, and shall provide for more stringent assessment measures, educational goals, and student outcomes than those described in the charter petition. If the final Student Achievement Plan is less stringent than the charter, this shall be considered a material revision to the charter and shall be subject to County Board of Education review and approval. The specific requirements of the Student Achievement Plan are described in Attachment A, Student Achievement Plan Guidelines.

2.3 Annual Report

By December 1 each year, the Charter School shall submit to LACOE a written Annual Report/School Accountability Report Card (SARC) to the County Board of Education for the prior

year that examines and describes the following:

- STAR results both in aggregate and disaggregated by numerically significant subgroups
- If a high school, California High School Exit Exam (CAHSEE) results both in aggregate and disaggregated by subgroups
- Progress made toward meeting API and AYP targets
- Progress made toward each of the educational goals and student outcomes identified in the charter
- Evidence that the Charter School is systematically examining student data and using it to drive decisions regarding curriculum and instruction
- Names of any additional internal assessments used by the Charter School not identified in the charter
- Plans to address areas identified as needing improvement by the Charter School
- Evidence that the Charter School is financially sound based on certain criteria as indicated in Attachment B, Fiscal Oversight Requirements and Financial Reporting.
- Other relevant information as determined by LACOE or the County Board

LACOE shall provide the Charter School with a template for completing the Annual Report/ SARC each year. The Charter School shall also be provided with comparison schools.

If the Charter School has been required to submit a Student Achievement Plan, it shall address the following elements in the Annual Report/SARC:

- Progress made in areas identified where progress falls short of meeting outcomes identified in the Student Achievement Plan
- Professional development provided to further progress on goals described in the Student Achievement Plan
- Progress made on the implementation of changes to curriculum and instructional strategies identified in the Student Achievement Plan
- Identification of targeted funds to support elements of Student Achievement Plan
- Specific evidence that the results, as shown in the Annual Report, are targeting improvement in student achievement, and that the Charter School is financially sound according to the criteria as set forth in Attachment B, Fiscal Oversight Requirements and Financial Reporting.

2.4 Oral Report to the Los Angeles County Board of Education

The Charter School shall also participate in presenting an oral report to the County Board each year. ~~The Charter School shall be informed of the presentation date by LACOE.~~ The presentation shall be on or after December 1 as agendized by the County Board, typically between January and April. LACOE shall inform the Charter School of the date when it is scheduled.

At the discretion of the County Board, the Charter School may be requested to present additional updates and or reports during the year.

2.5 Services for Students with Disabilities

The Charter School shall submit documentation that it is a Local Education Agency (LEA) with a Special Education Local Plan Area (SELPA) prior to commencing operations and provide a copy of its SELPA Agreement to LACOE annually.

2.6 Annual Assessment of Students

The Charter School shall comply with all state and federal student assessment requirements. The Charter School shall test independent of LACOE, comply with all requirements of the Educational Testing Service (ETS), and provide LACOE with an electronic copy of all Student Level Data provided by ETS within ten (10) days of receipt of the data from ETS.

SECTION 3: FISCAL OPERATIONS

3.1 Funding

The Charter School shall be funded in accordance with EC § 47630 et seq. The Charter School's general purpose entitlement shall be calculated in accordance with EC § 47633 et seq. The parties recognize the authority of the Charter School to pursue additional sources of funding. The County Board of Education must receive prior written notification of any source of additional funding that may result in incurring additional debt (i.e., loans) to the Charter School.

LACOE shall not be responsible for resolving fiscal deficiencies for the Charter School.

3.2 Fiscal Agent

The Charter School shall contract with LACOE for the Charter School's participation in the State Teachers' Retirement System (STRS) and/or the Public Employees Retirement System (PERS) if applicable. See section 3.7 for further discussion of the STRS/PERS responsibilities.

3.3 Student Attendance Accounting and Reporting

The Charter School shall use commercially available and state approved attendance accounting software. Annually and as updated, the Charter School shall provide a copy of the software user manual as well as the Charter School's procedures for attendance accounting, with evidence of internal controls. Charter School created spreadsheets on Excel or other database programs shall not be accepted.

The Charter School shall submit a calendar of attendance months to LACOE no later than two (2) weeks prior to the start of the school year. The structure of attendance months shall adhere to EC § 37201.

NOTE: It is critical that the above attendance reporting deadlines are met in an accurate and timely manner. If the School misses a reporting deadline it risks being excluded from that apportionment's certification and funding period. For example, if P-1 attendance data is not received in time for inclusion in the P-1.

The Charter School shall submit monthly enrollment and attendance data as required to receive apportionment of funding within five (5) business days after the end of the attendance month to LACOE.

In addition, the Charter School shall prepare and submit to LACOE/Controller's Office/Pupil Attendance Accounting and Compliance Unit, the certified data file and original signature state attendance reports according to the following schedule:

- First Principal Apportionment (P-1) (attendance for all full attendance months between July 1 and December 31) by January 4 or if it falls on a Saturday or Sunday, the first business day following January 4
- Second Principal Apportionment (P-2) (attendance for all full attendance months between July 1 and April 15) by April 20 or if it falls on a Saturday or Sunday, the first business day following April 20

- Annual Apportionment (attendance for The Charter School year) by July 5 or if it falls on a Saturday or Sunday, the first business day following July 5
- Corrections to the second principal apportionment and annual principal apportionment reports shall be received by LACOE not later that September 15 or if it falls on a Saturday or Sunday, the first business day following September 15

Submit with the Monthly Attendance Report, an Exit Report for each student who leaves the school (except when matriculating to sixth grade). The Exit Report shall be completed by the parent/guardian and minimally include: (1) reason for withdrawal; (2) date of withdrawal; (3) school to which student is transferring; (4) parent/guardian signature and date; and (5) administrative signature and date. The Exit Reports shall coincide with the inclusive dates of the Monthly Attendance Report.

Supplemental Instruction: A schedule of Summer Supplemental hourly instructional days and hours shall be provided to LACOE no less than two (2) weeks prior to the start of the instruction. Enrollment and attendance data shall be submitted on a weekly basis, and is due within five (5) business days after the end of each week. The Charter School's governing board policy shall clearly identify goals, and how students will be identified for supplemental instruction programs and progress evaluated requisite of funding. Students shall be individually identified for each class, and the hours shall be calculated separately due to different reporting requirements and funding levels.

3.4 Revenue and Expenditure Reporting

The Charter School is required by EC § 47604.33 to submit periodic reports of revenues, expenditures, and reserves. The Charter School shall submit to LACOE monthly statement of cash flows, copies of bank statements, General Ledger, Revenue and Expenditure Summary, Statement of Financial Position, Statement of Fund Balance, Year-to-date Budget to Actual Statement and notes to financial statemants in accordance with Attachment B, Fiscal Oversight Requirements and Financial Reporting. As part of the continuous oversight, LACOE shall make a periodic assessment of the charter's fiscal condition.

In order to meet statutory timelines for revenue and expenditure reporting, The Charter School shall submit reports to LACOE for review using the state software (SACS20 ALL), according to the following schedule:

- Preliminary budget on or before July 1
- First Interim Report (expenditures through 10/31) on or before December 15
- Second Interim Report (expenditures through 1/31) on or before March 15
- Unaudited Actuals Report for the prior fiscal year on or before September 15

Any changes in the budget or interim reports from one reporting period to the next period shall be explained in writing. Explanations and budget assumptions shall accompany the reports. The Charter School is expscted to maintain reserves of no less than three (3) percent of the Charter School's Adopted Budget for the fiscal year. An explanation of any projected drop in reserves below the three (3) percent level shall be included in the assumptions.

3.5 Annual Audit

In accordance with EC § 41020(h), by December 15 of each year, the Charter School shall submit an annual independent financial audit to the State Controller's Office, LACOE, and the CDE. The audit shall be conducted by an auditor from the list approved by the State Controller's Office and mutually agreeable to LACOE and the Charter School. If any findings or exceptions are identified in the annual audit, the charter school shall implement corrective action plans in a timely manner. Continuing or unresolved prior year findings or deficiencies shall have negative impact on the charter school's renewal request.

In addition to the Charter School's financial statements, the audit shall include, as applicable, but not be limited to:

- Contemporaneous records of attendance
- Annual instructional minutes
- Additional nonclassroom-based instruction
- Determination of funding for nonclassroom-based instruction as per EC § 47634.2

3.6 Oversight Fees

The Charter School shall be charged an oversight fee not to exceed one (1) percent of the general purpose and categorical block grant revenue received by the Charter School in accordance with EC § 47613 and used to offset consultant and administrative costs required for comprehensive oversight, which includes but is not limited to the following categories:

- Curriculum and instruction
- Assessment and accountability
- School fiscal review
- Site visitations
- Renewal evaluations
- Attendance accounting processing, analysis and certification

The oversight fee shall be based on the general purpose entitlement and categorical block grant funding provided to the Charter School at the Second Principal Apportionment (P-2).

3.7 State Teachers Retirement System (STRS)/Public Employees Retirement System (PERS) Reporting

If the Charter School offers its employees the opportunity to participate in STRS or PERS, the Charter School shall be responsible for contracting with LACOE for reporting purposes. Such arrangements shall be made prior to the hiring of any employee. The Charter School shall notify LACOE of the staff person who will make the arrangements and provide written notification that arrangements have been made prior to the hiring of employees.

SECTION 4: FULFILLING CHARTER TERMS

4.1 Material Revision to Charter

Changes to the charter deemed to be material revisions may not be made without prior approval by the County Board of Education. Revisions to the charter considered to be material changes include, but are not limited to, the following:

- Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision
- Adding a nonclassroom-based program
- Proposed changes in enrollment that increases or decreases by more than 20 percent +1- of the enrollment originally projected in the charter petition in any given year
- Addition or deletion of grades or grade levels to be served
- Changes to location of facilities or lease agreements for the Charter School sites, resource

centers, meeting space, or other satellite facility including the opening of a new facility; temporary locations rented for annual student testing purposes shall be exempted from this provision

- Admissions requirements and procedures
- Governance structure, including but not limited to: changes in number of board members, method by which new board members are selected, and/or changes in majority/quorum or other provisions relating to resolution approval
- Entering into or revising a contract with an EMO/CMO

4.2 State Assessments

The Charter School agrees to comply with and adhere to the state requirements for participation and administration of all state mandated tests. The state tests required to be administered include, but may not be limited to:

- California Standards Tests
- California High School Exit Examination
- Physical Fitness Test
- California English Language Development Test
- California Alternate Performance Assessment
- Aprenda

4.3 Site Visits

LACOE shall conduct at least two (2) visits during the school year. The site visits shall consist of the following:

- At least one (1) site visit shall be conducted in order to assess the Charter School's progress in governance and organizational management, educational performance, fiscal operations, and fulfillment of the terms of the charter. The primary focus of the visit shall be on teaching and learning and, if applicable, the Student Achievement Plan (described under Section 2: Educational Performance). The site visit may include review of the facility, review of records maintained by the Charter School, interviews with administrators, staff, students, and parents, and observation of instruction in the classroom. The evaluations for each year shall constitute one (1) of the basis upon which a renewal decision shall be made at the end of the term of the charter in accordance with the Education Code. Any deficiencies shall be reviewed with the Charter School administration. The Charter School administration shall be given an opportunity to address the deficiencies.
- At least one (1) site visit shall be conducted to examine and reconcile attendance documentation and review the Charter School's compliance with applicable codes and regulations concerning instructional minutes, ADA, and apportionment.

LACOE reserves the right to make unannounced visits to the Charter School. EC § 47604.32(b) requires LACOE to conduct a site visit annually. The purpose of the visits shall be to monitor the instructional program and operations in accordence with County Board of Education Policy 6650.

4.4 Renewals

The Charter School may seek renewal of its charter prior to expiration of the term of the charter in accordance with EC § 47607(a) and (b). The Charter School shall submit its renewal petition for the next charter term along with a copy of the most recent Annual Report and Student Achievement Plan (if applicable) to LACOE, no later than the second Monday in January (County Board Policy 6670) of

the school year in which the Charter School term expires.

LACOE shall review the charter petition, academic and financial performance, audit reports, annual visitation reports, and conduct a renewal site visit prior to scheduling the renewal request for consideration by LACOE. To the extent required, the charter petition shall be revised in accordance with current statutes and regulations. LACOE shall abide by Education Code, California Code of Regulations, and County Board Policy and Regulation when considering charter renewal.

4.5 Notice of Violation, Opportunity to Remedy, and Revocation

The County Board may provide notice of violation, opportunity to remedy, and revoke the charter as set forth in EC § 47607 and County Board Policy and Regulation.

4.6 Closure Procedures

At all times it is operational the Charter School shall have closure procedures in place and available for review. Closure procedures shall be submitted to LACOE prior to opening, whenever updated, and upon request. Procedures shall be compliant with requirements contained in County Board Policies and Procedures as operationalized in Attachment D, LACOE Closure Procedures, and shall contain at a minimum:

- Identification of a responsible person(s) (e.g., Executive Director, Financial Officer, president of the Charter School governing board) to oversee and conduct the closure process; this provision shall include a process to ensure that it is updated no less than annually or when any change is made
- Notification of students and families of the Charter School closure
- Security of student and business records
- Processing of final employee payroll and benefits
- Identification of all assets and liabilities and plan for transfer as detailed in the charter
- Final close-out audit to be paid for by the Charter School
- Identification of a source of funding to be used for closeout expenses including the final audit
- Dissolution of the Charter School and/or nonprofit corporation

Further descriptions of each category and a closure procedures checklist are included as Attachment D, LACOE Closure Procedures. The Charter School's procedures shall also satisfy the definition of "closure procedures" in Title 5, California Code of Regulations § 11962, to the extent that Section imposes, or is amended to impose, additional requirements.

Closure procedures will not begin until appeal rights (if applicable) have been exhausted if the Charter School is to close permanently for any reason (i.e., voluntary surrender, non-renewal, or revocation), LACOE shall serve written notice on the Charter School that the closure procedures described in Attachment D, LACOE Closure Procedures have been invoked. The Charter School shall immediately identify the specific individual who is responsible for coordinating the Charter School's close out activities and shall notify LACOE. LACOE shall identify a staff person who shall work with the Charter School to accomplish all close out activities.

The Charter School expressly acknowledges the right of LACOE, on behalf of the County Superintendent of Schools (pursuant to EC § 47604.3), to take immediate and direct control of all of the Charter School's student and business records at any time after LACOE gives written notice that it is invoking the closure procedures. (Initial) LL

SECTION 5: NONDISCRIMINATION

The parties recognize and agree that the Charter School shall not charge tuition, shall be nonsectarian, and shall be open to all students regardless of race, ethnicity, national origin, gender, sexual orientation (whether perceived or actual), religion, socioeconomic status, or disability. These non-discrimination provisions shall apply to employment as well.

SECTION 6: SEVERABILITY

If any provision or any part of this Agreement is for any reason held to be invalid and or unenforceable or contrary to public policy, or statute, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

SECTION 7: NON-ASSIGNMENT

No portion of this Agreement or the charter petition approved by the LACOE may be assigned to another entity without the prior written approval of the County Board of Education.

SECTION 8: WAIVER

A waiver of any provision or term of this Agreement shall be in writing and signed by both parties. Any such waiver shall not constitute a waiver of any other provision of this Agreement. All parties agree that neither party to this Agreement waives any of the rights, responsibilities, and privileges established by the Charter Schools Act of 1992.

SECTION 9: NOTIFICATION

All notices, requests, and other communications under this Agreement shall be in writing and mailed to the proper addresses as follows:

To LACOE at:

Procurement Services Manager
Los Angeles County Office of Education
9300 Imperial Hwy
Downey, CA 90242

To the Charter School at:

Name Mickey L. Cureton Title Executive Director

NAME OF SCHOOL: Wisdom Academy for Young Scientists
ADDRESS 1 706 E. Manchester Avenue L.A., CA 90001
ADDRESS 2

This Agreement, including Attachments A through G, contains the entire agreement of the parties

with respect to the matters covered hereby, and supersedes any oral or written understandings, agreement or agreements between the parties with respect to the subject matter of this Agreement ~~except for the Charter itself~~. (Initial[illegible]) No person or party is authorized to make any representations or warranties except as set forth herein, and no agreement, statement, representation or promise by any party hereto which is not contained herein shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any warranties, representations, statements, or promises by any of the parties herein or any of their agents or consultants except as may be expressly set forth in this Agreement. The parties further recognize that this Agreement shall only be modified in writing by the mutual agreement of the parties.

7-18-2011 Print: [illegible] Sign: [illegible]
Date Authorized Board Representative, Wisdom Academy for Young Scientists

7-18-2011 Print: Adell Walker Sign: [illegible]
Date Authorized Board Representative, Wisdom Academy for Young Scientists

_____ _____
Date Designee, Los Angeles County Board of Education

Attachment A: Student Achievement Plan Guidelines

I. Overview

A Student Achievement Plan is required to be submitted to the Los Angeles County Office of Education (LACOE) if the Charter School fails to meet API growth targets and/or AYP in any year. The Achievement Plan requires the Charter School to establish specific goals and actions the Charter School will take to improve student academic achievement in those areas identified through the API and/or AYP as not meeting performance criteria. The Charter School shall be expected to present an annual update to the County Board of Education on the progress made in meeting goals identified in the Student Achievement Plan. These guidelines make explicit the elements that shall be addressed in the Student Achievement Plan for any subject area or criteria in which the Charter School falls short of targets. Data compiled from this Student Achievement Plan and the annual update, plus confirming evidence gathered during periodic site visits will provide LACOE with evidence of whether the Charter School is on track to its charter being renewed.

In addition to API and AYP, the Charter School may incorporate a variety of additional outcome measures to further demonstrate academic achievement and organizational effectiveness. While these various supplemental measures will not carry as much weight as the required measures in making renewal decisions, they may be important in helping the Charter School achieve its academic goals and distinctive qualities in the Charter School's mission as well as highlight those goals.

II. Required Components of the Student Achievement Plan

For each area in which the Charter School did not meet API and/or AYP targets, the Charter School shall submit a plan to the LACOE describing specific and concrete actions the Charter School will take in order to improve student achievement over the course of the current school year. The Student Achievement Plan shall address, at a minimum, the following elements:

- Methods or system the Charter School uses to examine student achievement data on a regular basis across grade levels, by subject matter, by significant subgroups, and across the Charter School as a whole
- Analysis of the STAR and AYP results that identifies the specific problem in the area(s) not meeting targets and/or criteria
- Specific actions, which follow from the examination of student data, which the Charter School will take to improve student achievement in the area(s) identified as needing improvement, including changes to curriculum, instruction, assessment, governance, and organization
- Professional development plan for teachers and/or other staff that supports the activities the Charter School will implement to improve performance in targeted areas
- Diagnostic assessments that will be used to enable the Charter School to monitor the effects of proposed changes on student performance

The Charter School shall submit a draft Student Achievement Plan to LACOE by October 1 if the Charter School did not meet API targets or AYP in the prior year. LACOE will review the draft plan and either approve it as submitted or request changes to it. If changes are required, the final Plan shall be due to LACOE by December 1.

Further information regarding API may be found at www.cde.ca.gov/ta/ac/ap/index.asp on the LACOE website. Information on AYP, including targets and criteria may be found at www.cde.ca.gov/ta/ac/ay/index.asp.

Attachment B: Fiscal Oversight Requirements and Financial Reporting

LACOE shall determine fiscal soundness of the Charter School by reviewing and analyzing the financial reports and documents provided by the Charter School. This determination shall be made each month and LACOE shall notify the Charter School in writing of any concerns it may have regarding the financial stability of the Charter School.

By the fifteen of each month the Charter School shall provide the following reports and documents with full disclosure of transactions to the Controller's Office, LACOE for the prior month:

1. Monthly bank statements
2. Monthly bank reconciliations
3. Monthly general ledger
4. Statement of revenue and expenditures
5. Statement of financial position
6. Year to date budget to actual statement
7. Notes to financial statements

LACOE may require additional financial related documents and shall request them of the Charter School as needed.

Los Angeles County Office of Education
Timeline and Due Dates 2011-12

Attachment C: Reporting Timeline (Revised Annually)

(Provided as a separate Excel Spreadsheet)

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Los Angeles County Office of Education
Charter School Closure Procedures Checklist
Attachment D: LACOE Closure Procedures

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
1.	When revocation, non-renewal, or proceedings have been exhausted, LACOE shall, within three (3) business days, provide the charter school with written notification by certified mail/courier service, of the closure action. In the case of voluntary surrender, the charter school shall, within three (3) business days of the decision to close, provide LACOE Charter School Office (CSO) with written notification by registered mail that closure procedures have been invoked. In both instances, the dated notice shall be referred to as the "Closure Action." The charter school shall post, in public view at each site, a copy of the Closure Action upon receipt/issuance whether it originates with LACOE or the charter school.	Three (3) business days Receipt/Issuance of Closure Action
2.	LACOE CSO shall, upon Closure Action, immediately notify the California Department Education (CDE). The notice will include: • Charter school name, charter number, CDS code; • Reason for closure (revocation, non-renewal, other); • Effective date of closure; • Description of the circumstances (reason) of the closure.	Immediate
3.	The charter school shall, within two (2) business days of the Closure Action, notify LACOE CSO of the location of all student and business records. No student or business records shall be disposed of, moved, or duplicated without the express written consent of LACOE CSO, except that student records may be copied for students' families or for the purpose of sending them to a receiving school. A record must be kept of all files copied and/or sent; the record must be provided to LACOE.	Two (2) business days
4.	The charter school shall, within two (2) business days of the Closure Action, provide LACOE CSO with the name, address, and contact information of the individual designated as the primary contact for all close out activities of the school, and the board approved resolution appointing this person as primary contact.	Two (2) business days
5.	The charter school primary contact and a member of the charter school's governing board shall meet with the LACOE Superintendent or designee within 5 days of the Closure Action to review the orderly closing of the charter school. At this meeting: 5a. The charter school shall provide LACOE with a complete and accurate roster of all students enrolled in the charter school including: • Student names; • Parent(s)/guardian(s) names, addresses, phone numbers; • Grade levels and grades completed; • Each student's district of residence.	Five (5) business days

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ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
	5b. LACOE will determine the date and time when LACOE will retrieve all pupil cumulative records, including but not limited to specific information on completed courses, credit or grade levels, report cards, IEP, discipline records, and immunization records. High school charters will include all curriculum and standard syllabus, instructional materials, and one textbook for each subject.	Time to be determined; no later than 120 business days
6.	The charter school shall, within five (5) business days of the Closure Action, submit to LACOE CSO for approval a draft of a notification letter to parents. The letter shall include: • Reason for closure; • Date of closure; • Process for the transfer of student records; • Current list of local public and charter schools; • Name(s) and contact information of the charter school personnel to whom inquiries may be made; • The manner in which parents/guardians may obtain copies of pupils' cumulative records, including but not limited to, specific information on completed courses, credits or grade level, report cards, Individualized Education Program (IEP), discipline records, immunization records; • List of public schools in the districts of residence of charter school students. Upon LACOE's approval, the charter school shall mail the letter to parents within three (3) business days.	Five (5) business days Three (3) business days
7.	The charter school shall, within five (5) business days of the Closure Action, draft a notification letter to the districts of residence for all its students and submit to LACOE CSO for approval; the letter will include the date of closure, charter school personnel to whom requests for records can be made. Upon approval by LACOE, the charter school will mail the letter to the districts within three (3) business days.	Five (5) business days Three (3) business days
8.	The charter school, if a Local Education Agency (LEA) in a Special Education Local Plan Area (SELPA), shall within five (5) business days of the Closure Action, notify the SELPA of the Closure Action. 8a. If the last date of instruction is ten (10) or more days from the Closure Action, the charter school must mail parents/guardians copies of their child's current IEP within five (5) business days of the last date of instruction. 8b. If the last date of instruction is less than ten (10) days from the Closure Action, the charter school shall mail copies of all student IEPs to the SELPA within 10 days of the Closure Action.	Five (5) business days Five (5) business days Ten (10) business days

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ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
9.	The charter school shall, within five (5) business days of the Closure Action, notify all contractors (such as a charter management organization, education management organization, food service provider, instructional service provider, or transportation service provider) of the school's closure. The charter school shall terminate all existing leases, service agreements, and other contracts for the close out of the school. Leases, service agreements and contracts should be terminated in a cost effective manner in order to minimize expenses. LACOE CSO shall be copied on all correspondence.	Five (5) business days
10.	The charter school shall, within five (5) business days of the Closure Action, provide written notification to the State Teachers Retirement System (STRS), Public Employees Retirement System (PERS), or other retirement benefit administration systems, and follow their procedures for dissolving contracts and reporting. LACOE CSO shall be copied on all correspondence.	Five (5) business days
11.	The charter school shall, within five (5) business days of the Closure Action, notify all faculty and staff of the school's closure, providing each with necessary information related to compensation and retirement, including, but not limited to, any optional benefits that they may continue after the school closes. LACOE CSO shall be copied on all correspondence.	Five (5) business days
12.	LACOE CSO shall respond promptly to inquiries from students, their families, charter school faculty and staff, the community/public, and the media.	Immediately
13.	Provided that LACOE has possession of pupil records, LACOE shall, within five (5) business days, respond to parent/guardian written requests for a copy of their child's cumulative file ensuring that the documents are given to the parent/guardian identified as having legal custody/guardianship of the student with regard to educational placement.	Five (5) business days from request
14.	LACOE shall, within ten (10) business days, respond to requests for the transfer of students' cumulative files to other public or private schools in which students enroll.	Ten (10) business days from request
15.	If the charter school continues instruction to the end of the current academic year, it shall issue report cards within five (5) business days of the last date of instruction.	Five (5) business days from last date of instruction
16.	16a. The charter school shall, within five (5) days of the last date of instruction, submit an enrollment update to the CDE California School Information Services (CSIS) Program and deposit a copy with http://lacoemis.org 16b. The charter school shall, within twenty (20) business days of the last date of instruction, provide the LACOE Controller's Office (CO), Pupil Attendance with the final monthly student attendance registers, signed by teachers and certified by the designated administrator; all teacher contemporaneous records (daily class lists/rosters); and all absence logs, sign-in/out sheets and other supporting documentation for attendance accounting. 16c. The charter school shall provide closing State Attendance Report (SAR) with original signatures as well as the electronic file on compact disk either hand delivered or certified/return receipt mail to LACOE CO, Pupil Attendance within ten (10) business days of the above.	Five (5) business days from last date of instruction Twenty (20) business days from last date of instruction Ten (10) business days

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ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
17.	The charter school must continue to maintain the same insurance coverage for the period following dissolution and winding up of the corporation or entity.	Continuous
18.	The charter school shall continue to ensure that assets are protected against misappropriation, theft, and deterioration. Assets shall not be disposed of or moved without the express written consent of LACOE Controller's Office (CO). Insurance must be maintained until assets are properly disposed of in accordance with the distribution plan. All materials/inventory purchased with federal dollars and subject to federal restrictions must be disposed in accordance with applicable federal law.	Continuous
19.	The charter school shall, within ten (10) business days of the Closure Action, produce for LACOE's inspection, a comprehensive list of and copies of all existing leases, service agreements, and other contracts. LACOE CSO shall be copied on all correspondences with identified contractors.	Ten (10) business days
20.	The charter school shall, within ten (10) business days of the Closure Action, notify all funding sources (including charitable partners) of the school's closure. LACOE CSO shall be copied on all correspondence.	Ten (10) business days
21.	If the charter school has any agreements with organizations representing employees, the charter school shall notify the organizations of the Closure Action as specified in the agreements. LACOE CSO shall be copied on all correspondence.	According to agreements
22.	The charter school shall, within ten (10) business days of the Closure Action, notify the LACOE CSO of all pending law suits or legal claims to which the school is a party. The charter school shall immediately notify LACOE CSO if litigation or claims are filed thereafter until the school is formally dissolved.	Ten (10) business days
23.	The charter school shall, within ten (10) business days of the Closure Action, prepare and deliver to LACOE CO a comprehensive inventory of all assets. These assets may not be disposed of, moved, transferred, or liquidated without express written consent from LACOE.	Ten (10) business days
24.	The charter school shall, within ten (10) business days of the Closure Action, provide the LACOE CO with a close-out budget that includes the following: 24a. A description of current and outstanding projected payroll and payroll benefits commitments through closure, including a list of each employee, and their job duties; and 24b. A projection of the funds necessary to complete all administrative closure related tasks.	Ten (10) business days
25.	The charter school shall, within ten (10) business days of the Closure Action, prepare and deliver to LACOE CO a comprehensive list of all creditors and debtors.	Ten (10) business days

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
26.	The charter school shall return grant funds and restricted categorical funds to their source in accordance with the terms of the grant or state and federal law as appropriate. Submit a final expenditure report for all grants to the granting agency within twenty (20) business days from the last date of instruction. Federal grants must be closed out, including the filing of the required Final Expenditure Report and Final Performance Reports. Federal Forms 269 and 269a may apply if the school was receiving funds directly from the U.S. Department of Education. LACOE CSO shall be copied on all correspondence.	Twenty (20) business days from last date of instruction; applicable state and federal requirements
27.	The charter school shall, within twenty (20) business days of the Closure Action and monthly until dissolution, submit to LACOE CO monthly accounts payable along with detailed payment schedules. (Expenditures must be strictly limited to only those that are reasonable and necessary for the on-going day-to-day operations of the charter school. These expenditures are limited to salaries, benefits, utilities, rent, auditor /certified public accountant and insurance and must already be authorized in the budget.) Submit year-end financial reports to the LACOE CO within twenty (20) business days of the last date of instruction.	Twenty (20) business days Twenty (20) business days from last date of instruction
28.	The charter school shall, within twenty (20) business days from the Closure Action, prepare and deliver to LACOE CO a proposed plan and timeline for the disposal of all property owned by the school (and acquired with public funds) in order to maximize revenue in accordance with law, payment of any and all liabilities and the disbursement of any remaining assets of the school, liquidation of assets to pay off any and all outstanding liabilities. No assets may be liquidated, disposed of, moved, or transferred, in accordance with this proposed plan until LACOE has given approval and the final closure audit has been concluded.	Twenty (20) business days
29.	The charter school shall arrange for a preliminary audit, if requested by LACOE. The charter school shall arrange for a final closure audit no more than 120 **calendar** days from the last date of instruction; cost of the audit will be considered a liability of the charter school. This audit may coincide with the regular required annual audit. The auditor engaged to perform the audit(s) shall be from the list of approved school auditors maintained by the California State Controller's Office and shall be approved by LACOE with the estimated start and completion date, and estimated cost of audit. The independent auditor will conduct a final audit of the charter school, including but not limited to the following task(s): • An accounting of all financial assets, including cash and accounts receivable and an inventory of property, equipment, and other items of material value. • An accounting of the liabilities, including accounts payable and any reductions in apportionments as a result of audit findings or other investigations, loans, and unpaid staff compensation. • An assessment of the disposition of net assets including all unrestricted and restricted funds received by, or due to the charter school. • Verification of school's comprehensive list of creditors and debtors and the amounts owed or owing. • The charter school will provide copies of the final monthly student attendance registers to the independent auditor.	Upon request 120 **calendar** days from the last date of instruction

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ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
30.	Based on the audit findings, and with the written approval of LACOE, the charter school shall be authorized to: • Expend identified assets to liquidate appropriate identified liabilities, bearing in mind that assets paid for by state funds shall be transferred to another LACOE charter school operated as or by nonprofit public benefit corporation pursuant to Education Code Section 47604. Assets donated to the school may be returned to donors or disposed of, in accordance with donor's wishes. • Return of any grant funds and restricted categorical funds to their source in accordance with the terms of the grant or state and federal law, as appropriate, which may include the submission of a final expenditure reports for entitlement grants and the filing of any required Final Expenditure Reports and Final Performance Report.	Per LACOE approved plan and timeline in accordance with audit
31.	At the conclusion of the final closure audit, all remaining assets shall be disposed of by the LACOE approved plan in accordance with the Education Code prior to any distribution of said assets. Following the resolution of all outstanding assets and liabilities, the charter school shall be dissolved. If the charter school is established as a nonprofit public benefit corporation pursuant to Education Code Section 47604 and does not have any functions other than the operation of the charter school, the corporation shall be dissolved.	Per LACOE approved plan and timeline
32.	On the dissolution date, the charter school shall perform **all** of the following on behalf of the faculty and staff: • File all final federal, state, and local employer payroll tax returns and issue final W-2s and Form 1099s by the statutory deadlines; • File the Federal Notice of Discontinuance with the Department of Treasury (Treasury Form 63); • Make final federal tax payments (employee taxes, etc.); • File the final withholding tax return (Treasury Form 941 and State Form DE6); • File the final return with the IRS (Form 990 and Schedule). The charter school will submit any required year-end financial reports to the CDE and LACOE CO in the form and time frame required, and provide copies of all items above to the LACOE CO within twenty (20) business days of the dissolution date.	Dissolution date Twenty (20) business days from dissolution
33.	At all times, the charter school shall allow LACOE immediate access, inspection, and copying of all school records including financial and attendance records, upon LACOE's request.	Immediate access

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ATTACHMENT E

Action of the County Board to Authorize the Charter School

(Provided as a separate file)

ATTACHMENT F

Necessary Changes to the Charter Petition to Reflect the County Board as the Authorizer

To be submitted to the Los Angeles County Office of Education by August 15, 2011. The Charter Office has requested to meet with the Charter School to provide support in making the necessary changes.

Element 1 – Educational Program: Describe the manner in which the school shall comply with the requirement to serve students with disabilities in the same manner as students are served in other public schools (EC 47646 and 56145). The Charter School shall:

1. Inform LACOE whether it intends to remain a "school of the district" or will be an LEA for the purpose of special education services and which LEA the school will join.

   If the school shall become an LEA, the petition must specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities. Including, description of the accommodations and/or modifications that may be used during standardized assessments and how the Charter School is responsible for students with disabilities when the IEP Team exempts them from standardized testing; how parents of students with disabilities are informed about the school's educational program; how the school shall provide special education services to students who are English learners. Specify services to be provided by employees of the school and those to be provided by contract with the SELPA or another agency.

   Describe the target population to be served, how the educational program for students with disabilities reflects the mission of the school and ensures that this student population will achieve content standards. Specifically, respond to Findings of Fact contained in the Report and Recommendation to the County Board with regard to students with disabilities.

2. Provide a five-year build-out plan that describes the number of students and grade levels to be served each year including the location (facility) in which the students will be housed.
3. Describe how the school identifies and responds to the needs of students who are not achieving at or above expected levels.

Element 2 – Measurable Student Outcomes:

1. Revised Section 2.3 (Extent to which all pupils demonstrate that they have attained skills #1 and #2) of the Charter School's petition shall be revised to reflect the County Board as the authorizer.
2. Describe the measurable outcomes the school uses to determine whether students in grade K and 1 are making progress toward meeting the content standards.
3. Describe the measurable outcomes the school uses to determine whether English learners are making progress toward meeting the content standards in all content areas.

Element 3 – Means for Measuring Pupil Progress:

1. Describe the assessment instruments the school uses to measure ongoing student progress in all academic areas, grade levels, and student populations.

Element 5 – Employee Qualifications:

1. Submit copies of all current job descriptions including any new job descriptions for special education positions.

Element 7 – Means to Achieve a Racial and Ethnic Balance:

1. Submit recruitment plan used for 2011-12 enrollment. Describe the racial and ethnic balance the school is attempting to achieve and show how that balance is reflective of LAUSD.

Element 8 – Admissions Requirements:

1. Describe the process for conducting the lottery.

Element 12 – Public School Attendance Alternatives:

1. Describe how the school notifies the parent/guardian of each enrolled pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.

Element 14 – Dispute Resolution Procedures: Minimally, this section shall be revised to come into compliance with County Board Policies and Regulations and the terms of the petition shall not place LACOE or the County Board in the position of being adversely impacted.

1. *As written, the charter petition provides an unacceptable description of how the costs of the dispute resolution process would be funded. LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."*
2. *The charter petition fails to recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto. The charter petition does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).*
3. *The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.*

The Charter School agrees to submit changes to the petition that adhere to the concernsd identified, above, no later than August 15, 2011. (Initial)

Element 16 – Closure Procedures:

1. Closure procedures in the charter petition reflect the LAUSD Board of Education as the authorizer; the petitioner did not submit necessary changes to reflect the County Board as the potential authorizer. This is of particular importance with regard to special education as WAYS currently operates as a school of the district for special education services and would be a Local Education Agency (LEA) if authorized by the County Board.

The Charter School shall make the necessary technical amendments to the complete charter petition to reflect the County Board as the authorizer.

ATTACHMENT G

Changes to the Charter Petition Necessary to Comply with Education Code Section 47607(a)(2)

To be submitted to the Los Angeles County Office of Education by August 15, 2011. The Charter Office has requested to meet with the Charter School to provide support in making the necessary changes.

The Charter School's renewal petition fails to comply with *EC* § 47607(a)(2) which requires that *Renewals...of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed....*

The sections that shall be brought current include, but may not be limited to: Element 2: Measurable Student Outcomes; Element 3: Method of Measuring Student Progress; Element 4: Governance; and Element 8: Admission Procedures.

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Written Notice Prior To Settlement With Former Director

Higelin_Judy <Higelin_Judy@lacoe.edu> Fri, Oct 26, 2012 at 12:46 PM
To: Edward Cabil <edcabil@sbcglobal.net>
Cc: Patel_Neha <Patel_Neha@lacoe.edu>, Sanchez_Lila <Sanchez_Lila@lacoe.edu>, Jason Okonkwo <mrjason7@gmail.com>

Thank you for the notice. We appreciate your keeping us apprised.
Judy

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Friday, October 26, 2012 11:22 AM
To: Higelin_Judy
Cc: Patel_Neha; Sanchez_Lila; Jason Okonkwo
Subject: Written Notice Prior To Settlement With Former Director

LACOE's MOU and conditions of approval for the charter state that WAYS should provide LACOE with written notice before the school enters into a contract with the former director. The former director presented a claim for damages against WAYS, which we have tendered to our insurer. It is hopeful that the former director will agree to settle that claim rather than litigate. That settlement, if reached, will of course be in the form of a contractual agreement. Although we do not believe that this is the sort of "contract" described in the MOU, we are providing this communication to you as written notice in an abundance of caution and in continuance of our good faith efforts to work cooperatively with LACOE. The details of the settlement negotiations are, of course, attorney-client privileged at this time. When and if a settlement agreement is reached, the document will be public.

Blessings,
Ed Cabil

EXHIBIT

31

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

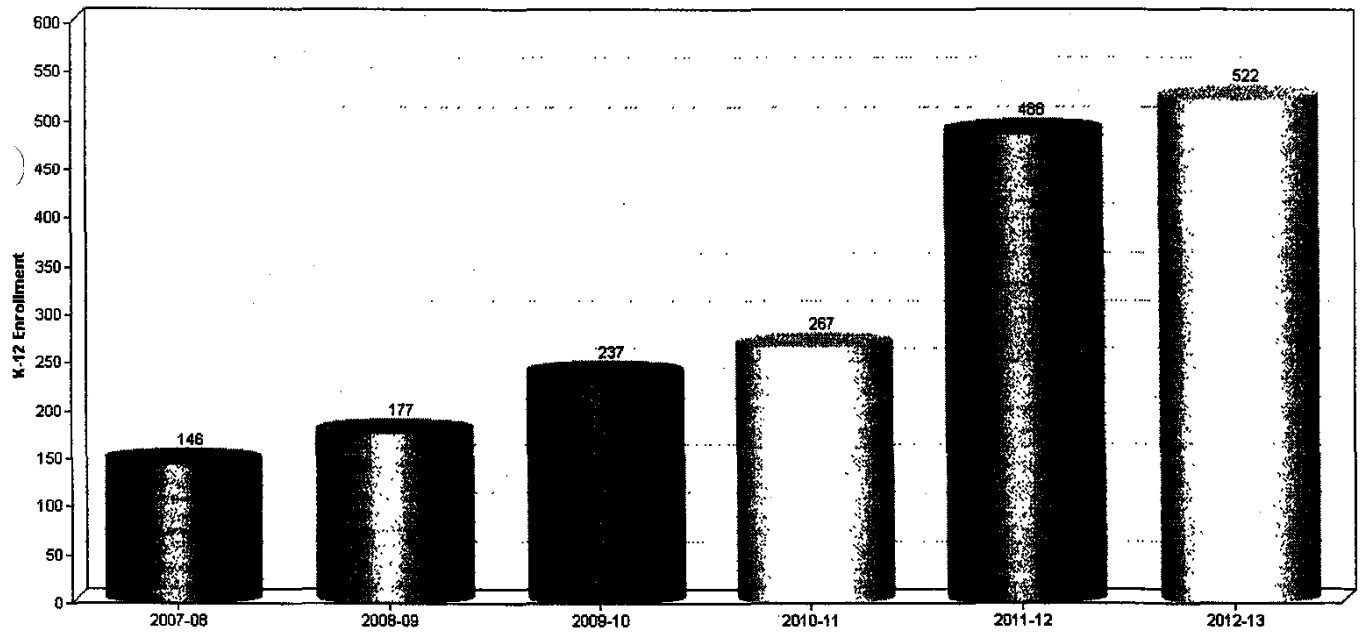
California Department of Education
Data Reporting Office

K-12 Public School Enrollment

0112730-WISDOM ACADEMY FOR Y

Select Report: Time Series - Public School Enrollment

Select School: WISDOM ACADEMY FOR YOUNG SCIEN --19101960112730



EXHIBIT

32

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Response to Michael Ammermon Emails dated November 29, 2013, December 11, and December 13, 2013

Jason Okonkwo <mrjason7@gmail.com> Fri, Jan 10, 2014 at 12:55 PM
To: mwacpa@me.com
Cc: "edcabil@sbcglobal.net" <edcabil@sbcglobal.net>, Jason O <mrjason7@gmail.com>

January 9, 2013

Dear Mr. Ammermon,

Greetings and salutations of the new year!

I am writing in response to your emails dated November 29, 2013, December 11, and December 13, 2013.

As you could imagine, all of your emails were sent during our busiest time of the year. We were inundated with school activities and business, and as you know we are undergoing our regular annual audit. I apologize for the delay in my response.

Regarding American Express:
Thank you for confirming receipt of the American Express statements and supporting documentation.
There are two additional AMEX accounts since 2010 Yetunde Watson -62021 and Larry Moore -32013.

Regarding Van Rental Agreement:
I was able to locate the Van Lease Agreement from 2011-12. However I was unable to locate a signed copy of the agreement. During this year WAYS experienced significant turn-over in the Board of Directors and administration. Many official school documents were kept by those individuals who are no longer associated with WAYS, and have yet to be returned after several requests to do so. I suspect that the signed van lease and Board documentation, if any, may be within those lost documents.

Regarding Avatar Technology:
I was unable to locate any Board documentation regarding the purchase of the Avatar Computers. However, I can attest that the Board was fully aware of the purchase before it was executed and after they were purchased. I've attached the news letter showing our students using the computers.
I believe that this matter may need to be ratified by our current Board. I will discuss this with our CEO.

Regarding Ed Cabil Reimbursement:
I was able to resolve this matter. Check #11731 was issued in error, voided, and not paid to Mr. Cabil.

Regarding the Lexus:
Please see the following documents attached:
1. Original Lexus purchase/lease documents
2. Original Board approval documentation
3. Analysis for Purchase and Sale
4. Payoff documentation
5. Proposed sale documentation

Regarding OSE Business Services:
I will do all that I can to help you resolve your connection issue. However, because I am in no way directly related to the parties at OSE Business Services I have limited knowledge of the specifics pertaining their Business Filings, social security number, and fititious business or doing business as license. Therefore, on December 12, 2013, I forwarded your email concerning their business to OSE,

and on December 16, 2013, OSE replied in the email attached and suggested that you reach them for more information at (323) 377-0972 or orangecounty.osebs@gmail.com.

Furthermore, I cannot confirm the accuracy of what you claim Deara stated in the interview with her on November 15th, including the allegation that Kendra Okonkwo is the only person with a key and the only one who has access to 6709 La TIjera Blvd Ste 274, for I was not present in the interview nor am I involved in the business of Innovative Ways Academy.

I'm unsure of how you drew your conclusion, however considering the information provided, it does not appear that Mrs. Okonkwo may be controlling or managing in some manner the OSE Business. Obviously, I am not a professional Investigator or Auditor however I believe that the first step in any investigation is to ask questions. I believe that the most accurate answers about Mrs. Okonkwo business and relationships would come from Mrs. Okonkwo herself. I also encourage you to get in touch with OSE so that you can receive the most accurate information regarding their business. I hope that this helps you confirm the authenticity and who the controlling parties of OSE are.

Mr. Ainmermon, it is true that I am not aware of any related party business relationships. As you know, I've been employed with WAYS for nearly 7 years now. Prior to my employment at WAYS I was employed by a District Public School. All to say that I have no expectations for the framework of OSE Business Services and Infrastructure. Unfortunately, I have no information or opinion on the the type of business footprint you would expect for OSE.

Additionally, to further assist you in establishing the authenticity of OSE Business Service, On during the week of December 16-20, 2013, I requested the 1099 for OSE from Bali Business Management. I have not received it yet, and I will follow-up with them on Monday, January 13, 2014. On December 18, 2013, I requested copies of the OSE Business Services Checks and Cashiers Checks, both the front and back of each check. Our bank, Wells Fargo, said that it would take ten business days to deliver, and considering the recent holidays I expected 14 days. Ilowever, as of today I have not received the copies from our bank and I will follow-up with them on Monday, January 13, 2014. Also, please note that the bank considered my request extraordinary and unusual, so the process was a quite long and difficult. Nonetheless, during the week of November 11-15, I believe that you scanned copies of all our bank canceled check images and payable cashiers checks. OSE information will be provided within those documents.

I hope that the information I provided will help you resolve all matters quickly and efficiently. And as always, I am open to any recommendation that you may have.

Sincerely,

Jason

--
Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

- CONFIDENTIALITY NOTICE -
The information contained in this transmission is intended only for the person or entity to which it is addressed and contains confidential and/or privileged material. If you are not the intended recipient of this information, do not review, retransmit, disclose, disseminate, use, or take any action in reliance upon, this information. If you received this transmission in error, please contact the sender and destroy all printed copies and delete the material from all computers.

11 attachments

April 2012.PDF
241K

Lexus Sale Docs 1.PDF
218K

Lexus Sale Docs 2.PDF
1201K

Lexus Payoff Info.PDF
60K

Lexus Board Approval.PDF
84K

Lexus Purchase Docs.PDF
927K

Capital Expense Recommendation.pdf
41K

Lexus Sale Docs 3 - Escrow.com Transactions.pdf
91K

Email from OSE - Gmail - email on thursday from Michael.pdf
60K

OSE Docs.PDF
113K

Van Lease01.PDF
81K

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Response to Michael Ammermon Emails dated November 29, 2013, December 11, and December 13, 2013

Jason Okonkwo <mrjason7@gmail.com> Mon, Jan 13, 2014 at 12:33 PM
To: mwacpa@me.com
Cc: "edcabil@sbcglobal.net" <edcabil@sbcglobal.net>

Good afternoon Mr. Ammermon,

Today I received the copies of the requested Cashiers Checks from our bank. Please see the attachment and kindly confirm receipt of all requested documents.

Furthermore, how soon can we expect the FCMAT Audit Report?

I look forward to your response.

Sincerely,

Jason Okonkwo
[Quoted text hidden]

OSE Business Cashiers Checks.PDF
531K

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

OSE Business Services - Requested Cashier's Checks and Bill Payment Checks

Jason Okonkwo <mrjason7@gmail.com> Wed, Jan 22, 2014 at 10:06 AM
To: Michael Ammermon <mwacpa@me.com>
Cc: Debi Deal <ddeal@fcmat.org>, "edcabil@sbcglobal.net" <edcabil@sbcglobal.net>

Dear Mr. Ammermon,

I received the final cashiers check from our bank, Wells Fargo, attached.

Kindly tell us when we can expect the draft Audit Summary?

Please let me know if you need any additional information.

Sincerely,

Jason

On Tue, Jan 14, 2014 at 5:26 PM, Michael Ammermon <mwacpa@me.com> wrote:
[Quoted text hidden]
[Quoted text hidden]

01221400.PDF
43K

EXHIBIT

35

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Missing Information

4 messages

Michael Ammermon <mwacpa@me.com> Fri, Nov 29, 2013 at 1:56 PM
To: Jason Okonkwo <mrjason7@gmail.com>
Cc: Debi Deal <ddeal@fcmat.org>

Dear Jason,

Last week we were able to meet with Bali Business Management. The information that Bali was able to provide was helpful and did provide coverage for many items that were not available during our visit at WAYS. I've send Halilu an Email today requesting him to find some information we would like him to follow up on.

AMERICAN EXPRESS:

During our visit with Bali, Bali was not able to locate and therefore we were unable to review American Express Card statements and supporting receipts or documentation for the following:

- Calendar year 2010; Months April through December
- Calendar year 2011; Months January through December
- Calendar year 2012; Months January through October, and the month of December
- Calendar year 2013; Months September and October

There appears to be at least three credit card numbers ending in 62005 - Kendra, 32005 – Jason, and 33003-Jason. Of the missing American Express statements and documents identified above, Bali was unable to find in their records any of the three credit card statements and supporting documentation I have just described and we cannot determine based on what is missing if there are any other additional credit card accounts.

When you have some time when you return to work next week, please provide us a listing of all credit card accounts for the 2010-2013 calendar years and let us know if you can find any of the missing credit card statements and supporting documentation.

VAN LEASE/RENTAL AGREEMENT:

Attached is a PDF titled "Emeka Enwezor Van Lease." When we reviewed the documentation for the sampled vendor, Emeka Enwezor, Bali could not find any lease agreement documentation. There was however a note attached to check number 9513 that states, "Q? Jason will send back-up on Monday 12/12/2011." Please search your records and send us a copy of the Emeka Enwezor Van lease/rental agreement and associated Board approval and Board approval documentation.

AVATAR TECHNOLOGY:

We also sampled Avatar Technology and came across a large purchase dated January 23, 2012 in the amount of $37,986.51 for 85 "Legerro 13.3" items at $410 per unit plus tax. Please send us the Board Approval and any Board Agenda or other documentation supporting the Boards approval of the purchase.

ED CABIL REIMBURSEMENT:

Attached as a PDF titled "Ed Cabil Duplicate Reimbursements check numbers 11731 and 11600" is the documentation identifying two checks to Mr. Cabil for the identical amounts of $319.25. Both checks, check numbers 11600 and 11731 are for the same amount of $319.25, are dated one month apart; however, both reimbursements submitted are using what appears to me as exactly the same backup supporting documentation. It may be that Mr. Cabil inadvertently submitted and was

approved for the same reimbursement twice or there is some other reason for the duplicate. Please follow up with Ed and let us know how these two transactions should be accounted for and if there is other documentation this is in the same amount of $319.25 but with different supporting documentation.

LEXUS PURHCASE, PAYOFF, & PROPOSED SALE:

Based on the discussion you and I had, I did remember that you stated that the Lexus RX-350 that you drive was going to be sold and that the goal was to purchase another school van with the profits from the sale. When we discussed the sale of the Lexus with Bali, they indicated that they understood the Lexus payments of $891.94 per month over the past 12 months to be lease payments.
Bali did not have any lease or purchase documents for the Lexus in order for us to determine if the Lexus was a lease or financed capital purchase or some other lease/option to buy type transaction that should have been capitalized. We were able to identify in the October 2013 WAYS Wells Fargo bank statement the payoff of the Lexus as check number 12397, clearing the bank on October 21, 2013, in the amount of $30,379.02. Please provide us with the following regarding the Lexus:

- Original Lexus purchase / lease documents
- The original Board approval documentation and minutes authorizing the purchase of the Lexus
- The Board approval documentation and minutes authorizing the sale of the Lexus
- The analysis that you or Mr. Cabil would have provided the WAYS Board establishing the financial profitability, viability, or reasoning for the purchase and subsequent sale of the Lexus
- Copies of any Lexus payoff documentation
- Copies of any Lexus proposed sale documentation

Thank you for your help. If you have any questions, please feel free to contact us.

Best regards,

Mike

Michael W. Ammermon
30100 Crown Valley Pkwy., Ste. 35E
Laguna Niguel, CA 92677 Office/Cell
Phone (949) 887-2283
Fax (866) 398-5477
Email: mwacpa@me.com

2 attachments

Emeka Enwezor Van Lease.pdf
362K

Ed Cabil Duplicate Reimbursements check numbers 11731 and 11600.pdf
1656K

EXHIBIT

36

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Missing Information follow up and OSE Business Services issues
2 messages

Michael Ammermon <mwacpa@me.com> Wed, Dec 11, 2013 at 5:39 PM
To: Jason Okonkwo <mrjason7@gmail.com>
Cc: edcabil@sbcglobal.net, Debi Deal <ddeal@fomat.org>

Dear Jason,

Hope your schedule has opened up and the holidays are treating you well. I'm following up regarding a few things. I would like to come out one more day to review the information that I followed up with you last Thursday, December 5th which was based on my Friday, November 29th E-mail to you discussing the American Express Statements, Van/Lease Rental Agreement, Avatar Technology, Ed Cabil Reimbursement, Lexus Purchase, Payoff, & Proposed Sale.

Thank you for responding to Nafisa at Bali Business Management, day before yesterday, December 9th , by providing the OSE Business Services ("OSE") IRS Form W-9. Based on the W-9 for OSE we received from Bali Business Management, we have a slight connection issue that we need your assistance. As far as we can research, we cannot make a connection between OSE as a business and the Social Security Number (SSN) used by Obiesie Enwezor in completing his W-9 as owner of OSE Business Services. In other words, according to our business search for the WAYS vendor OSE, we cannot find a business known as OSE Business Services. Usually, when a business files for a Fictitious Business Name or Doing Business As (DBA) license, we can identify the business using our business search tools.

OSE also shares the identical address as Innovative Ways Academy, a Non-Profit Corporation. Both OSE and Innovative Ways Academy have the mailing address of 6709 La Tijera Blvd., Ste. 274, Los Angeles, CA 90045. Innovative Ways Academy is Deara Okonkwo's Non-Profit organization and the Innovative Ways Academy and Web Site identifies the Innovative Ways Academy's address as 6709 La Tijera Blvd., Ste. 274, Los Angeles, CA 90045.

When we interviewed Deara Okonkwo, your sister, on November 15th, Deara clearly explained that Kendra Okonkwo, your mother, is the only person who checks the mail at the 6709 La Tijera Blvd., Ste. 274 and is the only person with keys and access to 6709 La Tijera Blvd., Ste. 274.

We visited the 6709 La Tijera Blvd., Ste. 274, Los Angeles, CA 90045 mailing address which is the mailing address of both OSE and Innovative Ways Academy and found the 6709 La Tijera Blvd., Ste. 274 address to be only a post office box rental and business services type center. Considering the volume of boxes of paper alone that WAYS purchases from OSE, we would have expected the OSE location to be a warehouse facility with the ability to service numerous customers complete with shipping documents, bills of lading, packing slips, and other documentation.

Since Kendra Okonkwo is alleged to be the only person with a key and the only one who has access to 6709 La Tijera Blvd., Ste. 274's mail box, it appears that Kendra Okonkwo may be controlling or managing in some manner the OSE business. We would like you to help us understand and now confirm the authenticity of OSE and who the controlling owners and parties of OSE are.

I believe you when you explained to us when we first met that there were no other related party businesses that you knew of. Jason, because even you were not aware of any other

potential related party business relationships, this is why we need to carefully confirm OSE's business. At this point in our audit, based on the invoice only documentation from OSE, OSE does not appear to be exhibiting the type of business footprint we normally would expect to find for a business doing the type of sales volume that OSE does with WAYS.

Considering the amount of sales OSE has with WAYS, I would believe that OSE will be more than happy to help you and in turn help us. In order to authenticate OSE and support the questions we have, we are requesting the following:

1. Please obtain from OSE the documents OSE filed with their bank for opening their bank account as a business and any other documents which may help us identify OSE as a legitimate business (Example documents that OSE should have are DBA documents, State Board of Equalization sales and resale documents, business license, and business property tax documents).
2. Provide to us the IRS Form 1099's that were issued to OSE for calendar years 2011 and 2012.
3. Since OSE had not provided any Packing Slips or other Shipping documents for the supplies sold to WAYS, please provide us with OSE's actual physical business/warehouse address and phone number. This way you can let OSE know we will telephone Mr. Enwezor and set up a meeting with Mr. Enwezor.
4. Please inform Mr. Enwezor that we will need to review his supplier purchases to support that the product OSE obtained or consolidated from his suppliers and subsequently sold to WAYS did in fact occur.

Hopefully we can resolve the OSE matter and move on to completing the other remaining items we described in the first paragraph of this E-mail. If you have any questions, please feel free to call or write anytime. We are looking forward to meeting Mr. Enewezor.

Sincerely,

Mike

Michael W. Ammermon
30100 Crown Valley Pkwy., Ste. 35E
Laguna Niguel, CA 92677 Office/Cell
Phone (949) 887-2283
Fax (866) 398-5477
Email: mwacpa@me.com

EXHIBIT

37

FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Missing Information follow up and OSE Business Services issues
3 messages

Michael Ammermon <mwacpa@me.com> Fri, Dec 13, 2013 at 6:40 PM
To: Jason Okonkwo <mrjason7@gmail.com>
Cc: edcabil@sbcglobal.net, Debi Deal <ddeal@fcmat.org>

Dear Jason,

We received from WAYS a Priority USPS envelope late today with a CD containing 17 files which appear to be American Express statements. Thank you so much for scanning the American Express statements that were un-available during our last visit to WAYS and sending the American Express Statements to us. We have not had a chance to go through the files on the CD we received from you today and believe that the CD contents are American Express statements; however, I'll let you know as soon as possible if we can check off from the list the missing American Express statements identified in our Friday, November 29, 2013, 1:57 PM E-mail.

This still leaves as outstanding from the Friday, November 29, 2013, 1:57 PM E-mail, the Van/Lease Rental Agreement, Avatar Technology, Ed Cabil Reimbursement, Lexus Purchase, Payoff, & Proposed Sale and the OSE Business Services matter. By now I'm sure Executive Director, Ed Cabil is reviewing his reimbursements and you and Mr. Cabil are gathering the requested board minutes and authorizations, etc., as described in the Friday, November 29, 2013, 1:57 PM E-mail.

Regarding the OSE Business Services matter described in our E-mail sent to you and Mr. Cabil the day before yesterday, Wednesday, December 11, 2013 at 5:39 PM, we are adding one additional requested item. One additional area that may further help us with establishing the authenticity of OSE Business Services would be for you and Mr. Cabil to request from your bank and provide to us the **OSE Business Services Checks and Cashier's Checks, both the front and back of each check.** Regarding Cashier's Checks, if you request inside of your bank branch, the branch were you obtained the cashier's checks can provide you front and back copies of the cashier's checks that were issued to OSE Business Services.

To keep track of the remaining requested items we have included in this E-mail, both the Friday, November 29, 2013 1:57 PM E-mail and Wednesday, December 11, 2013 5:39 PM E-mail for reference. We have added the OSE Business Services Check and Cashier's Check copies request for both front and back copies of the OSE Business Services checks to the Wednesday, December 11, 2013 at 5:39 PM E-mail below as item number 4 which now identifies five items.

To assist you and Mr. Cabil in obtaining front and back copies of the OSE Business Services checks and cashiers checks, we have attached a copy of the OSE Business Services QuickBooks transaction report which identifies each transaction with OSE Business Services. OSE Business Services checks are identified as bill payment checks shown in the report as "Bill Pmt-check", although two Bill Pmt-Checks are cashier's checks and are identified as such. Using the OSE Business Services check number, check date, and amount shown in the QuickBooks Transaction Report, your bank should have no difficulty in providing front and back copies of the OSE Business Services checks. Cashier's checks are identified in the attached OSE Business Services QuickBooks transaction report typically as General Journal entries; however, I have written in blue ink a small "cc", signifying cashier's check by each amount that is considered to be a cashier's check. Also attached are two additional PDF files which are copies of the front of the cashier's checks that we obtained which should assist your bank in quickly identifying the cashier's checks

we are requesting front and back copies.

Thank you and Mr. Cabil again for sending us the American Express statements. If we do not hear from you by sometime next week we will follow up with another E-mail to see where you are in the process.

Thank you again.

Sincerely,

Mike

Michael W. Ammermon
30100 Crown Valley Pkwy., Ste. 35E
Laguna Niguel, CA 92677 Office/Cell
Phone (949) 887-2283
Fax (866) 398-5477
Email: mwacpa@me.com

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Vehicle Donation Letter

Donor:
Emeka Enwezor
953 West 45th Street
Los Angeles, CA 90037

Donated to:
Merle Williamson Foundation
706 East Manchester Ave
Los Angeles, CA 90001

Donation(s):

Vehicle(s)	VIN	Value
1994 Ford E-350 VAN - White -- 15-passenger - Automatic	1FBJS31G6SHA42712	$4800
Total		$4800

On December 31, 2012, the above-referenced vehicle(s) was/were given by the donor to Merle Williamson Foundation.
The donor did not receive anything in exchange for this donation.

Merle Williamson Foundation is recognized as a non-profit organization per IRS Code 432.56.215-B. Their tax identification number is 63-6292527.

Please retain this receipt for income tax purposes.

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

MERLE WILLIAMSON FOUNDATION
DOING BUSINESS AS
WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS)

CONFLICT OF INTEREST CODE

I. ADOPTION

In compliance with the Political Reform Act of 1974, California Government Code Section 87100, et seq., the Merle Williamson Foundation, a California nonprofit public benefit corporation doing business as the Wisdom Academy for Young Scientists, a California public charter school, hereby adopts this Conflict of Interest Code ("Code"), which shall apply to all governing board members and all other designated employees of Wisdom Academy for Young Scientists ("Charter School"), as consistent with California Government Code Section 87300. As the Charter School has also agreed in its charter to comply with Government Code Section 1090, in addition to the Political Reform Act, this Code intends to conform to the requirements of that Section.

II. DEFINITION OF TERMS

The definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission, specifically California Code of Regulations Section 18730, and any amendments or modifications to the Act and regulations are incorporated by reference to this Code.

III. DESIGNATED EMPLOYEES

Employees of this Charter School, including governing board members, who hold positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest shall be "designated employees." The designated positions are listed in "Exhibit A" attached to this policy and incorporated by reference herein.

IV. STATEMENT OF ECONOMIC INTERESTS: FILING

Each designated employee, including governing board members, shall file a Form 700 Statement of Economic Interests ("Statement") at the time and manner prescribed below, disclosing reportable investments, interests in real property, business positions, and income required to be reported under the category or categories to which the designated employee's position is assigned in "Exhibit A."

An investment, interest in real property or income shall be reportable, if the business entity in which the investment is held, the interest in real property, the business position, or source of income may foreseeably be affected materially by a decision made or participated in by the designated employee by virtue of his or her position. The specific disclosure responsibilities assigned to each position are set forth in "Exhibit B."

Filing of Annual Statements. All Statements shall be supplied by the Charter School. All Statements shall be filed with the Charter School and the Charter School's filing officer shall make and retain a copy of the Statement and forward the original to the County Board of Supervisors.

V. DISQUALIFICATION

No designated employee shall make, participate in making, or try to use his/her official position to influence any Charter School decision which he/she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family.

VI. MANNER OF DISQUALIFICATION

A. Non-Governing Board Member Designated Employees

When a non-Governing Board member designated employee determines that he/she should not make a decision because of a disqualifying interest, he/she should submit a written disclosure of the disqualifying interest to his/her immediate supervisor. The supervisor shall immediately reassign the matter to another employee and shall forward the disclosure notice to the Charter School Principal, who shall record the employee's disqualification. In the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his/her appointing authority.

B. Governing Board Member Designated Employees

Financial interest in a contract: Where a Governing Board member has a personal, material financial interest in a contract, the financial interest will be reviewed under Government Code Section 1090 to determine whether the remote or non-interest exceptions apply. Should the Board determine that no applicable remote or noninterest exceptions apply, the Board must either: (1) not enter into the contract, as Government Code Section 1090 prevents the entire board from voting on the contract; or (2) prior to the Board of Director's discussion of and/or taking any action on the contract at issue, the Board member must resign from the Board of Directors. The resignation shall be made part of the Board's official record.

All other financial interests: Governing Board members shall disclose a disqualifying interest at the meeting during which consideration of the decision takes place. This disclosure shall be made part of the Board's official record. The Board member shall refrain from participating in the decision in any way (i.e., the Board member with the disqualifying interest shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken) and comply with any applicable provisions of the Charter School bylaws.

EXHIBIT A

Designated Positions

I. Persons occupying the following positions are designated employees and must disclose financial interests in all categories defined in "Exhibit B" (i.e., categories 1, 2, and 3).

A. Members of the Board of Directors
B. Executive Director of Charter School
C. Principal of Charter School
D. Director of Operations
E. Director of Instruction
F. Consultants[1]

[1] The Executive Director may determine, in writing, that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location of interest code.

EXHIBIT B

Disclosure Categories

Category 1 Reporting:

A. Interest in real property which is located in whole or in part either (1) within the boundaries of the District where the Charter School is located, or (2) within two miles of the boundaries of the District, including any leasehold, beneficial or ownership interests or option to acquire such interest in real property.

(Interests in real property of an individual include a business entity's share of interest in real property of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a 10% interest or greater.)

B. Investments in or income from persons or business entities which are contractors or sub-contractors which are or have been within the previous two-year period engaged in the performance of building construction or design within the District.

C. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the jurisdiction.

(Investment includes any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership interest or other ownership interests.)

(Investments of any individual include a pro rata share of investments of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly or beneficially, a ten percent interest or greater.)

(Investment does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency.)

Category 2 Reporting:

A. Investments in or income from business entities which manufacture or sell supplies, books, machinery or equipment of the type utilized by the Charter School. Investments include interests described in Category 1.

Category 3 Reporting:

A. Investments in or income from business entities which are contractors or sub-contractors engaged in the performance of work or services of the type utilized by the department for which the designated employee is Manager or Charter School Principal. Investments include the interests described in Category 1.

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FISCAL POLICY

POLICY NUMBER ONE: BUDGET PREPARATION AND IMPLEMENTATION

ANNUAL BUDGET
The school shall annually adopt a budget as a planning tool to implement its strategic plan. The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget through the Finance Committee and make necessary adjustments as needed.

BACKGROUND:
In order to manage the resources of the school, a budget has to be prepared to reflect the priorities of the school, and also help achieve its goals and objectives.

PROCEDURES:
Executive Consultant:

- Informs the Executive Director of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.
- Review the budget and check the calculations and the basis for the calculations.
- Make revenues estimates in coordination with the Executive Director, taking into consideration the state funding, fundraising, investment activities and other income sources.
- Prepare a draft budget based on the requests by the Executive Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.
- Meet with the Executive Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the finance committee the priorities of the school, revenue availability and fiscal responsibility must be considered.
- Prepare the final recommended budget based on agreements reached from the meeting with the Executive Director for presentation to the Finance Committee and Board of for approval.
- Provide the approved budgets to the Director of Operations and other Administrative Staff so they know the budgets they have to work with during the year.
- Responsible for making sure the budgets are being implemented correctly. This includes working with the Consultant Accounting Staff to input the budgets into the accounting system to help monitor budgets to actual comparison. Also working with the Director of Operations and Staff Consultant to answer budget related questions and reporting any problems and proposed solutions to the Executive Director and Finance Committee.
- Review budget to actual report prepared by Staff Consultant and make necessary adjustments and narratives or comments before presenting to Executive Director, Finance Committee and Board.
- Revise the budget for board consideration when there is a material change in the approved budget.

Executive Director:

- Review the draft budget with the Executive Consultant, making sure that the priorities of the school are reflected in the final budget recommended to the Finance Committee and the Board.
- Review the monthly budgets to actual comparisons prepared by the Executive Consultant and take any recommended actions as necessary.
- Recommend any budget adjustments as necessary to the Finance Committee and the Board.
- Help the Executive Consultant in preparing annual budgets.

Consultant Bookkeeper:

- Inform the Executive Consultant of any unbudgeted expenditures seen while reviewing purchase orders.
- Input the approved budgets in the Accounting system so we can generate budget to actual reports.
- Approve purchase orders before they are issued to vendors, after checking to make sure there are funds in the budget for cover the order.
- Prepare monthly budget to actual report for Executive Consultant to review.

POLICY NUMBER TWO: TIME SHEET AND PAYROLL POLICIES AND PROCEDURES

PAYROLL

All employees on payroll must be hired by the Executive Director and must have worked for the hours being paid, those hours having been properly documented and approved by the Executive Director. The expense must be properly recorded in the accounting records to the correct account to facilitate availability of accurate and timely financial information for management's use in making decisions.

BACKGROUND:

The school hires employees to work on its operations, in order to achieve its objectives. The employees in turn get paid on a timely basis and the information on these costs is made available to school management for decision making.

PROCEDURES:

Responsibility of the employee:

- Punch in time card on a daily basis when you come in for work, when you take lunch or any other absence, when you return back to work on the same day and when you leave for the day. Any specific arrangements outside normal hours should be discussed and approved by the Executive Director prior to beginning of the assignment.
- No overtime can be worked before obtaining approval from the Executive Director.
- Salaried employees are required to sign a sign-in log on a daily basis.
- At the end of each pay period each hourly employee is required to finish completing their time sheet that was generated by the computer system and give them to Administrative Assistant for approval. The employee should make sure they complete the total regular hours, overtime hours, vacation, sick, and other hours worked each day and for the pay period. If you work on more than one job on a regular basis you should complete a time sheet for each job. Just state what hours you worked for each job on the same time sheet if you work more than one job on an irregular basis.
- The properly completed and approved time sheet is put in the box of the Administrative Assistant no later than the date it is due for processing. Delay in submitting the time sheet can affect employee pay date.
- If you are a new employee, make sure that you complete a personnel information package, including a W-4 form that gives us information on your tax status. We cannot give you all the money due you without knowing your tax information. Any information related to direct deposit, tax sheltered annuity or any other voluntary deductions should be given to the Financial Consultant no later than the deadline given to you by the business office. If you are hired after the start of a pay period, you will not be paid until the pay period following the period you started working.

Responsibility of the Administrative Assistant:

- Provide all staff with time sheet, sign-in sheet, time card, due date for time sheet, due date for voluntary deductions set up, time clock and other employee package items necessary to accurately complete information for payroll and benefit accrual.
- Collect all the time sheets in your box and any others around the time clock area.
- Verify that the time recorded on the time sheet corresponds with the time clock records. Any unexplained discrepancies should be reported to the Executive Director for correction or explanation. Any incomplete or unapproved time sheet should be referred to the Executive Director for completion and approval immediately in time to promptly prepare payroll.

- Verify the time sheet to make sure the computations are accurate and that the information and approvals are made by the appropriate persons and write the account numbers where the salaries will be charged on the time sheets.
- After verifying that everything is correct and that you have every employee's time sheet, sort out using the previous period time report and give to the Executive Director for approval and transmittal to the Executive Consultant Also process the Salaried payroll for the pay period, ESA for the 15th and regular monthly payroll for the 30th.
- Print the input information for the School Director to approve for transmission to Executive Consultant.
- Send new hire and any other employee change information to the
- Executive Consultant as you get the information from the employee.
- After the checks come back from BBM, verify all the checks to make sure that everything is correct and that the checks appear accurate. Additionally check the payroll reports sent to you to make sure everything balances both to the time reported and other relevant deductions. If there is anything that appears unusual, inform the Financial Consultant or a Executive Director. Put the checks in envelopes ready to be distributed to employees and leave with the receptionist together with a sign-in list. Instruct the receptionist that nobody should pick-up another persons check without written authority to do so. Before the receptionist gives a check to an employee that employee must sign the list provided as evidence that they have received their check.

Responsibility of Executive Director:

- Make sure that the new employee package is completed and accurately filled out prior to starting work, especially the I-9, Immigration and Naturalization Form and W-4, Employee Tax Information. The employee should also be given a copy of the employee handbook so they can be aware of the school policies and procedures that affect them.
- Negotiations regarding pay and other benefits should take into consideration the budgetary constraints to make sure that we do not commit to what we cannot pay.
- A personnel action form (PAF) must be completed and given to the Financial Consultant stating how much the employee will be paid, what the effective date is, and what account will be charged for this expense. The PAF and the completed package must be given to the Financial Consultant so that payroll arrangements can be made and personnel file opened for the new employee.
- The Executive Director must make sure the employee follow the school policies and procedures that relate to them. Any infraction should be cured according to school policies and procedures related to employee discipline.
- Make sure that all employees complete a time sheet and give it to them for their approval on a timely basis.
- Ensure that the time sheet as completed by employees reflect their attendance, including breaks and lunch time, before approving the time sheet.
- Make sure that employees are allowed to take breaks in the mornings and in the afternoons and a lunch break for those who work full-time. Generally, rest periods (breaks) are taken every four hours of work and meal periods (lunch) when someone works six or more hours a day.
- Ensure that overtime worked by the employee is approved in advance and that there is enough funding available to cover the overtime and other related costs.

POLICY NUMBER THREE: PURCHASE AND OTHER PROCUREMENT POLICIES AND PROCEDURES

PURCHASES:

The school will purchase the materials needed to implement the plans and strategies set out by the board and the charter in order to achieve its objectives. In making these purchases the school must ensure that the materials being purchased are necessary for running the school. The school will also ensure that economy of resources is exercised in judging whether there is a need to purchase a certain item, as the school has limited resources for many competing

priorities. The purchase must give the school the best deal (price, quality and other criteria considered), and also ensure that there are funds available to pay for the materials. All purchases must be approved by the Executive Director. The purchase must be documented and recorded in the accounting books.

PROCEDURES:

- All purchases must be initiated by completing a purchase order. Exceptions may be granted by the Executive Director or Executive Consultant for purchase of certain small items that are less than $100 or in emergency situations.
- Before completing the purchase order the purchaser must assure that there are unencumbered funds budgeted for this purpose and the purchase is being charged to the correct budget category. If there is any question regarding the availability of funds, the Staff Consultant can be contacted for an answer.
- The purchaser must demonstrate, by providing copies of three bids or estimates that the vendor picked provides us with the best deal for the service or product being purchased. (The lowest price may not always be the best deal for the school.)
- For the purpose of getting bids, purchases of $2,999 or less can be done by phone bids, purchases of between $3,000 and $9,999 can be done by written bids on vendor's letterhead. Purchases of $10,000 or more need to be advertised in a more formal competitive bidding process.
- In cases where a particular vendor is known to give us the best deal, once a year research of prices and services is enough to satisfy this criterion. In such a case copies of the result of the research should be kept on file to be referred to when needed.
- There may also be cases where a vendor is a sole source vendor, which means that the vendor is the only vendor that can supply this product or service. In such an instance it will be impossible to provide bids, but it must be demonstrated that the vendor is the sole source.
- Purchase orders will be issued by Administrative Assistant. The form must be originally filled out, including who to deliver the order to and the account number to which the expenditure is to be charged. The original is given to the Administrative Assistant to fax to the vendor with a return confirmation from the vendor after being approved by the Director of Operations, a copy for the Director of Operations's file, Staff Consultant's file and a copy to the Office Assistant (receiving). All originals and copies of purchase orders must have the signatures of the Director of Operations.
- All purchase orders must be approved by the Director of Operations.
- When the purchaser gets the order they will keep the items in a safe place for use, after making sure that the order received agrees with the purchase order. In certain instances the order might be tracked as to who is using them, so we can allocate them to various programs.

Procedures for Receipt of Order (Office Assistant)

- When the order arrives the Office Assistant compares the quantity on the packing slip, the purchase order and the order received to make sure they agree. If they agree the packing slip will be initialed and sent to the Staff Consultant with a copy to the Director of Operations.

Administrative Assistant:

- When the original purchase order is received from the Director of Opeations, it is immediately faxed to the vendor. This will be done after checking to make sure the order is charged to the correct account, and funds are available signified by the approval of the Director of Operations, evidenced by the his signatures.
- A copy of the purchase order is kept in an open purchase order file pending the time the order is filled. It is discarded when the invoice for the purchase is processed. The purchase order is encumbered in the Accounting system to set aside the funds so it will be available to pay for the bill. The purchase order is unencumbered when we pay the bill.
- The Administrative Assistant will check incoming orders to make sure they are consistent with the packing slip and the purchase order. The orders will then be stamped or tagged as property of the Wisdom Academy depending on what kind of item it is. Books will be

stamped and equipment will be tagged, while supplies will be inventoried issued as necessary.

- The Administrative Assistant will check all the documentation and make sure they are complete, accurate, and consistent with one another. The Administrative Assistant will also make sure that the correct budget category is being charged and the amount of the bill is computed accurately.
- As part of checking the documentation, the Administrative Assistant will ensure that the invoice being paid is an original invoice, not a copy, and that we are not paying from a statement of account. Please refer to commercial warrant processing for more details on bills processing.

POLICY NUMBER FOUR: CONTRACTING POLICIES AND PROCEDURES

1. All contracts must be approved by the School Director and Staff Consultant. Contracts of up to $4,999 may require at least three phone bids, between $5,000 and $9,999 may requires three written bids on contractor's letterhead. Contracts of $10,000 and above require formal competitive bidding process. For more information, please see purchase procedures.
2. Before approving a contract, it must be determined that funds are available for this purpose and the payment terms clearly and satisfactorily stated in the contract, considering cash flow needs of the school.
3. In the case of a construction contract, the contractor must be licensed by the state board and have the financial capability to execute the contract, except in cases where an exception is allowed by a Principal.
4. The contractor must have workers compensation and other general liability insurance that will name the school as additionally insured, except in cases where the school agrees to cover the contractor as part of terms of the contract.
5. The contractor must submit a bill based on the original approved contract for the Principal to approve for payment. In the event of change orders, they must be pre-approved by a Executive Director or designee.
6. The contractor must provide the school with a completed form W-9, taxpayer identification number, at the time of signing the contract.
7. Before the payment is made for construction contracts, the contractor must provide the school with a lien release as to labor and materials to exempt the school from any legal action including mechanics lien related to non payment of labor and material.
8. Before approving payment, the Executive Director will be certain that the construction was executed satisfactorily (in some cases an expert opinion might be sought to determine this).
9. It is customary to withhold 10% of the contract price until final determination is made on the successful completion of the contract. This will therefore be the practice of the school.
10. A copy of the contract should be filed in the business services office as soon as the contract is signed, to ensure that all documentation is complete and accurate.
11. All independent contractors must be persons that are in business for themselves, set their hours, and are responsible for results and not persons that are normally considered as employees. All other part-time or one-time persons employed by the school should be put on the payroll system, as they are actually employees and not independent contractors. All independent contractors must have a written contract following the procedures outlined above.

POLICY NUMBER FIVE: CHECK REQUESTS POLICIES AND PROCEDURES

CHECK REQUESTS:
All disbursements, except for those made through the Revolving Cash Fund, Payroll System and Petty Cash, must be made through the Check Request.

BACKGROUND:

The school has a responsibility to process all payments in accordance with generally accepted accounting principles and other government accounting standards in order to discharge its fiduciary responsibilities as delegated by the board of directors.

PROCEDURES:

Administrative Assistant:

- Picks up mails from the bills mailbox and distribute to various departments where necessary for check requests and approval of the bill.
- Checks the utilities and other general office bills for any error before giving to the Director of Operations for check request approval.
- Double check requests and bills to make sure that all the information and documentations are correct. This information and documentation includes payee, account numbers, original invoice (payments cannot be made with a copy of the invoice or statement of account), relevant purchase order and receiving reports, amounts and appropriate approvals. If any information or documentation is inaccurate or incomplete, the check request must be returned to the responsible party so it can be corrected immediately, for timely processing of the check request. Check requests must not be left with anyone for an unreasonably long period of time as to incur the school, credit problems.
- The check requests are sent to Executive Consultant for input into the computer system for payment. All the check numbers must be serially numbered, taking time to make sure the first check of each batch or day follows the last number as specified in the check register. A serial number log must be kept to ensure the numbering system is being adhered to. Each time a number is used it is crossed out to prevent the reuse of the number a second time.
- Pick up the mail from Bali Business Management the following day and verify that all the checks were generated and everything related to the check is correct. Then attach a copy of the check to the check request, staple them together and complete the payment information on the check request. Stamp the documentation as paid and file the whole package in the paid bills folder, after the checks are approved by the check signer.
- Put the checks in an envelope for mailing. If someone has to pick up a check in the office they must sign a log, and if it is an unknown person picture identification or drivers license should be reviewed to make sure that it is the right person.

The Administrative Assistant:

- Make sure that the bill being approved is a bill the school incurred and that those who incurred them are authorized to incur the bill, and that sufficient amounts are available in the budget to pay for the bill.
- Must be sure that services or goods were actually delivered as ordered and the amounts billed are agreed to and the bill was not previously paid and the invoice is not a duplicate or copy.
- Must be sure that the invoice is being charged to the right budget line item (account number and object code). This information must be provided by completing a check request form, and attaching the invoice, copy of the purchase order and a receiving advice or report noted on the purchase order. Any discrepancy between the invoice and the purchase order must be noted on the bill and reported to the Financial Consultant or Director of Operations.
- The check request must be made in a timely manner for payment to prevent incurring collection and other credit problems.

Director of Operations:

- Make sure that there is enough cash flow to pay the checks being requested before approving the bills. This can be accomplished by reviewing the cash balance on the report provided by Financial Consultant.
- Check to see that the checks were written to the same payee as stated on the check request and bill.
- Keep the budget managers or persons who incur expenditures informed about cash flow in case they have to defer incurring certain expenditures, pending improvement in cash flow.

- Before signing any check, make sure the documentation is attached and that the check request information is completely filled out with prior approvals attached.
- Checks in excess of $10,000 of non recurring item require two signatures.

POLICY NUMBER SIX: REIMBURSEMENTS

All employee reimbursement check requests must be accompanied by filling out a reimbursement form with attached documentation including receipts and invoices of the reimbursements. Mileage reimbursement check requests must be accompanied by a form detailing the mileage description with a starting point and ending point. The description will also include the date of the travel and the number of miles travelled for each entry or date. Mileage will be reimbursed at the IRS rate that is applicable at that particular time.

POLICY NUMBER SEVEN: USE OF CORPORATE CREDIT CARDS AND PROCEDURES

Credit cards secured for the school through our bankers will allow us the convenience of charging purchases on the account, therefore saving staff the trouble of using their funds to purchase needed materials. Furthermore, it will save the school from cutting many checks for reimbursements. Instead one check will be cut to our bankers.

- The cash advance feature CANNOT be activated or used for any reason.
- The card can be used only for business purchases. NO PERSONAL USE.
- The duplicate receipt must always be turned in to Administrative Assistant, after purchase is made to allow for easy processing of the bills. The account number to be charged must be stated on the receipt.
- Before charging anything to the card, the purchaser must determine what budget line items should be charged for this expenditure and whether the budget item has enough funds in the account to accommodate the charges, considering all other charges previously made to this account. If in doubt about the availability of the funds, please consult the responsible budget manager.
- Any missing or lost credit card must be immediately reported to the Financial Consultant and the Bank, so that security measures regarding cancellation and reissue can be accomplished in time to prevent illegal charges to the account.
- The card can be used to charge things for other staff as long as verification is made as to the availability of funds for the purchase. The card can be used for small purchases that normally require payment before order, it should not be used for items that can be put on purchase orders and billed to us in the normal way. Do not use the credit card in such a way as to circumvent our normal purchase order or billing system. Examples of things that can be charged include airline tickets for training and seminars, books and instructional supplies.
- The Financial Consultant and the Executive Director are responsible for ensuring that the credit card holders follow these procedures. Any abuse of the credit card policies should be reported to the Financial Consultant or the Executove Director. The school reserves the right to terminate any credit card due to abuses including lack of following credit card policies and procedures.
- The Executive Director must approve any expenditure related to any direct benefit of the credit card user. No one can approve an expenditure that is for his or her own benefit.
- The Administrative Assistant must turn in all credit card statements to the Financial Consultant. The Administrative Assistant will give each credit card holder his or her statements.
- Credit card holders will prepare a check request for each credit card statement with all attached documentation, including receipts and account numbers. This will ensure orderly and efficient processing of the bills to avoid the charging of interest.

POLICY NUMBER EIGHT: PETTY CASH POLICIES AND PROCEDURES

The school will maintain a petty cash fund to make it expedient to disburse small purchases that are needed to operate the school business. The items to be disbursed out of these funds are limited to small items of $25 or less.

PROCEDURES:

Administrative Assistant:

- The Administrative Assistant has oversight over the implementation of the petty cash policies and procedures.
- Processes requests for issuance of petty cash after being approved by the School Director.
- Processes replenishment of petty cash on a regular basis.
- Ensures that the replenishment expenditures are supported by authentic purchase receipts approved by the School Director.
- Monitors all the petty cash given to holders to make sure they are replenishing them on a regular basis and remind the holders of the need to replenish the fund so that expenditures can be recorded. If the holder does not have expenditures for several months, this may indicate that the petty cash might not be necessary.
- When a petty cash is originally issued to a holder, it must be logged in a petty cash log; any increases to the petty cash amount must be recorded in the log.
- Petty cash is reimbursed in the same manner as any other reimbursement or bill. In urgent situations, reimbursements can be done from the revolving cash fund.

Petty Cash Holders

- Request for issuance of petty cash from the Executive Director based on a compelling need supported by convincing reasons.
- Makes sure that the petty cash fund in their possession is securely locked in a cabinet at all times, making sure that nobody else has access to the fund.
- The petty cash holder has a personal responsibility for the funds in their possession.
- Issuance of funds to staff who need them must be evidenced by a receipt signed by staff and petty cash issuer.
- Before issuing the funds to the staff the holder must ascertain that the staff is going to spend the money on a budgeted expenditure approved by the School Director.
- Must ensure those given petty cash bring back an authentic receipt approved by the Administrative Assistant with the appropriate account number where the expenditure will be charged.
- The Executive Director's signature on the purchase receipt is evidence that the expenditure is approved by the Executive Director and it is for an expenditure that has been budgeted by the school for this purpose and the goods or services is to be used for a specific school business purpose. The signature also means that there is available balance in the line item to accommodate the expenditure.
- When the staff gives the petty cash holder an authentic purchase receipts approved by the Executive Director, the issuance receipt should be endorsed by the holder as paid and copy of the paid issuance receipt given to the Administrative Assistant. If there is a cash balance returned by the staff it should be reflected on the issuance receipt. The paid issuance receipt should be attached to the purchase receipt.
- When the petty cash is low the holder should fill out the petty cash replenishment form and request for replenishment of the petty cash fund equal to the amount of the purchase receipts in their possession. The total amount of the replenishment and the petty cash on hand should always be equal to the amount originally issued to the holder.

Staff Requesting the Use of Petty Cash:

- Before requesting for petty cash fund staff must make sure that the expenditure is approved by the Executive Director and there is available funds for that expenditure.
- Make sure that a purchase receipt is obtained for the goods or services purchased and the receipt is approved by the Executive Director with the appropriate account number written on the receipt before giving it to the petty cash holder.

- Return any excess cash to the petty cash holder together with the receipt to relieve the staff of the responsibility of the cash originally received.
- Once a staff receives funds from the petty cash holder, the staff is personally responsible for the funds, until they bring back an approved receipt with account numbers plus any left over cash in exchange for a release of liability. This is evidenced by a copy of a paid issuance receipt by the holder of the petty cash.

POLICY NUMBER NINE: FINANCIAL REPORTING REVIEW POLICIES AND PROCEDURES

As part of our internal control procedures, the school will reconcile and review the result of operations to make sure the transactions are charged to the appropriate accounts and that the operations are being executed as planned.

Financial Operations Review-Procedures:

- About the first week of the month through the second week of the month following the end of each month the back office company will reconcile all accounts of the school. In order to do that all deposit and other non disbursement information has to be provide to the company prior to the end of the previous month.
- After reconciling all the accounts include bank reconciliation the Consultant Accountant will prepare all financial reports (Statement of Financial Position or Balance Sheet, Budget report or budget variance report, Statement of Activities and Cash flow actual and projections) for review by the Executive Consultant. After reviewing the report it will be sent to the School for review and transmission to LACOE in time to meet their 15th of the month dateline.
- On the third week following the end of the month the School Management will meet with the Financial Consultant to review the Financial reports including any narrative and analysis reports and recommendations.
- On the day of the board meeting the Finance Committee will meet to review the financial performance of the school and make recommendation to the board for their adoption or approval.
- It is recommended that the school maintain a reserve equal to at least 10% of its previous years expenditures.

POLICY NUMBER TEN: PROGRAM CASH RECEIPTS AND DEPOSIT POLICIES AND PROCEDURES

PROGRAM CASH RECEIPTS:
All programs and other pass through payments will be paid to the office and given to the Administrative Assistant periodically for deposit to the bank.

BACKGROUND:
The school will run various programs including meals, after school programs and pass through programs. Checks and cash are usually received at the reception desk for registration for these events.

PROCEDURES:
Responsibilities of the Office:

- Each parent is issued a receipt (original) when payment is made for any of these programs. Parents who have a history of insufficient funds checks (as provided by Financial Consultant) will be required to pay cash.
- Satellite site receipts will be brought to the main office on a daily basis for safekeeping. The Administrative Assistant will include the amounts received from the satellite site (if any) in their balancing of the total receipts for the school.

- Checks and cash are kept in a secured cabinet locked in a box until deposit is made to the bank.
- The checks must be stamped "for deposit only", using the appropriate stamp for the program bank account, to reduce any risk of loss.
- Three staff persons have access to the key so they can retrieve funds for deposit or store funds collected from parents (under no circumstances should this amount be used for any reason except as approved by the Finance Consultant) This amount is not petty cash and therefore should not be used for that purpose. Please use petty cash fund to pay for small emergency items.
- The office prepares deposit tickets on Tuesdays and Fridays, making sure the total amounts on the deposit tickets agree with the total receipts attached (duplicate) and receipts log book. $100 from petty cash fund will be left in the cash box for the purpose of making change when payments are received from parents.
- Any discrepancy between the deposit tickets and the attached receipts should be noted and reported to the Financial Consultant and the Executive Director so that further investigation can be conducted to resolve the problem.
- The income log must be compared with the incoming attendance and participation log from the program department, to make sure they agree and explain any discrepancies between them.
- The program to be credited with these funds should be noted on the deposit ticket or receipt.
- The receipts and deposit tickets will be given to the Administrative Assistant by 12 noon for deposit to the bank. A copy of the deposit ticket should be made and kept with the office, showing the signature of the Administrative Assistant as evidence that they have received the amounts listed on the ticket.

Responsibilities of the Administrative Assistant:

- The Administrative Assistant will review the whole packet to make sure that everything is completed accurately.
- A copy of the deposit ticket and duplicate receipts are filed in the program deposits file and the original deposit ticket and the funds are deposited at the bank.
- The deposit receipt from the bank must be attached to the duplicate deposit ticket in the program account file.
- Attendance log or report is compared with duplicate receipts for the respective programs to make sure everything agrees, any discrepancy must be investigated and when necessary reported to Financial Consultant or Executive Director.
- By the middle of the month following the end of a month, bank reconciliation is prepared and any "non sufficient funds" checks identified in a separate report. Letters will be written to the issuers of the checks so they can pay the amounts, plus service charge of $15 per bounced check.
- Each month after the bank reconciliation or when the program is complete, depending on the program, a check will be generated from the program account to our county account or outside vendor depending on the program requirements.
- Adjusting journal entries will be made to reverse the revenue account, replacing it with fees receivable account pending the time the amount is collected from the issuer of the bounced check.
- Prepare a list of insufficient funds check and provide the office and program staff with copies.

Responsibilities of the Program Staff and Office:

- To make sure that all participants of the program have paid their fees.
- Make sure that a report of attendance or participation log is prepared and a copy given to the Office daily, additionally monthly reports should be prepared and a copy given to the Administrative Assistant (all reports and cash counting will be done by two people).
- Any parent who has insufficient funds for more than twice or does not pay previous insufficient funds check will be required to pay cash in subsequent events or programs.

POLICY NUMBER 11. REVOLVING CASH FUND POLICY AND PROCEDURES

The School will maintain a Revolving Cash Fund to accommodate immediate cash needs that will normally not be met by the commercial warrant system. The school will make all efforts to make all payments through the commercial warrants system. Only check requests that are needed immediately due to circumstances beyond our control will be disbursed through this system.

PROCEDURES:

- All requests must be made by a check request, with all the supporting documents for the approval of the School Director.
- The request will follow the normal procedures for commercial warrant check requests.
- Poor planning will not qualify as a reason for approving this request.
- Receipts are required immediately after an event for requests of advance deposits.

Executive Director:

- Approval will be made based on the documentation provided and the compelling reasons why the request must be approved.
- No requests should be approved for convenience as these requests create additional burden and work for the school and circumvents the accounting process and may understate our expenditures.
- No approvals should be made without the request coming from budget manager, who checks the budget availability and the urgency for this request.
- The approved request will be given to the Administrative Assistant for processing.

Financial Consultant:

- All approved requests must be disbursed from the Revolving Cash Fund bank account the same day.
- Any request for an RCF check must be directed to the Executive Director.
- Requests should only be entertained from the Executive Director.
- All requests must be checked to make sure all required information is complete before issuing the check. The Executive Director should be alerted if all the necessary information is not complete.
- Make sure there is available balance in the RCF account before issuing any check. This will be accomplished by keeping a running balance after issue of checks and deposit of check to the RCF account.
- Reimburse the RCF no later than the 25th of every month to make certain that the expenditures are recorded in the correct month to void understanding our financial statements.
- Reimbursement of RCF including petty cash must be made to the Executive Director and charged to the respective account numbers already provided before the RCF checks were generated.
- Do not reimburse any RCF check or petty cash without the required receipts, account number and other required documentation.
- At any given time the bank balance, plus un-reimbursed expenditures, plus petty cash given out must be equal to the RCF amount.

LAST PAGE

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Wisdom Academy for Young Scientists

March 2013

Read Across America
Book Fair

Sun						
					1 Herbal Coffee with Principal	2
3	4 Staff mtg K-2 grade Dr. Seuss Celebration	5 **Writing Exam 4th grade.**	6 Staff Mtg 3-5 grade **Writing exam 4th grade**	7	8 Awards Assembly	9 Geffen Theatre (exclusive Trip)
10	11 Staff mtg K-2 Kindergarten Round-up Begins	12	13 Staff Meeting M. **Fire Drill**	14 **Make it and take it Wkshop; Dr.Neal 3-6pm**	15 St. Patrick's Day	16
17	18 Spirit Week/ Funny Hat Day	19 Spirit **Week/College Day**	20 **Staff Mtg K-5** SSC mtg 2pm Staff Mtg K-5 Spirit week/ Twins Day	21 Spirit Week/pajamas -SP. Ed Parent Class 6pm	22 Fun Friday	23
24	25 SPRING BREAK	26 SPRING BREAK	27 SPRING BREAK	28 SPRING BREAK	29 SPRING BREAK	30
31						

Wisdom Academy for Young Scientists

April 2013

STAR Achievement Month

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Pupil Free day	**2** Back to school	**3** Staff Meeting K - 5	**4**	**5** Coffee with Principal SA	6
7	**8** Staff Meeting K - 2 Week of Benchmark Assessments IV	**9** 5TH Grade Final Science Competition	**10** Staff Meeting 3 - 5	**11**	**12** Awards Assembly	13
14	**15** **Lake Arrowhead** Staff Meeting K - 2	**16** **Lake Arrowhead**	**17** **Lake Arrowhead** -Long Beach Aquarium of The Pacific Field Trip (2nd Grade) CSUN Field trip (Gomez) Staff Meeting 3 - 5	**18** **Lake Arrowhead** UCLA Field trip (selected 4th)	**19** **Lake Arrowhead** Earth Science Fair	20
21	**22**	**23**	**24** Staff Meeting K - 5 School site council 2pm	**25**	**26**	27
28	**29** STAR Testing	**30** STAR Testing				

Wisdom Academy for Young Scientists

May 2013

Marvelous Month May!

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 STAR Testing	**2** STAR Testing	**3** STAR Testing make up Cinco de Mayo Celebration	4 Sharefest Work Day
5	**6** Teacher Appreciation week Staff Meeting K - 2	**7** Teacher Appreciation week	**8** Teacher Appreciation week Staff Meeting 3 - 5	**9** Teacher Appreciation week	**10** Teacher Appreciation week	11
12 Mother's Day	**13** **Book Fair**	**14** **Book Fair**	**15** Fire drill **Book Fair**	16 **Book Fair** Career Day	**17** **Book Fair** Fifth Grade Formal Ball	**18** 5TH GRADE HONORS RECOGNITION 35TH SENATE
19	**20**	**21** **TEACHER MIX UP DAY**	**22** SSC meeting 2pm Staff Meeting K - 5 **Archer school Book drive 3 pm**	**23**	**24** Earth Science Fair	25
26	**27** **Memorial Day School Closed**	**28** Awards Assembly	**29** Parent Volunteer Appreciation Luncheon	**30** Teacher Appreciation LUNCHEON	**31** Graduation/Last Day of School	June 3 Pupil free day

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Wisdom Academy for Young Scientists
5th Grade Formal Ball
Friday, June 8, 2012

Reach for the **STARS**

Program

Welcome
Class of 2012 Debuts
Musical Tribute
The Waltz

~ Dinner Served ~
Class of 2012 Speaker
Slideshow
Cake Cutting
Closing Remarks
Finale Dance

Wisdom Academy for Young Scientists
5th Grade Formal Ball
Friday, June 8, 2012

Reach for the **STARS**

Program

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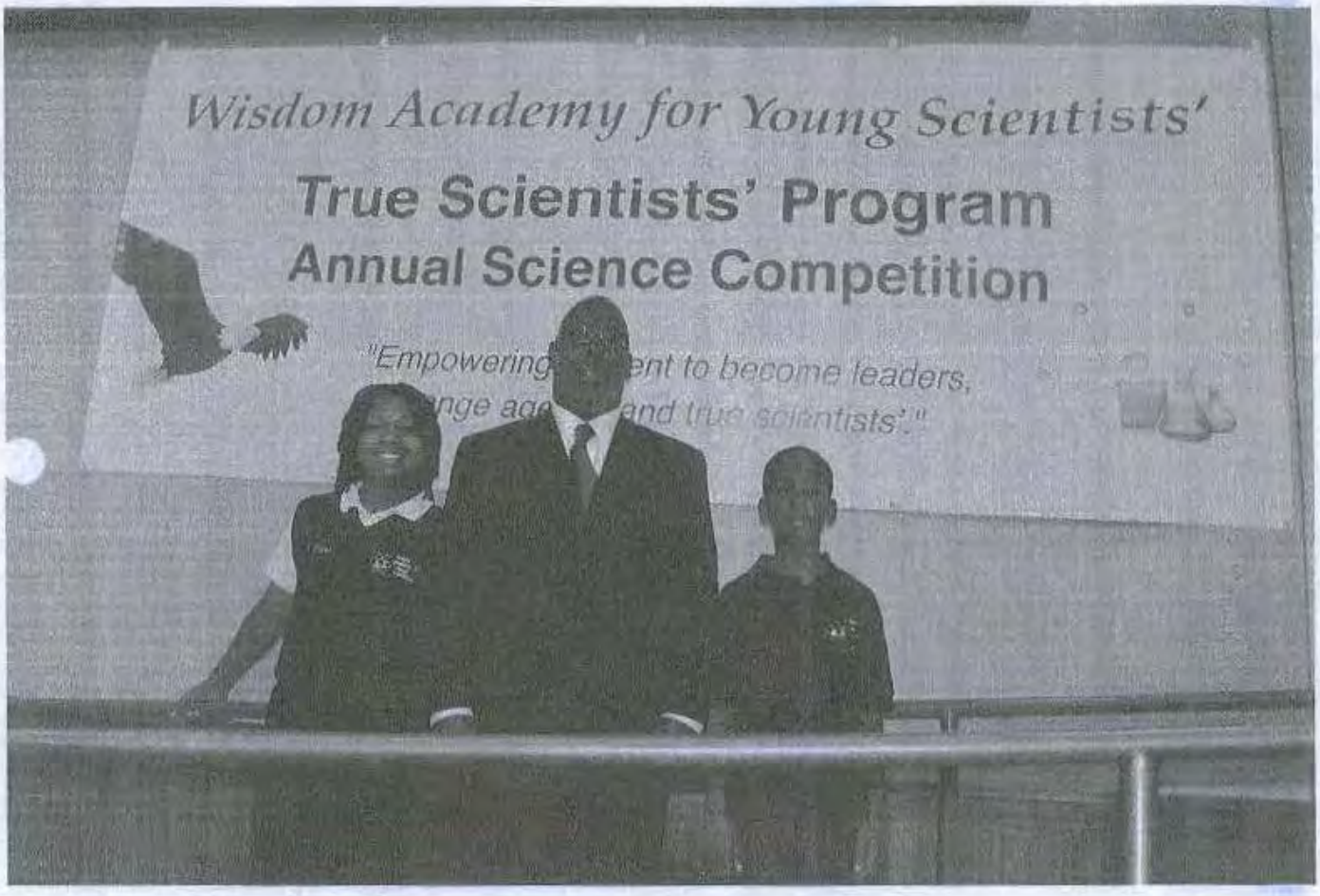
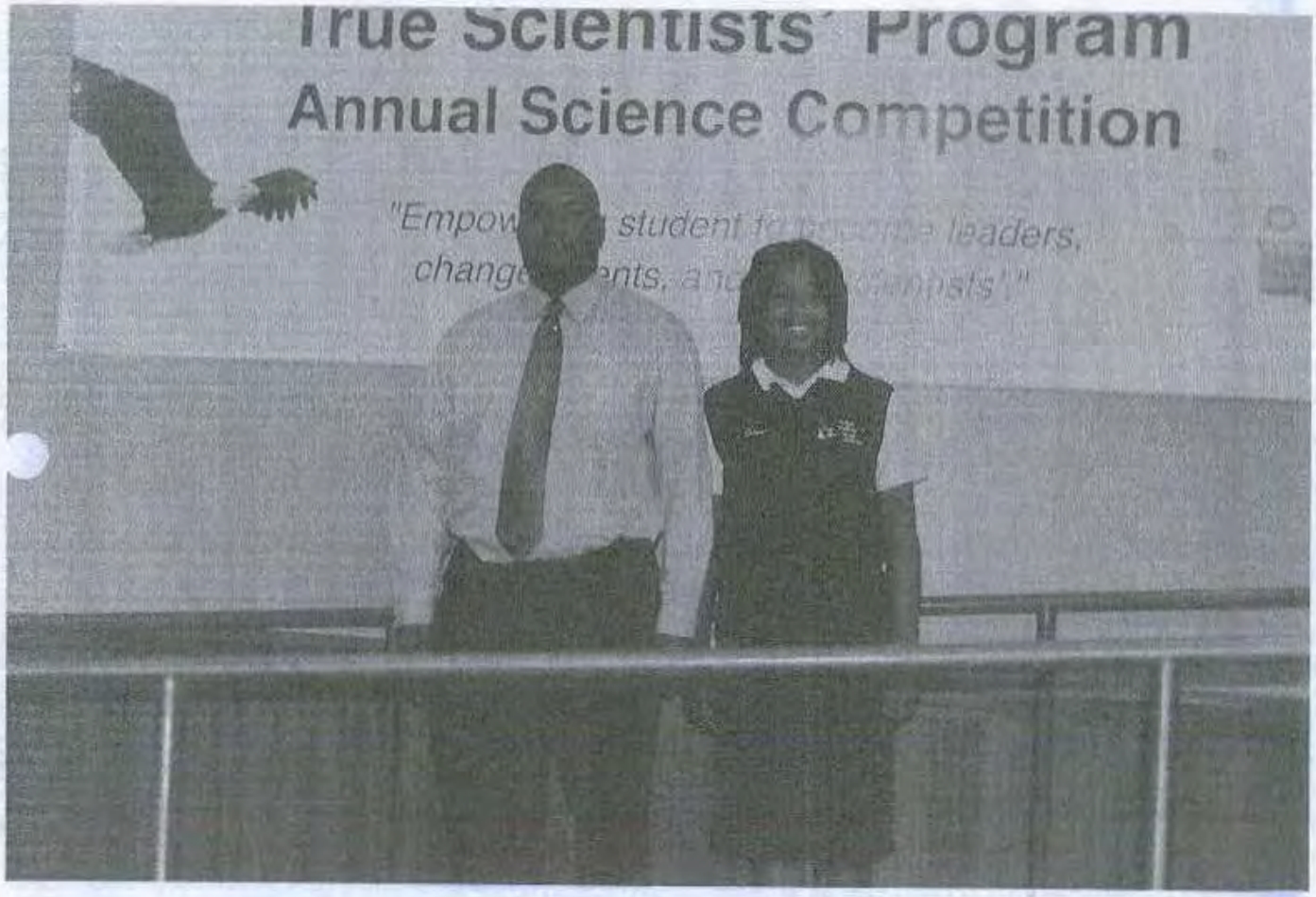
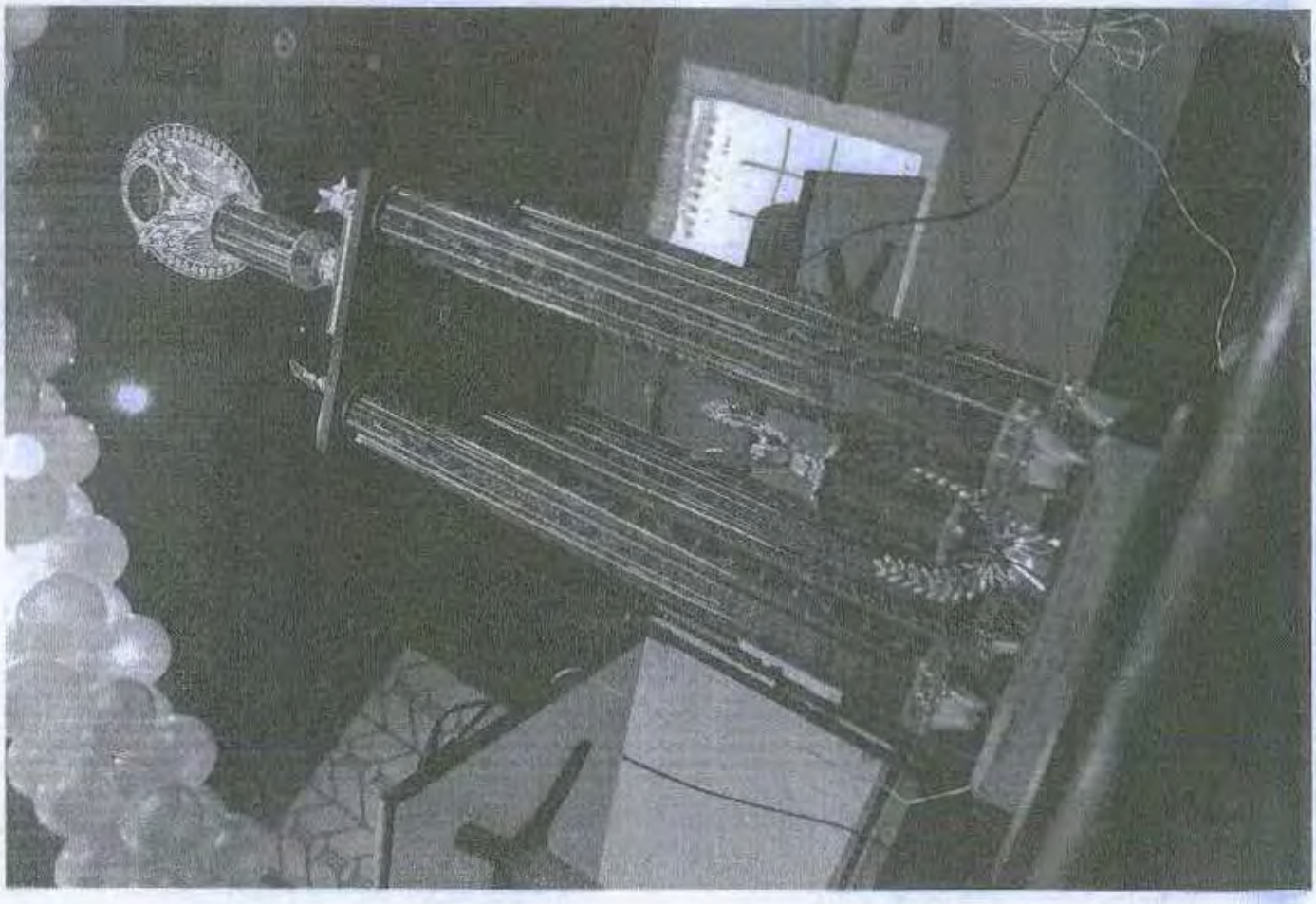
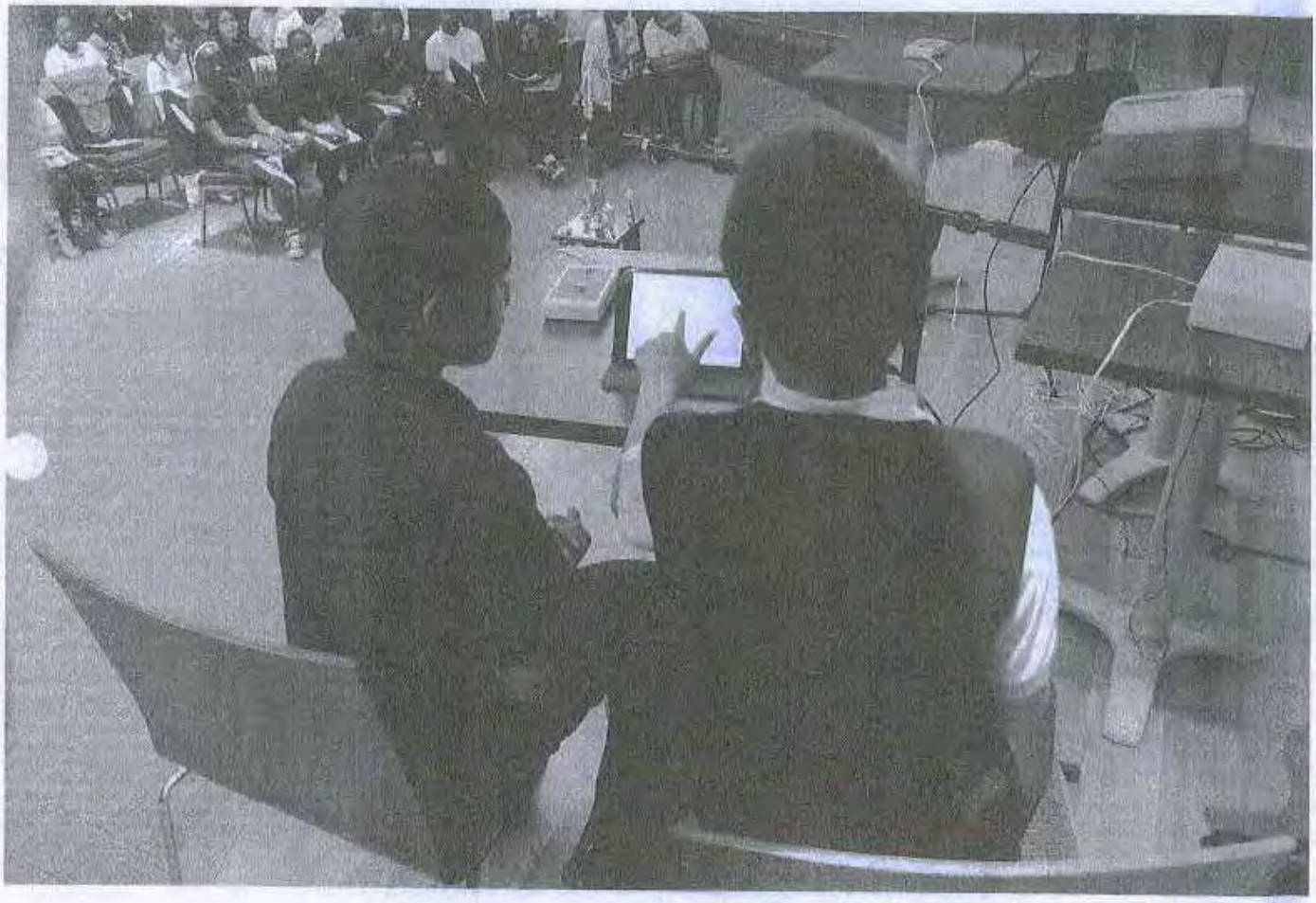

Wisdom Academy for Young Scientists'
True Scientists' Program
Annual Science Competition


True Scientists' Program
Annual Science Competition





EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Secretary of State DEBRA BOWEN

Results Detail

Last statement filed on: 12/30/2011

Corporation		
DEDE DANCE STUDIO		
Number: C3060134	**Incorporation Date:** 12/12/2007	**Status:** Active
Jurisdiction: CA	**Type:** Domestic Nonprofit	
Address		
706 EAST MANCHESTER AVENUE,		
LOS ANGELES, CA 90001		
Agent For Service Of Process		
CHARLETHA WASHINGTON		
706 EAST MANCHESTER AVENUE,		
LOS ANGELES, CA 90001		

Please review this information to determine if you have located the correct corporation. The corporation is not yet due to file the required statement; therefore, this filing must be filed either by mail or at our public counter in Sacramento. Refer to statement of information for the forms and instructions.

Search Results · New Search

EXHIBIT

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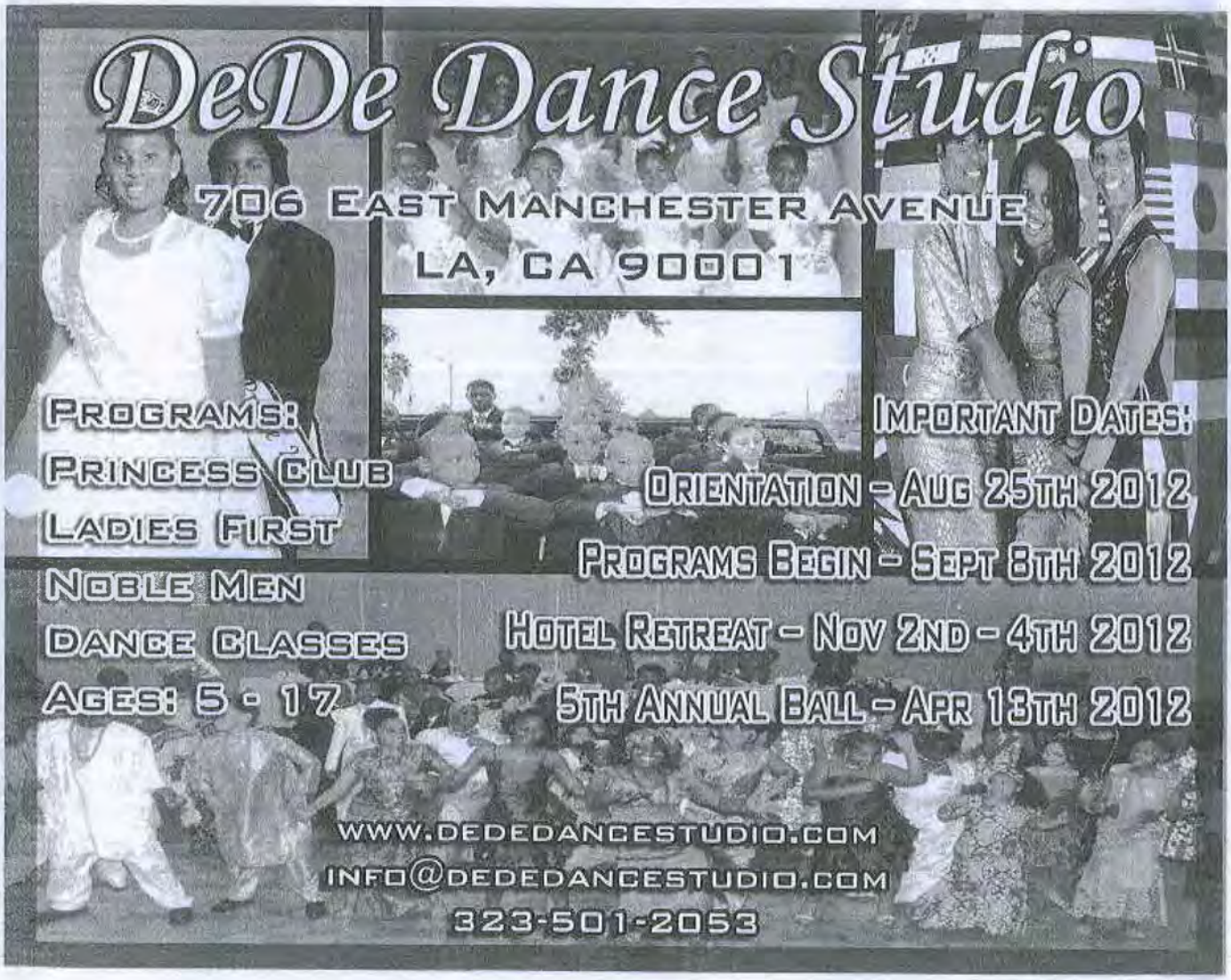
FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)


DeDe Dance Studio
706 EAST MANCHESTER AVENUE
LA, CA 90001
PROGRAMS:
PRINCESS CLUB
LADIES FIRST
NOBLE MEN
DANCE CLASSES
AGES: 5 - 17
IMPORTANT DATES:
ORIENTATION - AUG 25TH 2012
PROGRAMS BEGIN - SEPT 8TH 2012
HOTEL RETREAT - NOV 2ND - 4TH 2012
5TH ANNUAL BALL - APR 13TH 2012
WWW.DEDEDANCESTUDIO.COM
INFO@DEDEDANCESTUDIO.COM
323-501-2053

Recent Posts

- 8th Annual Ball – Swans & Silhouettes
- Now Enrolling for Programs – Fall 2013
- The Edutainer Pt. II: Magic in Music
- 5th Annual Ball: April 13th 2013
- Back to School Dance – 9/7/12

Categories

- Uncategorized

Meta

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NOBLE MEN

Respectful, Responsible & Righteous Gentlemen

Our brotherhood branch, **Noble Men** (boys ages 5 -18), is a cross between fraternity and boys scouts in which young males undergo mentoring and educational workshops to become respectful, responsible and righteous gentlemen. Moreover, the programs boost the children's self-esteem and ambition of youth to become leaders of their respective communities. The program coordinators and mentors will serve as facilitators in empowering young males to become role models for their community and future leaders of society.

Princess Club

Princess Club is a group of young girls the ages of 7-12 who gather together in harmony and work to build their self-esteem, character and ambition. Princess Club assists pre-teens in exploring their identity and individuality as they transition into beautiful and well-respected young ladies. When our girls graduate from Princess Club they will promote to Ladies First and become a leader and role-model for their communities, schools, and friends.

Search

DEDEDANCESTUDIO

Recent Posts

- 6th Annual Ball – Swans & Silhouettes
- Now Enrolling for Programs – Fall 2013
- The Edutainer Pt. II: Magic in Music
- 5th Annual Ball: April 13th 2013
- Back to School Dance – 9/7/12

Categories

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- Entries RSS
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EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

Fw: WAYS Scheduling
1 message

Edward Cabil <edcabil@sbcglobal.net> Wed, Oct 30, 2013 at 12:00 PM
Reply-To: Edward Cabil <edcabil@sbcglobal.net>
To: Jason Okonkwo <mrjason7@gmail.com>

Mr. Ammermon is an independent auditor who is contracted for work with the FICMAT team. Below, please find the date and info he shared for the meeting on November 13th.

Please let me know if that date works for you.

Blessings,
Ed Cabil

----- Forwarded Message -----
From: Michael Ammermon <mwacpa@me.com>
To: edcabil@sbcglobal.net
Cc: 'Debi Deal' <ddeal@fcmat.org>
Sent: Wednesday, October 30, 2013 9:54 AM
Subject: WAYS Scheduling

Dear Ed,

Thank you so much for speaking with me today, I'm grateful we could connect over the phone. I enjoyed our conversation and am looking forward to meeting you. As we discussed, we will begin our field work by meeting you in your office at 706 E Manchester Ave Los Angeles, CA 90002 starting Wednesday, November 13th and we will keep open as additional field work days at WAYS for Thursday, November 14th and Friday, November 15th.

The amount of field work days that we may need is dependent on what information we are able confirm during our meeting with your audit firm on Tuesday, November 12th and the condition and locations of WAYS business records while we are on site at WAYS. We will do our best to complete our field work during the three days discussed above and will let you know if we believe additional time is necessary.

If you have any questions, please feel free to call me directly on my cell phone at (949) 887-2283.

Thank you again.

Best Regards,

Mike

Michael W. Ammermon
30100 Crown Valley Pkwy., Ste. 35E
Laguna Niguel, CA 92677
Office/Cell Phone (949) 887-2283
Fax (866) 398-5477
Email: mwacpa@me.com

EXHIBIT

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FCMAT AB 139 Audit – WAYS RESPONSE TABLE (EXHIBIT)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

"Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca on behalf of said corporation.

Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

OCI Development Corporation
8200 Wilshire Blvd. Suite #200
Beverly Hills, California 90211
(310) 407-9931

TRIPLE NET COMMERCIAL LEASE 2013-14

This Lease Agreement ("Agreement") is entered into this 1st day of July 2013, by and between OCI Development Corporation, hereinafter referred to as the "Landlord, Wisdom Academy For Young Scientists, hereinafter referred to as the "Tenant".

WHEREAS, the Landlord is the owner of certain premises situated at 706 East Manchester (Buildings B,C,D,E), Los Angles, California 90001, in the County of Los Angeles and state of California hereinafter referred to as the "Leasehold Premises."

WHEREAS, the Tenant desires to rent and lease the Leasehold Premises from the Landlord, and the Landlord has agreed to lease the same to the Tenant upon the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the rents and covenants of the Tenant to be paid and kept as herein contained, the Landlord has agreed to lease unto the Tenant, and by this Agreement does hereby lease the Leasehold Premises unto the Tenant, and the Tenant hereby leases the Leasehold Premises from the Landlord, and the parties do covenant and agree as follows:

1. Term. This Lease shall be for a term of 1 year, between the hours 7:00 am to 7:00 pm, Monday – Friday, commencing on the 1st day of July 2013, and ending on the 30th day of June 2014.

2. Rent. Tenant shall pay to Landlord, without demand or deduction, at its offices or such other places as Landlord may from time to time direct in writing, the monthly lease amount as follows:

Tenant shall pay a monthly rental of Thirteen Thousand Nine Hundred - Seventy Eight Dollars (13,978.45) on the 1st day of July, 2013 and a like sum on the first day of each and every calendar month during the term hereof, and prorate for the fractional portion of any month, except that of the first day of the calendar month immediately following the commencement date, the Tenant shall also pay the Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this lease.

3. Security Deposit. Tenant shall further pay to Landlord, prior to any use or occupancy of the Leasehold Premises, a security deposit in the sum of Thirteen Thousand Fifty ($13,505.75), to be held as security for any damages to the Leasehold Premises, or as payment, in whole or part, for any costs or expenses incurred by the Landlord resulting from the failure of Tenant to surrender the premises in the condition described in Paragraph 6 herein. Unless withheld by the Landlord, in whole or in part, by reason of any damage to the Leasehold Premises, the security deposit shall be returned to the Tenant within thirty (30) days after the termination of this Lease.

4. Utilities. During the term of this Lease, the Tenant shall be solely responsible for the payment of any and all utilities of the Leasehold Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. The Tenant shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Leasehold Premises.

5. Clean and Sanitary Condition. During the term of the Lease, the Tenant shall keep and maintain the Leasehold Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by the Tenant in facilities specifically for garbage collection. Tenant shall be responsible for placing the garbage bins and/or containers and recycling container(s) at the curb for pick-up and to return the containers to their appropriate place. Tenants shall further comply with all local ordinances and regulations imposed by the City of Los Angeles relating to maintaining the Leasehold Premises in a clean and sanitary condition and relating to the collection of garbage and similar debris. Tenant shall be solely liable for any action and/or fines that may be brought by the City of Los Angeles, or any other enforcement agency, as a result of the Leasehold Premises not being kept in a clean and sanitary condition.

6. Maintenance. It shall be the Tenant's sole responsibility to keep and maintain the entire Leasehold Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. Tenant shall keep and maintain the Leasehold Premises in a clean, sanitary and safe condition, at all times during the term of the Lease, in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting the use of said premises. If Tenant refuses or neglects to maintain, commence and to complete repairs on the Leasehold Premises promptly and adequately, Landlord may, but shall not be required to do so, provide necessary maintenance and repairs, and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy herein, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted.

7. Liability Insurance. Tenant shall, during the entire term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leasehold Premises, in which the limits of public liability shall not be less than Five-Hundred Thousand Dollars ($500,000.00) for injury or death to one person in one accident, One Million Dollars ($1,000,000.00) for injury or death per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage per occurrence. The policy shall name Landlord, any other parties in interest designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Tenant shall provide Landlord with a certificate evidencing insurance at the commencement of occupancy and upon request. The insurance shall be with an insurance company approved by Landlord, and a copy of the paid-up policy evidencing such insurance or a certificate of the insurer certifying the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's Work and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

8. Personal Property Insurance. Tenant agrees to carry, at its sole expense, insurance against all risks of physical loss, insuring Tenant's fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Leasehold Premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage.

9. Property Insurance. Tenant agrees to pay property insurance on the Leasehold Premises.

10. Subordination. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any mortgages or deeds of trust that may hereafter be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognized the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election, and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

11. Assignment and Subletting. Tenant agrees not to assign or in any manner transfer this Lease or any estate or interest therein by operation of law or otherwise without prior written consent of Landlord, and not to sublet the leased premises or any part(s) thereof or allow anyone to come in with, through or under

it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the leased premises or the collection of rent by Landlord from any assignee or sub-lessee shall not operate to exhaust Landlord's rights under this Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease.

12. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste upon the Leasehold Premises, and Tenant shall not place a load upon any floor of the Leasehold premises that exceeds the floor load per square foot area which such floor is designed to carry, if Landlord provides design or architectural information describing maximum load limitations. Tenant shall not use or permit the use of any medium that might constitute a nuisance.

13. Reconstruction of Damaged Premises. In the event the Leasehold Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, then the damage to the Leasehold Premises shall be promptly repaid, unless Landlord shall elect not to rebuild as hereinafter provided, and the fixed minimum rental and other charges shall be abated in proportion to the amount of the Leasehold Premises rendered untenantable. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or personal property. If more than Twenty-five percent (25%) of the leased premises or of floor area of the building in which the leased premises are located shall be damaged or destroyed by fire or other casualty, then Landlord may either elect that the Leasehold Premises be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

14. Total Condemnation of Leased Premises. If the whole of the Leasehold Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the day of the taking.

15. Partial Condemnation. If less than the whole but more than Twenty-five percent (25%) of the Leasehold Premises shall be taken under eminent domain, Landlord shall have the right either to terminate this Lease and declare the same null and void, or to restore the remaining portion of the leased premises or the building to a complete architectural unit. In the event Landlord elects to restore, all of the terms herein provided shall continue in effect, except the fixed annual rental shall be reduced in proportion to the amount of the leased premise taken.

If Twenty-five percent (25%) or less of the Leasehold Premises shall be so taken, the lease term shall cease only as to the part so taken a of the day possession shall be taken by such public authority, and Tenant shall pay rent up to that date, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter the fixed minimum annual rental shall be reduced in proportion to the amount of the leased premises taken. In such event, or in the event that Twenty-five percent (25%) or less of the Leasehold Premises shall be taken, Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, originally installed by Landlord, so as to constitute the remaining leased premises a complete architectural unit.

16. Landlord's and Tenant's Damages. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or the fee of the premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to the ward made for depreciation to, and cost of removal of Tenant's stock and fixtures.

17. Default. All rights and remedies of landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law. Tenant the parties covenants and agrees that if a default occurs when:

a) Tenant shall fail, neglect or refuse to pay any installment of all rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, and if any such default should continue for a period of more than ten (10) days;

b) Tenant shall abandon or vacate the leasehold premises or fail to keep the leased premises continuously and uninterruptedly open for business each business day or shall fail, neglect or refuse to keep and perform any of the other material covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than ten (10) days after notice thereof given in writing to tenant by landlord provided however that if the cause for giving such notice involves the making of repairs or other matters reasonable requiring a longer period of time that the period of such notice. Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken proper steps or proceeding under the circumstances to prevent the seizure, destruction, alteration or other interference with said leased premises by reason on non-compliance with the requirements of any law or ordinance or with the rules, regulations, or

directions of any governmental authority as the case may be; then the tenant does hereby authorize and fully empower said landlord or landlord's agent to terminate this lease at once and to re-enter and take possession of said premises immediately on the day following the final day of the tenant's school year, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their property, and to use such force and assists in effecting and perfecting such removal of said tenant as may be necessary and advisable to recover at once first and exclusive possession of all said leased premises whether in possession of said tenant or of third persons or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies with might otherwise be used by landlord, in which event this lease shall terminate and tenant shall indemnify the landlord against all unavoidable loss of rent which landlord may incur by reason of such termination during the residue of the term herein specified.

c) The landlord may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by tenant for the full term of this lease. In such event landlord shall have the right, but not the obligation, to divide or subdivide the leasehold premises in any manner landlord may determine and to lease or let the same or portions hereof for such period of time and at such rentals and for such use and upon such covenants and conditions as landlord may elect, applying the net rentals from such letting first to the payment of landlord's expenses incurred is dispossessing tenant and the cost and expense of making such improvements in the leasehold premises as may be necessary in order to enable landlord to re-let the same, and to the payment of brokerage commissions or other necessary expenses of landlord in connection with such re-letting. The balance, if any, shall be applied by landlord from time to time on account of the payments due or payable by tenant hereunder, with the right reserved to landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as landlord may deem favorable from time to time, without being obligated to await the end of the term hereof for the final determination of tenants account. Any balance remaining however, after full payment and liquidation of landlord's account as aforesaid shall be paid to tenant with the right reserved to landlord at any time to give notice in writing to tenant of landlord's election to cancel and terminate this lease and upon giving of such notice and the simultaneous payments by landlord to tenant of any credit balance in tenant's favor that may at the time be owing to tenant shall constitute a final and effective cancellation and termination of this lease and the obligations hereunder on the part of either party to the other.

d) Landlord may, at its option, while such default or violation of covenant or condition continues, and after ten (10) days notice of its intention so to do,

declare all the rent reserved for the full term of this lease remaining unpaid due and payable at once; and tenant does hereby empower any attorney of any court of record in the state of California or elsewhere to appear for it an waive the issuance and service of process and confess judgment against it for the whole or any part of said rent and thereafter to release all errors and warrant all rights of appeal and stay of execution. The initial exercise or use of this warrant of attorney shall not exhaust the same, but the same may be used and exercised without limitation as often as necessity for the use of the same arise. The exercise or use of this warrant of attorney shall not prevent landlord from subsequently terminating this lease, by giving notice to tenant of its election so to do and upon its tender to tenant of a sum equal to the amount, if any, paid by the tenant for rents accruing after the date of such termination.

e) In addition to the other rights granted to the landlord hereunder, landlord may, at its option, while such default or violations of covenants or condition continue(s), and after ten (10) days' notice of its intentions to do so, confess judgment for possession of the leased premise and tenant does hereby empower any attorney of any court to record in the commonwealth of California or elsewhere to appear for it and waive the issuance and service of process and confess a judgment in ejectment.

f) Also in addition to the other rights granted to landlord under this lease, tenant agrees that in the event that the amounts due landlord under this lease are collected are disputed by law or through an attorney at law through judicial action, the prevailing party is entitled to recovery of reasonable attorneys fees and costs. And judgment is entered in favor of landlord against tenant, whether by confession or otherwise, then tenant agrees to pay all costs of collection, including attorney's fees in the amount of ten percent (10%) of the judgment or five hundred dollars ($500.00), whichever is greater.

18. Right of Entry. Landlord or Landlord's agent shall have the right to enter the Leasehold Premises at all reasonable times to examine the same, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the rent reserved shall in now wise abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise.

19. Loss and Damage to Tenant's Property. The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to the Leasehold Premises or any part, or for any loss or damages resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any

damage or loss of property within the Leasehold Premises from any cause whatsoever.

20. Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the leased premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

21. Holding Over. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month (at twice the monthly minimum rental herein specified).

22. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Paragraph 11 herein.

23. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peacefully and quietly hold and enjoy the Leasehold Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

24. Waiver. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and signed by Landlord.

25. Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid and shall be addressed (a) if to Landlord, at the address first above stated, or at such other address as Landlord shall designate by written notice, (b) if to Tenant, to the leased premises or at such other address as Tenant shall designate by written notice, and shall be effective upon two business days from deposit with the U.S. Postal Service.

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Notice of Intent to Revoke

000511

this Lease for the purpose of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leasehold Premises, the term of this Lease, and special provisions, and shall incorporate this Lease by reference.

28. Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leasehold Premises, the transferor shall be automatically relieved of any and, all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Paragraph 3 of this Lease upon assignment of the same to the transferee, provided that the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the ten transferee. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or hold of such deed of trust shall have actually received the security deposited hereunder.

29. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lessor amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or any payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to cover the balance of such rent or pursue any other remedy in this Lease provided.

30. This Lease shall be governed by and construed in accordance with the laws of California. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Entire Agreement. This Lease and the exhibits, if any, attached hereto and forming a part thereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises and there are not covenants, promises, agreements, conditions or understandings, either oral or written, between them other than herein set forth. No alterations, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

32. Property Tax. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to cooperate in order to obtain exemption determination from County Tax Assessor. Should any governmental taxing authority acting under any present or future law, ordinance or regulation, levy, assess or impose a tax, excise, assessment and/or any business and/or occupation taxes (other than income or franchise tax) upon or against the rentals payable by Tenant to Landlord, either by way of substitution or in addition to any existing tax on land and buildings or otherwise, Tenant shall be responsible for and shall pay such tax, excise, assessment, and any business and occupation taxes levied directly against the Tenant, or shall reimburse Landlord for the amount thereof, as the case may be, as additional rent, on or before the date that any fine, penalty or interest would be added thereto for non-payment. Tenant shall also pay its pro-rata share of any tax or charge levied in lieu of Real Estate taxes.

33. Indemnification. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

34. Heirs and Successors. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

7/1/13		12/03/14	
Dora Obienu, CEO	Date	Edward Cabil, CEO	Date
OCI DEVELOPMENT CORPORATION		WISDOM ACADEMY FOR YOUNG SCIENTISTS	
"LANDLORD"		"TENANT"	

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Notice of Intent to Revoke

This Lease Agreement ("Agreement") is entered into this 1st day of July 2013, by and between OCI Development Corporation, hereinafter referred to as the "Landlord, Wisdom Academy For Young Scientists, hereinafter referred to as the "Tenant".

WHEREAS, the Landlord is the owner of certain premises situated at 8778 South Central Avenue, Los Angles, California 90002, in the County of Angeles and state of California hereinafter referred to as the "Leasehold Premises."

WHEREAS, the Tenant desires to rent and lease the Leasehold Premises from the Landlord, and the Landlord has agreed to lease the same to the Tenant upon the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the rents and covenants of the Tenant to be paid and kept as herein contained, the Landlord has agreed to lease unto the Tenant, and by this Agreement does hereby lease the Leasehold Premises unto the Tenant, and the Tenant hereby leases the Leasehold Premises from the Landlord, and the parties do covenant and agree as follows:

1. Term. This Lease shall be for a term of 1 year, between the houre 7:00 am to 7:00 pm, Monday – Friday, commencing on the 1st day of July 2013, and ending on the 30th day of June 2014.

2. Rent. Tenant shall pay to Landlord, without demand or deduction, at its offices or such other places as Landlord may from time to time direct in writing, the monthly lease amount as follows:

Tenant shall pay monthly rent of Four Thousand Six Hundred Seventy Eight Dollars (4,678.03) on the 1st day of July, 2013 and a like sum on the first day of each and every calendar month during the term hereof, and prorata for the fractional portion of any month, except that of the first day of the calendar month immediately following the commencement date, the Tenant shall also pay the Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this lease.

3. Security Deposit. Tenant shall further pay to Landlord, prior to any use or occupancy of the Leasehold Premises, a security deposit in the sum of Thirteen Thousand Fifty ($13,505.75), to be held as security for any damages to the Leasehold Premises, or as payment, in whole or part, for any costs or expenses incurred by the Landlord resulting from the failure of Tenant to surrender the premises in the condition described in Paragraph 6 herein. Unless withheld by the Landlord, in whole or in part, by reason of any damage to the Leasehold Premises, the security deposit shall be returned to the Tenant within thirty (30) days after the termination of this Lease.

4. Utilities. During the term of this Lease, the Tenant shall be solely responsible for the payment of any and all utilities of the Leasehold Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. The Tenant shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Leasehold Premises.

5. Clean and Sanitary Condition. During the term of the Lease, the Tenant shall keep and maintain the Leasehold Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by the Tenant in facilities specifically for garbage collection. Tenant shall be responsible for placing the garbage bins and/or containers and recycling container(s) at the curb for pick-up and to return the containers to their appropriate place. Tenants shall further comply with all local ordinances and regulations imposed by the City of Los Angeles relating to maintaining the Leasehold Premises in a clean and sanitary condition and relating to the collection of garbage and similar debris. Tenant shall be solely liable for any action and/or fines that may be brought by the City of Los Angeles, or any other enforcement agency, as a result of the Leasehold Premises not being kept in a clean and sanitary condition.

6. Maintenance. It shall be the Tenant's sole responsibility to keep and maintain the entire Leasehold Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. Tenant shall keep and maintain the Leasehold Premises in a clean, sanitary and safe condition, at all times during the term of the Lease, in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting the use of said premises. If Tenant refuses or neglects to maintain, commence and to complete repairs on the Leasehold Premises promptly and adequately, Landlord may, but shall not be required to do so, provide necessary maintenance and repairs, and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy herein, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted.

7. Liability Insurance. Tenant shall, during the entire term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leasehold Premises, in which the limits of public liability shall not be less than Five-Hundred Thousand Dollars ($500,000.00) for injury or death to one person in one accident, One Million Dollars ($1,000,000.00) for injury or death per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage per occurrence. The policy shall name Landlord, any other parties in interest designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Tenant shall provide Landlord with a certificate evidencing insurance at the commencement of occupancy and upon request. The insurance shall be with an insurance company approved by Landlord, and a copy of the paid-up policy evidencing such insurance or a certificate of the insurer certifying the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's Work and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

8. Personal Property Insurance. Tenant agrees to carry, at its sole expense, insurance against all risks of physical loss, insuring Tenant's fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Leasehold Premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage.

9. Property Insurance. Tenant agrees to pay property insurance on the Leasehold Premises.

10. Subordination. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any mortgages or deeds of trust that may hereafter be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognized the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election, and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

11. Assignment and Subletting. Tenant agrees not to assign or in any manner transfer this Lease or any estate or interest therein by operation of law or otherwise without prior written consent of Landlord, and not to sublet the leased premises or any part(s) thereof or allow anyone to come in with, through or under

it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the leased premises or the collection of rent by Landlord from any assignee or sub-lessee shall not operate to exhaust Landlord's rights under this Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease.

12. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste upon the Leasehold Premises, and Tenant shall not place a load upon any floor of the Leasehold premises that exceeds the floor load per square foot area which such floor is designed to carry, if Landlord provides design or architectural information describing maximum load limitations. Tenant shall not use or permit the use of any medium that might constitute a nuisance.

13. Reconstruction of Damaged Premises. In the event the Leasehold Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, then the damage to the Leasehold Premises shall be promptly repaid, unless Landlord shall elect not to rebuild as hereinafter provided, and the fixed minimum rental and other charges shall be abated in proportion to the amount of the Leasehold Premises rendered untenantable. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or personal property. If more than Twenty-five percent (25%) of the leased premises or of floor area of the building in which the leased premises are located shall be damaged or destroyed by fire or other casualty, then Landlord may either elect that the Leasehold Premises be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

14. Total Condemnation of Leased Premises. If the whole of the Leasehold Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the day of the taking.

15. Partial Condemnation. If less than the whole but more than Twenty-five percent (25%) of the Leasehold Premises shall be taken under eminent domain, Landlord shall have the right either to terminate this Lease and declare the same null and void, or to restore the remaining portion of the leased premises or the building to a complete architectural unit. In the event Landlord elects to restore, all of the terms herein provided shall continue in effect, except the fixed annual rental shall be reduced in proportion to the amount of the leased premises taken.

If Twenty-five percent (25%) or less of the Leasehold Premises shall be so taken, the lease term shall cease only as to the part so taken s of the day possession shall be taken by such public authority, and Tenant shall pay rent up to that date, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter the fixed minimum annual rental shall be reduced in proportion to the amount of the leased premises taken. In such event, or in the event that Twenty-five percent (25%) or less of the Leasehold Premises shall be taken, Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, originally installed by Landlord, so as to constitute the remaining leased premises a complete architectural unit.

16. Landlord's and Tenant's Damages. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or the fee of the premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to the ward made for depreciation to, and cost of removal of Tenant's stock and fixtures.

17. Default. All rights and remedies of landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law. Tenant the parties covenants and agrees that if a default occurs when:

a) Tenant shall fail, neglect or refuse to pay any installment of all rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, and if any such default should continue for a period of more than ten (10) days;

b) Tenant shall abandon or vacate the leasehold premises or fail to keep the leased premises continuously and uninterruptedly open for business each business day or shall fail, neglect or refuse to keep and perform any of the other material covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than ten (10) days after notice thereof given in writing to tenant by landlord provided however that if the cause for giving such notice involves the making of repairs or other matters reasonable requiring a longer period of time that the period of such notice. Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken proper steps or proceeding under the circumstances to prevent the seizure, destruction, alteration or other interference with said leased premises by reason on non-compliance with the requirements of any law or ordinance or with the rules, regulations, or

directions of any governmental authority as the case may be; then the tenant does hereby authorize and fully empower said landlord or landlord's agent to terminate this lease at once and to re-enter and take possession of said premises immediately on the day following the final day of the tenant's school year, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their property, and to use such force and assists in effecting and perfecting such removal of said tenant as may be necessary and advisable to recover at once first and exclusive possession of all said leased premises whether in possession of said tenant or of third persons or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies with might otherwise be used by landlord, in which event this lease shall terminate and tenant shall indemnify the landlord against all unavoidable loss of rent which landlord may incur by reason of such termination during the residue of the term herein specified.

c) The landlord may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by tenant for the full term of this lease. In such event landlord shall have the right, but not the obligation, to divide or subdivide the leasehold premises in any manner landlord may determine and to lease or let the same or portions hereof for such period of time and at such rentals and for such use and upon such covenants and conditions as landlord may elect, applying the net rentals from such letting first to the payment of landlord's expenses incurred is dispossessing tenant and the cost and expense of making such improvements in the leasehold premises as may be necessary in order to enable landlord to re-let the same, and to the payment of brokerage commissions or other necessary expenses of landlord in connection with such re-letting. The balance, if any, shall be applied by landlord from time to time on account of the payments due or payable by tenant hereunder, with the right reserved to landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as landlord may deem favorable from time to time, without being obligated to await the end of the term hereof for the final determination of tenants account. Any balance remaining however, after full payment and liquidation of landlord's account as aforesaid shall be paid to tenant with the right reserved to landlord at any time to give notice in writing to tenant of landlord's election to cancel and terminate this lease and upon giving of such notice and the simultaneous payments by landlord to tenant of any credit balance in tenant's favor that may at the time be owing to tenant shall constitute a final and effective cancellation and termination of this lease and the obligations hereunder on the part of either party to the other.

d) Landlord may, at its option, while such default or violation of covenant or condition continues, and after ten (10) days notice of its intention so to do,

declare all the rent reserved for the full term of this lease remaining unpaid due and payable at once; and tenant does hereby empower any attorney of any court of record in the state of California or elsewhere to appear for it an waive the issuance and service of process and confess judgment against it for the whole or any part of said rent and thereafter to release all errors and warrant all rights of appeal and stay of execution. The initial exercise or use of this warrant of attorney shall not exhaust the same, but the same may be used and exercised without limitation as often as necessity for the use of the same arise. The exercise or use of this warrant of attorney shall not prevent landlord from subsequently terminating this lease, by giving notice to tenant of its election so to do and upon its tender to tenant of a sum equal to the amount, if any, paid by the tenant for rents accruing after the date of such termination.

e) In addition to the other rights granted to the landlord hereunder, landlord may, at its option, while such default or violations of covenants or condition continue(s), and after ten (10) days' notice of its intentions to do so, confess judgment for possession of the leased premise and tenant does hereby empower any attorney of any court to record in the commonwealth of California or elsewhere to appear for it and waive the issuance and service of process and confess a judgment in ejectment.

f) Also in addition to the other rights granted to landlord under this lease, tenant agrees that in the event that the amounts due landlord under this lease are collected are disputed by law or through an attorney at law through judicial action, the prevailing party is entitled to recovery of reasonable attorneys fees and costs. And judgment is entered in favor of landlord against tenant, whether by confession or otherwise, then tenant agrees to pay all costs of collection, including attorney's fees in the amount of ten percent (10%) of the judgment or five hundred dollars ($500.00), whichever is greater.

18. Right of Entry. Landlord or Landlord's agent shall have the right to enter the Leasehold Premises at all reasonable times to examine the same, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the rent reserved shall in now wise abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise.

19. Loss and Damage to Tenant's Property. The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to the Leasehold Premises or any part, or for any loss or damages resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any

damage or loss of property within the Leasehold Premises from any cause whatsoever.

20. Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the leased premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

21. Holding Over. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month (at twice the monthly minimum rental herein specified).

22. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Paragraph 11 herein.

23. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peacefully and quietly hold and enjoy the Leasehold Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

24. Waiver. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and signed by Landlord.

25. Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid and shall be addressed (a) if to Landlord, at the address first above stated, or at such other address as Landlord shall designate by written notice, (b) if to Tenant, to the leased premises or at such other address as Tenant shall designate by written notice, and shall be effective upon two business days from deposit with the U.S. Postal Service.

26. Captions and Section Numbers. The captions, section numbers, and article numbers, appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement Lease.

27. Recording. Tenant shall not record this Lease without the written consent of Landlord; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this Lease for the purpose of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leasehold Premises, the term of this Lease, and special provisions, and shall incorporate this Lease by reference.

28. Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leasehold Premises, the transferor shall be automatically relieved of any and, all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Paragraph 3 of this Lease upon assignment of the same to the transferee, provided that the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the ten transferee. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or hold of such deed of trust shall have actually received the security deposited hereunder.

29. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lessor amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or any payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to cover the balance of such rent or pursue any other remedy in this Lease provided.

30. This Lease shall be governed by and construed in accordance with the laws of California. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Entire Agreement. This Lease and the exhibits, if any, attached hereto and forming a part thereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises and there are not covenants, promises, agreements, conditions or understandings, either oral or written, between them other than herein set forth. No alterations, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

32. Property Tax. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to cooperate in order to obtain exemption determination from County Tax Assessor. Should any governmental taxing authority acting under any present or future law, ordinance or regulation, levy, assess or impose a tax, excise, assessment and/or any business and/or occupation taxes (other than income or franchise tax) upon or against the rentals payable by Tenant to Landlord, either by way of substitution or in addition to any existing tax on land and buildings or otherwise, Tenant shall be responsible for and shall pay such tax, excise, assessment, and any business and occupation taxes levied directly against the Tenant, or shall reimburse Landlord for the amount thereof, as the case may be, as additional rent, on or before the date that any fine, penalty or interest would be added thereto for non-payment. Tenant shall also pay its pro-rata share of any tax or charge levied in lieu of Real Estate taxes.

33. Indemnification. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

34. Heirs and Successors. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

7/1/13	02/03/14
Dora Oblenu, CEO Date	Edward Cabll, CEO Date
OCI DEVELOPMENT CORPORATION	WISDOM ACADEMY FOR YOUNG SCIENTISTS
"LANDLORD"	"TENANT"

OCI Development Corporation
8200 Wilshire Blvd. Suite #200
Beverly Hills, California 90211
(310) 407-9931

TRIPLE NET COMMERCIAL LEASE 2013-14

This Lease Agreement ("Agreement") is entered into this 1st day of July 2013, by and between OCI Development Corporation, hereinafter referred to as the "Landlord, Wisdom Academy For Young Scientists, hereinafter referred to as the "Tenant".

WHEREAS, the Landlord is the owner of certain premises situated at 706 East Manchester (Building A), Los Angles, California 90001, in the County of Los Angeles and state of California hereinafter referred to as the "Leasehold Premises."

WHEREAS, the Tenant desires to rent and lease the Leasehold Premises from the Landlord, and the Landlord has agreed to lease the same to the Tenant upon the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the rents and covenants of the Tenant to be paid and kept as herein contained, the Landlord has agreed to lease unto the Tenant, and by this Agreement does hereby lease the Leasehold Premises unto the Tenant, and the Tenant hereby leases the Leasehold Premises from the Landlord, and the parties do covenant and agree as follows:

1. Term. This Lease shall be for a term of 1 year, between the hours 7:00 am to 7:00 pm, Monday – Friday, commencing on the 1st day of July 2013, and ending on the 30th day of June 2014.

2. Rent. Tenant shall pay to Landlord, without demand or deduction, at its offices or such other places as Landlord may from time to time direct in writing, the monthly lease amount as follows:

Tenant shall pay a monthly rental of One Dollar (1.00) on the 1st day of July, 2013 and a like sum on the first day of each and every calendar month during the term hereof, and prorate for the fractional portion of any month, except that of the first day of the calendar month immediately following the commencement date, the Tenant shall also pay the Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this lease.

3. Security Deposit. Tenant shall further pay to Landlord, prior to any use or occupancy of the Leasehold Premises, a security deposit in the sum of Thirteen Thousand Fifty ($13,505.75), to be held as security for any damages to the Leasehold Premises, or as payment, in whole or part, for any costs or expenses incurred by the Landlord resulting from the failure of Tenant to surrender the premises in the condition described in Paragraph 6 herein. Unless withheld by the Landlord, in whole or in part, by reason of any damage to the Leasehold Premises, the security deposit shall be returned to the Tenant within thirty (30) days after the termination of this Lease.

4. Utilities. During the term of this Lease, the Tenant shall be solely responsible for the payment of any and all utilities of the Leasehold Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. The Tenant shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Leasehold Premises.

5. Clean and Sanitary Condition. During the term of the Lease, the Tenant shall keep and maintain the Leasehold Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by the Tenant in facilities specifically for garbage collection. Tenant shall be responsible for placing the garbage bins and/or containers and recycling container(s) at the curb for pick-up and to return the containers to their appropriate place. Tenants shall further comply with all local ordinances and regulations imposed by the City of Los Angeles relating to maintaining the Leasehold Premises in a clean and sanitary condition and relating to the collection of garbage and similar debris. Tenant shall be solely liable for any action and/or fines that may be brought by the City of Los Angeles, or any other enforcement agency, as a result of the Leasehold Premises not being kept in a clean and sanitary condition.

6. Maintenance. It shall be the Tenant's sole responsibility to keep and maintain the entire Leasehold Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. Tenant shall keep and maintain the Leasehold Premises in a clean, sanitary and safe condition, at all times during the term of the Lease, in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting the use of said premises. If Tenant refuses or neglects to maintain, commence and to complete repairs on the Leasehold Premises promptly and adequately, Landlord may, but shall not be required to do so, provide necessary maintenance and repairs, and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy herein, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted.

7. Liability Insurance. Tenant shall, during the entire term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leasehold Premises, in which the limits of public liability shall not be less than Five-Hundred Thousand Dollars ($500,000.00) for injury or death to one person in one accident, One Million Dollars ($1,000,000.00) for injury or death per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage per occurrence. The policy shall name Landlord, any other parties in interest designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Tenant shall provide Landlord with a certificate evidencing insurance at the commencement of occupancy and upon request. The insurance shall be with an insurance company approved by Landlord, and a copy of the paid-up policy evidencing such insurance or a certificate of the insurer certifying the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's Work and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

8. Personal Property Insurance. Tenant agrees to carry, at its sole expense, insurance against all risks of physical loss, insuring Tenant's fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Leasehold Premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage.

9. Property Insurance. Tenant agrees to pay property insurance on the Leasehold Premises.

10. Subordination. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any mortgages or deeds of trust that may hereafter be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognized the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election, and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

11. Assignment and Subletting. Tenant agrees not to assign or in any manner transfer this Lease or any estate or interest therein by operation of law or otherwise without prior written consent of Landlord, and not to sublet the leased premises or any part(s) thereof or allow anyone to come in with, through or under

it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the leased premises or the collection of rent by Landlord from any assignee or sub-lessee shall not operate to exhaust Landlord's rights under this Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease.

12. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste upon the Leasehold Premises, and Tenant shall not place a load upon any floor of the Leasehold premises that exceeds the floor load per square foot area which such floor is designed to carry, if Landlord provides design or architectural information describing maximum load limitations. Tenant shall not use or permit the use of any medium that might constitute a nuisance.

13. Reconstruction of Damaged Premises. In the event the Leasehold Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, then the damage to the Leasehold Premises shall be promptly repaid, unless Landlord shall elect not to rebuild as hereinafter provided, and the fixed minimum rental and other charges shall be abated in proportion to the amount of the Leasehold Premises rendered untenantable. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or personal property. If more than Twenty-five percent (25%) of the leased premises or of floor area of the building in which the leased premises are located shall be damaged or destroyed by fire or other casualty, then Landlord may either elect that the Leasehold Premises be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

14. Total Condemnation of Leased Premises. If the whole of the Leasehold Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the day of the taking.

15. Partial Condemnation. If less than the whole but more than Twenty-five percent (25%) of the Leasehold Premises shall be taken under eminent domain, Landlord shall have the right either to terminate this Lease and declare the same null and void, or to restore the remaining portion of the leased premises or the building to a complete architectural unit. In the event Landlord elects to restore, all of the terms herein provided shall continue in effect, except the fixed annual rental shall be reduced in proportion to the amount of the leased premise taken.

If Twenty-five percent (25%) or less of the Leasehold Premises shall be so taken, the lease term shall cease only as to the part so taken s of the day possession shall be taken by such public authority, and Tenant shall pay rent up to that date, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter the fixed minimum annual rental shall be reduced in proportion to the amount of the leased premises taken. In such event, or in the event that Twenty-five percent (25%) or less of the Leasehold Premises shall be taken, Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, originally installed by Landlord, so as to constitute the remaining leased premises a complete architectural unit.

16. Landlord's and Tenant's Damages. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or the fee of the premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to the ward made for depreciation to, and cost of removal of Tenant's stock and fixtures.

17. Default. All rights and remedies of landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law. Tenant the parties covenants and agrees that if a default occurs when:

a) Tenant shall fail, neglect or refuse to pay any installment of all rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, and if any such default should continue for a period of more than ten (10) days;

b) Tenant shall abandon or vacate the leasehold premises or fail to keep the leased premises continuously and uninterruptedly open for business each business day or shall fail, neglect or refuse to keep and perform any of the other material covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than ten (10) days after notice thereof given in writing to tenant by landlord provided however that if the cause for giving such notice involves the making of repairs or other matters reasonable requiring a longer period of time that the period of such notice. Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken proper steps or proceeding under the circumstances to prevent the seizure, destruction, alteration or other interference with said leased premises by reason on non-compliance with the requirements of any law or ordinance or with the rules, regulations, or

directions of any governmental authority as the case may be; then the tenant does hereby authorize and fully empower said landlord or landlord's agent to terminate this lease at once and to re-enter and take possession of said premises immediately on the day following the final day of the tenant's school year, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their property, and to use such force and assists in effecting and perfecting such removal of said tenant as may be necessary and advisable to recover at once first and exclusive possession of all said leased premises whether in possession of said tenant or of third persons or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies with might otherwise be used by landlord, in which event this lease shall terminate and tenant shall indemnify the landlord against all unavoidable loss of rent which landlord may incur by reason of such termination during the residue of the term herein specified.

c) The landlord may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by tenant for the full term of this lease. In such event landlord shall have the right, but not the obligation, to divide or subdivide the leasehold premises in any manner landlord may determine and to lease or let the same or portions hereof for such period of time and at such rentals and for such use and upon such covenants and conditions as landlord may elect, applying the net rentals from such letting first to the payment of landlord's expenses incurred is dispossessing tenant and the cost and expense of making such improvements in the leasehold premises as may be necessary in order to enable landlord to re-let the same, and to the payment of brokerage commissions or other necessary expenses of landlord in connection with such re-letting. The balance, if any, shall be applied by landlord from time to time on account of the payments due or payable by tenant hereunder, with the right reserved to landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as landlord may deem favorable from time to time, without being obligated to await the end of the term hereof for the final determination of tenants account. Any balance remaining however, after full payment and liquidation of landlord's account as aforesaid shall be paid to tenant with the right reserved to landlord at any time to give notice in writing to tenant of landlord's election to cancel and terminate this lease and upon giving of such notice and the simultaneous payments by landlord to tenant of any credit balance in tenant's favor that may at the time be owing to tenant shall constitute a final and effective cancellation and termination of this lease and the obligations hereunder on the part of either party to the other.

d) Landlord may, at its option, while such default or violation of covenant or condition continues, and after ten (10) days notice of its intention so to do,

damage or loss of property within the Leasehold Premises from any cause whatsoever.

20. Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the leased premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

21. Holding Over. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month (at twice the monthly minimum rental herein specified).

22. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Paragraph 11 herein.

23. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peacefully and quietly hold and enjoy the Leasehold Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

24. Waiver. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and signed by Landlord.

25. Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid and shall be addressed (a) if to Landlord, at the address first above stated, or at such other address as Landlord shall designate by written notice, (b) if to Tenant, to the leased premises or at such other address as Tenant shall designate by written notice, and shall be effective upon two business days from deposit with the U.S. Postal Service.

26. Captions and Section Numbers. The captions, section numbers, and article numbers, appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement Lease.

27. Recording. Tenant shall not record this Lease without the written consent of Landlord; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this Lease for the purpose of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leasehold Premises, the term of this Lease, and special provisions, and shall incorporate this Lease by reference.

28. Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leasehold Premises, the transferor shall be automatically relieved of any and, all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Paragraph 3 of this Lease upon assignment of the same to the transferee, provided that the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the ten transferee. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or hold of such deed of trust shall have actually received the security deposited hereunder.

29. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lessor amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or any payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to cover the balance of such rent or pursue any other remedy in this Lease provided.

30. This Lease shall be governed by and construed in accordance with the laws of California. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Entire Agreement. This Lease and the exhibits, if any, attached hereto and forming a part thereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises and there are not covenants, promises, agreements, conditions or understandings, either oral or written, between them other than herein set forth. No alterations, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

32. Property Tax. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to cooperate in order to obtain exemption determination from County Tax Assessor. Should any governmental taxing authority acting under any present or future law, ordinance or regulation, levy, assess or impose a tax, excise, assessment and/or any business and/or occupation taxes (other than income or franchise tax) upon or against the rentals payable by Tenant to Landlord, either by way of substitution or in addition to any existing tax on land and buildings or otherwise, Tenant shall be responsible for and shall pay such tax, excise, assessment, and any business and occupation taxes levied directly against the Tenant, or shall reimburse Landlord for the amount thereof, as the case may be, as additional rent, on or before the date that any fine, penalty or interest would be added thereto for non-payment. Tenant shall also pay its pro-rata share of any tax or charge levied in lieu of Real Estate taxes.

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Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

34. Heirs and Successors. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

D.t.Obieru 7/1/13	Edward Cahill 12/03/14
Dora Oblenu, CEO Date	Edward Cahill, CEO Date
OCI DEVELOPMENT CORPORATION	WISDOM ACADEMY FOR YOUNG SCIENTISTS
"LANDLORD"	"TENANT"

MERLE WILLIAMSON FOUNDATION
DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A CALIFORNIA NON-PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTH ENDED JUNE 30, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Not-for-Profit Organization)

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Twelve months period ended of June 30, 2012

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Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors of
Merle Williamson Foundation, dba
Wisdom Academy for Young Scientists
Los Angeles, California

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of Wisdom Academy for Young Scientists (WAYS) (a California not-for-profit organization), as of June 30, 2012, and the related statements of activities and changes in net assets, and cash flows for the twelve months period then ended. These financial statements are the responsibility of Wisdom Academy for Young Scientists' management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the organization's 2011 financial statements and, in my report dated December 14, 2011, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2012, and the changes in its net assets and cash flows for the twelve months period then ended in conformity with accounting principles generally accepted in the United States of America.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606

In accordance with *Government Auditing Standards*, I have also issued a report dated December 31, 2012 on my consideration of **Wisdom Academy for Young Scientists'** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

My audit was conducted for the purpose of forming an opinion on the financial statements of **Wisdom Academy for Young Scientists.** The accompanying schedule of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the additional supplementary information section is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF FINANCIAL POSITION
June 30,

ASSETS

	2012	2011
CURRENT ASSETS:		
Cash and cash equivalents	$ 49,188	$ 513,331
Accounts receivable - Sponsoring Districts (Note 3)	27,961	
Accounts receivable - (Note 3)	1,256,875	525,547
Due from former Executive Director (Note13)	10,120	
Security deposits	30,911	
Prepaid expenses	18,870	45,756
Total current assets	1,393,925	1,084,634
FURNITURE, EQUIPMENT AND IMPROVEMENTS:		
Furniture and equipment (Note 4)	141,990	77,221
Computers and equipment (Note 4)	37,987	
Leasehold improvements (Note 4)	275,783	197,312
Leasehold improvements - ERate (Note 4)	35,483	35,483
Less: accumulated depreciation (Note 4)	(85,093)	(53,691)
Total furniture, equipment and improvements	406,150	256,325
Total assets	$ 1,800,075	$ 1,340,959

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 62,724	$ 56,732
Settlement payable - (Note 11)	228,665	
Due to Sponsoring District		5,470
Credit card payable	4,480	5,303
Payroll liabilities	27,172	29,125
Total current liabilities	323,041	96,630
LONG - TERM LIABILITIES:		
Line of credit - Wells Fargo (Note 9)	250,000	
Total liabilities	573,041	96,630
NET ASSETS		
Unrestricted	1,284,221	1,249,799
Temporarily restricted - (deficit)	(57,187)	(5,470)
Total net assets	1,227,034	1,244,329
Total liabilities and net assets	$ 1,800,075	$ 1,340,959

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the twelve month ended June 30,

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT:				
General purpose block grant	$ 1,634,727	$	$ 1,634,727	$ 982,763
Categorical block grant	276,279		276,279	211,468
Class size reduction	232,407		232,407	89,182
Private contributions	2,304		2,304	8,446
Federal income		85,257	85,257	61,086
Charter school facilities grant	184,983		184,983	118,461
In-lieu property taxes	558,869		558,869	353,049
In-lieu property taxes - prior year			-	8,304
After school education and safety	112,500		112,500	112,500
Fundraising income	2,736		2,736	9,259
Special education		186,214	186,214	204,578
Child nutrition - federal		307,168	307,168	147,788
Child nutrition - state	16,815		16,815	9,695
Title II			-	4,254
Title I		19,085	19,085	49,576
Facility reimbursement			-	52,738
Other state income	141,591		141,591	89,549
Other local income	6,284		6,284	143,789
Interest income	653		653	1,488
Net assets released from restrictions	649,441	(649,441)	-	-
Total revenue and support	3,819,589	(51,717)	3,767,872	2,657,973
EXPENSES:				
Certificated salaries	1,273,808		1,273,808	833,752
Classified salaries	407,908		407,908	277,200
Fringe benefits	355,384		355,384	172,429
Settlement payment - (Note 11)	228,665		228,665	
Books and supplies	161,609		161,609	126,532
Contract services and other expenses	941,264		941,264	766,181
Occupancy, repairs, and rental	391,331		391,331	193,612
Fundraising expenses	390		390	9,600
Depreciation	31,402		31,402	19,081
Other outgo	2,520		2,520	15,314
Total expenses	3,794,281	-	3,794,281	2,413,701
Increase (decrease) in net assets	25,308	(51,717)	(26,409)	244,272
Net assets, beginning of the year	1,249,799	(5,470)	1,244,329	1,006,531
Prior year adjustments (Note 15)	9,114		9,114	(6,474)
Net assets, end of the year	$ 1,284,221	$ (57,187)	$ 1,227,034	$ 1,244,329

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF CASH FLOW
For the twelve month ended June 30,

	2012	2011
Cash flows from operating activities:		
Changes in net assets	$ (26,409)	$ 244,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,402	19,081
Prior period adjustments	9,114	(6,474)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable - sponsoring district	(27,961)	53,977
Accounts receivable	(731,328)	(157,346)
Due from former executive director	(10,120)	
Security deposits	(30,911)	
Prepaid expenses	26,886	(11,698)
Increase (decrease) in liabilities:		
Accounts payable	5,993	(18,400)
Due to Sponsoring District	(5,470)	5,470
Settlement payable	228,665	
Other liabilities	(823)	5,303
Payroll liability	(1,954)	18,918
Net cash provided by operating activities	(532,916)	153,103
Cash flows from investing activities:		
Purchase of computers and improvements	(181,227)	(62,308)
Net cash used by investing activities	(181,227)	(62,308)
Cash flows from financing activities:		
Proceed from line of credit - Wells Fargo	250,000	
Net cash provided by (used in) financing activities:	250,000	
Net increase (decrease) in cash	(464,143)	90,795
Cash and cash equivalents- beginning of the year	513,331	422,536
Cash and cash equivalents - end of the year	$ 49,188	$ 513,331
Supplemental Disclosures:		
Cash paid for interest expense	$ 1,319	$ -

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 1 - ORGANIZATION

NATURE OF BUSINESS

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (WAYS) is a public charter school of approximately 520 students located in South Los Angeles, serving kindergarten through fifth grade education. Opened in 2006, WAYS serve a population of students traditionally labeled as underperforming or high-risk students. As a charter school, WAYS was created under the approval of the Los Angeles Unified School District and the California State Board of Education, and receives public per-pupil funding to help support its operations. On June 30, 2011, Wisdom Academy for Young Scientists' charter expired and was not renewed with the Los Angeles Unified School District.

Effective July 1, 2011, Wisdom Academy for Young Scientists was chartered under the authority of the Los Angeles County Board of Education (LACOE).

WAYS was granted the Accreditation of Commission for Schools of the Western Association of Schools and Colleges. The term of the accreditation will run through June 30, 2013. WAYS is economically dependent on federal and state funding provided through the Los Angeles County Board of Education.

In 2011-2012, WAYS scored 716 on the Academic Performance Index (API).

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

The summary of Significant Accounting Policies of WAYS is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of WAYS' management, who are responsible for their integrity and objectivity.

WAYS accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". WAYS conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Statements Presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of FASB ASC 958-205, (prior authoritative literature: SFAS No. 117, *Financial Statements of Not-for-Profit Organizations).* Accordingly, WAYS' financial statements are present on the following three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Temporarily restricted and permanently restricted net assets are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by WAYS based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flow, WAYS considered all liquid investments with a maturity three months or less to be cash equivalents.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of Accounting

The financial statements of WAYS have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

WAYS accounts receivable consists of amounts due from government sources only. No allowance for doubtful accounts has been established as WAYS deems all amounts to be fully collectible.

Contributions and Contributed Services

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor as required by SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Use of Estimates

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

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Equipment and Improvements

Equipment and improvements are recorded at cost. All property, equipment and improvements with a value of $1,000 or greater and a useful life of 1 year or more are capitalized. Improvements are depreciated under a straight-line method over their estimated useful lives of 20 years. Equipment is depreciated under straight-line method over the estimated useful life of five to seven years. The depreciation expense for the year ended June 30, 2012 is $31,402.

Income Taxes

WAYS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with WAYS' financial statements for the twelve months period ended June 30, 2011, from which summarized information was derived.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012, reported as follows:

General purpose block grant	$ 697,820
Los Angeles Unified School District	27,961
Special Education	151,044
Categorical grant	28,790
Class size reduction	64,314
Child nutrition – federal	38,088
Child nutrition	67,185
Facility grant	184,983
After school grant	39,375
Total	$ 1,299,560

NOTE 4 - EQUIPMENT AND IMPROVEMENTS

Below is the summary of the changes in fixed assets owned by Wisdom Academy for Young Scientists for the year ended June 30, 2012:

Description	Balance at 7/1/2011	Additions (deletions)	Balance at 6/30/12
Leasehold improvements	$ 197,312	$ 78,471	$ 275,783
Leasehold improvements - ERate	35,483		35,483
Computer and equipment		37,987	37,987
Furniture and equipment	77,221	64,769	141,990
Total fixed assets	310,016	181,227	491,243
Accumulated depreciation	(53,691)	(31,402)	(85,093)
Net fixed assets	$ 256,325	$ 149,825	$ 406,150

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - DONATED SERVICES

No amounts have been reflected in the accompanying financial statements for donated services inasmuch as no objective basis was available to measure the value of such services; however, some volunteers have donated their time to WAYS.

NOTE 6 - RECONCILIATION OF ANNUAL FINANCIALS

The schedule on page 17 were prepared by WAYS for the Los Angeles Unified School District.

NOTE 7 - COMMITMENTS

As such, WAYS entered into a twelve-month agreement for its main facility located on 706 East Manchester Avenue, L.A., CA with OCI Development Corporation. Monthly lease payments began at $13,052. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2012. Payments made on this facility lease totaled $156,627 for the year ended June 30, 2012.

At the same time, WAYS entered into a twelve-month agreement with OCI Development Corporation for the property located at 8778 Central Avenue, L.A, CA. Monthly lease payments began at $4,367. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2012. Payments made on this facility lease totaled $52,404 for the year ended June 30, 2012.

WAYS entered into a five-year lease agreement for a facility for additional occupancy and parking near its main facility. The lease commenced in December 2007. Monthly lease payments are $1,450 for the duration of the lease. The lease will expire in December 2012. Payments made on the facility lease totaled $17,400 for the twelve months ended June 30, 2012.

WAYS entered into a twelve-month agreement with The Salvation Army for the property located at 7651 South Central Avenue, L.A, CA. The lease commenced in August 2011. Monthly lease payments began at $13,492. The lease will expire in July 2012. Payments made on this facility lease totaled $136,413 for the year ended June 30, 2012.

The future minimum lease payments due for the next year are as follows:

Year Ending June 30,		Amount
2013	$	379,632

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 8 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS). WAYS is not eligible to participate in Public Employees' Retirement System (PERS).

State Teachers' Retirement System (STRS)

Plan Description

WAYS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and WAYS is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2011-12 is 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS

WAYS' contributions to STRS and PERS for this fiscal year are as follows:

Year Ended June 30	STRS Required Contribution	STRS Percent Contributed
2012	$96,379	100%

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LINE OF CREDIT – WELLS FARGO

WAYS obtained a revolving line of credit with Wells Fargo Bank that allows WAYS to borrow up to a maximum of $250,000. As of June 30, 2012, WAYS had $250,000 outstanding on the line of credit. The line of credit matures on February 15, 2013. The interest rate on the line of credit is 5%.

Total interest charge to expense for the year ended June 30, 2012 was $1,319.

As December 31, 2012, WAYS outstanding line of credit balance was paid in full.

NOTE 10 - RELATED PARTIES TRANSACTIONS

A related party is one which controls, exercises significant influences over, or is significantly influenced by a group or member in making financial, and operating decisions, along with any group member, is subject to common control or significant influence.

DeDe Dance Studio, a non-profit organization, provided after school program service to WAYS. WAYS' assistant principal is the executive director of the DeDe Dance Studio and is related to the WAYS' Director of Operations. During the year ended June 30, 2012, DeDe Dance Studio received payments of $36,000 from WAYS.

As of December 31, 2012, DeDe Dance Studio corporate status is suspended with the California Secretary of State.

NOTE 11 – SETTLEMENT WITH FORMER EXECUTIVE DIRECTOR

On October 26, 2012, WAYS and the former executive director entered into a settlement agreement and mutual release of claims. WAYS paid the former executive director a sum of $228,665.38 to settle all claims arising or any way relating to the dispute. In consideration, the former executive director release and discharge WAYS from all cause of action relating to the dispute.

Because the proposed settlement was initiated by letters dated January and May 2012 and as such was related to the June 30, 2012 year end. The amount of $228,665.38 is recognized on the June 30, 2012 statement of financial position as a liability and the statement of activities as a payroll related transaction.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTE 12 – PENDING CLAIMS AND LITIGATION

On April 12, 2011, WAYS has been named in a wrongful employment termination by Plaintiff, who was a former teacher at WAYS. The stated cause of action for wrongful termination is violation of the Labor Code section 1102.5.

A trial was recently held and on December 4, 2012, the jury found in favor of the Plaintiff. A judgment was entered in the amount of $566,803 against the school.

December 31, 2012, management has brought post-trial motion and is contesting the verdict on the grounds that the Plaintiff did not present sufficient evidence to overcome the substantial evidence establishing she was terminated for legitimate, non-retaliatory reasons. The motion is scheduled to be heard in Los Angeles County Superior Court on January 17, 2013. Pending the hearing on this motion, the process to satisfy the existing monetary judgment has not been initiated.

NOTE 13 – DUE FROM FORMER EXECUTIVE DIRECTOR

Prepaid rent the in the amount of $10,120 was paid in the fiscal year 2009-10 to the former executive director. The executive director was also the organization landlord. The prepaid amount was not subsequently earned through the period ending of 6/30/12 and therefore due back to WAYS.

NOTE 14 – SUBSEQUENT EVENTS

WAYS has evaluated subsequent events through December 31, 2012, the date which the financial statements were available to be issued.

WAYS entered into two one-year lease agreements for educational facility located on 706 East Manchester Avenue and 8778 Central Avenue. The lease will commence on July 2012, and ending on the 30th day of June 2013. Monthly lease payments for each property are $13,559 and $4,467.

In addition, WAYS entered into a one-year lease with the Salvation Army on 7651 Central Avenue. The monthly lease payments are $12,548. The lease will commence on August 2012, and ending on July 2013.

NOTE 15 - Prior Period Adjustments

Miscellaneous adjustments to the prior period resulted primarily from correction to petty cash, payable and prepaid expenses.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

SUPPLEMENTARY INFORMATION SECTION

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

RECONCILIATION OF ANNUAL FINANCIAL
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2012

	2012
June 30, 2012 unaudited financial report	
fund balances (net assets)	$ 1,197,837
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets)	
Cash in bank	16,346
Accounts receivable	239,892
Other assets	
Prepaid expenses	17,089
Property and equipment	33,576
Accumulated depreciation	(31,404)
(Increase) decrease in liabilities:	
Accounts payable	(8,639)
Settlement Payable	(228,665)
Rounding	2
Current Loans	
Net adjustments and reclassifications	38,197
June 30, 2012 Audited Financial Statement Fund Balance	$ 1,236,034

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF INSTRUCTIONAL MINUTES
Twelve Months Period ended June 30, 2012

	Requirement	Actual	Number of Days Traditional Calendar	Status
Kindergarden	33,531	64,800	180	In compliance
Grade 1 through 3	46,944	64,800	180	In compliance
Grade 4 through 5	46,944	64,800	180	In compliance

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
Twelve Months Period ended June 30, 2012

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Kindergarten	84.45	84.45	84.51	84.51
Grade 1 through 3	226.73	226.73	215.93	215.93
Grade 4 through 5	138.30	138.30	130.33	130.33
ADA Totals	449.48	449.48	430.77	430.77

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO SUPPLEMENTARY INFORMATION
Twelve Months Period ended June 30, 2012

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Instructional Minutes

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of Education Code Sections 46200 through 46206.

B. Schedule of Average Daily Attendance (ADA)

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA number	Contract period	Expenditures
UNITED STATES DEPARTMENT OF EDUCATION/			
Pass through State Department of Education/			
Title I	84.010	7/1/11-6/30/12	$ 127,246
Charter School Facilities Incentive Grant	84.282D	7/1/11-6/30/12	37,684
Total United States Department of Education			164,930
UNITED STATES DEPARTMENT OF AGRICULTURE			
Pass through State Department of Education Child Nutrition/ Fiscal Services			
Child Nutrition - Federal	10.555	7/1/11-6/30/12	296,287
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 461,217

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Twelve Months Period ended June 30, 2012

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wisdom Academy for Young Scientists and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

ORGANIZATION STRUCTURE
Twelve Months Period ended June 30, 2012

Wisdom Academy for Young Scientists (#839) was formed as charter pursuant to Education Code Section 47600 under an agreement with Los Angeles Unified District granted in July, 2006.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

School Board

Name	Term on Board Expires	Board
Karen Haynes	June 30, 2013	Secretary
Dr. Dorothy Valenti	June 30, 2014	Chairperson
Norman Golden	June 30, 2014	Member
Armando Espinosa	June 30, 2014	Member
Cheryl Johnson	June 30, 2014	Member
Eleanor Jones	June 30, 2014	Member

Administration

Edward Cabil	Executive Director
Jason Okonkwo	Director of Operations

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Merle Williamson Foundation, dba.
Wisdom Academy for Young Scientists (WAYS)
Los Angeles, California

I have audited the financial statements of Wisdom Academy for Young Scientists (WAYS) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 31, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Wisdom Academy for Young Scientists (WAYS) is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Wisdom Academy for Young Scientists' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wisdom Academy for Young Scientists' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wisdom Academy for Young Scientists' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* - *continued*

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, the Los Angeles County of Education, the California Department of Education, the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr.

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
Merle Williamson Foundation, dba.
Wisdom Academy for Young Scientists
Los Angeles, California

I have audited the financial statements of the Wisdom Academy for Young Scientists (WAYS) as of and for the year ended June 30, 2012 and have issued my report thereon dated December 31, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. I have also audited the WAYS' compliance with the requirements specified in the State's audit guide, *Standards and Procedures for Audits of California K-12 Local Education Agencies 2011-12,* published by the Education Audit Appeals Panel, applicable to the WAYS' statutory requirements identified below for the year ended June 30, 2012. Compliance with the requirements referred to above is the responsibility of the WAYS' management. My responsibility is to express an opinion on the WAYS' compliance based on our audit.

The auditing standards referred to above require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the state laws and regulations applicable to the items in the schedule below occurred. An audit includes examining, on a test basis, evidence about the WAYS' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for our opinion. My audit does not provide a legal determination of the WAYS' compliance with those requirements.

In connection with the audit referred to above, I selected and tested transactions and records to determine the WAYS' compliance with the state laws and regulations applicable to the following items:

State Compliance Procedures for Charter Schools:	Procedures In Audit Guide	Procedures Performed
Class Size Reduction Program		
General Requirements	7	Not Applicable
Option One Classes	3	Not Applicable
Option Two Classes	4	Not Applicable
Only One School Serving Grades L-3		
After School Education and Safety Program:		
General Requirements	4	Yes
After School	4	Yes
Before School	5	Not Applicable
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Non-classroom – Based Instructions/ Independent Study	15	Not Applicable
Determination of Funding for Non-class Based Instructions	3	Not Applicable
Annual Instructional Minutes – Classroom Based	3	Yes

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The term "Not Applicable" is used above to mean either that WAYS did not offer the program during the current fiscal year or that the program applies only to a different type of local education agency.

In my opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2012.

This report is intended solely for the information and use of the Wisdom Academy for Young Scientists' Board of Directors, management, the Los Angeles County Office of Education, the California Department of Education, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2011

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
One or more material weaknesses identified?	Yes_ No x
One or more significant deficiencies identified are not considered to be material weaknesses?	Yes X No ___
Noncompliance material to financial statement noted?	Yes____ No__X__

2. State Awards

Internal control over state programs:	
Material weaknesses identified?	Yes____ No__X__
Significant deficiencies identified not considered to be material weaknesses?	Yes____ No__X__
Type of auditor's report issued on compliance for same programs:	Unqualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2012

Significant Deficiencies
Finding 11-01/30000
Deficiency in Internal Control Condition – Bank Reconciliation Over Site

Criteria

Proper internal controls dictate that a supervisor or officer of the organization should review bank reconciliation to ensure that reconciliation is performed in a timely manner and any necessary adjustment is properly authorized.

Condition

Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.

Questioned Costs

None

Context

All material cash transactions were properly reconciled and recorded in the general ledger.

Effect

If the cash reconciliation process does not ensure that all reconciling items are properly identified and recorded, a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.

Cause

The Organization has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor who should compare the reconciled cash balance to the general ledger cash account balance, review and research all reconciling items and authorize any correcting entries needed.

Recommendation

The Organization should establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.

Organization's Response

Wisdom for Young Scientists will continue the audit recommendation. WAYS will implement policies and procedures that will require an explanation for any difference between the reconciled cash balance and the related general account balance. An employee or officer who does not have custody or access to cash and who does not record cash related transaction will review monthly bank reconciliation and authorize any correcting entries as applicable.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
June 30, 2012

Significant Deficiencies:

Finding 11-02 /30000

Deficiency in Internal Control Condition – Payroll Expense Reconciliation

Criteria

A good internal control system uses reconciliation for significant general ledger accounts as a mechanism to verify accuracy, determine validity of purpose and allowableness of recorded transactions.

Condition

Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs

None

Context

The payroll expense reconciling items were not material for the current year financial statements.

Effect

If payroll expenses are not properly reconciled and adjusted in a timely manner, unresolved discrepancies could result in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.

Recommendation

The Organization should establish clear policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. The reconciliation should be in writing and approved by management.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures to reconcile payroll expenses on a regular basis. Management will review and monitor the payroll expense reconciliation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2011

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-01 /30000
Deficiency in Internal Control Condition – Untimely Deposit of Cash Receipts

Criteria

Effective Internal control over cash receipts ensures that all funds are timely deposited in the bank and are properly recorded in the appropriate general account.

Condition

An examination of cash receipts disclosed an incident where a check received was not deposited or recorded timely.

Questioned Costs

None

Context

There were no effect on the current financial statement because the funds were deposited in the proper period.

Effect

Untimely deposit of cash receipts risk the mismanagement of funds (either fraud or loss), misstatement of revenue, receivable or cash, and possible noncompliance with contracts, or laws & regulations.

Cause

A customer's check that was placed in a desk draw was inadvertently over looked and not deposited timely.

Recommendation

The Organization should ensure that all funds are deposited timely. Mail should be open by an employee that restrict endorses all checks, prepares deposited slip and forward a copy of deposit slips and check received to accounting for recording. Monthly bank reconciliation should always compare deposit reported per bank to recorded deposit.

Organization's Response

Wisdom Academy For Young Scientists will establish procedures and over site that will ensure that all cash receipts are deposited and recorded timely.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-02/30000
Deficiency in Internal Control Condition – Bank Reconciliation Over Site

Criteria

Proper internal controls dictate that a supervisor or officer of the organization should review bank reconciliation to ensure that reconciliation is performed in a timely manner and any necessary adjustment is properly authorized.

Condition

Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.

Questioned Costs

None

Context

All material cash transactions were properly reconciled and recorded in the general ledger.

Effect

If the cash reconciliation process does not ensure that all reconciling items are properly identified and recorded, a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.

Cause

The Organization has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor who should compare the reconciled cash balance to the general ledger cash account balance, review and research all reconciling items and authorize any correcting entries needed.

Recommendation

The Organization should establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.

Organization's Response

Wisdom Academy For Young Scientists will implement policies and procedures that will require an employee or officer who does not have custody or access to cash and who does not record cash related transaction to review monthly bank reconciliation and authorize any correcting entries as applicable.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –(Continued)

June 30, 2011

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-03 /30000

Deficiency in Internal Control Condition – Account Receivable Reconciliation

Criteria

Effective internal control over financial reporting necessitate that accounts receivable subsidiary ledger balances should be reconciled to the general ledger account balance and reconciling items should be investigated and cleared in a timely manner.

Condition

The accounts receivable general ledger balance was not reconciled to the accounts receivable subsidiary ledger balances.

Questioned Costs

None

Context

The differences noted were not material to the current year financial statements.

Effect

Not reconciling accounts receivable general ledger account balance to the accounts receivable subsidiary ledger balances could result in materially errors or possible fraudulent activities going undetected resulting in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure that the general ledger accounts receivable balance is properly reconciled to subsidiary ledger balances and that difference are investigated and cleared in a timely manner.

Recommendation

The Organization should establish clear policy and procedures to ensure that general ledger control account balances are properly reconciled to subsidiary ledger balances and that any differences be investigated and cleared in a timely manner.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures regarding reconciling general ledger control accounts balances to subsidiary ledger balances. Such procedures will include proper review and supervision.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - Continued

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-04 /30000

Deficiency in Internal Control Condition – Recording Transaction Without Complete Supporting Documentation

Criteria

Effective internal controls over cash disbursements requires that adequate supporting documentation be attached or otherwise matched to all check requests processed for payment and that such supporting documentation be the basis for recording in financial records.

Condition

During the examination it was noted that supporting documentation for several disbursements were not complete.

Questioned Costs

None

Context

Once notified about the missing documents, the Organization located the proper supporting documentations which were either misfiled or unfiled at that time. As such, there were no effect on the current year financial statements

Effect

Lack of complete supporting documentation could result in payments made for goods or services not received, duplicate payments or payments that are incorrect or fraudulent. In addition records could be lost destroyed, misused or altered to the detriment of the Organization. The results could be material misstated financial statements

Cause

The Organization has not adequately established written policies and procedures and over site to ensure that all check requests are accompanying by proper and complete supporting documentation.

Recommendation

The Organization should establish clear policies and procedures for the approval of all check request and all check requests should be supported by proper and complete documentation.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures requiring complete supporting documentation for all check requests.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Significant Deficiencies:

Finding 11-05 /30000

Deficiency in Internal Control Condition – Payroll Expense Reconciliation

Criteria

A good internal control system uses reconciliation for significant general ledger accounts as a mechanism to verify accuracy, determine validity of purpose and allowableness of recorded transactions.

Condition

Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs

None

Context

The payroll expense reconciling items were not material for the current year financial statements.

Effect

If payroll expenses are not properly reconciled and adjusted in a timely manner, unresolved discrepancies could result in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.

Recommendation

The Organization should establish clear policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. The reconciliation should be in writing and approved by management.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures to reconcile payroll expenses on a regular basis. Management will review and monitor the payroll expense reconciliation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Significant Deficiencies:

Finding 11-06 /30000

Deficiency in Internal Control Condition – Written Asset Capitalization Policy

Criteria

Written capitalization policies and procedures for property and equipment are essential in order to systematically and accurately record, classified and document costs incurred from acquiring property, equipment and other long lived assets

Condition

The Organization has no written asset capitalization policies or procedures. As such, costs were expensed in the in the financial records that should have been capitalized and depreciated over lives in excess on one year.

Questioned Costs

None

Context

In reviewing cost related to leasehold improvement, it was determine that leasehold improvement expenditures were classified as repairs and maintenance expense. The examination indicated that the classification was incorrect because the improvement was deemed to be of benefit to the Organization for more than one year and the amount was sufficient enough to warrant capitalization. The amount was not considered material to the current financial statements.

Effect

Lack of written policies and procedures that consistently define and set asset capitalization threshold and valuation, systematically classify and accurately recorded asset acquisition could result in unreliable financial reporting and compliance with applicable laws and regulations.

Cause

The Organization has not adequately established policies and procedures to ensure that fixed assets are properly capitalized and classified in the financial records.

Recommendation

The Organization should establish policies and procedures that ensure that fixed assets are properly capitalized and classified in the financial records.

Organization's Response

Wisdom Academy For Young Scientists will implement policies and procedures to systematically and accurately record, classify and document costs incurred for property, equipment and other long lived assets

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - Continued

C. Federal Award Findings and Questioned Costs

NONE

D. State Award Findings and Questioned Costs

NONE

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

June 30, 2010

Audit findings are identified as one or more of the following six categories:

Five Digit Code	Finding Categories
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
50000	Federal Compliance
60000	Miscellaneous

Findings: None noted.

Questioned Costs: None noted

MERLE WILLIAMSON FOUNDATION

DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS

Financial Statements and Supplemental Information

Year Ended June 30, 2013

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Financial Statements and Supplemental Information
Year Ended June 30, 2013

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P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

Report on Financial Statements

We have audited the accompanying financial statements of Wisdom Academy for Young Scientists, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Basis for Qualified Opinion

Wisdom Academy for Young Scientists did not maintain a detail of capital assets or depreciation. As a result we are unable to obtain sufficient appropriate audit evidence about the balances recorded in capital assets. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit* Organizations is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional supplementary information, as required by the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2014 on our consideration of Wisdom Academy for Young Scientists' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wisdom Academy for Young Scientists' internal control over financial reporting and compliance.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

FINANCIAL STATEMENTS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Financial Position
June 30, 2013

ASSETS		
Current Assets		
Cash and cash equivalents	$	185,082
Accounts receivable		1,330,545
Prepaid expenditures		32,325
Total Current Assets		1,547,952
Noncurrent Assets		
Capital assets, net		436,315
Other Assets		
Deposits		30,911
Total Other Assets		30,911
TOTAL ASSETS	$	2,015,178
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$	152,249
Accrued payroll liabilities		12,428
Total Current Liabilities		164,677
Total Liabilities		164,677
Net Assets		
Unrestricted		1,850,501
Temporarily restricted		-
Total Net Assets		1,850,501
TOTAL LIABILITIES AND NET ASSETS	$	2,015,178

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Activities
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Revenue			
State aid, charter school general purpose grant	$ 1,236,199	$ -	$ 1,236,199
State aid, education protection account	515,580	-	515,580
Payments in lieu of property taxes	658,800	-	658,800
Federal revenue	-	505,490	505,490
Other state revenue	503,188	704,606	1,207,794
Interest	958	-	958
Other local revenue	60,735	-	60,735
Total Revenues	2,975,460	1,210,096	4,185,556
Net assets released from restrictions:			
Grant restrictions satisfied	1,210,096	(1,210,096)	-
TOTAL REVENUE AND SUPPORT	4,185,556	-	4,185,556
EXPENSES			
Certificated salaries	1,064,504	-	1,064,504
Classified salaries	571,532	-	571,532
Taxes and employee benefits	294,016	-	294,016
Books and supplies	179,307	-	179,307
Rentals, leases and repairs	409,226	-	409,226
Consultants	849,650	-	849,650
Other operating expenditures	147,977	-	147,977
Debt service interest	12,352	-	12,352
Depreciation expense	33,525	-	33,525
TOTAL EXPENSES	3,562,089	-	3,562,089
CHANGE IN NET ASSETS	623,467	-	623,467
NET ASSETS, BEGINNING OF YEAR	1,284,221	(57,187)	1,227,034
ADJUSTMENT TO BEGINNING NET ASSETS (Note L)	(57,187)	57,187	-
NET ASSETS, END OF YEAR	$ 1,850,501	$ -	$ 1,850,501

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Cash Flows
Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 623,467
Depreciation	33,525
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	(45,709)
Due from related entity	10,120
Prepaid expenses	(13,455)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	85,045
Accrued payroll liabilities	(14,744)
Settlement payment	(228,665)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	449,584
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	(63,690)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(63,690)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on line of credit	(250,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(250,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,894
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	49,188
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 185,082

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements
Year Ended June 30, 2013

A. Organization and Summary of Significant Accounting Policies

Organization

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (the Academy) was organized on September 12, 2006 as a charter school pursuant to California Education Code §47600 under a charter agreement with Los Angeles Unified School District in July , 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education (LACOE). The Academy operates under a locally elected Board form of government and provides educational services to grades K-5 as mandated by the State and/or Federal agencies.

The Academy is a California public charter academy organized for the purpose of providing rigorous academic environment to a population of students traditionally labeled as underperforming or high-risk students. The Academy's vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the Academy is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor or grant restrictions.
- Temporarily restricted net assets consist of contributed funds or grants subject to donor or grant imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Academy may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Academy had no permanently restricted net assets during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Academy considers all highly liquid debt equity instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Academy's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments results in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as management believes that all amounts are collectible.

Capital Assets

Property and equipment are recorded at cost, or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the Academy's earnings. Management has elected to capitalize and depreciate all assets costing $1,000 or greater and a useful life of 1 year or more. All other assets are charged to expense in the year incurred. The Academy's policy is to evaluate the remaining lives and recoverability in light of the current conditions. It is reasonably possible that the Academy's estimate to recover the carrying amount of the property and equipment will change. Estimated useful lives range from one to fifty years depending on the asset.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition or when resources are received by the Academy prior to the Academy meeting the requirements for legal claim to the resources.

In subsequent periods, when both revenue recognition criteria are met or when the Academy has legal claim to the resources, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

All donor or grant restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Academy receives services donated by volunteers in carrying out the Academy's operations. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Block Grant Revenues and Payments in Lieu of Property Taxes

The Academy's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes two block grants based on statewide charter school rates multiplied by the Academy's average daily attendance (ADA) as reported at the Second Principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the Academy, which is funding in lieu of property taxes. The balance is paid from the state General Fund, in the form of the General Purpose Block Grant and the Categorical Block Grant.

Advertising

Advertising costs are expensed when incurred.

Income Taxes

The Academy is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The Academy is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Academy may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2013, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Academy follows provisions of uncertain tax positions as addressed in ASC 958. The Academy recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2013.

The Academy files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events

In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure through January 15, 2014, the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash in Bank

The Academy's cash ($185,082 as of June 30, 2013) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2013, the Academy did not have any cash that was exposed to uninsured deposit risk.

C. Accounts Receivable

As of June 30, 2013 accounts receivable consisted of:

Federal Government:		
Federal Grants	$	118,459
State Government:		
General Purpose Block Grant		460,031
Categorical Block Grant		34,889
Education Protection Account		515,580
Lottery Revenue		40,372
Other State Grants		128,037
Local Sources:		
In lieu of Property Taxes		10,875
Other Local Sources		22,302
Total	$	1,330,545

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements, Continued
Year Ended June 30, 2013

D. Prepaid Expenses

Prepaid expenses at June 30, 2013 consist of prepaid rent in the amount of $32,325.

E. Deposits

Deposits at June 30, 2013 consist of security deposits for facilities in the amount of $30,911.

F. Capital Assets

As of June 30, 2013 capital assets consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance
Leasehold improvements	$ 311,266	$ 63,690	$ -	$ 374,956
Equipment	37,987	-	-	37,987
Furniture and fixtures	141,990	-	-	141,990
Total capital assets	491,243	63,690	-	554,933
Less accumulated depreciation	(85,093)	(33,525)	-	(118,618)
Capital assets, net	$ 406,150	$ 30,165	$ -	$ 436,315

G. Accounts Payable

As of June 30, 2013 accounts payable consisted of:

Vendors payable	$ 20,647
Food services	130,639
Other liabilities	963
Total	$ 152,249

H. Operating Leases

On December 1, 2012 the School entered into a lease agreement with Elder T. Turner for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of $1,750 for a period of 60 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2014	$ 21,000
2015	21,000
2016	21,000
2017	21,000
2018	8,750
Total	$ 92,750

I. Functional Expenses

As of June 30, 2013 functional expenses consisted of:

	Program Services	Management and General	Total
Certificated salaries	$ 1,064,504	$ -	$ 1,064,504
Classified salaries	90,803	480,729	571,532
Taxes and employee benefits	207,622	86,394	294,016
Books and supplies	94,700	84,607	179,307
Rentals, leases and repairs	368,303	40,923	409,226
Consultants	592,632	257,018	849,650
Other operating expenditures	-	147,977	147,977
Debt service interest	-	12,352	12,352
Depreciation expense	23,468	10,057	33,525
Total expenses	$ 2,442,032	$ 1,120,057	$ 3,562,089

J. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The Academy has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement will not be material. As a result, no liability has been accrued.

Sick Leave

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulate sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, it is not appropriate to accrue the value of the accumulated sick leave.

K. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plan by an agency of the State of California. Certificated employees are members of the State Teachers' Retirement System (CalSTRS). The risks of participating in this multi-employer plan are different from single-employer plan in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Academy's participation in this plan for the fiscal year ended June 30, 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan's year-end at June 30, 2012 and June 30, 2011, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension	Plan	Year Ended June 30		Pending/	Year Ended June 30			Employees	Surcharge
Fund	Number	2012	2011	Implemented	2013	2012	2011	Participating	Imposed
CalSTRS	NPA	Yellow	Yellow	No	$ 85,865	$ 96,379	$ 71,650	24	No

NPA - Not publicly available

CalSTRS:

The Academy contributes to the State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2013 active plan members were required to contribute 8% of their salary and the employer contribution rate was 8.25% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The Academy made contributions as noted above. For the year ended June 30, 2013 the State contributed $55,094 on behalf of the Academy.

L. Adjustment to Beginning Net Assets

Deficit in beginning temporarily restricted net assets was the result of program expenditures in excess of restricted revenue sources. These expenditures were covered by unrestricted sources and as such the beginning balance is being adjusted to reflect those expenditures from unrestricted sources rather than temporarily restricted sources.

M. Subsequent Event

In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month.

In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014.

In December 2013 the Academy sold a vehicle for $26,000.

SUPPLEMENTAL INFORMATION

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Organization Structure
Year Ended June 30, 2013

Wisdom Academy for Young Scientists (Charter #839) was formed pursuant to Education Code Section 47600 under agreement with Los Angeles Unified School District granted in July, 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Carol Tolbert	Chaiperson	Three Year Term Expires June 30, 2016
Dr. Dorothy Valenti	Vice Chairperson	Three Year Term Expires June 30, 2014
Karen Haynes	Secretary	Three Year Term Expires June 30, 2013
Armando Espinosa	Treasurer	Three Year Term Expires June 30, 2014
Norman Golden	Member	Three Year Term Expires June 30, 2014
Cheryl Johnson	Member	Three Year Term Expires June 30, 2014
Eleanor Jones	Member	Three Year Term Expires June 30, 2014
Kimberly Daniels	Member	Three Year Term Expires June 30, 2016
Saundra Davis	Member	Three Year Term Expires June 30, 2016

ADMINISTRATION

Edward Cabil
Executive Director

Jason Okonkwo
Director of Operations

Karen Horowitz
Principal

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Average Daily Attendance
Year Ended June 30, 2013

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Classroom Based Attendance:				
Kindergarten	84.80	N/A	84.00	N/A
Grades 1-3	254.53	N/A	253.70	N/A
Grades 4-6	130.34	N/A	129.39	N/A
Total Classroom Based Attendance	469.67	N/A	467.09	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Instructional Time
Year Ended June 30, 2013

Grade Level	Minutes Requirement	2012-13 Actual Minutes	Number of Traditional Days	Status
Kindergarten	34,971	56,700	180	Complied
Grade 1	48,960	56,700	180	Complied
Grade 2	48,960	56,700	180	Complied
Grade 3	48,960	56,700	180	Complied
Grade 4	52,457	56,700	180	Complied
Grade 5	52,457	56,700	180	Complied

The Academy receives incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the Academy and whether they complied with the provisions of Education Code Sections 46200 through 46206. Charter schools must maintain their instructional minutes at the 1986-87 requirements as adjusted by Education Code sections later adopted.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Financial Trends and Analysis
Year Ended June 30, 2013

	Budget 2014 (Note 1)	2013	2012	2011
Revenues	$ 4,174,783	$ 4,185,556	$ 3,767,872	$ 2,657,973
Expenses	4,170,313	3,562,089	3,794,281	2,413,701
Change in Net Assets	4,470	623,467	(26,409)	244,272
Ending Net Assets	$ 1,854,971	$ 1,850,501	$ 1,227,034	$ 1,244,329
Unrestricted Net Assets	$ 1,867,620	$ 1,863,150	$ 1,227,034	$ 1,244,329
Unrestricted net assets as a percentage of total expenses	45%	52%	32%	52%
Total Long Term Debt	$ -	$ -	$ 250,000	$ -
Average Daily Attendance at P2	468.00	469.67	449.48	N/A

Note 1: The 2014 budget is presented for analysis only and is based on estimates of the 2013-14 fiscal year. The information has not been subject to audit procedures.

This schedule discloses the Academy's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Academy's ability to continue as a going concern for a reasonable period of time.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2013

June 30, 2013 Unaudited Actuals - Charter School Enterprise Fund	$ 1,883,889
Adjustments and Reclassifications:	
Overstatement of Cash and Cash Equivalents	(31)
Overstatement of Accounts Receivable	(88,512)
Understatement of Prepaid Expenses	32,325
Overstatement of Capital Assets, Net	(35,762)
Understatement of Deposits	30,911
Overstatement of Accounts Payable	40,109
Understatement of Accrued Payroll Liabilities	(12,428)
Total Adjustments and Reclassifications	(33,388)
June 30, 2013 Audited Financial Statement Net Assets	$ 1,850,501

This schedule provides the information necessary to reconcile the fund balance as reported on the Annual Financial and Budget Report Alternative Form to the net assets reported in the audited financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education:			
Title I	84.010	14329	191,437
IDEA - Special Education	84.027	13379	53,412
IDEA - Mental Health Services	84.027	14468	46,513
Total Special Education Cluster			99,925
Title II - Teacher Quality	84.367	14341	2,067
Total passed through State Department of Education			293,429
Total U.S. Department of Education			293,429
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education:			
National School Lunch Program	10.555	13391	212,061
Total passed through State Department of Education			212,061
Total U.S. Department of Agriculture			212,061
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 505,490

The accompanying notes to the schedule of expenditures of federal awards is an integral part of this schedule.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Academy and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wisdom Academy for Young Scientists (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and/or significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1, 2013-2, 2013-3, 2013-5, 2013-6 and 2013-9 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-4, 2013-7 and 2013-8 to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wisdom Academy for Young Scientists' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2013-9, 2013-10 and 2013-11.

The Academy's Response to Findings

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

Purpose of this Report

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

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

Report on Compliance for Each Major Federal Program

We have audited Wisdom Academy for Young Scientists' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wisdom Academy for Young Scientists' major federal programs for the year ended June 30, 2013. Wisdom Academy for Young Scientists' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wisdom Academy for Young Scientists' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ABC Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wisdom Academy for Young Scientists' compliance.

Opinion on Each Major Federal Program

In our opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of Wisdom Academy for Young Scientists are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wisdom Academy for Young Scientists' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ABC Academy's internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-9 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies which we considered to be significant deficiencies in internal control over compliance.

The Academy's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Academy's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on State Compliance

To the Board of Directors
Wisdom Academy for Young Scientists
Santa Ana, California

Report on State Compliance

We have audited the Academy's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the Academy's state programs identified below for the fiscal year ended June 30, 2013.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit Guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States; and the State's audit guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the district's compliance with those requirements.

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

Description	Procedures in Audit Guide	Procedures Performed
Local Education Agencies Other Than Charter Schools		
Attendance Accounting:		
Attendance Reporting	6	N/A
Teacher Certification and Misassignments	3	N/A
Kindergarten Continuance	3	N/A
Independent Study	23	N/A
Continuation Education	10	N/A
Instructional Time:		
School Districts	6	N/A
County Offices of Education	3	N/A
Instructional Materials, General Requirements	8	N/A
Ratios of Administrative Employees to Teachers	1	N/A
Classroom Teacher Salaries	1	N/A
Early Retirement Incentive	4	N/A
Gann Limit Calculation	1	N/A
School Accountability Report Card	3	N/A
Juvenile Court Schools	8	N/A
School Districts and Charter Schools		
Class Size Reduction:		
General Requirements	7	Yes
Option One	3	Yes
Option Two	4	N/A
Only One School Serving Grades K-3	4	N/A
After School Education and Safety Program:		
General Requirements	4	Yes
After School Component	5	Yes
Before School Component	6	N/A
Charter Schools		
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-Based Instruction/Independent Study	15	N/A
Determination of Funding for Nonclassroom Based Instruction	3	N/A
Annual Instructional Minutes – Classroom Based	4	Yes

The term N/A is used above to mean either the Academy did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Basis for Qualified Opinion on State Compliance

As described in items 2013-10 and 2013-11 in the accompanying schedule of findings and questioned costs, the Academy did not comply with some requirements associated with the class size reduction program and the after school education and safety program. Compliance with such requirements is necessary, in our opinion, for the Academy to comply with the requirements applicable to the programs.

Qualified Opinion on State Compliance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2013.

The Academy's Response to Findings of State Compliance

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 15, 2014

FINDINGS AND RECOMMENDATIONS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Auditor's Results
Year Ended June 30, 2013

FINANCIAL STATEMENTS

Type of auditor's report issued:	Qualified
Internal control over financial reporting:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	X Yes ___ No
Noncompliance material to financial statements noted?	___ Yes X No

FEDERAL AWARDS

Internal control over major programs:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	___ Yes X No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	X Yes ___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education Cluster
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	___ Yes X No

STATE AWARDS

Any audit findings disclosed that are reuired to be reported in accordance with *Standards and Procedures for Audits* of California K-12 Local Education Agencies?	X Yes ___ No
Type of auditor's report issued on compliance for state programs:	Qualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

A. Financial Statement Findings

Finding 2013-1 (30000)
Bank Reconciliations

Criteria or Specific Requirement
Determine that the Academy has sufficient internal controls to ensure proper recording of transactions and safeguarding of assets.

Condition
Upon completion of bank reconciliations, each month an adjustment is made to the financial statements for any amounts that are unknown as to the nature of the transaction. These amounts are being posted into suspense accounts with the intent of subsequently posting a journal entry to record the transactions into the correct expenditure or revenue account. At year end these items were not reconciled and posted into the proper accounts. In addition, these items are not supported by any documentation that verifies the amounts are appropriate or approved.

Questioned Costs
$13,735 recorded in suspense account

Context
Some items recorded in the bank reconciliations are not supported by invoices or approval documentation.

Effect
The Academy is at risk of recording errors and misappropriation of assets.

Cause
The Academy has not established adequate procedures to ensure that supporting documentation is provided for all transactions associated with the bank accounts. As a result, the individual charged with responsibility for reconciling bank accounts does not have sufficient information to adequately report information. Management officials from the school site are not providing information necessary to post correcting journal entries. In addition, these items are not being reviewed subsequent to completion of bank reconciliations.

Recommendation
Establish procedures to ensure supporting documentation is provided for all transactions. Ensure that the procedures include documentation of approval for expenditures and for subsequent review by management of the Academy.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-2 (30000)
Payroll Expense Reconciliations

Criteria or Specific Requirement
Determine that amounts for payroll are accurately reported and reconcile to supporting documentation.

Condition
Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs
None

Context
Adjusting journal entries were posted to the financial statements to correct the payroll liability and payroll expense.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liabilities.

Recommendation
Establish clear policies and procedures to reconcile payroll liabilities and expense accounts monthly. The reconciliation should be reviewed and approved by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll reporting.

Finding 2013-3 (30000)
Year End Accruals and Closing Process

Criteria or Specific Requirement
Determine that the financial statements are accurately reported.

Condition
The Academy did not record closing transactions for accounts receivable, accounts payable, prepaid expenses, and capital assets. In addition, journal entries were posted to the financial statements resulting in recording differences between the trial balance provided for audit purposes and the amounts reported to the Los Angeles County Office of Education for inclusion in their unaudited actuals submitted to the California Department of Education.

Questioned Costs
None

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Context
Adjusting journal entries were posted to the financial statements to correct accounts receivable, accounts payable, prepaid expenses, and capital assets.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures for year-end closing and recording of accruals.

Recommendation
Establish clear written policies and procedures for year-end closing which includes reconciliation of revenue and expense items sufficient to record accruals for accounts receivable, accounts payable, prepaid expenses and capital assets. Review year-end financial statements to ensure accuracy of reporting. Establish a timeline for closing to ensure no changes are made after submission of financial statements to oversight agencies.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of financial statements.

Finding 2013-4 (30000)
Payroll Documentation

Criteria or Specific Requirement
Ensure that individuals charged to payroll are employees of the Academy and that there are adequate controls over payroll to safeguard the assets of the organization.

Condition
Personnel Action Forms which document employee's position and approved pay rates are not complete. In 100% of Personnel Action Forms reviewed there were missing approval signatures on the forms. In addition, in 9 out of 10 I-9's reviewed the forms are not being completed correctly. The I-9 forms were either missing the documentation of what items were reviewed to verify eligibility for employment, missing employer signature of verification, or both.

Questioned Costs
None

Effect
The Academy is exposed to risk of noncompliance with I-9 requirements. In addition, the Academy is exposed to risk of paying individuals who are not approved by management.

Cause
The Academy has not established adequate procedures which require hiring documentation be completed and reviewed prior to filing away in the employee file.

Recommendation
Establish policies and procedures to ensure that hiring documentation is being completed, including approval signatures, and reviewed by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll.

Finding 2013-5 (30000)
Capital Assets

Criteria or Specific Requirement
Verify that amounts reported for Capital Assets are correctly stated and that estimates of useful lives are reasonable.

Condition
The Academy is unable to provide a detail of Capital Assets or a depreciation schedule to support amounts recorded in the financial statements. In addition, purchases of capital assets were inappropriately recorded as expenses rather than increases to capital assets. The Academy did not calculate and record depreciation. We attempted to contact the previous auditor to obtain information regarding balances in capital assets but received no response.

Context
Adjusting journal entries were posted to the financial statements to record current year additions and an estimate of depreciation.

Effect
There is not sufficient audit evidence to determine if amounts recorded in capital assets are correct or if there is a material misstatement in the financial statements associated with capital assets. In addition, the Academy is exposed to risk associated with disappearance of capital assets as there is not a tracking system for such items.

Cause
The Academy has not adequately established policies for tracking capital assets and ensuring that they are appropriately recorded in the financial statements. The Academy has relied on previous auditors to post adjusting journal entries for additions and depreciation. The Academy has not established procedures for disposal of capital assets.

Recommendation
Obtain an appraisal of all capital assets owned by the Academy to ensure that all assets of the Academy are tracked and recorded. Establish inventory procedures to ensure that all items are still in custody of the Academy at year end. Establish procedures to ensure recording of additions and depreciation are done as a part of year end closing procedures.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of capital assets.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-6 (30000)
Credit Card Supporting Documentation

Criteria or Specific Requirement
Ensure that the Academy has procedures in place to ensure allowable expenditures and safeguard assets.

Condition
The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they were used.

Questioned Costs
$5,858 known credit card expenses from sample selected.

Context
Credit card statements are being used as the only supporting documentation for some expenditure items.

Effect
Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets.

Cause
The Academy has not established adequate written procedures requiring attachment of supporting invoices or receipts for credit card transactions.

Recommendation
Establish written procedures requiring the attachment of supporting invoices or receipts for all credit card transactions.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions inclusive of credit card transactions.

Finding 2013-7 (30000)
Beginning Net Assets

Criteria or Specific Requirement
Ensure that amounts reported in the financial statements are materially correct.

Condition
Beginning net assets were not in agreement with prior year audited ending net assets. The Academy was unable to provide reconciling items that supported adjustments to beginning net assets. We attempted to contact the previous auditor to obtain a reconciliation and prior year audit adjusting journal entries but received no response.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Questioned Costs
None

Context
Amounts reported by the Academy as beginning net assets varied from the prior year audit report by $9,727. An adjustment was posted to bring the beginning balance in agreement with prior year audit report.

Effect
Beginning net assets were not in agreement with prior year audited ending net assets.

Cause
The Academy did not have procedures to reconcile beginning net assets with prior year audit report and did not have procedures in place to track prior year adjustments.

Recommendation
Establish written procedures to reconcile beginning net assets with audited ending net assets from the previous year.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure beginning net assets reconciles to audited ending net assets.

Finding 2013-8 (30000)
Inconsistent Reporting

Criteria or Specific Requirement
Verify that the Academy has reported accurate financial statements to oversight agencies.

Condition
The Academy is reporting to the Internal Revenue Service that they are operating on a calendar year but reporting to the Los Angeles County Office of Education and California Department of Education that they are operating on a fiscal year beginning July 1 and ending June 30. The financial reporting to the different oversight agencies is not consistent based upon different reporting of fiscal years.

Questioned Costs
None

Context
Established in California statute local education agencies report under a fiscal year beginning July 1 and ending on June 30. Internal Revenue Code requires that tax returns be prepared based upon the fiscal year of operation.

Effect
There is inconsistent reporting between the Academy and government agencies.

Cause
The Academy has not established a fiscal year with the Internal Revenue Service.

Recommendation
File necessary reports with the Internal Revenue Service to align tax reporting years with the Academy's fiscal year.

LEA's Response
The Academy will review this recommendation and subsequently take action to ensure consistent reporting between government agencies.

B. Federal Award Findings

Finding 2013-9 (50000)
Schedule of Expenditures of Federal Awards

Federal Major Program Identification

Award Year	Program	CFDA #	Federal Grantor	Pass-Through Agency
2012-13	National School Lunch Program	10.555	U.S. Department of Agriculture	California Department of Education
2012-13	Special Education Cluster	84.027	U.S. Department of Education	California Department of Education

Criteria or Specific Requirement
Determine that amounts reported in the Schedule of Expenditures of Federal Awards are accurately reported.

Condition
The Academy did not separately track expenditures for federal programs in their financial software.

Questioned Costs
Amounts expended under federal major programs audited were:

2012-13 National School Lunch Program (10.555) - $212,061
2012-13 Special Education Cluster (84.027) - $99,925

Context
OMB Circular A-133 requires the presentation of a schedule of expenditures of federal awards for any agency expending greater than $500,000 of federal awards.

Effect
The Academy had to go through every expenditure item to identify which items were expended under federal awards. It took a significant amount of time to complete the schedule of expenditures of federal awards and delayed the timing of audit procedures associated with the Single Audit requirements under OMB Circular A-133. In addition, failure to track expenditures separately exposes the Academy to risk of understating federal expenditures or potentially using the funds in unallowable manners such as supplanting required services.

Cause
The Academy has not established policies and procedures requiring separate tracking of federal expenditures. There are not adequate internal controls in place to evaluate federal expenditures to ensure that they are accurately reported, meet program requirements, and are not used to supplant existing services.

Recommendation
Establish written policies and procedures requiring separate tracking of federal expenditures. Review expenditures to ensure they meet program requirements.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of federal expenditures.

C. State Award Findings

Finding 2013-10 (40000)
Class Size Reduction Program

Criteria or Specific Requirement
Verify that amounts reported on the form J-7CSR were accurate and were based on average daily enrollment taken from the first day of school through April 15 of the school year being reviewed.

Condition
In our review of the form J-7CSR the data was prepared using average monthly enrollment based upon the last day of the school month rather than average daily enrollment from the first day of classes through April 15.

Questioned Costs
None, See recommendation below

Context
Education Code Section 52124.5 states that school districts and charter schools should compute the average daily enrollment for each class by adding the active enrollment for each class for each instructional day starting from the first day of school through April 15, and dividing that total by the count of instructional days.

Effect
The eligible students reported for grade 1 was understated by 1 student.

Recommendation
Establish procedures to accurately calculate average daily enrollment for classes included in the class size reduction program. Revise the form J-7CSR to accurately report eligible students for grade 1. Revisions should be as follows:

Grade	Class Size	Eligible Students Original	Eligible Students Revised	Change in Funding
1st Grade	21.45 – 22.44	18	36	$ 19,278
1st Grade	22.45 – 22.94	17	0	$(18,207)
			Net Change in Funding	$ 1,071

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate calculations for the form J-7CSR. The Academy will amend the form J-7CSR to accurately reflect class sizes for the 2012-13 fiscal year.

Finding 2013-11 (40000)
After School Education and Safety Program

Criteria or Specific Requirement
A. Verify that elementary students being reported for attendance are participating in the full day of the program except as consistent with the LEA's established early release policy.
B. Verify that Indirect Costs are not in excess of 5% or the LEA's established indirect cost rate, whichever is lower.

Condition
A. Sign out sheets for the after school education and safety program did not include time student was released for 827 out of 896 days tested. It could not be determined if these students participated in the full day of the program or if they met early release policy of the LEA.
B. The Academy used an indirect cost rate of 5.26% which exceeds the allowable 5% for the program.

Questioned Costs
Program revenues were $112,500. Amounts in excess of allowable indirect costs were $2,660.

Context
A. Education Code 8483(a)(2) states that it is the intent of legislature that elementary school students attend the full day of the program every day in which students participate, except as consistent with the LEA's early release policy.
B. Education Code 8483.9(a) limits indirect costs to the lesser of the LEA's approved indirect cost rate or 5%.

Effect
A. It cannot be determined if the students participated for the entire day of the program.
B. The Academy exceeded allowable indirect costs.

Cause
A. The Academy has not established adequate policies and procedures to document time students were released from the program to ensure that only students who participated in the full day or met an early release exception based on the LEA's policies were counted towards attendance reported.
B. The Academy has not established adequate policies and procedures to ensure that indirect costs are not charged at amounts greater than allowable amounts for the program.

Recommendation
Establish procedures to document time students are released from the program and ensure that they meet requirements of the program to be counted for attendance purposes. Establish procedures to ensure correct indirect cost rates are being utilized.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure compliance with the after school education and safety program.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Prior Year Audit Findings
Year Ended June 30, 2013

Finding/Recommendation	Current Status	Management's Explanation if Not Implemented
Finding 2011-1 Internal Control - Bank Reconciliation Over Site Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances. Establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.	Partially Implemented	See Finding 2013-1
Finding 2011-2 Internal Control - Payroll Expenses Reconciliation Payroll Expenses were not consistently reconciled to the general ledger Establish policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. Reconciliation should be approved by management	Not Implemented	See Finding 2013-2

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Labor Code Violation V $566,803

For the plaintiff:
Jeffrey Lipow
Kevin M. Salute
For the defendant:
Christopher B. Cato
Jennifer Garner

L.A. Superior Central
Hon. Ralph W. Dau

RESULT DATE: Dec. 4, 2012

Sharlene Willard v. Merle Williams Foundation, et al. (BC459435) 13-JV_676

FURTHER DESCRIPTION: Retaliation

VERDICT: $566,803

ATTORNEY Plaintiff - Jeffrey Lipow, Kevin M. Salute (Lipow & Harris, Encino).
Defendant - Christopher B. Cato, Jennifer Garner (Gordon & Rees, San Diego).

TECHNICAL Plaintiff - Karen Lynn Smith, M.A., economics, San Marino.

FACTS: Plaintiff Sharlene Willard was employed as a teacher at defendant's Los Angeles Unified School District charter school. The plaintiff contended that after about one year of employment, she was pressured by the defendant's executive director to travel to Nigeria to marry her sister's husband so he could immigrate to the United States. She asserted that the director financed the trip, and a ceremony in Nigeria took place. After returning the United States, over a period of months, the director pressured the plaintiff to file an immigration petition with U.S. Citizenship and Immigration Services. The plaintiff asserted she resisted, and ultimately, the director presented a completed petition for the plaintiff to sign and submit to the federal government. The plaintiff contended she resisted filing the petition because it was fraudulent, and after continued pressure from the director, she finally told her that she would not sign or file the petition.

The plaintiff alleged that a pattern of criticism of the plaintiff's work performance ensued, culminating in the director terminating her employment approximately five months after the plaintiff affirmatively told the director she would not do as requested regarding the immigration scheme.

CONTENTIONS: PLAINTIFF'S CONTENTIONS: The plaintiff proceeded to trial on a sole cause of action for violation of Labor Code Section 1102.5(c), claiming that the plaintiff's termination was retaliation for her refusal to engage in illegal activity: signing and filing a petition for immigration containing material falsities.

DEFENDANT'S CONTENTIONS: The defendant claimed that the plaintiff had some good qualities as a teacher, but interacted poorly with students and their parents from her hiring through termination; that numerous students and parents complained about the plaintiff's behavior and that the plaintiff had been insubordinate, refusing express instructions to submit a class management plan. The defendant denied that the immigration scheme ever occurred. The defendant argued that the termination was a legitimate business decision. The defendant contends the plaintiff was ultimately let go because a parent complained that the plaintiff had told a student that the student would end up homeless, and in a meeting with the parent and student about the incident, the plaintiff was not apologetic and accused the student of being jealous of another student. The plaintiff was let go that day.

INJURIES: The plaintiff claimed emotional distress arising from her termination and financial distress of unemployment.

JURY TRIAL: Length, five days; Poll, 11-1 (liability), 9-3 (damages); Deliberation, four hours

SETTLEMENT DISCUSSIONS: The plaintiff's last pre-trial offer was $750,000. The defendant issued a CCP 998 for $40,000.

RESULT: Verdict for $566,803.

OTHER INFORMATION: Motions for new trial and judgment notwithstanding the verdict were denied.

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Call to Glory

We regret to announce the sudden passing of our Wife, Mother, Sister, Aunt, Cousin, Niece, and Friend

Rachel Chibuogwu Enwezor

"Cha- Cha"

April 10, 2013

Viewing

Harrison Ross Mortuary
4601 S. Crenshaw Blvd.
Los Angeles, CA. 90043

May 9th 2013 (12:00PM – 6:00PM)
May 10th 2013 (10:00AM – 2:00PM)

Funeral Service

Harrison Ross Mortuary
4:00PM-7:00PM

Repast

Centinela Medical Group
12900 S. Avalon Blvd.
Los Angeles, CA 90061
7:00PM

For more information contact:
Harry Nwora Obienu: (310)-775-3557
Kendra Okonkwo: (323)-253-8865
Obidi Obienu: (310)-415-8723
Ifeoma Princess Obienu: (310)-956-0660

Survived by

Children:
Obiese Enwezor
Emeka Enwezor

Mother:
Mrs. Dora Obienu

Siblings:
Nwora Harry Obienu
Kendra Okonkwo
Obidi Obienu
Ifeoma Princess Obienu
Ijeoma Egochewchukwu
Ebele Douglas

Wisdom Academy

For

Young Scientists

Fiscal Policy

November 18, 2006

FISCAL POLICY

POLICY NUMBER ONE: BUDGET PREPARATION AND IMPLEMENTATION

ANNUAL BUDGET

The school shall annually adopt a budget as a planning tool to implement its strategic plan. The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget through the Finance Committee and make necessary adjustments as needed.

BACKGROUND:

In order to manage the resources of the school, a budget has to be prepared to reflect the priorities of the school, and also help achieve its goals and objectives.

PROCEDURES:

Executive Consultant:

- Informs the School Director of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.
- Review the budget and check the calculations and the basis for the calculations.
- Make revenues estimates in coordination with the School Director, taking into consideration the state funding, fundraising, investment activities and other income sources.
- Prepare a draft budget based on the requests by the School Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.
- Meet with the School Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the finance committee the priorities of the school, revenue availability and fiscal responsibility must be considered.
- Prepare the final recommended budget based on agreements reached from the meeting with the School Director for presentation to the Finance Committee and Board of for approval.

- Provide the approved budgets to the Principal and other Administrative Staff so they know the budgets they have to work with during the year.
- Responsible for making sure the budgets are being implemented correctly. This includes working with the Accounting Staff to input the budgets into the accounting system to help monitor budgets to actual comparison. Also working with the Administrative Assistant and Staff Consultant to answer budget related questions and reporting any problems and proposed solutions to the School Director and Finance Committee.
- Review budget to actual report prepared by Staff Consultant and make necessary adjustments and narratives or comments before presenting to School Director, Finance Committee and Board.
- Revise the budget for board consideration when there is a material change in the approved budget.

School Director:

- Review the draft budget with the Executive Consultant, making sure that the priorities of the school are reflected in the final budget recommended to the Finance Committee and the Board.
- Review the monthly budgets to actual comparisons prepared by the Executive Consultant and take any recommended actions as necessary.
- Recommend any budget adjustments as necessary to the Finance Committee and the Board.
- Help the Executive Consultant in preparing annual budgets.

Consultant Bookkeeper:

- Inform the Executive Consultant of any unbudgeted expenditures seen while reviewing purchase orders.
- Input the approved budgets in the Accounting system so we can generate budget to actual reports.
- Approve purchase orders before they are issued to vendors, after checking to make sure there are funds in the budget for cover the order.
- Prepare monthly budget to actual report for Executive Consultant to review.

POLICY NUMBER TWO: TIME SHEET AND PAYROLL POLICIES AND PROCEDURES

PAYROLL

All employees on payroll must be hired by the School Director and must have worked for the hours being paid, those hours having been properly documented and approved by the School Director. The expense must be properly recorded in the accounting records to the correct account to facilitate availability of accurate and timely financial information for management's use in making decisions.

BACKGROUND:

The school hires employees to work on its operations, in order to achieve its objectives. The employees in turn get paid on a timely basis and the information on these costs is made available to school management for decision making.

PROCEDURES:

Responsibility of the employee:

- Punch in time card and fill in the time sheet on a daily basis when you come in for work, when you take lunch or any other absence, when you return back to on the same day and when you leave for the day. Any specific arrangements outside normal hours should be discussed and approved by the Principal prior to beginning of the assignment.
- No overtime can be worked before obtaining approval from the Principal.
- Salaried employees are required to sign a sign-in log on a daily basis.
- At the end of each pay period each hourly employee is required to finish completing their time sheet that was being completed on each working day and give them to the Administrative Assistant for approval. The employee should make sure they complete the total regular hours, overtime hours, vacation, sick, and other hours worked each day and for the pay period. If you work on more than one job on a regular basis you should complete a time sheet for each job. Just state what hours you worked for each job on the same time sheet if you work more than one job on an irregular basis.
- The properly completed and approved time sheet is put in the box of the Administrative Assistant no later than the date it is due for processing. Delay in submitting the time sheet can affect employee pay date.

- If you are a new employee, make sure that you complete a personnel information package, including a W-4 form that gives us information on your tax status. We cannot give you all the money due you without knowing your tax information. Any information related to direct deposit, tax sheltered annuity or any other voluntary deductions should be given to the Financial Consultant no later than the deadline given to you by the business office. If you are hired after the start of a pay period, you will not be paid until the pay period following the period you started working.

Responsibility of the Administrative Assistant:

- Provide all staff with time sheet, sign-in sheet, time card, due date for time sheet, due date for voluntary deductions set up, time clock and other employee package items necessary to accurately complete information for payroll and benefit accrual.
- Collect all the time sheets in your box and any others around the time clock area.
- Verify that the time recorded on the time sheet corresponds with the time clock records. Any unexplained discrepancies should be reported to the Principal for correction or explanation. Any incomplete or unapproved time sheet should be referred to the School Director for completion and approval immediately in time to promptly prepare payroll.
- Verify the time sheet to make sure the computations are accurate and that the information and approvals are made by the appropriate persons and write the account numbers where the salaries will be charged on the time sheets.
- After verifying that everything is correct and that you have every employee's time sheet, sort out using the previous period time report and input into the HRS (see HRS system procedures). Also process the E4 payroll for the pay period, ESA for the 25th and regular monthly payroll for the 10th.
- Print the input information for the School Director to approve for transmission.
- Input new hire and any other employee change information as you get the information from the employee.
- After the checks come back from BBM, verify all the checks to make sure that everything are correct and that the checks appear accurate. Additionally check the payroll reports sent to you to make sure everything balances both to the time reported and other relevant

deductions. If there is anything that appears unusual, inform the Financial Consultant or a School Director. Put the checks in envelopes ready to be distributed to employees and leave with the receptionist together with a sign-in list. Instruct the receptionist that nobody should pick-up another persons check without written authority to do so. Before the receptionist gives a check to an employee that employee must sign the list provided as evidence that they have received their check.

Responsibility of School Director:

- Make sure that the new employee package is completed and accurately filled out prior to starting work, especially the I-9, Immigration and Naturalization Form and W-4, Employee Tax Information. The employee should also be given a copy of the employee handbook so they can be aware of the school policies and procedures that affect them.
- Negotiations regarding pay and other benefits should take into consideration the budgetary constraints to make sure that we do not commit to what we cannot pay.
- A personnel action form (PAF) must be completed and given to the Financial Consultant stating how much the employee will be paid, what the effective date is, and what account will be charged for this expense. The PAF and the completed package must be given to the Financial Consultant so that payroll arrangements can be made and personnel file opened for the new employee.
- The School Director must make sure the employee follow the school policies and procedures that relate to them. Any infraction should be cured according to school policies and procedures related to employee discipline.
- Make sure that all employees complete a time sheet and give it to them for their approval on a timely basis.
- Ensure that the time sheet as completed by employees reflect their attendance, including breaks and lunch time, before approving the time sheet.
- Make sure that employees are allowed to take breaks in the mornings and in the afternoons and a lunch break for those who work full-time. Generally, rest periods (breaks) are taken every four hours of work and meal periods (lunch) when someone works six or more hours a day.

- Ensure that overtime worked by the employee is approved in advance and that there is enough funding available to cover the overtime and other related costs.

POLICY NUMBER THREE: PURCHASE AND OTHER PROCUREMENT POLICIES AND PROCEDURES

PURCHASES:

The school will purchase the materials needed to implement the plans and strategies set out by the board and the charter in order to achieve its objectives. In making these purchases the school must ensure that the materials being purchased are necessary for running the school. The school will also ensure that economy of resources is exercised in judging whether there is a need to purchase a certain item, as the school has limited resources for many competing priorities. The purchase must give the school the best deal (price, quality and other criteria considered), and also ensure that there are funds available to pay for the materials. All purchases must be approved by the School Director. The purchase must be documented and recorded in the accounting books.

PROCEDURES:

- All purchases must be initiated by completing a purchase order. Exceptions may be granted by the School Director or Executive Consultant for purchase of certain small items that are less than $100 or in emergency situations.
- Before completing the purchase order the purchaser must assure that there are unencumbered funds budgeted for this purpose and the purchase is being charged to the correct budget category. If there is any question regarding the availability of funds, the Staff Consultant can be contacted for an answer.
- The purchaser must demonstrate, by providing copies of three bids or estimates that the vendor picked provides us with the best deal for the service or product being purchased. (The lowest price may not always be the best deal for the school.)
- For the purpose of getting bids, purchases of $2,999 or less can be done by phone bids, purchases of between $3,000 and $9,999 can be done by written bids on vendor's letterhead. Purchases of $10,000 or more need to be advertised in a more formal competitive bidding process.
- In cases where a particular vendor is known to give us the best deal, once a year research of prices and services is enough to satisfy this criterion.

In such a case copies of the result of the research should be kept on file to be referred to when needed.

- There may also be cases where a vendor is a sole source vendor, which means that the vendor is the only vendor that can supply this product or service. In such an instance it will be impossible to provide bids, but it must be demonstrated that the vendor is the sole source.
- Purchase orders will be issued by Administrative Assistant. The form must be originally filled out, including who to deliver the order to and the account number to which the expenditure is to be charged. The original is given to the Administrative Assistant to fax to the vendor with a return confirmation from the vendor after being approved by the Staff Consultant and the School Director, a copy for the School Director's file, Staff Consultant's file and a copy to the Administrative Assistant (receiving). All originals and copies of purchase orders must have the signatures of the Principal and Staff Consultant.
- All purchase orders must be approved by the Principal and Staff Consultant.
- When the purchaser gets the order they will keep the items in a safe place for use, after making sure that the order received agrees with the purchase order. In certain instances the order might be tracked as to who is using them, so we can allocate them to various programs.

Procedures for Receipt of Order (Administrative Assistant)

- When the order arrives the Administrative Assistant compares the quantity on the packing slip, the purchase order and the order received to make sure they agree. If they agree the packing slip will be initialed and sent to the Staff Consultant with a copy to the School Director.

Administrative Assistant:

- When the original purchase order is received from the Staff Consultant, it is immediately faxed to the vendor. This will be done after checking to make sure the order is charged to the correct account, and funds are available signified by the approval of the School Director and Staff Consultant, evidenced by the their signatures.
- A copy of the purchase order is kept in an open purchase order file pending the time the order is filled. It is discarded when the invoice for the purchase is processed. The purchase order is encumbered in the

Accounting system to set aside the funds so it will be available to pay for the bill. The purchase order is unencumbered when we pay the bill.

- The Administrative Assistant will check incoming orders to make sure they are consistent with the packing slip and the purchase order. The orders will then be stamped or tagged as property of the Wisdom Academy depending on what kind of item it is. Books will be stamped and equipment will be tagged, while supplies will be inventoried issued as necessary.
- The Administrative Assistant will check all the documentation and make sure they are complete, accurate, and consistent with one another. The Administrative Assistant will also make sure that the correct budget category is being charged and the amount of the bill is computed accurately.
- As part of checking the documentation, the Administrative Assistant will ensure that the invoice being paid is an original invoice, not a copy, and that we are not paying from a statement of account. Please refer to commercial warrant processing for more details on bills processing.

POLICY NUMBER FOUR: CONTRACTING POLICIES AND PROCEDURES

1. All contracts must be approved by the School Director and Staff Consultant. Contracts of up to $2,999 require at least three phone bids, between $3,000 and $9,999 requires three written bids on contractor's letterhead. Contracts of $10,000 and above require formal competitive bidding process. For more information, please see purchase procedures.
2. Before approving a contract, it must be determined that funds are available for this purpose and the payment terms clearly and satisfactorily stated in the contract, considering cash flow needs of the school.
3. In the case of a construction contract, the contractor must be licensed by the state board and have the financial capability to execute the contract, except in cases where an exception is allowed by a Principal.
4. The contractor must have workers compensation and other general liability insurance that will name the school as additionally insured, except in cases where the school agrees to cover the contractor as part of terms of the contract.
5. The contractor must submit a bill based on the original approved contract for the Principal to approve for payment. In the event of change orders, they must be pre-approved by a Principal or their designee and Staff Consultant.
6. The contractor must provide the school with a completed form W-9, taxpayer identification number, at the time of signing the contract.
7. Before the payment is made for construction contracts, the contractor must provide the school with a lien release as to labor and materials to exempt the school from any legal action including mechanics lien related to non payment of labor and material.
8. Before approving payment, the School Director will be certain that the construction was executed satisfactorily (in some cases an expert opinion might be sought to determine this).
9. It is customary to withhold 10% of the contract price until final determination is made on the successful completion of the contract. This will therefore be the practice of the school.
10. A copy of the contract should be filed in the business services office as soon as the contract is signed, to ensure that all documentation is complete and accurate.

11. All independent contractors must be persons that are in business for themselves, set their hours, and are responsible for results and not persons that are normally considered as employees. All other part-time or one-time persons employed by the school should be put on the payroll system, as they are actually employees and not independent contractors. All independent contractors must have a written contract following the procedures outlined above.

POLICY NUMBER FIVE: COMMERCIAL WARRANT POLICIES AND PROCEDURES

COMMERCIAL WARRANTS:

All disbursements, except for those made through the Revolving Cash Fund, Payroll System and Petty Cash, must be made through the Commercial Warrant.

BACKGROUND:

The school has a responsibility to process all payments in accordance with generally accepted accounting principles and other government accounting standards in order to discharge its fiduciary responsibilities as delegated by the board of directors.

PROCEDURES:

Administrative Assistant:

- Picks up mails from the bills mailbox and distribute to various departments where neccesary for check requests and approval of the bill.
- Checks the utilities and other general office bills for any error before giving to the School Director for check request approval.
- Double check requests and bills to make sure that all the information and documentation is correct. This information and documentation includes payee, account numbers, original invoice (payments cannot be made with a copy of the invoice or statement of account), relevant purchase order and receiving reports, amounts and appropriate approvals. If any information or documentation is inaccurate or incomplete, the check request must be returned to the responsible party so it can be corrected immediately, for timely processing of the check request. Check requests must not be left with anyone for an unreasonably long period of time as to incur the school, credit problems.
- The check requests are filed in a folder until the scheduled day for input, when they are inputted into the computer system to generate warrants the following day. All the warrant document numbers must be serially numbered, taking time to make sure the first warrant of each batch or day follows the last number as specified in the commercial warrant register. A serial number log must be kept to ensure the numbering system is being adhered to. Each time a number is used it is crossed out to prevent the reuse of the number a second time.

- After inputting each warrant it must be printed and kept on file pending the time the check or warrant comes back from the county.
- After all the check requests are entered in the system a copy of the payments pending district approval report should be printed. This report together with all the check requests and a copy of the appropriation control report should be given to the School Director for approval. A copy of the approved payments should be put on file for future reference.
- Pick up the mail from Bali Business Management the following day and verify that all the warrants were generated and everything related to the warrant is correct. Then attach a copy of the warrant to the check request together with the warrant request earlier printed from the system, staple them together and complete the payment information on the check request. Stamp the documentation as paid and file the whole package in the paid bills folder, after the checks are approved by the check signer.
- Put the checks in an envelope for mailing. If someone has to pick up a check in the office they must sign a log, and if it is an unknown person picture identification or drivers license should be reviewed to make sure that it is the right person.

The Administrative Assistant:

- Make sure that the bill being approved is a bill the school incurred and that those who incurred them are authorized to incur the bill, and that sufficient amounts are available in the budget to pay for the bill.
- Must be sure that services or goods were actually delivered as ordered and the amounts billed are agreed to and the bill was not previously paid and the invoice is not a duplicate or copy.
- Must be sure that the invoice is being charged to the right budget line item (account number and object code). This information must be provided by completing a check request form, and attaching the invoice, copy of the purchase order and a receiving advice or report noted on the purchase order. Any discrepancy between the invoice and the purchase order must be noted on the bill and reported to the Financial Consultant or School Director.
- The check request must be made in a timely manner for payment to prevent incurring collection and other credit problems.

School Director:

- Make sure that there is enough cash flow to pay the warrants being requested before approving the bills. This can be accomplished by reviewing the cash balance on the report provided by Financial Consultant.
- Check to see that the checks were written to the same payee as stated on the check request and bill.
- Keep the budget managers or persons who incur expenditures informed about cash flow in case they have to defer incurring certain expenditures, pending improvement in cash flow.
- Before signing any check, make sure the documentation is attached and that the check request information is completely filled out with prior approvals attached.
- Checks in excess of $2,500 require two signatures.

POLICY NUMBER SIX: EMPLOYEE ADVANCE POLICIES AND PROCEDURES

EMPLOYEE ADVANCES:

All employee advances must be properly documented and recorded in the school accounting books for the correct amounts, to help facilitate prompt collection of the advance from the employee.

BACKGROUND:

From time to time the school may make advances to its employees for various reasons including payroll checks not received on time, vacation advance, emergency and other extenuating circumstances.

PROCEDURES:

Responsibility of requesting employee:

- Request in writing to be submitted to the School Director for approval.
- Make sure that the emergencies are limited to unusual health bills, death or serious illness in the staff member's immediate family requiring unusual financial outlay, or unusual automobile repairs.
- Substantiating documentation must be provided with the request.
- The amount being requested must not be more than one third of the employee regular or average paycheck for a pay period.
- Repayment must be made over a period not to exceed three months, through payroll deductions beginning with the pay period subsequent to the date of the advance.
- Authentication of the advance, by signing an agreement detailing the terms of the advance, to remain on file.
- Advance is immediately due and payable in full upon the separation or termination of employment.
- The employee must be a regular full time staff member who has served for at least six months.

Responsibility of the Administrative Assistant:

- To ensure that the employee is qualified for approval for the advance, appropriate required documentation is attached to the request and all other guidelines are followed.
- Determine if the circumstances surrounding the request are appropriate and recommend Principal's approval.

Responsibility of School Director:

- Determine if there is enough cash flow to accommodate this request considering all the other priorities of the school.
- Consider the circumstance and the history of this employee as it relates to requests for advance in deciding whether or not to approve the request.
- Approve or disapprove the request after considering the guidelines for approval of the request.
- Give a copy of the approval to the Financial Consultant for filing or processing and the School Director for communication to the employee.
- Give a copy of any termination or separation notice to the Financial Consultant to compute final check and complete the separation notice form.

Responsibility of the Administrative Assistant:

- Generate the check from the Revolving Cash Fund for the School Director to sign and charging the advance to an employee advance account.
- Complete an agreement between the school and the employee to be signed by the employee and the School Director.
- Set up payroll deduction for the advance, beginning the pay period following the date the check was given to the employee.
- File a copy of the check, approved request and agreement in the employee advance file, and employee personnel file.
- Reconcile the Employee Advance account, to make sure that the amount on the account reflects the agreement currently on file.
- Deduct any amount outstanding from the final check to the employee in case of separation or termination.

POLICY NUMBER SEVEN: USE OF CORPORATE CREDIT CARDS AND PROCEDURES

Credit cards secured for the school through our bankers will allow us the convenience of charging purchases on the account, therefore saving staff the trouble of using their funds to purchase needed materials. Furthermore, it will save the school from cutting many checks for reimbursements. Instead one check will be cut to our bankers.

- The cash advance feature CANNOT be activated or used for any reason.
- The card can be used only for business purchases. NO PERSONAL USE.
- The duplicate receipt must always be turned in to Administrative Assistant, after purchase is made to allow for easy processing of the bills. The account number to be charged must be stated on the receipt.
- Before charging anything to the card, the purchaser must determine what budget line items should be charged for this expenditure and whether the budget item has enough funds in the account to accommodate the charges, considering all other charges previously made to this account. If in doubt about the availability of the funds, please consult the responsible budget manager.
- Any missing or lost credit card must be immediately reported to the Financial Consultant and the Bank, so that security measures regarding cancellation and reissue can be accomplished in time to prevent illegal charges to the account.
- The card can be used to charge things for other staff as long as verification is made as to the availability of funds for the purchase. The card can be used for small purchases that normally require payment before order, it should not be used for items that can be put on purchase orders and billed to us in the normal way. Do not use the credit card in such a way as to circumvent our normal purchase order or billing system. Examples of things that can be charged include airline tickets for training and seminars, books and instructional supplies.
- The Financial Consultant and the School Director are responsible for ensuring that the credit card holders follow these procedures. Any abuse of the credit card policies should be reported to the Financial Consultant or the School Director. The school reserves the right to

terminate any credit card due to abuses including lack of following credit card policies and procedures.

- The School Director must approve any expenditure related to any direct benefit of the credit card user. No one can approve an expenditure that is for his or her own benefit.
- The Administrative Assistant must turn in all credit card statements to the Financial Consultant. The Administrative Assistant will give each credit card holder his or her statements.
- Credit card holders will prepare a check request for each credit card statement with all attached documentation, including receipts and account numbers. This will ensure orderly and efficient processing of the bills to avoid the charging of interest.

POLICY NUMBER EIGHT: PETTY CASH POLICIES AND PROCEDURES

The school will maintain a petty cash fund to make it expedient to disburse small purchases that are needed to operate the school business. The items to be disbursed out of these funds are limited to small items of $25 or less.

PROCEDURES:

Administrative Assistant:

- The Administrative Assistant has oversight over the implementation of the petty cash policies and procedures.
- Processes requests for issuance of petty cash after being approved by the School Director.
- Processes replenishment of petty cash on a regular basis.
- Ensures that the replenishment expenditures are supported by authentic purchase receipts approved by the School Director.
- Monitors all the petty cash given to holders to make sure they are replenishing them on a regular basis and remind the holders of the need to replenish the fund so that expenditures can be recorded. If the holder does not have expenditures for several months, this may indicate that the petty cash might not be necessary.
- When a petty cash is originally issued to a holder, it must be logged in a petty cash log; any increases to the petty cash amount must be recorded in the log.
- Petty cash is reimbursed in the same manner as any other reimbursement or bill. In urgent situations, reimbursements can be done from the revolving cash fund.

Petty Cash Holders

- Request for issuance of petty cash from the School Director based on a compelling need supported by convincing reasons.
- Makes sure that the petty cash fund in their possession is securely locked in a cabinet at all times, making sure that nobody else has access to the fund.
- The petty cash holder has a personal responsibility for the funds in their possession.
- Issuance of funds to staff who need them must be evidenced by a receipt signed by staff and petty cash issuer.

- Before issuing the funds to the staff the holder must ascertain that the staff is going to spend the money on a budgeted expenditure approved by the School Director.
- Must ensure those given petty cash bring back an authentic receipt approved by the Administrative Assistant with the appropriate account number where the expenditure will be charged.
- The School Director's signature on the purchase receipt is evidence that the expenditure is approved by the School Director and it is for an expenditure that has been budgeted by the school for this purpose and the goods or services is to be used for a specific school business purpose. The signature also means that there is available balance in the line item to accommodate the expenditure.
- When the staff gives the petty cash holder an authentic purchase receipts approved by the School Director, the issuance receipt should be endorsed by the holder as paid and copy of the paid issuance receipt given to the Administrative Assistant. If there is a cash balance returned by the staff it should be reflected on the issuance receipt. The paid issuance receipt should be attached to the purchase receipt.
- When the petty cash is low the holder should fill out the petty cash replenishment form and request for replenishment of the petty cash fund equal to the amount of the purchase receipts in their possession. The total amount of the replenishment and the petty cash on hand should always be equal to the amount originally issued to the holder.

Staff Requesting the Use of Petty Cash:

- Before requesting for petty cash fund staff must make sure that the expenditure is approved by the School Director and there is available funds for that expenditure.
- Make sure that a purchase receipt is obtained for the goods or services purchased and the receipt is approved by the School Director with the appropriate account number written on the receipt before giving it to the petty cash holder.
- Return any excess cash to the petty cash holder together with the receipt to relieve the staff of the responsibility of the cash originally received.
- Once a staff receives funds from the petty cash holder, the staff is personally responsible for the funds, until they bring back an approved receipt with account numbers plus any left over cash in exchange for a

release of liability. This is evidenced by a copy of a paid issuance receipt by the holder of the petty cash.

POLICY NUMBER NINE: ACCOUNT RECONCILIATION POLICIES AND PROCEDURES

As part of our internal control procedures, the school will reconcile and review the result of operations to make sure the transactions are charged to the appropriate accounts and that the operations are being executed as planned.

Financial Operations Review-Procedures:

- At mid month and the final week before the close of a month the transactions posted to accounts will be reviewed to ensure that they are posted to the right accounts. Month end adjusting entries must be made at this time (final week) to make sure the financial statements reflect correctly the activities of the month. These reconciliations will be done by the Financial Consultant.
- On the 5th day following the end of the month, revenue and other balance sheet accounts will be reviewed and reconciled for the final time, by the Financial Consultant and appropriate adjustments made in the following month's financial report.
- The reports will be provided to the School Director for review and comments on the 7th day following the end of the month.
- On the 11th day following the end of the month, there will be a meeting between the School Director, and the Financial Consultant to review the budget reports for the previous month.
- On the 14th day following the end of the month complete financial reports will be given to the School Director for comments and mailing to Finance Committee to review before their meeting (if necessary). At this point any recommendations will be given by the Financial Consultant for the Principal and the Finance Committee to consider.

POLICY NUMBER TEN: PROGRAM CASH RECEIPTS AND DEPOSIT POLICIES AND PROCEDURES

PROGRAM CASH RECEIPTS:
All programs and other pass through payments will be paid to the office and given to the Administrative Assistant periodically for deposit to the bank.

BACKGROUND:
The school will run various programs including meals, after school programs and pass through programs. Checks and cash are usually received at the reception desk for registration for these events.

PROCEDURES:
Responsibilities of the Office:

- Each parent is issued a receipt (original) when payment is made for any of these programs. Parents who have a history of insufficient funds checks (as provided by Financial Consultant) will be required to pay cash.
- Satellite site receipts will be brought to the main office on a daily basis for safekeeping. The Administrative Assistant will include the amounts received from the satellite site (if any) in their balancing of the total receipts for the school.
- Checks and cash are kept in a secured cabinet locked in a box until deposit is made to the bank.
- The checks must be stamped "for deposit only", using the appropriate stamp for the program bank account, to reduce any risk of loss.
- Three staff persons have access to the key so they can retrieve funds for deposit or store funds collected from parents (under no circumstances should this amount be used for any reason except as approved by the Finance Consultant or School Director). This amount is not petty cash and therefore should not be used for that purpose. Please use petty cash fund to pay for small emergency items.
- The office prepares deposit tickets on Tuesdays and Fridays, making sure the total amounts on the deposit tickets agree with the total receipts attached (duplicate). $100 from petty cash fund will be left in the cash box for the purpose of making change when payments are received from parents.

- Any discrepancy between the deposit tickets and the attached receipts should be noted and reported to the Financial Consultant and the School Director so that further investigation can be conducted to resolve the problem.
- The income log must be compared with the incoming attendance and participation log from the program department, to make sure they agree and explain any discrepancies between them.
- The program to be credited with these funds should be noted on the deposit ticket or receipt.
- The receipts and deposit tickets will be given to the Administrative Assistant by 12 noon for deposit to the bank. A copy of the deposit ticket should be made and kept with the office, showing the signature of the Administrative Assistant as evidence that they have received the amounts listed on the ticket.

Responsibilities of the Administrative Assistant:

- The Administrative Assistant will review the whole packet to make sure that everything is completed accurately.
- A copy of the deposit ticket and duplicate receipts are filed in the program deposits file and the original deposit ticket and the funds are deposited at the bank.
- The deposit receipt from the bank must be attached to the duplicate deposit ticket in the program account file.
- Attendance log or report is compared with duplicate receipts for the respective programs to make sure everything agrees, any discrepancy must be investigated and when necessary reported to Financial Consultant or School Director.
- By the middle of the month following the end of a month, bank reconciliation is prepared and any "non sufficient funds" checks identified in a separate report. Letters will be written to the issuers of the checks so they can pay the amounts, plus service charge of $15 per bounced check.
- Each month after the bank reconciliation or when the program is complete, depending on the program, a check will be generated from the program account to our county account or outside vendor depending on the program requirements.

POLICY NUMBER ELEVEN: COUNTY DEPOSIT POLICIES AND PROCEDURES

LACOE Deposit Procedures

1. Review checks for deposit and appropriate deposit accounts.
2. Prepare deposit forms for approval, copy checks, copy deposit permit.
3. Endorse back of check by writing:

   For Deposit Only
   The New Design Charter School
4. Transmit PCODE 031, Print page.
5. File copied deposit permit, copied checks, printed PCODE031 transaction, in the Deposits file.
6. Prepare an envelope to send original deposit forms and checks to

   Moses Tanwanseng
   School Financial services
   LACOE

   ATTN: PCODE031

7. Place the envelope with the deposit into the green mail bag.
8. Verify approval of deposit on PBAS report.
9. File blue deposit slip when returned.
10. Notify Financial Consultant if the deposit was not registered on PBAS report within 2 business days of sending deposit.
11. Notify Financial Consultant if the blue deposit slip is not returned within 10 business days of sending deposit.

POLICY NUMBER 12. REVOLVING CASH FUND POLICY AND PROCEDURES

The School will maintain a Revolving Cash Fund to accommodate immediate cash needs that will normally not be met by the commercial warrant system. The school will make all efforts to make all payments through the commercial warrants system. Only check requests that are needed immediately due to circumstances beyond our control will be disbursed through this system.

PROCEDURES:

- All requests must be made by a check request, with all the supporting documents for the approval of the School Director.
- The request will follow the normal procedures for commercial warrant check requests.
- Poor planning will not qualify as a reason for approving this request.
- Receipts are required immediately after an event for requests of advance deposits.

School Director:

- Approval will be made based on the documentation provided and the compelling reasons why the request must be approved.
- No requests should be approved for convenience as these requests create additional burden and work for the school and circumvents the accounting process and may understate our expenditures.
- No approvals should be made without the request coming from budget manager, who checks the budget availability and the urgency for this request.
- The approved request will be given to the Administrative Assistant for processing.

Financial Consultant:

- All approved requests must be disbursed from the Revolving Cash Fund bank account the same day.
- Any request for an RCF check must be directed to the School Director.
- Requests should only be entertained from the School Director.

- All requests must be checked to make sure all required information is complete before issuing the check. The School Director should be alerted if all the necessary information is not complete.
- Make sure there is available balance in the RCF account before issuing any check. This will be accomplished by keeping a running balance after issue of checks and deposit of check to the RCF account.
- Reimburse the RCF no later than the 25th of every month to make certain that the expenditures are recorded in the correct month to void understanding our financial statements.
- Reimbursement of RCF including petty cash must be made to the School Director and charged to the respective account numbers already provided before the RCF checks were generated.
- Do not reimburse any RCF check or petty cash without the required receipts, account number and other required documentation.
- At any given time the bank balance, plus un-reimbursed expenditures, plus petty cash given out must be equal to the RCF amount.

Signed, this 18th November 2006.

_____

Board President, Merle Williamson Foundations

_____

Board Secretary, Merle Williamson Foundation

MCC 7/13/11

WAYS BOARD ROSTER
FY - 2011/2012

Board Member Name	Tittle	Email Address	Telephone	Address
Edward Cabil	Member	edcabil@sbcglobal.net	323-933-1993	706 E. Manchester Avenue. LA,Ca. 90001
Jonathan Fields	Member	jonathanfields55@yahoo.com	323-377-9937	706 E. Manchester Avenue. LA,Ca. 90001
Karen Haynes	Member	karen.haynes@twcable.com	323-459-5000	706 E. Manchester Avenue. LA,Ca. 90001
Kandee Lewis	Vice President	Kandeele@aol.com	323-787-9252	706 E. Manchester Avenue. LA,Ca. 90001
Alex Love	President	alexlove93@hotmail.com	310-972-9527	706 E. Manchester Avenue. LA,Ca. 90001
Loretta McDonald	Member	lmcdonald@lbmbs.com	310-902-5293	706 E. Manchester Avenue. LA,Ca. 90001
Oliver Ortega	Member	oliverisloco@gmail.com	323-545-8312	706 E. Manchester Avenue. LA,Ca. 90001
Cathy Roby	Treasurer	cathy_roby@yahoo.com	310-488-2489	706 E. Manchester Avenue. LA,Ca. 90001
Tamara Smith	Member	tdsmith0052@yahoo.com	310-333-1982	706 E. Manchester Avenue. LA,Ca. 90001
Adell Walker	Member	jazz4azz@aol.com	323-630-8886	706 E. Manchester Avenue. LA,Ca. 90001
Dorothy Valenti	Secretary	dvalenti747@yahoo.com	770-882-5252	706 E. Manchester Avenue. LA,Ca. 90001

Date	07/28 - 29/2011	8/19/2011	9/16/2011	10/21/2011	11/18/2011	1/20/2012	2/17/2012	3/16/2012	4/20/2012	5/18/2012	6/22/2012
Location	Board Retreat	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS
Time	All Day	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 797 of 3489
000649

Wisdom Academy for Young Scientists

Governing Board Retreat

Ayres Inn (Orange)
3737 West Chapman Avenue
Orange, CA 92868
(714) 973-9166

WISDOM ACADEMY FOR YOUNG SCIENTISTS
GOVERNING BOARD RETREAT

Wednesday, July 27, 2011

Arrival ..... Hotel check-in 3:00 PM
6:00 PM ..... Social/Get Acquainted/Ice breakers

Thursday, July 28, 2011

Purposes: Strategically Plan for 2011-2013
Build relationships between board members, Administration, Staff
Address meaningful topics and reach common ground

8:00 AM – 9:00 AM ..... Breakfast (Buffet)
9:00 AM – 9:15 AM ..... Welcome/Introductions/Order of the Day
President, Alex Love
9:15 AM – 9:25 AM ..... Introduction of Authorizer – Executive Director,
Michael Cureton
9:25 AM – 10:00 AM ..... LACOE Presentation –Introductions/Expectations
10:00 AM – 10:15 AM ..... Break
10:15 AM – 10:30 AM ..... Discussion – Cathy Roby (AA)
10:30 AM – 12:00 Noon ..... Administration – Mickey Cureton/Ms Alake

- MOU
- Lease Agreement
- Roles/Responsibilities/Expectations/Assessment
- Staff Development/Training
- Capacity Building (where most needed)
- Curriculum/Instructional Materials & Supplies

12:00 noon – 1:00 PM ..... Lunch / Social time
1:00 PM – 4:00 PM ..... Strategic Planning (SWOT Analysis – SMART Goals)
3:00 PM – 3:15PM ..... Break
3:15PM – 5:00 PM ..... Strategic Planning Cont'd
5:00 PM – 5:30 PM ..... Evaluation - Next Steps
6:30 PM ..... Dinner

Friday, July 29, 2011

Purposes: Inform and educate board on significant topical issues
Review/Evaluate Board's own progress and contribution to organization
Revisit mission, vision, goals of organization and plan for success
Improve governance of WAYS through Strategic Planning

8:00 AM – 9:00 AM ..... Breakfast (Buffet)

9:00 AM – 9:15 AM ..... Opening/Order of the Day – Alex Love
9:15 AM – 9:30 AM ..... Overview-WAYS' mission, vision, goals
Ms Loretta
9:30 PM – 9:45 AM ..... Overview Board Manual – Introduction of Attorney,
Lisa Core, Middleton, Young & Minney, Adell Walker
9:45 AM – 2:00 PM ..... Facilitated Education & Training – Lisa Corr

- Conflict of Interest
- Board Governance 101
- Brown Act
- Roles/Responsibilities
- Charter School Support

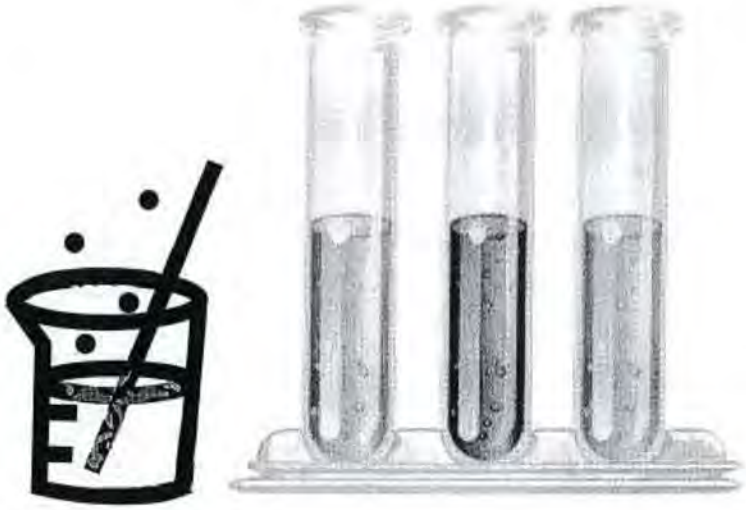
10:00 AM – 10:15 AM ..... Break
10:15 AM – 12:00 PM ..... Education/Training Cont'd
12:00 PM – 1:00PM ..... Lunch / Social Hour
1:00 PM – 2:00 PM ..... Training Cont'd – Q&A - Wrap
2:00 PM – 2:15 PM ..... Break
2:00 PM – 4:30 PM ..... Discussion – Presentations

- Board Self Evaluation/Review, Kandee Lewis (30 min)
- Setting Norms/Ground Rules/Organization Chart – Alex Love (30 min)
- SWOT Analysis -Board (30 min)
- Effective Board Meetings-Loretta McDonald (30 Min)
- Fundraising – Adell Walker (30 min)

4:30 PM – 5:30 PM ..... Evaluation/Wrap/Next Steps
5:30 PM ..... Dismissal

Mission

To create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, change agents, and true scientists



Thank you, each and every board member, staff, administrators, for your commitment, dedication, and interest in the education of our youth, our legacy. Education Matters! YOU Matter!

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Monday, August 1, 2011
3:00 PM

I. **Instructions for Presentations to the Board by Members of the Community**

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. Agendas are available to all community members
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."
3. "Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.
4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.
5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call** **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Loretta McDonald	_____/_____
Tamara Smith	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Michael Cureton	_____/_____
Alake Watson	_____/_____
Jason Okonkwo	_____/_____
Ball Business Management	_____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the June 30, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- **Board**
- **Parent/Teacher**
- **Executive Director**
- **Principal**
- **Director of Operations**
- **Business & Finance**

VI. Closed Session

1. Bali Business Management Contract
2. Public Employment
   a. Principal
   b. School Administrative Secretary

VII. Action Items

1. Release of Current Board Secretary
2. Reinstatement of Previous Board Secretary
3. Approval of School Administrative Secretary Position
4. Approval of Principal Position and Hiring Process
5. Approval of Board Sergeant at Arms Position
6. Approval of Contract with Charter School Management Corporation
7. Approval of New Property Lease Agreement with The Salvation Army Siemon Family Youth and Community Center

VIII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IX. Meeting Adjourned at _____

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Tuesday, August 10, 2011
3:00 PM

I. **Instructions for Presentations to the Board by Members of the Community**

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. Agendas are available to all community members
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."
3. "Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.
4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.
5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call** **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Loretta McDonald	_____/_____
Tamara Smith	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Michael Cureton	_____/_____
Alake Watson	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. **Additions to the Agenda (Provisions of emergency/Urgency)**

III. Approval of Minutes

Approval of the August 1, 2011, board minutes. Board Secretary to provide one copy to each Board Member to review

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- Board
- Parent/Teacher
- Executive Director
- Principal
- Director of Operations
- Business & Finance

VI. Closed Session

- Approval of RPM Construction Contract
- Approve of Properties Lease Agreements with OCI for 706 E. Manchester Ave., Los Angeles, CA 90001 and 8778 S. Central Ave., Los Angeles, CA 90001
- Discuss Possible Move to New School Locations

Action Items

1. Approval of New Property Lease Agreement with Salvation Army Siemon Family Youth Center
2. Discussion of New Food Service Vendor and a New Auditor
3. Interview Top Four (4) Principal Candidates
4. Approval of Tamara Smith's Resignation
5. Evaluations of the Staff/Staff Credentials, Resumes and Job Descriptions
6. Board Notification Letter
7. Clarity Board Attendance Procedures

VII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

BoardAgenda-August192011

Wisdom Academy for Young Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors

Friday, August 19, 2011

3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1.
Agendas are available to all community members

2.
"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."

3.
"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.

4.
With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.

5.
Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

A.
Call to Order
Meeting called to order by the Board President at _____

B.
Roll Call Present/Absent
Edward Cabil _____/_____
Karen Haynes _____/_____
Loretta McDonald _____/_____
Adell Walker _____/_____
Alex Love _____/_____
Kandee Lewis _____/_____
Jonathan Fields _____/_____
Cathy Roby _____/_____
Dorothy Velinti _____/_____
Oliver Ortega _____/_____

BoardAgenda-August192011

Others in Attendance

Michael Cureton _____/_____
Alake Watson _____/_____
Lawrence Wynder _____/_____
Jason Okonkwo _____/_____
Bali Business Management _____/_____

Page 1

II. Approval of Minutes
Approval of the August 10, 2011 board minutes. Board Secretary to provide one copy to each Board Member for
Review

III.
Oral Communications: Non-Agenda items-individuals who have submitted a request to speak form will be allowed
up to three (3) minutes presentation regarding non-agenda items. The Oral Communications segment of the meeting
will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or
take action regarding public presentations; however, the Board may give direction to staff members following a
presentation.
IV. Reports (All Reports submitted to Board in writing)
1. Board 2 min
2. Parent/Teacher 2 min
3. Executive Director 2 min
4. Principal 3 min
5. Director of Operations 3 min
6. Business & Finance 3 min
V. The Board will consider the appointment of Michael Cureton as real property negotiator
VI. The meeting will now convene to closed session to discuss th4e following matters described in Section VII.
VII. Closed Session
1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property:

- 706 Manchester Avenue
- 8778 S Central Avenue

Agency Negotiator: Michael Cureton

Negotiating Parties: Wisdom Academy for Young Scientists (WAYS)

Under Negotiation: price, terms of the agreement

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9:1:
1 CASE

VIII. PUBLIC SESSION
RECONVENE TO OPEN SESSION: The meeting was reconvened to open session at _____.

PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION (includes the vote or abstention of every member present)

Page 2

BoardAgenda-August192011

IX. Action Items
1. Approval of Lease Agreement for Salvation Army
2. Approval of New Curriculum (Language Arts-Science K-2)
3. Approval of Teacher Work Assignment Payment at Salvation Army
4. Approval of Volunteers Stipend for Salvation Army
5. Approval of RPM Contraction Contract
6. Approval of Board Policy & Procedures Manual
7. Approval of Board Committees--Fundraising & Board Development
8. Letter from Board member

VII. Future Agenda Items
The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____
Page 2

Page 3

RECEIVED
NOV 01 2011
LAUSD
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, August 18, 2011
3:00 PM

The Special Meeting of the WAYS Governing Board was held on Wednesday, August 10, 2011 at the school of Wisdom Academy for Young Scientists. This meeting was **called to order** by the President, Ms Alex Love, at 3:15 pm. In her seat was the President, Love and also seated was the Secretary, Walker.

Board members present : Ed Cabil, Adell Walker, Loretta McDonald, Alex Love, Cathy Roby, Oscar Ortega. **Board members absent**: Karen Haynes, Tamara Smith, Jonathan Fields, Kandee Lewis (excused absence) Dorothy Valenti

Approval of minutes: Minutes were read silently and pushed back for a quorum to approval. A quorum was reached at 3:35 PM. Minutes were moved with addition, seconded and motion carried.

Interview Process: moved up on agenda
Board interviewed Top four (4) Candidates (as ranked by administration) for Principal of new site—location - Salvation Army -- prior to going into closed session. All four candidates were given equal time to address the board, and answer open-ended questions of the evaluation process. A multi comprehensive performance evaluation process– consisting of, "evaluation of written exercise, oral delivery, open-ended questions, and answers session took place. After each candidate interview a discussion relative to criteria and performance indicators were reviewed. A democratic process of voting on each candidate was conducted and the candidate receiving the highest number of votes in ranking order was submitted to administration as first, second, third, and fourth choice. Interviewing process ended.

Closed Session was called to order by the President, Love, at 4:14 PM. At 5:20 PM closed session ended.

Returned to Open Session at 5:30 PM

Oral Communication
Toyer McBride, guest, commented on one of the Candidates for Principal of the new school and why she should be elected. Victoria Hankins, Brenda Peaches, and Brian Sawyers, guests commented on the school being kept in the area. Armando Espinoza, guest, addressed the board relative to becoming a member.

Information Items (Reports)

Board: None

Parent/Teacher: Parent Orientati9on scheduled for August 22, 2011 at the new site on Central. Information to all parents will be posted on several mediums (website, flyers, etc)

Executive Director: LACOE approved Material Revision Request to expand to Salvation Army 2011-2012 school year. ED recommended approval of RPM Construction Management, Inc proposal made April 2011, at cost $57,900. Building and Improvement funds available $76,730. Additionally, recommended the board approve the final lease agreement with Salvation Army and consider approving the draft Property Lease Agreement for Manchester and Central Avenues with OCI. ED introduced top four Candidates for the Principal's position at the new site. A rating of the candidates was based on multi-screening criteria (written, oral performance, open-ended questioning, and interview).

Principal : Recruitment is top priority to achieve numbers at both sites. WAYS has an enrollment (based upon applications accepted) of 325 and at new site enrollment stands at 157. Currently seeking strong, credentialed teachers experienced working with children in an urban setting. Presently, offered two teachers positions for Kinder and expect to offer a third teacher position. Interview process will commence until all teachers are hired. Curriculum & Instruction materials—appointments made with two reps from textbook companies for review. The board was thanked for being willing to recommend new instructional materials for the school.

Director of Operations: Copy of the RPM construction Management Contract Proposal was submitted total cost $53,100. Requesting the board make a decision to commence project (ADA Upgrades) to be completed prior to school opening. We must comply with the orders to provide adequate disabled persons access to the facility to remain ADA compliant. A written report was submitted and further information can be viewed upon request.

Business & Finance: Budget status report given by Bali Business Management. A pupil estimate for new or significantly expanding charters (PENSEC) for 2011-2012 fiscal year was submitted. A statement of financial position of WAYS was presented by Bali Business Management giving a total assets accounting of $1,196,664. A statement of revenue and expenditures was submitted along with 2011-2012 budget. Applied for state facility grant to solve cash flow concerns. School can receive approx $500,000 in Oct. A Cash Flow Forecast was submitted showing income for 2011-2012 at $4,085,907. All written reports are available upon request.

Report Out

RPM Construction Contract – not approved at this meeting - moved to next board meeting pending further review
Property Lease Agreement with OCI for 706 E. Manchester and 8778 S. Central moved to next board meeting pending review
New school location moved to future agenda item pending research and evaluation and adoption of fundraising proposal

Action Items

New Property Lease Agreement with Salvation Army---**Approved**
Interview Top Four Principal Candidates -- **Approved**
Resignation of Tamara Smith -- **Approved**
Board Notification Letter -- **Approved Pending Bylaws amendments**
Clarify Board Attendance -- Approved **Pending Bylaws amendments**
Food Vendor -- **Approved**
New Auditor --

The board meeting of WAYS was adjourned at 6:30 PM.

_____ _____
Secretary of Board Date

_____ _____
President of Board Date

Wisdom Academy for Young Scientists
7651 S. Central Avenue
Los Angeles, CA 90001
General Meeting
Board of Directors
Friday, September 16, 2011
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.
5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call** **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Loretta McDonald	_____/_____
Tamara Smith	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Michael Cureton	_____/_____
Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the **August 19, 2011** board minutes. Board Secretary to provide one copy to each Board Member for Review

IV. **Information Item (All Reports)**

1. **Board**
   a. **Fundraising**
   b. **Letter from Board Member**
   c. **Annual CA Charter School Conference (February 27 – March 2, 2012)**
   d. **Facilities Grant Status – updates applications available on-line**
   e. **Annual Information Survey – due to CDE**
   f. **Class Size Reduction Application – Due September 28, 2012**
2. **Parent/Teacher**
3. **Executive Director**
   a. **LACOE Updates**
   b. **School Openings**
   c. **Curriculum and Instruction**
4. **Principal**
   a. **Professional Development**
   b. **Start of New School Year**
5. **Director of Operations**
   a. **Los Angeles Department of Building and Safety (LADBS) – Orders to Comply (OTC)**
   b. **Facilities Grant**
   c. **National School Lunch Program**
   d. **After-School Program**
6. **Business & Finance**
   a. **LACOE Monthly Report**
   b. **Status of WAYS Finance**

V. **Oral Communications:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. **Closed Session**

No items

VII. **Discussion Items/Action Items**

1. Approval of Corporate Name Change
2. By-Laws – Term Limits/Amendments
3. Appointment of Two Board Committees (Fundraising and Board Development)
4. WAYS Board Policy and Procedures Manual
5. (Revised) Lease for 706 Manchester
6. STEM (How are these fields addressed in the curriculum moving forward)?

VII. **Future Agenda Items**

The Board will consider items for future Board Meeting Agendas

VIII. **Meeting Adjourned at** _____

From: Isenberg_Jan
To: Patel_Neha
Subject: FW: WAYS Governing Board Agenda-September 16, 2011
Date: Wednesday, September 14, 2011 4:44:41 PM
Attachments: Board_Agenda_-_September19,_20111.doc

From: Jazz4azz@aol.com [Jazz4azz@aol.com]
Sent: Wednesday, September 14, 2011 4:14 PM
To: cathy_roby@yahoo.com; lmcdonald@lbmbs.com; edcabil@sbcglobal.net; dvalenti747@yahoo.com; jonathanfields55@yahoo.com; kandeele@aol.com; karen.haynes@twcable.com
Cc: yetundeedd@gmail.com; michael_cureton@att.net; alexlove93@hotmail.com; mrjason7@gmail.com; wisdomacademy4ys@yahoo.com; Isenberg_Jan
Subject: WAYS Governing Board Agenda-September 16, 2011

Hello,

The following attachment is the Agenda for the September General Meeting of WAYS Governing Board.

Thank you,

Adell
Secretary, WAYS GB
Los Angeles, CA 90008
(323) 630-8886

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, January 30, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, January 30, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted January 29, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Hon. Saundra Davis _____/_____
6. Hon. Carol Lee Tolbert _____/_____
7. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes - None**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. ANTICIPATED LITIGATION—One potential item (pursuant to Gov. Code § 54956.9(d)(2).)

VIII. **Open Session**
a. Consideration of and potential action concerning the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis) – Action Item

a. **VIII. Recommendations**
b. Approval of the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis

IX. **Recommendations For Future Agenda Items**

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, January 30, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, January 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 6:28pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Kimberly Daniels, Armando Espinoza
Board Members Absent: Carol Lee Tolbert, Saundra Davis
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports**
   a. None

VII. **Closed Session**
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation.

VIII. **Open Session**
   a. Consideration of and potential action concerning the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis)
      i. Removal of Carol Lee Tolbert as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Kimberly Daniels
         2. Oppose – None
      ii. Removal of Saundra Davis as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
         2. Oppose – Kimberly Daniels

IX. **Oral Communication**
   a. Adrienne Cooks – Oral Report
   b. Flora Gomez – Oral Report

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 7:41 PM.

Secretary of Board — Date 2-3-14 — President of Board — Date 2-3-14 Vice-Chair

e. 2013-14 Fiscal Year Executive Director Contract 2013-14 – A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
f. Updates Regarding LACOE initiated FCMAT Audit – A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
g. Election of Officers – Carol Tolbert was nominated for Board Chair by Eleanor Jones, a vote was taken. Approved 7/0
h. Formation of the Board's Finance & Development Committee - A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0

VIII. Public Communication
a. None

IX. Future Agenda Items

X. The board meeting of WAYS was officially adjourned at **9:00pm**.

Secretary of Board Date President of Board Date

2-3-14 Vice-Chair

2-3-14

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Monday, February 3, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Monday, February 3, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted January 31, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Hon. Saundra Davis _____/_____
6. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes – August 29, 2013 and January 30, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. Board Member Resignation Letter– Action
b. Newly Required Student Fee's Policy – Action
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Resolution to sell school vehicle – Action Item
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – Action
h. Wisdom Academy for Young Scientists Annual Financial Audit – Action
i. Single Plan for Student Achievement – Action
j. Unaudited Actuals Financial Report – Action
k. Title I Budget 2013-14 – Action
l. Special Education Budget 2013-14 – Action
m. After School Education and Safety Program 2013-14 Budget
n. First Interim Financial Report – Action
o. Updates Regarding FCMAT Audit – Discussion Item

Recommendations
a. Approval of Board Member Resignation Letter
b. Adoption of Student Fee's Policy
c. Approval of 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Approval of Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Approval of Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Approval of Resolution to sell school vehicle – Action Item

g. Approval of Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – Action
h. Approval of Wisdom Academy for Young Scientists Annual Financial Audit – Action
i. Approval of Single Plan for Student Achievement – Action
j. Approval of Unaudited Actuals Financial Report – Action
k. Approval of Title I Budget 2013-14 – Action
l. Approval of Special Education Budget 2013-14 – Action
m. Approval of After School Education and Safety Program 2013-14 Budget
n. Approval of First Interim Financial Report – Action
o. Approval of Updates Regarding FCMAT Audit – Discussion Item

VIII. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL/ANTICIPATED LITIGATION—one item (Gov. Code s. 54956.9(d)(2)

IX. Closed Session report

X. Recommendations For Future Agenda Items

XI. Meeting Adjourned

From: Espinoza, Armando
To: OneRoyalNubian .; Johnson , Cheryl; saundavls@aol.com; normanskx@gmail.com
Cc: Edward Cabil; Patel, Neha; Higelin, Judy
Subject: Board Meeting tomorrow February 3rd at 5:45 PM
Date: Sunday, February 02, 2014 5:41:50 PM
Attachments: Board Meeting Agenda - Febuary 3, 2014.doc

Good Afternoon,

Please find attached the board meeting agenda for February 3rd at 5:45 PM.

--
Armando Espinoza
California State University, Northridge

Tel: (323) 253-0775
armando.espinoza.10@my.csun.edu

Note: WAYS February 3, 2014 Board Minutes were approved on February 27, 2014.
But needs to be signed by Board Members.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Monday, February 3, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden, Saundra Davis, Kimberly Daniels
Others In Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports**
   a. None

VII. **Closed Session**
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – **No action was taken.**

VIII. **Open Session**
   a. Board Member Resignation Letter – Kimberly Daniels – **Approved 3/0**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Adoption of Student Fee's Policy – **Approved 3/0**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – **Approved 3/0**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None

Secretary of Board Date

President of Board Date

f. Resolution to sell school vehicle – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
h. Wisdom Academy for Young Scientists Annual Financial Audit – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
i. Single Plan for Student Achievement – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
j. Unaudited Actuals Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
k. First Interim Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
l. Updates Regarding FCMAT Audit – Discussion Item

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Single Plan for Student Achievement – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Unaudited Actuals Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. First Interim Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Updates Regarding FCMAT Audit – Discussion Item

XI. The board meeting of WAYS was officially adjourned at 7:19 PM.

Secretary of Board Date

President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, February 27, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, February 27, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted February 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Hon. Saundra Davis _____/_____

IV. **Approval of the Board Meeting Minutes – February 3, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Legal Counsel/Anticipated Litigation—one item (Gov. Code s. 54956.9(d)(2)

VIII. **Closed Session Report**

IX. **Open Session**
a. Election of Officer: Interim Board Chair - Action
b. Performance Based 2013-14 School Year Stipends Round One – Action
c. 2013-14 School Year Employment Agreements – Action Item
d. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Gateway Business Properties - Buyer Representation Agreement - Action
g. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61) – Action Item
h. Adoption of LACOE implemented SIRAS Special Education Information System - Action
i. Federal IRS 990 Filing 2012 – Action
j. Unaudited Actuals Financial Report – Action
k. First Interim Financial Report – Action
l. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
m. Response to Annual Audit findings – Discussion
n. Wells Fargo Payroll Systems Agreement - Action
o. WAYS Board of Directors Training and Retreat – Discussion

p. Board Member Installations – Action
q. Board Member Resignation Letter– Action
r. Board Member Recruitment – Discussion
s. Consideration of the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis) – Action Item
t. Fundraising: Student Store – Discussion

IX. Recommendations For Future Agenda Items

a. Single Plan for Student Achievement – Action

X. Meeting Adjourned

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, February 27, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 27, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Armando Espinoza, Maria Garcia, Adraine Cook
Board Members Absent: Norman Golden, Saundra Davis,
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, and other Parents and Staff members of Wisdom Academy.

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports**
   a. Principals Report – See Handouts
   b. Finance Report – Ball Business Management

VII. **Closed Session**
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – **No action was taken.**

VIII. **Open Session**
   a. Board Member Recruitment – Discussion and Introductions from Prospective Board Members Maria Garcia and Adraine Cook
   b. Board Member Installations – Maria Garcia and Adraine Cook – Approved 3/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. Consideration of the WAYS School Site Council resolution regarding the Board Membership of Saundra Davis (the School Site Council has requested resignation or removal of Board Member Saundra Davis) – Approved 5/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      ii. Oppose – None
   d. Board Member Resignation – Norman Golden – Approved 5/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      ii. Oppose – None

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

e. Election of Officer: Armando Espinoza, Interim Board Chair – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
f. Performance Based Stipends 2013-14 Round One – Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
g. 2013-14 School Year Employment Agreements – Table to future Board Meeting
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
h. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
i. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
j. Gateway Business Properties - Buyer Representation Agreement – Tabled to future meeting.
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
k. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61) – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
l. Adoption of LACOE implemented SIRAS Special Education Information System – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
m. Federal IRS 990 Filing 2012 – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
n. Unaudited Actuals Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
o. First Interim Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
p. Wells Fargo Payroll Systems Agreement - Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
q. Response to Annual Audit findings – Discussion
   i. Discussion by Jason Okonkwo and Halilu of Bali Business Management regarding changes to WAYS Financial Policies in the future Board Meetings.
r. Fundraising: Student Store – Discussion
   i. Discussion by Mr. Cabil

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

s. Updates Regarding FCMAT Audit Including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
   i. Moved to future meeting.
t. WAYS Board of Directors Training and Retreat – Discussion
   i. Moved to Future Meeting

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Single Plan for Student Achievement – **Moved to future meeting.**
   b. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
   c. WAYS Board of Directors Training and Retreat - Discussion

XI. The board meeting of WAYS was officially adjourned at 8: PM.

Secretary of Board Date 4/25/14

President of Board 4/25/14 Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, March 13, 2014
6:00 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, March 13, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted March 12, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adriane Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** February 27, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
b. Conference with Legal Counsel: One Item: Formation of the 706 East Manchester Ave, LLC under the Merle Williamson Foundation (to hold the title of the Manchester Property) – Action

VIII. **Closed Session Report**

IX. **Open Session**
a. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Thursday, March 13, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, March 13, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 7:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001
Teleconference: 5641 Locust Ave, Long Beach, California 90806.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook

Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil, Jimmy Chai of Cushman & Wakefiled.

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. February 27, 2014

VI. **Reports**
   a. None

VII. **Closed Session**
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: 706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. Conference with Legal Counsel One Item: Formation of the 706 East Manchester Ave, LLC under the Merle Williamson Foundation (Owner of the 706 East Manchester Property) –
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None

VIII. **Open Session**
   a. Updates Regarding FCMAT Audit including Auditor communication regarding OSE Business Services vendor. Resolution to [illegible] because OSE declined to not assist WAYS during FCMAT Audit – Discussion and Action
      i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – Cheryl Johnson

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 7:48 PM.

Board Member — Date 4/25/14 — Board Chairperson — Date 4/25/14

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, March 27, 2014
6:00 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, March 27, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted March 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – March 13, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Closed Session**
a. CONFERENCE WITH LEGAL COUNSEL/ANTICIPATED LITIGATION—one item (Gov. Code s. 54956.9(d)(2)

VIII. **Closed Session Report**

VIII. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

IX. **Open Session**
a. LACOE notice to the WAYS Board regarding FCMAT Audit Findings – Discussion

X. **Meeting Adjourned**

From: Edward Cabil
To: Patel_Neha
Subject: Re: WAYS March 27th Board Meeting Status
Date: Monday, March 31, 2014 11:51:04 AM

Wow! With such a disappointment that our board members did not show up to meet the required quorum (after I personally called and email them days before) I completely forgot to send an email about the lack of quorum, notwithstanding the fact that two members of LACOE's staff were present.

Blessings,
Ed Cabil

From: Patel_Neha <Patel_Neha@lacoe.edu>
To: "Ed Cabil (WAYS) (edcabil@sbcglobal.net)" <edcabil@sbcglobal.net>
Cc: Jason Okonkwo (WAYS) <mrjason7@gmail.com>; Higelin_Judy <Higelin_Judy@lacoe.edu>; Wilson_Dina <Wilson_Dina@lacoe.edu>
Sent: Monday, March 31, 2014 9:36 AM
Subject: WAYS March 27th Board Meeting Status

Mr. Cabil,

Was the Board meeting held as scheduled for last Thursday, March 27th? Please let us know the status. Thank you!

Neha Patel
Assistant Administrative Analyst
Charter School Office
Los Angeles County Office of Education
P: (562) 922-8806
F: (562) 922-8805
Serving Students • Supporting Communities • Leading Educators

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, April 3, 2014
6:00 P.M.– 7:30 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, April 3, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 2, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – March 13, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Extension of Escrow period from 45 to 120 days.
b. Conference with Legal Counsel/ Potential Litigation: One Item

VIII. **Closed Session Report**

IX. **Open Session**
a. Wells Fargo Commercial Property Finance Application - Action Item
b. Wilkinson Hadley King & Company, LLP tore-audit the financial statements year-end June 30, 2013
c. Fiscal Crisis Management Team (FCMAT), to provide fiscal management assistance and professional development training.
d. Selection of Independent Audit Firm for year-end June 30, 2014

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Thursday, April 3, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, April 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:24pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook

Board Members Absent: Marla Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil,

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. March 13, 2014

VI. **Reports/ Oral Communication**
   a. Bali Business Management – Monthly Financial Report (Hand-outs)
   b. Vice-Principal's Report (Hand-out)

VII. **Closed Session**
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Extension of Escrow period from 45 to 120 days. – Approved 4/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. Conference with Legal Counsel: One Item – Discussion

VIII. **Open Session**
   a. Wells Fargo Commercial Property Finance Application – Approved 4/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. Wilkinson Hadley King & Company LLP to re-audit the financial statements year-end June 30, 2013 – Approved 4/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   c. Fiscal Crisis Management Team (FCMAT), to provide fiscal management assistance and professional development training, Pending On-site Fiscal Services Proposal - Discussion
   d. Selection of Independent Audit Firm for year-end June 30, 2014 - Discussion

IX. **Future Agenda Items**
X. The board meeting of WAYS was officially adjourned at 7:52 PM.

Board Member Date 4/25/14 Board Chairperson Date 4/25/14

Wisdom Academy for Young Scientists

Notice of Board of Directors Board Meeting
Friday, April 25, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Friday, April 25, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 22, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 3, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit– LACOE staff Ed. Code section 1241.5 requires that the LACOE superintendent report its findings and recommendations to the governing board of the charter school
b. Selection of Independent Audit Firm for year-end June 30, 2014 - Action

VIII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates regarding due diligence.
b. Conference with Legal Counsel/ Potential Litigation: One Item

IX. **Closed Session Report**

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Board Meeting
Wednesday, April 30, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Wednesday, April 30, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 29, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** April 25, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. WAYS Financial Policies and Revisions (4/25/14) – Action
b. WAYS Response to LACOE Superintendent's notice of the FCMAT AB139 recommendation pursuant Ed. Code 1241.5 – Discussion and Potential Action
c. WAYS 2014-15 School Year Operating Budget – Discussion and Potential Action
d. WAYS 2014-15 School Year Special Education Budget – Discussion and Potential Action
e. WAYS 2014-15 Title I Budget – Discussion and Potential Action
f. 2013-14 School Year Employment Agreements – Discussion and Potential Action
g. Recruitment of Additional Board Members – Discussion

VIII. **Closed Session**
a. Public Employee Performance Evaluation (Employment Title: Executive Director)
    i. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b)
b. Public Employee Appointment (Executive Director)
c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations)
d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)

IX. **Closed Session Report**

X. **Meeting Adjourned**

From: Jason Okonkwo
To: Patel, Neha
Subject: WAYS Board audio and docs
Date: Monday, May 12, 2014 6:43:55 PM

Hi Neha,

Today we recieved the returned package containing the WAYS board meeting docs and audio for April 30, 2014. The package was originally mailed last week wednesday, but it was returned due to a lack of postage stamps. We remailed the package today. You should receive it by tomorrow. Kindly confirm reciept of the package tomorrow.

Sincerely,

Jason

--
Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

- CONFIDENTIALITY NOTICE -
The information contained in this transmission is intended only for the person or entity to which it is addressed and contains confidential and/or privileged material. If you are not the intended recipient of this information, do not review, retransmit, disclose, disseminate, use, or take any action in reliance upon, this information. If you received this transmission in error, please contact the sender and destroy all printed copies and delete the material from all computers.

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Thursday, September 22, 2011
6:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Michael Cureton	_____/_____
Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the August 16, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- **Board**
- **Executive Director**
- **Parent/Teacher**
- **Principals**
- **Director of Operations**
- **Business & Finance**

VI. Closed Session

1. Investigation of possible corruption/fraud amongst certain board members
2. Investigation of possible misuse of public funds amongst certain board members
3. Excessive exposure to litigation
4. Accusation of Discrimination against employee of WAYS
5. Settlement of previous Executive Director

VII. Discussion/Action Items

1. Release of Current Board Secretary
2. Restructuring of the board
3. Approval of Innovative Ways Academy
4. Approval of Change of the Legal Counsel Services as Retainer
5. Approval of Audit Account Charges by our previous legal counsel
6. Approval of ED resignation
7. Review of Daily Schedule

VIII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IX. Meeting Adjourned at _____

From: Isenberg_Jan
Sent: Friday, September 23, 2011 7:14 AM
To: Patel_Neha
Subject: FW: [DELIVERY] Board Meeting

Importance: Low

Save

Jan Isenberg
Project Director III
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805 (fax)

From: Lawrence Wynder [mailto:lwynderii@gmail.com]
Sent: Thursday, September 22, 2011 1:50 PM
To: Kendra Okonkwo; kandeele@aol.com; edcabil@sbcglobal.net; jazz4azz@aol.com; cathy_roby@yahoo.com; dvalenti747@yahoo.com; jonathanfields55@yahoo.com; yetundeedd@gmail.com; michael_cureton@att.net; jason okonkwo; Katoant@aol.com; Clyde McDaniel; alexlove93@hotmail.com; Isenberg_Jan; Haruna Bali; Halilu Haruna
Subject: [DELIVERY] Board Meeting
Importance: Low

Hello All,

Unfortunately, I will not be able to attend the board meeting this evening. On Thursdays I pick up my children from school.

Also, my email was not included when the notice was sent out. My email address is lwynderii@gmail.com. Kindly add me to your contact lists so I am aware of any future special meetings. Thanks and I look forward to seeing you all at the next board meeting.

Take care,

Lawrence C. Wynder
Ed. D Candidate, USC
Principal (Central-North Campus)
Wisdom Academy for Young Scientists
lwynderii@gmail.com

Isenberg_Jan

From: kandeele@aol.com

Sent: Wednesday, October 05, 2011 2:26 PM

To: edcabil@sbcglobal.net; wisdomacademy4ys@yahoo.com; jazz4azz@aol.com; cathy_roby@yahoo.com; dvalenti747@yahoo.com; jonathanfields55@yahoo.com; yetundeedd@gmail.com; michael_cureton@att.net; mrjason7@gmail.com; Katoant@aol.com; oliverisloco@gmail.com; alexlove93@hotmail.com; Isenberg_Jan; balibusinessmanagement@yahoo.com; hharuna@aol.com; lwynderii@gmail.com

Cc: Patel_Neha; Higelin_Judy

Subject: Re: - CANCELLATION OF October 5, 2011 "Special" Board Meeting

Mr. Cabil,

The weather had nothing to do with the cancellation of the meeting.

The reason the meeting was canceled was because of the inappropriate items placed on the agenda. The items that are deemed inappropriate are because of the following reasons:
1. The full board does not have advance nor adequate knowledge of the items.
2. The language is incorrect and not complete.
3.The items listed for closed session do not belong in closed session
4. The items listed as concerns have not followed the appropriate chain of command, which mean the Principals have not been made aware of the problem or allowed an opportunity to address the concerns.

These are just a few of the concerns that I, as Vice President of Wisdom Academy have. As such, I must safeguard the school and the board from further potentially larger problems or litigation.

As Vice President, I serve as the primary person responsible for this board, since we do not have a current President. I am not acting as a sole board but in the best interest of the board and school. This meeting was not a legitimate sanctioned meeting, as most of the issues on the agenda did not come from me, you, other board members or the Principals of WAYS.

Please be advised LACOE, nor any employee or representative from LACOE, **did not have any consideration, input, approval or play any part in the cancellation of this meeting** and they were informed and advised of the cancellation at the same time everyone else was.

It is not my intention to upset, infuriate or anger anyone, especially our valued and appreciated parents. If you recall, I was the only voice of reason in the "town hall" meeting which was held on September 16th. I was the only member of the board that stood up to the other board members and said on more than one occasion that we would have and hold that meeting, which we did. Not you, nor any other board member made any effort to make sure the meeting was held. I conducted the meeting, allowed each parent and community member to have their say, for as long as they wished. I believe you also complemented me on the meeting, along with other parents. I am disappointed that you would try to say that MY actions were anything other than collaborative, and working to appease and satisfy the students, parents, teachers, community members and guest who were in attendance, in an effort for full disclosure and working to ensure the best for WAYS, the children and community of WAYS.

Lastly, you are absolutely correct. I am a new board member, but I have VAST experience in board management and development. I am not acting on the words of anyone, nor gossip, innuendo, he said, she said. I always act based on facts! The facts in this case are serious and extreme. I am acting to safeguard the school.

I want to have a meeting as much if not more than anyone else. That is why I (not anyone else) have been trying to schedule a meeting, and asked for the board and the schools input to make sure we act accordingly, professionally and in a manner that is legitimate and sanctioned and would pass The Brown Act and that would NOT leave us open to lawsuits or additional litigation. I should be able to submit a new meeting date and revised, corrected agenda by Friday, October 7, 2011, if not sooner. I am sure it would not be problem for you, as a board member to contact our legal counsel.

Please note, my intention to always act in an ethical, moral manner, with the highest and best integrity and interest of Wisdom Academy. I am not a party to any actions otherwise.

Sincerely and Respectfully,

Kandee Lewis
Vice President, WAYS

-----Original Message-----
From: Edward Cabil <edcabil@sbcglobal.net>
To: kandeele <kandeele@aol.com>; wisdomacademy4ys <wisdomacademy4ys@yahoo.com>; jazz4azz <jazz4azz@aol.com>; cathy_roby <cathy_roby@yahoo.com>; dvalenti747 <dvalenti747@yahoo.com>; jonathanfields55 <jonathanfields55@yahoo.com>; yetundeedd <yetundeedd@gmail.com>; michael_cureton <michael_cureton@att.net>; mrjason7 <mrjason7@gmail.com>; Katoant <Katoant@aol.com>; oliverisloco <oliverisloco@gmail.com>; alexlove93 <alexlove93@hotmail.com>; Isenberg_Jan <Isenberg_Jan@lacoe.edu>; balibusinessmanagement <balibusinessmanagement@yahoo.com>; hharuna <hharuna@aol.com>; lwynderii <lwynderii@gmail.com>
Cc: Patel_Neha <Patel_Neha@lacoe.edu>; higelin_judy <higelin_judy@lacoe.edu>
Sent: Wed, Oct 5, 2011 1:09 pm
Subject: Re: - CANCELLATION OF October 5, 2011 "Special" Board Meeting

Hi,

First, I want to know why it is necessary that the meeting must be canceled? Is it because of the weather? Except for what you claim as advice from the school's legal counsel, you failed to mention a reason for the cancellation of the meeting, ! I would like to know why was it necessary for you to contact legal counsel for advice relating to a legitimate sanctioned scheduled board meeting?

Second, what right do you have as a single board member to cancel a meeting? If you remember correctly, this is exactly what happened at our last full meeting, whereas, the chair stated that she was canceling the meeting, and by saying so, drew sharp criticism from parents who came for answers relating to the problems that they personally observed at the school! Also, you have not forgotten that when the parents pressed for an answer who instructed the chair to canceled the meeting, that the answer came back, "LACOE!" And when the parents said that LACOE was an organization, therefore, that the chair had to talk to a person at LACOE, and who was that person? The answer came back Jan Isenberg! Again, this is the same situation, and undoubtedly, this act will further infuriate the parents!

Third, the school is facing some serious administrative and other internal problems, mostly created from a group identified as WAYS' Executive Board, who as reported by a few, has engaged in micro-managing the school! In one of your recent emails, you stated that you were the only member of the Executive Board left! This Executive Board mentality is causing havoc on the school, as a group of individuals have met and planned school operations without full knowledge of the entire board membership! There were NO announced meeting, not agenda items that empowered this small group of individuals to act as they have done! I hear that there is sufficient evidence for calling a meeting to investigate the acts of this group! Is this the real reason why the meeting is being canceled, or is there another legitimate reason for doing so?

Lastly, you are practically a new member of the board; consequently, much of the knowledge surrounding WAYS is undoubtedly coming from others! Please be advised that we as members of the board have a right to know what valid reason you have for attempting to cancel tonight's meeting! Perhaps, the remaining board members need advice from counsel as to how do we get a meeting called

to answer the concerns of parents, staff, and community members relating to the education of the children!

Blessings,
Ed Cabil

From: "kandeele@aol.com" <kandeele@aol.com>
To: wisdomacademy4ys@yahoo.com; edcabil@sbcglobal.net; jazz4azz@aol.com; cathy_roby@yahoo.com; dvalenti747@yahoo.com; jonathanfields55@yahoo.com; yetundeedd@gmail.com; michael_cureton@att.net; mrjason7@gmail.com; Katoant@aol.com; oliverisloco@gmail.com; alexlove93@hotmail.com; Isenberg_Jan@lacoe.edu; balibusinessmanagement@yahoo.com; hharuna@aol.com; lwynderil@gmail.com
Cc: Patel_Neha@lacoe.edu; higelin_judy@lacoe.edu
Sent: Wednesday, October 5, 2011 11:41 AM
Subject: Re: - CANCELLATION OF October 5, 2011 "Special" Board Meeting

Please be advised I am canceling this board meeting effective immediately. Please post on our website **and EVERYWHERE this agenda has been posted of the cancellation.**

I have been advised by our legal counsel that it would be in the best interest of the school to cancel the meeting at this time. I will call another meeting to correctly address items that are important and relevant to the school. Thank you very much for your continued support and consideration.

Sincerely,

Kandee Lewis
Vice President,
WAYS

-----Original Message-----
From: Wisdom Academy for Young Sci. <wisdomacademy4ys@yahoo.com>
To: kandeele <kandeele@aol.com>; edcabil <edcabil@sbcglobal.net>; jazz4azz <jazz4azz@aol.com>; cathy_roby <cathy_roby@yahoo.com>; dvalenti747 <dvalenti747@yahoo.com>; jonathanfields55 <jonathanfields55@yahoo.com>; yetundeedd <yetundeedd@gmail.com>; michael_cureton <michael_cureton@att.net>; jason okonkwo <mrjason7@gmail.com>; Katoant <Katoant@aol.com>; Clyde McDaniel <oliverisloco@gmail.com>; alexlove93 <alexlove93@hotmail.com>; Jan Isenberg <Isenberg_Jan@lacoe.edu>; Haruna Bali <balibusinessmanagement@yahoo.com>; Halilu Haruna <hharuna@aol.com>
Sent: Tue, Oct 4, 2011 5:06 pm
Subject: October 5, 2011 "Special" Board Meeting

Agenda for October 5, 2011, Special Board meeting posted.

----- Forwarded Message -----
From: "kandeele@aol.com" <kandeele@aol.com>
To: wisdomacademy4ys@yahoo.com; edcabil@sbcglobal.net; jazz4azz@aol.com; cathy_roby@yahoo.com; dvalenti747@yahoo.com; jonathanfields55@yahoo.com; yetundeedd@gmail.com; michael_cureton@att.net; mrjason7@gmail.com; Katoant@aol.com; oliverisloco@gmail.com; alexlove93@hotmail.com; Isenberg_Jan@lacoe.edu; balibusinessmanagement@yahoo.com; hharuna@aol.com; lwynderil@gmail.com
Sent: Friday, September 23, 2011 10:48 AM
Subject: Re: September 22, 2011 "Special" Board Meeting

Greeting Ladies and Gentlemen,

Please be advised the Special Meeting scheduled for Thursday, September 22, 2011, was not held, due to a lack of a quorum being met. In attendance for this meeting was Mr. Cabil, Dr. Valenti and myself. I thank all our guest, teachers, parents, family and friends that also attended.

We will re-schedule this meeting at a later date and hope all can attend. I truly hope we remember what is important, what our goals and focus should be and come together for the empowerment, growth and positive future progress of Wisdom Academy of Young Scientist, the children, families and teachers.

I hope you all have a positive and prosperous day, an excellent weekend and continue to be greatly blessed!

Your Truly,

Kandee Lewis
Vice President
WAYS

-----Original Message-----
From: Wisdom Academy for Young Sci. <wisdomacademy4ys@yahoo.com>
To: Wisdom Academy for Young Sci. <wisdomacademy4ys@yahoo.com>
Cc: kandeele <kandeele@aol.com>; edcabil <edcabil@sbcglobal.net>; jazz4azz <jazz4azz@aol.com>; cathy_roby <cathy_roby@yahoo.com>; dvalenti747 <dvalenti747@yahoo.com>; jonathanfields55 <jonathanfields55@yahoo.com>; yetundeedd <yetundeedd@gmail.com>; michael_cureton <michael_cureton@att.net>; jason okonkwo <mrjason7@gmail.com>; Katoant <Katoant@aol.com>; Clyde McDaniel <oliverisloco@gmail.com>; alexlove93 <alexlove93@hotmail.com>; Jan Isenberg <Isenberg_Jan@lacoe.edu>; Haruna Bali <balibusinessmanagement@yahoo.com>; Halilu Haruna <hharuna@aol.com>
Sent: Tue, Sep 20, 2011 4:55 pm
Subject: Re: September 22, 2011 "Special" Board Meeting (Revised)

This is the revised version. Please review.

From: Wisdom Academy for Young Sci. <wisdomacademy4ys@yahoo.com>
To: Kendra Okonkwo <wisdomacademy4ys@yahoo.com>
Cc: "kandeele@aol.com" <kandeele@aol.com>; "edcabil@sbcglobal.net" <edcabil@sbcglobal.net>; "jazz4azz@aol.com" <jazz4azz@aol.com>; "cathy_roby@yahoo.com" <cathy_roby@yahoo.com>; "dvalenti747@yahoo.com" <dvalenti747@yahoo.com>; "jonathanfields55@yahoo.com" <jonathanfields55@yahoo.com>; "yetundeedd@gmail.com" <yetundeedd@gmail.com>; "michael_cureton@att.net" <michael_cureton@att.net>; jason okonkwo <mrjason7@gmail.com>; "Katoant@aol.com" <Katoant@aol.com>; Clyde McDaniel <oliverisloco@gmail.com>; "alexlove93@hotmail.com" <alexlove93@hotmail.com>; Jan Isenberg <Isenberg_Jan@lacoe.edu>
Sent: Tuesday, September 20, 2011 9:00 AM
Subject: September 22, 2011 "Special" Board Meeting

Greetings to all,

I just want to express my sentiments in regards to what my eyes and ears witness this past Friday on September 16, 2011. The critical issues that were raised, allegations against board members, the horrible hostile way things were conducted at the turn of events, demands to call a special meeting to address these issues that were raised. There is no such thing whereby any "entity" can silence "We the people", therefore the parents have a right to speak on issues and actions taken that concern and effect their children's education. We can call what happened many things according to our opinions and concerns of others. What I saw was a movement striking out at what has always been the ruin of our people. It reminded me of a scene in the book "Animal Farm". There is no one on earth

above the law of God, science, or physics. Disobedience of laws leads disconnection, confusion and chaos. The laws were made to discourage lawlessness and give order into society so that people have an orderly way to resolve problems. When these channels of resolutions are blocked and corrupted, problems will arise. The problems presented Friday at the meeting cannot be ignored and more important as events unfolded other pertinent issues were presented and must be addressed. Therefore, I am calling a special meeting for Thursday, September 22, 2011 to address those issues. Please find the agenda attached.

Summoning all administrators to the board.

This is one way communication. Please do not reply.

One love,

Dr. Valenti
Board Member
WAYS

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Wednesday, October 5, 2011
5:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the August 16, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- **Board**
- **Executive Director**
- **Parent/Teacher**
- **Principals**
- **Director of Operations**
- **Business & Finance**

VI. Closed Session

1. Investigation of possible corruption/fraud amongst certain board members
2. Investigation of possible misuse of public funds amongst certain board members
3. Excessive exposure to litigation
4. Accusation of Discrimination against employee of WAYS
5. Settlement of previous Executive Director

VII. Discussion/Action Items

1. Restructuring of the board
2. Approval of Board Members' Resignations
3. Approval of Innovative Ways Academy
4. Approval of Change of the Legal Counsel Services as Retainer
5. Approval of Audit Account Charges by our previous legal counsel
6. Approval of ED resignation

VIII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IX. Meeting Adjourned at _____

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Saturday, October 8, 2011
4:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by Board Member at _____

B. Roll Call **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. <u>Discussion/Action Items</u>

1. Approval of Board Members' Resignations
2. Restructuring of the board
3. Approval of ED resignation

III. Meeting Adjourned at _____

RECEIVED
NOV 01 2011
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Saturday, October 8, 2011 3:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Saturday, October 8, 2011 at the school of Wisdom Academy for Young Scientists. Board Member, Mr. Edward Cabil, seated in the place of Board Chair in the absence of the Board President and Vice President, called this meeting to order at 5:05pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Edward Cabil, Karen Haynes, Dorothy Valenti.
Board Members Absent: Jonathan Fields and Kandee Lewis
Others in Attendance: Jason Okonkwo/Director of Operations, Halilu Haruna/Bali Business Management, and twelve (12) members of the community including parents of WAYS.

IV. There were no additions to the agenda.

V. **Information Items (Reports)**
Board:
   a. Board Members' Resignations – Several Board Members - including Cathy Roby, Adell Walker, Alex Love, and Oliver Ortega – submitted letters of resignation prior to the Board Meeting held on October 8, 2011 for various reasons. Therefore, there are now five (5) remaining active board members, and three (3) of the (5) active board members present constituted a quorum. Edward Cabil moved to accept the Board Members' resignation letters, Dorothy Valenti second the motion; 3/0 unanimous vote in favor accepting Board Members Resignations.
   b. Restructuring of the Board – Upon the resignation of the Board President, Treasurer, and Secretary, these offices become vacant and open for nominations. Edward Cabil moved to nominate Dorothy Valenti for Board President, Karen Haynes second the motion; 3/0 unanimous vote in favor electing Dorothy Valenti as Board President. Chairmanship then turned to Dorothy Valenti. Dorothy Valenti motioned to Nominate Karen Haynes for Board Secretary, Edward Cabil second the motion; 3/0 vote in favor of electing Karen Haynes as Board Secretary.
   c. Executive Director – Executive Director resignation as of September 30, 2011. Dorothy Valenti moved to accept the Executive Director's resignation, Karen Haynes second the motion; 3/0 unanimous vote in favor to accept the Executive Directors resignation.
   d. Dorothy Valenti made a recommendation that Edward Cabil resign as Board Member and serve as Interim Executive Director. Edward Cabil accepted the recommendation and vote of confidence for the position and proposed further discussion in a later Board Meeting.

VI. **Action Items**
   a. Acceptance of Board Members' Resignations – Approved
   b. Office Nomination and Election – Unanimous 3/0 favorable vote for Dorothy Valenti as Board President.
   c. Office Nomination and Election – Unanimous 3/0 favorable vote for Karen Haynes as Board Secretary.
   d. Executive Director Resignation - Approved

VII. **Installation of New Board Officers/Members**

a. Board Officers were given the Oath of Office, in addition each Officer, President – Dorothy Valenti, Karen Haynes – Secretary, Cheryl Johnson – Board Member, Armando Espinoza – Board Member, and Norman Golden – Board Member, each accepted duties and responsibilities of the office held by raising right hand and swearing to abide.
Transition of leadership took place immediately.

VIII. **Oral Communication**

a. Prospective Board Members, Norman Golden, Cheryl Johnson, and Armando Espinoza addressed the Board stating their objectives and background.

b. Parent of WAYS and community member stated that she as well as other parents are pleased with the actions and discussions that took place at the Board Meeting.

IX. The board meeting of WAYS was officially adjourned at 5:25 PM.

Secretary of Board — Date 10-10-11

President of Board — Date 10-14-11

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Friday, October 14, 2011
6:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Cheryl Johnson	_____/_____
Norman Golden	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Armando Espinoza	_____/_____
Dorothy Velinti	_____/_____

Others in Attendance

Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the October 8, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Discussion/Action Items

1. Elect Board Treasurer
2. Procopio, Cory, Hargreaves & Savitch LLP – Assign Procopio to review and resolve conflicts of interest issues
3. Approval of Change of the Legal Counsel Services as Retainer
4. Approval of Legal Services Contact Persons
5. Board Training Schedule

6. Approval of Check Request Policy and Procedures
7. Approval of Board Member Resignation

VI. Closed Session

8. Approval of Interim Executive Director
9. Middleton, Young & Minney LLP (MYM) - Review legal charges and ethical violations.

VII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

RECEIVED
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CHARTER SCHOOL

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, October 14, 2011 6:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Friday, October 14, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 6:23pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Norman Golden, Cheryl Johnson
Board Members Absent: Jonathan Fields, Karen Haynes, Kandee Lewis, Edward Cabil
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management. There were no additions to the agenda.
IV. **Discussion/Action Items**
Board:
   a. The Meeting Minutes for the October 8, 2011 Board Meeting, approved with no corrections.
   b. Elect Board Treasurer – Upon the resignation of the Board Treasurer this office became vacant and open for nomination. Dorothy Valenti moved to nominate Armando Espinoza for Board Treasurer, Cheryl Johnson second the motion; 4/0 unanimous Approval
   c. Procopio LLP to review and resolve the conflicts of interest issues. Moved to Closed Session.
   d. Cheryl Johnson moved to approve the change in legal services counsel as retainer. Norman Golden second the motion; 4/0 unanimous Approval.
   e. Approved Legal Services Contacts – Board President, Executive Director, and School Administrator upon authorization from ED. Norman Golden moved to approve the legal services contacts, Cheryl Johnson second the motion; 4/0 unanimous vote in favor of authorized legal services contact persons.
   f. Board Training Schedule moved to closed session
   g. Director of Operations informed the Board of a temporary solution to the check request procedure concern. Dorothy Valenti moved to approve the temporary check request procedure, Norman Golden second the motion; 4/0 unanimous Approval
   h. Board Member resignation – Board Member Edward Cabil submitted his resignation to the Board President, Dorothy Valenti moved to accept his resignation, Norman Golden second the motion; 4/0 unanimous Approval
V. **Closed Session**
   a. Called to Order at 6:45pm; Adjourned at 6:56pm
   b. Edward Cabil as Interim Executive Director – Unanimous 4/0 Approval.
   c. Review of MYM LLP charges and ethical violations. - Unanimous 4/0 Approval
   d. Procopio LLP to review and resolve the conflicts of interest issues. Unanimous 4/0 Approval
VI. **Installation of New Board Officers/Members**
VII. **Oral Communication**
VIII. **Future Agenda Items**
   a. No items presented at this time.
IX. The board meeting of WAYS was officially adjourned at 6:57 PM.

(Acting) Secretary of Board — Date 10/29/11

President of Board — Date 10/29/11

From: Jason Okonkwo
To: edcabil@sbcglobal.net; dvalenti747@yahoo.com; Alake Watson; Lawrence Wynder; Katoant@aol.com; jonathanfields55@yahoo.com; kandeele@aol.com; Norman g; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.net
Cc: Wisdom Academy for Young Sci.; Patel Neha
Subject: Board Meeting - October 21, 2011
Date: Thursday, October 20, 2011 5:06:33 PM

Good afternoon,

This email serves to notify you that the Board Meeting Scheduled for Friday, October 21, 2011 has been postponed and will be rescheduled for a later date.

Respectfully,

--
Jason Okonkwo
Director of Operations
Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, Ca 90001
Direct: 323.253.8907
Office: 323.752.6655
Fax: 323752.6644
Email: mrjason7@gmail.com

"Learn as if you were to live forever, live as if you were to die tomorrow" -John Wooden

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Saturday, October 29, 2011
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Karen Haynes	_____/_____
Cheryl Johnson	_____/_____
Norman Golden	_____/_____
Jonathan Fields	_____/_____
Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____

Others in Attendance

Edward Cabil	_____/_____
Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the October 14, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Discussion/Action Items

1. Approval of October 14, 2011 Board Meeting Minutes
2. Removal of previous Executive Director from all accounts associated with Wisdom Academy for Young Scientists
3. Approve new authorized bank account signatories.
4. Approval persons authorized to retrieve checks from LACOE
5. Approval of Board Member Resignation

VI. Closed Session

VII. Future agenda Items
The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Saturday, October 29, 2011 4:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Friday, October 14, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:52pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Norman Golden, Karen Haynes
Board Members Absent: Jonathan Fields, Cheryl Johnson
Others in Attendance: Jason Okonkwo, Edward Cabil
IV. **Discussion/Action Items**
Board:
    a. The Meeting Minutes for the October 14, 2011 Board Meeting, approved with no corrections.
    b. Removal of the previous Executive Director, from all accounts associated with Wisdom Academy for Young Scientists. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
    c. New authorized bank account signatories – Jason Okonkwo, Edward Cabil, Karen Haynes. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
    d. Persons authorized to retrieve checks from LACOE – Jason Okonkwo and Edward Cabil. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
    e. Acceptance of Board Member, Kandee Lewis, resignation. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
V. **Closed Session**
VI. **Installation of New Board Officers/Members**
VII. **Oral Communication**
VIII. **Future Agenda Items**
    a. No items presented at this time.
IX. The board meeting of WAYS was officially adjourned at 4:58 PM.

Secretary of Board — Date 11-3-2011

President of Board — Date 11-03-2011

`Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001
Board of Directors Meeting
Thursday, November 3, 2011
5:00 PM

I. **Instructions for Presentations to the Board by Members of the Community**

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call** **Present/Absent**

Karen Haynes	____/____
Cheryl Johnson	____/____
Norman Golden	____/____
Jonathan Fields	____/____
Armando Espinoza	____/____
Dorothy Valenti	____/____

Others in Attendance

Edward Cabil	____/____
Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. **Additions to the Agenda (Provisions of emergency/Urgency)**

III. **Approval of Minutes**
Approval of the October 29, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. **Reports/Discussion**
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. **Oral Communications:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. **Discussion/Action Items**
1. Approval of Interim Executive Director's status to permanent.
2. Approval of 2010-11 SY Fiscal Audit

VII. **Closed Session**
1. Settlement of previous Executive Director.
2. Revisit Of Staff Contracts

VII. **Future agenda Items**
The Board will consider items for future Board Meeting Agendas

VIII. **Meeting Adjourned at** _____

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, November 3, 2011 5:00 PM

I. The WAYS Governing Board Meeting was held on Thursday, November 3, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 5:30pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Norman Golden, Karen Haynes, Cheryl Johnson
Board Members Absent: Jonathan Fields
Others in Attendance: Jason Okonkwo, Edward Cabil, Alake Watson, Lawrence Wynder

IV. **Oral Communication/Reports**
- a. Executive Director
  - i. Pleased with the student potential and teachers skills.
  - ii. Goal – to the school back to a 800+ API
  - iii. Achievement Plan – Innovative WAYS program introduced to help boost student achievement. Focus on grammar, reading, and writing. Emphasis on integrating technology into the curriculum, and high levels of intellectual exposure.
- b. Parent/Teacher
  - i. Request to be informed about Board Meetings.
  - ii. LACOE/MOU Compliance
  - iii. Supplies Requisition
  - iv. Request for "status" of Pay Structure/Scale
- c. Principals Report
  - i. (Attached)
- d. Director of Operations
  - i. (Attached)
- e. Bali Business Management – Finance
  - i. (Attached)

V **Discussion/Action Items**
Board:
- a. Approval of the October 29, 2011, board minutes. - 5/0 unanimous approval.
- b. Approval of Interim Executive Director to become permanent. - 5/0 unanimous approval.
- c. Approval to embark on the 2010-11 SY Fiscal Audit. - 5/0 unanimous approval.

VI. **Closed Session**
- a. Investigation of the settlement of the previous Executive Director - 5/0 unanimous approval.

VII. **Future Agenda Items**
- a. Fundraising.
- b. Facility Upgrade – HVAC System.
- c. Possible Salary Schedule for Employees.
- d. Hiring additional staff.

VIII. The board meeting of WAYS was officially adjourned at 7:30PM.

Secretary of Board — Date 11-30-11

President of Board — Date 11-30-11

From: Jason Okonkwo
To: Patel_Neha
Cc: edcabil@sbcglobal.net
Subject: Re: WAYS Agenda Due for 11/18 Board Meeting
Date: Wednesday, November 16, 2011 7:07:17 PM

Ms. Patel,

The Board Meeting that was originally scheduled for November 18, 2011, will be rescheduled for a later date.

Thanks,

On Wed, Nov 16, 2011 at 8:40 AM, Patel_Neha <Patel_Neha@lacoe.edu> wrote:

> Mr. Okonkwo,
>
> The agenda for November 18th Board Meeting was due on November 15, 2011. Can you please send us an agenda as soon as possible?
>
> NOTE: *For future meetings, please send me the posted Board agenda 72 hours prior to a regular meeting and 24 hours prior to a special meeting. Audio recording is due within 10 working days of the board meeting and Board approved minutes are due within five calendar days of approval.*
>
> Thanks,
>
> *Neha Patel*
>
> *Assistant Administrative Analyst*
>
> *Charter School Office*
>
> *Los Angeles County Office of Education*
>
> *(562) 922-8806 Phone*
>
> *(562) 922-8805 Fax*

--
Jason Okonkwo
Director of Operations
Wisdom Academy for Young Scientists

706 E. Manchester Ave.
Los Angeles, Ca 90001
Direct: 323.253.8907
Office: 323.752.6655
Fax: 323752.6644
Email: mrjason7@gmail.com

"Learn as if you were to live forever, live as if you were to die tomorrow" -John Wooden

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Board of Directors Meeting
Cheesecake Factory
4142 Via Marina - Marina Del Rey, CA 90292
Wednesday, November 30, 2011
6:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

RECEIVED
DEC 27 2011
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
BOARD OF DIRECTORS MEETING
Thursday, November 30, 2011 6:00 PM

I. The WAYS Governing Board Meeting was held on Wednesday, November 30, 2011 at the Cheesecake Factory in Marina Del Rey, California. Board President, Dorothy Valenti, called this meeting to order at 7:05pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Dorothy Valenti, Norman Golden, Karen Haynes, Cheryl Johnson
Board Members Absent: Jonathan Fields, Armando Espinoza
Others in Attendance: Halilu Haruna, Jason Okonkwo, Edward Cabil, Eleanor Jones, Alake Watson, and Lawrence Wynder, WAYS Teachers

IV. **Oral Communication/Reports**
- a. Executive Director
  - i. Academics: Pleased to announce that after thorough observations, the Innovative WAYS Program will guarantee that WAYS will be one of the leading schools in the nation.
  - ii. Finance: Talks with investors regarding loans to fund expansion and strengthening of our educational program.
  - iii. Fundraising: ESPN Fundraiser will help fund the purchase and implementation of the Reader Rabbit Program
  - iv. Achievement Plan: Innovative WAYS program introduced to help boost student achievement. Focus on grammar, reading, and writing.
    Emphasis on integrating technology into the curriculum, and high levels of intellectual exposure.
- b. Parent/Teacher
  - i. Academics: Introduction and description of strategies and techniques to boost student achievement.
  - ii. Requests: Salary Scale, Technology – Elmo Cameras, Computers, Updated Libraries.
  - iii. Fundraising: Willing to assist in any way.
- c. Principals Report
  - i. Academics: Evidence of learning amongst the students.
  - ii. Concerns: Technology – Acquisition of computers, and equipment to strengthen our technology component.
  - iii. Request: Response to the request made in the November 3, 2011 Board Meeting.
- d. Director of Operations
  - i. NSLP: Reimbursements – September - $28,658.07 , October – $35,313.83
- e. Ball Business Management – Finance
  - i. The school is in superb financial condition.
  - ii. Audit: The audit is proceeding flawlessly. It is due on December 15, 2011. I will present it to the Board for review and approval in the next Board Meeting.

V. **Installation of New Board Officers/Members**

VI. **Discussion/Action Items**
Board:
- a. Fundraising – moved to future Board Meeting
- b. Recruitment and approval of additional Board Members Submission and approval of Wells Fargo Loan Application – Eleanor Jones and Kweli Umojo, New Board Members– Approved 4/0 Decision

VII. **Closed Session**
- a. Updates Regarding Settlement of Previous Executive Director – moved to future Board Meeting
- b. LACOE's request for Capacity Hearing – moved to future Board Meeting

VIII. **Future Agenda Items**
- a. Response to teacher and principals report/request
- b. Submission and Approval of WF Loan Application

IX. The board meeting of WAYS was officially adjourned at 7:30PM.

Secretary of Board 12/15/11 Date

President of Board 12-15-11 Date

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Thursday, December 15, 2011
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

706 E. Manchester Avenue

Los Angeles, CA 90001

BOARD OF DIRECTORS MEETING

Thursday, December 15, 2011 4:00 PM

i. The WAYS Governing Board Meeting was held on Thursday, December 15, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:41pm.

ii. All members and guest stood and saluted the flag.

iii. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Norman Golden, Cheryl Johnson, Eleanor Jones
Board Members Absent: Jonathan Fields, Kweli Umojo, Karen Haynes
Others in Attendance: Halilu Haruna, Jason Okonkwo, Edward Cabil, Alake Watson.

IV. **Additions to the Agenda**
- a. Discussion Response to Letter Date 11/28/11 from LACOE – Closed Session
- b. Discussion Regarding Employee Retro Salary-- Closed Session

V. **Approval of 11/30/11 Minutes** – Approved 5/0

VI. **Oral Communication/Reports**
- a. Executive Director
  - i. Discussion regarding ESPN Fundraising.
  - ii. Discussion regarding future land acquisition and development.
- b. Principals
  - i. WAYS received a donation consisting of instructional materials from Crescendo Charter Schools. – WAYS Board will officially accept the donation from Crescendo in a future Board Meeting.
  - ii. WAYS Board will officially add the approval of the LEA Plan to the agenda in a future Board Meeting.
- c. Director of Operations
- d. Bali Business Management – Finance
  - i. Discussion regarding monthly fiscal reports submitted to LACOE
  - ii. WAYS is superb fiscal health despite the series of State Funding deferrals.
  - iii. Discussion regarding Wells Fargo Line of Credit
    1. WAYS Board considers the official approval of the Line of Credit from Wells Fargo in Future Board Meeting.
- e. Community Representative
  - f. Thankful and supportive to the WAYS Board of Directors and staff for their commitment and service in the community.

VII. **Installation of New Board Officers/Members**

VIII. **Discussion/Action Items**

Board:
- a. Fundraising – moved to future Board Meeting
- b. Submission and Approval of 2010 – 2011 School Year Fiscal Audit – moved to future Board Meeting

IX. **Closed Session**
- **a.** Updates Regarding Settlement of Previous Executive Director – moved to future Board Meeting
- **b.** Discussion and Denial of LACOE's request for Capacity Hearing – Denied 5/0
- **c.** Discussion and Approval of Executive Director Contract – Approved 5/0
- **d.** Discussion and Approval of Custodian Contract – Approved 5/0
- **e.** Discussion about the response to teachers and principals requests made in the 11/3/11 Board Meeting. – Approved 5/0

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 6:32PM.

Secretary of Board 1/20/12 Date

President of Board 1/20/12 Date

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Friday, January 20, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call

			Present/Absent
Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Jonathan Fields	_____/_____
Armando Espinoza	_____/_____	Dorothy Valenti	_____/_____
Eleanor Jones	_____/_____	Kweli Umojo	_____/_____

Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Bali Business Mgmt.	_____/_____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the December 15, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items

VII. Closed Session
1. Real Estate – 100 E 49th Street, Los Angeles, Ca
2. Updates Regarding Settlement of Previous Executive Director
3. Updates Regarding Employee Compensation
4. Release of Employee Contract

VI. Future agenda Items
The Board will consider items for future Board Meeting Agendas

VII. Meeting Adjourned at _____

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
BOARD OF DIRECTORS MEETING
Friday, January 20, 2012 4:00 PM

I. The WAYS Governing Board Meeting was held on Thursday, December 15, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:55pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present**: Dorothy Valenti, Armando Espinoza, Norman Golden, Cheryl Johnson, Eleanor Jones
Board Members Absent: Jonathan Fields, Kwell Umojo, Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Lawrence Wynder.
IV. **Additions to the Agenda**
V. **Approval of 12/15/11 Minutes** – Approved 5/0
VI. **Oral Communication/Reports**
  a. Executive Director
  b. Instructional Coach
  c. Principals
  d. Director of Operations
VII. **Installation of New Board Officers/Members**
VIII. **Discussion/Action Items**
Board:
IX. **Closed Session**
  a. Updates Regarding Settlement of Previous Executive Director – Updates in future Board Meeting
  b. Updates Regarding Employee Compensation – Updates future Board Meeting
  c. Real Estate – 100 E 49th Street, Los Angeles Ca – Updates in future Board Meetings
  d. Release of Employee Contract – Approved 5/0
X. **Future Agenda Items**
  a. Updates Regarding Settlement of Previous Executive Director – Updates in future Board Meeting
  b. Updates Regarding Employee Compensation – Updates future Board Meeting
  c. Updates Regarding Real Estate – 100 E 49th Street, Los Angeles Ca – Updates in future Board Meetings
XI. The board meeting of WAYS was officially adjourned at 6:20PM.

RECEIVED
MAR 07 2012
LACOE
CHARTER SCHOOLS OFFICE

Secretary of Board Date 2/29/12

President of Board Date 2-29-12

From: Edward Cabil
To: Patel_Neha
Subject: Re: SECOND REQUEST: Past Due: Agenda (2/17 mtg - WAYS)
Date: Thursday, February 16, 2012 10:54:24 AM

Apparently, you took the schedule from our site some time ago, for the board meeting schedule was taken down until we could finalize a common date for our new board members. If you visit our site, you will see that the board schedule was taken down a long time ago.

We now have to determine our monthly board meeting according to the availability of our new boar members, for this diverse group of board members is comprised of an actor, who can't say what date he is available weeks in advance, private business owners, and those in school whose class schedules changes from quarter to quarter.

Until further notice, we will set our board meetings according to the announced monthly available days common for all of our members.

Blessings,
Ed Cabil

From: Patel_Neha <Patel_Neha@lacoe.edu>
To: Ed Cabil <edcabil@sbcglobal.net>
Cc: Isenberg_Jan <Isenberg_Jan@lacoe.edu>; Sanchez_Lila <Sanchez_Lila@lacoe.edu>
Sent: Thursday, February 16, 2012 8:34 AM
Subject: SECOND REQUEST: Past Due: Agenda (2/17 mtg - WAYS)

Mr. Cabil,

Please see my e-mail below and respond as soon as possible as it is PAST DUE.

Thank you,
Neha

From: Patel_Neha
Sent: Wednesday, February 15, 2012 8:21 AM
To: Ed Cabil (WAYS)
Cc: Isenberg_Jan; Sanchez_Lila
Subject: Past Due: Agenda (2/17 mtg - WAYS)

Mr. Cabil,

According to the schedule we had received back in September, there is a Board meeting scheduled on 2/17/12.

The agenda is due 72 hours prior to the meeting so it was due yesterday. Please let me know the status. Thank you.

Neha Patel
Assistant Administrative Analyst

Charter School Office
Los Angeles County Office of Education
(562) 922-8806 Phone
(562) 922-8805 Fax

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Wednesday, February 29, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call

			Present/Absent
Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Jonathan Fields	_____/_____
Armando Espinoza	_____/_____	Dorothy Valenti	_____/_____
Eleanor Jones	_____/_____	Kweli Umojo	_____/_____

Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Bali Business Mgmt.	_____/_____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the January 20, 2012, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items
a. Termination of Board Members: Jonathan Fields and Kweli Umojo.
b. Approval of Revised Employee Handbook
c. Approval of 2010-11SY Financial Audit

VII. Closed Session
a. Communication from LACOE
b. Real Estate – 100 E 49th Street, Los Angeles, Ca
c. Updates Regarding Settlement of Previous Executive Director
d. Updates Regarding Employee Compensation
e. Release of Employee Contract

VI. Future agenda Items
The Board will consider items for future Board Meeting Agendas

VII. Meeting Adjourned at _____

RECEIVED
MAY X 4 2012
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Wednesday, February 29, 2012 4:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Wednesday, February 29, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 6:31pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present**: Dorothy Valenti, Armando Espinoza, Eleanor Jones, Cheryl Johnson
Board Members Absent: Jonathan Fields, Karen Haynes, Kweli Umojo, Norman Golden,
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil

IV. **Additions to the Agenda**
   a. Approval of the Revised 2011-12 School Year Budget

V. **Discussion/Action Items**
   a. Revised 2011-12 School Year Budget – Approved
   b. Principal – Written Report Attached, narrated by Jason Okonkwo
   c. Halilu/Bali Business Management – Financial health and concerns. Request to add Revised Budget to Agenda, urgent.
   d. Revised 2011-12 School Year Budget – Approved 4/0 Unanimous.
   e. Termination of Board Members: Jonathan Fields and Kweli Umojo
   f. Approval of Revised Employee Handbook
   g. Approval of 2010-11SY Financial Audits.

VI. **Closed Session**
   a. Communication from LACOE – discussion only.
   b. Real Estate – 100 E 49th Street, Los Angeles, Ca – discussion only.
   c. Updates Regarding Settlement of Previous Executive Director – will be addressed as an action item in future board meeting.
   d. Updates Regarding Employee Compensation – will be addressed as an action item in future board meeting.
   e. Release of Employee Contract – Approved 4/0 Unanimous.

VII. **Oral Communication**

VIII. **Future Agenda Items**
   a. Bali Business Management Proposed Contract

IX. The board meeting of WAYS was officially adjourned at 8:57 PM.

Karen Haynes 4-25-12 Dorothy Valenti 4/25/12

Secretary of Board / Date President of Board / Date

RECEIVED
MAY 04 2012
LACOE
CHARTER SCHOOLS OFFICE

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call**

			Present/Absent
Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Bali Business Mgmt.	_____/_____

II. **Additions to the Agenda (Provisions of Emergency/Urgency)**

III. **Approval of Minutes**
Approval of the February 29, 2012, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. **Reports/Discussion**
- **Executive Director**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. **Oral Communications:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. **Discussion/Action Items**
a. Resolution to Issue Funds to and from WAYS to LACOE
b. Development of protocol for communications flow from parents – Board and Vice Versa
c. Bali Business Management Contract
d. Propose purchase of real estate and expansion
e. 2012-13 School Year Staffing and Growth
f. Resolution to submit material revision of WAYS Charter - to add 6th Grade - to LACOE Board for approval.

VII. **Closed Session**
a. Conference with Legal Counsel: Anticipated Litigation
(significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Future agenda Items**
The Board will consider items for future Board Meeting Agendas

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Wednesday, April 25, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Wednesday, April 25, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Wednesday, April 25, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:35pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Eleanor Jones, Cheryl Johnson, Karen Haynes, Norman Golden
Board Members Absent:
Others In Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil, Alake Watson

IV. **Additions to the Agenda**
   a. Approval of the Revised 2011-12 School Year Budget

V. **Approval of Minutes**
   a. February, 29, 2012 – Approved 6/0 Unanimous

VI. **Reports**
   a. Executive Director – Oral Report, See Attachment
   b. Principal – Oral Report, See Attachment
   c. Director of Operations – Oral Report
   d. Bali Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
   a. Resolution to Issue Funds to and from WAYS and LACOE, discussion by Jason Okonkwo – Approved 6/0 Unanimous
   b. Development of protocol for communication flow from parents and board and vice versa, discussion by WAYS Board of Directors
   c. Bali Business Management Contract - will be addressed as an action item in future board meeting.
   d. Propose purchase of real estate and expansion, discussion by Edward Cabil
   e. 2012-13 School Year Staffing and Growth, discussion by Edward Cabil and Board of Directors
   f. Resolution to submit material revision of WAYS Charter - to add 6th Grade - to LACOE Board for approval – Approved 6/0 Unanimous

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation
      (significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

IX. **Oral Communication**

X. **Future Agenda Items**
   a. Bali Business Management Proposed Contract

XI. The board meeting of WAYS was officially adjourned at 7:43 PM.

Secretary of Board Date

Dorothy Valenti 05/24/12
President of Board Date

Wisdom Academy for Young Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting

Thursday, May 24, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

I. Preliminary Activities
- **a. Call to Order**

b. Pledge of Allegiance

c. Roll Call - Present/Absent

i. Board Members

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Bali Business Mgmt.	_____/_____

d. Approval of the Minutes

i. April 25, 2012

e. Additions to the Agenda (Provisions of Emergency/Urgency)

II. **Communications:**
- **a. Board Members**
- **b. Executive Director**
- **c. Principal**
- **d. Director of Operations**
- **e. Bali Business Management**

III. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Presentations**
- a. Mock Trial Club Demonstration
- b. Doctors Club Demonstration
- c. Science Club Demonstration
- d. Entrepreneurs' Clubs Product Display

V. **Discussion/Action Items**
- a. Discussion on the 2012-13 School Year Budget
- b. Discussion on the LACOE Board action regarding WAYS taken on May 1, 2012.
- c. Bali Business Management Contract

VI. **Closed Session**
- a. Conference with Legal Counsel: Anticipated Litigation
  (significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Recommendations of future agenda items**
The Board will consider items for future Board Meeting Agendas

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CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, May 24, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, May 24, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:00pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present**: Dorothy Valenti, Armando Espinoza, Eleanor Jones, Cheryl Johnson, Karen Haynes, Norman Golden
Board Members Absent:
Others in Attendance: Jason Okonkwo, Halilu Haruna/Ball Business Management, Edward Cabil, Lawrence Wynder, Parents and Teachers of WAYS.
IV. **Additions to the Agenda**
   a. Approval of the MOU between Heal the Bay and WAYS
   b. Approval of WAYS 2012-13 Calendar
V. **Approval of Minutes**
   a. April 25, 2012 – Approved 6/0 Unanimous
VI. **Reports**
   a. Executive Director – Oral Report
   b. Principal – Oral Report, See Attachment
   c. Director of Operations – Oral Report
   d. Ball Business Management – Oral Report, See Attachment
VII. **Discussion/Action Items**
   a. Discussion on the 2012-13 School Year Budget
   b. Discussion on the LACOE Board action regarding WAYS taken on May 1, 2012.
   c. Business Management Contract – Denied 6/0. Halilu to revise. Revision to be addressed as an action item in future board meeting. Directive given for WAYS Staff to solicit bids for Business Management Services. Directive given to staff to solicit RFP for next school year.
   d. Approval of 2012-13 School Year Calendar – Approved 6/0
   e. Approval of MOU between Heal the Bay and WAYS – Denied 6/0, to be addressed as an action item in future board meeting.
VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation
      (significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)
IX. **Oral Communication**
X. **Future Agenda Items**
   a. Ball Business Management Proposed Contract
   b. MOU between Heal the Bay and WAYS
XI. The board meeting of WAYS was officially adjourned at 6:55 PM.

Secretary of Board Date

President of Board Date

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Thursday, June 28, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

WAYS BOARD ROSTER

FY – 2012/2013

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	President	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Karen Haynes	Treasurer	katoant@aol.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Secretary	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Eleanor Jones	Member	eleanor@c-pass.biz	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cherly Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Norman Golden	Member	normanskx@gmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/26/12	08/30/12	09/27/12	10/25/12	11/29/12	1/31/13	02/28/13	03/28/13	04/25/13	03/30/13	06/27/13
Time	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm

*Subject to change.

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 893 of 3489

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Special Board of Directors Meeting
Tuesday, July 31, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

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CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
SPECIAL MEETING OF
BOARD OF DIRECTORS
Tuesday, July 31, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, September 27, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Dorothy Valenti, called this meeting to order at 5:32pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson, Karen Hanyes, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden,
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil, Karen Horowitz

IV. **Additions to the Agenda**
   a. Discussion: Travel Reimbursement for Board Members

V. **Approval of Minutes**
   a. June 28, 2012 – Amended contract period for Bali Business Management Contract to include period "2011-12 - **Approved 5/0**

VI. **Reports**
   a. Board Members – Discussion on changes in staff and new staff
   b. Executive Director – Oral Report
   c. Vice Principal(s) – Oral Report
   d. Director of Operations – Oral Report
   e. Bali Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
   a. Approval of Early Entrance Evaluation for Kindergarten Policy – **Approved 5/0**
   b. Approval of Royal Dining Contract – **Approved 5/0**
   c. Approval of Medina's Proposal for Central Air and Heat System – **Approved 5/0**
   d. Approval of OCI Development 2012-13 FY Property Lease – **Approved 5/0**
   e. Approval of Salvation Army 2012-13 FY Property Lease – **Approved 5/0**
   f. Approval of Amended Executive Director Contract – **Approved 5/0**
   g. Approval of Revised Fiscal Policy – **Approved 5/0**
   h. Approval of Resolution to Purchase/Lease a Vehicle for School Business – **Approved 5/0**
   i. Discussion: Travel Reimbursement for Board Members

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – **No Action Taken**

IX. **Future Agenda Items**
   a. Amended Fiscal Policy
   b. Travel Reimbursement for Board Members

X. The board meeting of WAYS was officially adjourned at 7:17 PM

Secretary of Board — Date 10-26-12 — President of Board — Date 10-20-12

From:	Edward Cabil
To:	dorothy onwuegbusi; Karen Haynes; armando.espinoza.10@my.csun.edu; Cheryl Johnson; normanskx@gmail.com; Eleanor Jones
Cc:	Jason Okonkwo; Deara Okonkwo; Karen Horowitz; Bali Business Management; Patel, Neha; larry.wisdomacademy@gmail.com
Subject:	Cancellation Of Today"s Board Meeting
Date:	Wednesday, September 05, 2012 1:40:01 PM

Please be advised that due to a sudden family death, an illness, and an auto incident, we will not have a quorum for today's board meeting; therefore, we will have our next board meeting as regularly scheduled for September 27, 2012.

Thanks for your kind understanding and cooperation.

Blessings,
Ed Cabil

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Wednesday, September 5, 2012
4:00 PM

I. **Instructions for Presentations to the Board by Members of the Community**

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **July 31, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**

a. **Board Members**
b. **Executive Director**
c. **Vice Principals**
d. **Director of Operations**
e. **Bali Business Management**

III. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Presentations**

V. **Discussion/Action Items**

a. Action: Amended Executive Director Contract
b. Discussion: Board Retreat
c. Discussion: Travel Reimbursement/Stipend for Board Members

VI. **Closed Session**

a. Conference with Legal Counsel: Anticipated Litigation
(significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Thursday, September 27, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

RECEIVED
DEC 14 2012
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, September 27, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, September 27, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 4:34pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson
Board Members Present at Teleconference Location: Karen Hanyes, Dorothy Valenti
Board Members Absent: Armando Espinoza, Norman Golden,
Others in Attendance: Jason Okonkwo, ~~Halilu Haruna/Bali Business Management,~~ Edward Cabil, Deara Okonkwo, Karen Horowitz

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. July 31, 2012 – Moved to next board meeting.

VI. **Reports**
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report
   d. ~~Bali Business Management – Oral Report, See Attachment –~~

VII. **Discussion/Action Items**
   a. Action: Amended Executive Director Contract – **Approved 4/0**
   b. Discussion: Board Retreat – Mrs. Jones will coordinate the Board Retreat and provide updates at next Board Meeting.
   c. Discussion: Travel Reimbursement/Stipend for Board Members – Board Members may submit travel reimbursement for Board activities including Board Meetings.

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – **No Action Taken**
   b. Real Property Negotiation: CONFERENCE WITH REAL PROPERTY NEGOTIATOR (pursuant to Gov. Code § 54956.8) – **No Action Taken**

IX. **Oral Communication**
   a. **None**

X. **Future Agenda Items**
   a. Amended Fiscal Policy

XI. The board meeting of WAYS was officially adjourned at 5:48 PM.

Secretary of Board — Date 10-26-12

President of Board — Date 10-26-12

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Friday, October 26, 2012
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, October 26, 2012 3:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Friday, October 26, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 3:55pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Norman Golden
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, Karen Horowitz, Larry Moore, Hallilu Haruna

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. July 31, 2012 – Approved 5/0
   b. September 27, 2012 – Approved 5/0

VI. **Reports**
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report

VII. **Discussion/Action Items**
   a. Action: Amended Fiscal Policy – Moved to Next Board Meeting
   b. Discussion: Board Retreat – Mrs. Jones will coordinate the Board Retreat and provide updates at next Board Meeting.
   c. Discussion: Prospective Board Members – Prospective Board Members will be recruited and invited to join the Board.

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – In close session the Board considered a claim made against WAYS that presented significant exposure to litigation. With consultation with our legal counsel, the Board authorized the Executive Director to make a settlement offer to the claimant. Action Taken, See Board Resolution attached. – Approved 5/0

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Amended Fiscal Policy

XI. The board meeting of WAYS was officially adjourned at 5:32 PM

Eleanor A. Jones 31 Jan 13 — Secretary of Board — Date
Dorothy Valenti 1-31-13 — President of Board — Date

From: Jason
To: eleanor@c-pass.biz
Cc: Norman g; Johnson, Cheryl; ktoant@aol.com; dvalenti747@yahoo.com; Espinoza, Armando; eleanor@c-pass.biz; edcabil@sbcglobal.net; Deara Okonkwo; Karen Horowitz; Patel_Neha
Subject: Re: : Board Meeting
Date: Friday, November 30, 2012 11:52:43 AM

Hello All,

Hi Jeannie! I hope that all is well. Due to weather and illness, the board meeting scheduled for today will be postponed until further notice. Thank you -Jason

Jason Okonkwo
Director of Operations
Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, Ca 90001
Direct: 323.253.8907
Office: 323.752.6655
Fax: 323752.6644
Email: mrjason7@gmail.com

-----Original Message-----

From: Jason Okonkwo [mailto:mrjason7@gmail.com]

Sent: Wednesday, November 28, 2012 03:03 AM

To: 'Norman g', 'Johnson , Cheryl', ktoant@aol.com, dvalenti747@yahoo.com,

'Espinoza, Armando', eleanor@c-pass.biz, edcabil@sbcglobal.net, 'Deara Okonkwo',

'Karen Horowitz'

Cc: 'Patel_Neha'

Subject: Fwd: Board Meeting

Ladies and Gents

Please see the Board Meeting Agenda for the upcoming meeting on Friday,

November 30, 2012 attached. Please confirm your attendance by responding to

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Friday, November 30, 2012
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **October 26, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**

a. **Board Members**
b. **Executive Director**
c. **Vice Principals**
d. **Director of Operations**
e. **Bali Business Management**

III. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Discussion/Action Items**

a. Action: Amended Fiscal Policy
b. Action: 2011-12 Unaudited Actual Report – Fiscal Audit
c. Discussion: Board Activities

V. **Closed Session**

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

From: Edward Cabil
To: dorothy onwuegbusi; Karen Haynes; armando.espinoza.10@my.csun.edu; Cheryl Johnson; normanskx@gmail.com; Eleanor Jones
Cc: Patel, Neha; Bali Business Management; Jason Okonkwo; Deara Okonkwo; Karen Horowitz
Subject: WAYS" 12-11-12 Special Board Meeting Cancelled Due To Lack Of Quorum
Date: Tuesday, December 11, 2012 11:25:12 PM

Due to a lack of members to meet the required quorum, the special called board meeting scheduled for today had to be cancelled.

Blessings,
Ed Cabil

Wisdom Academy for Young Scientists

Notice of Special Board of Directors Meeting

Tuesday, December 11, 2012
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

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Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **October 26, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Discussion/Action Items**

a. Action: Amended Fiscal Policy
b. Action: 2011-12 Unaudited Actual Report – Financial Audit
c. Discussion: Board Activities

IV. **Closed Session**

a. Conference with Legal Counsel: Anticipated Litigation
(Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Thursday, January 31, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **October 26, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Discussion/Action Items**

a. Action: Amended Fiscal Policy
b. Action: 2011-12 Financial Audit Report
c. Discussion: Board Activities
d. Action: Donations Ella Fitzgerald Foundation – Field Trip Expenses; Heal the Bay - $350; Rotary Club of Korea Town - $250, Palos Verdes Peninsula - $500, and Malibu - $1600.
e. Action: LACOE Contract #C-13029

IV. **Closed Session**

a. Public Employee Release (pursuant to Gov. Code § 54957, subd. (b))(no additional information is required)
b. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price.

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

RECEIVED
MAR 27 2013
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, January 31, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, January 31, 2013 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 4:17pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Norman Golden
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, Karen Horowitz, Larry Moore, Halilu Haruna

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. October 26, 2012 – Approved 5/0

VI. **Reports**
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report (see handout attached)
   c. Director of Operations – Oral Report
   d. Ball Business Management – Oral Report (see handout attached)

VII. **Discussion/Action Items**
   a. Action: Amended Fiscal Policy – Approved 5/0
   b. 2011-12 Financial Audit Report – Approved 5/0
   c. Discussion: Board Activities – The Board will postpone retreat for now and pursue other avenues to attain training.
   d. Donations Ella Fitzgerald Foundation – Field Trip Expenses; Heal the Bay - $350; Rotary Club of Korea Town - $250, Palos Verdes Peninsula - $500, and Malibu - $1600. – Approved 5/0
   e. LACOE Contract #C-13029 – Approved 5/0

VIII. **Closed Session**
   a. Public Employee Release (pursuant to Gov. Code § 54957, subd. (b))(no additional information is required) – Approved 5/0
   b. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action

IX. **Oral Communication**
   a. **None**

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 6:27pm.

Secretary of Board 3/22/13 Date

Eleanor H. Jones 3/22/13
President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Thursday, February 28, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **January 31, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Discussion/Action Items**

a. Discussion: Heal the Bay – Community Park Project
b. Discussion: 2011-12 Financial Audit Report

IV. **Closed Session**

a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price.

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

RECEIVED
MAR 27 2013
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, February 28, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, February 28 , 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **4:21**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Armando Espinoza, Norman Golden, Dorothy Valenti
Board Members Absent: Karen Haynes
Others In Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Halilu Haruna/Bali Business, Samyr Codlo/Clem Payne Jr., CPA, Stephen Mejia/Heal the Bay
IV. Additions to the Agenda
V. Approval of Minutes
    a. January 31, 2013 – Approved 5/0 (with corrections)
VI. Reports
    a. Executive Director – Oral Report
    b. Vice Principal(s) – Oral Report
    c. Director of Operations – Oral Report
    d. Bali Business Management – Oral Report (see handout attached)
VII. Discussion/Action Items
    a. Discussion: Heal The Bay – Community Park Project (see handout attached)
    b. Discussion: 2011-12 Financial Audit Report (see handout attached)
    c. Discussion: Communication between LACOE and WAYS
VIII. Closed Session
    a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
    a. None
X. Future Agenda Items

XI. The board meeting of WAYS was officially adjourned at **6:26**pm.

3/22/13
Secretary of Board Date

Eleanor H Jones · 3/22/13
President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Friday, March 22, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

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Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Friday, March 22, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Friday, March 22, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **4:52**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Halilu Haruna/Bali Business, Mrs. Teresa Golden
IV. Additions to the Agenda
V. Approval of Minutes
    a. January 31, 2013 – Approved 4/0
    b. February 28, 2013 – Approved 4/0
VI. Reports
    a. Executive Director – Oral Report
    b. Vice Principal(s) – Oral Report
    c. Director of Operations – Oral Report
    d. Bali Business Management – Oral Report (see handout attached)
VII. Discussion/Action Items
    a. Action: Employment of Total Educational Solution – Special Education Services
    b. Action: Charter Revision to reflect the employment of an Resource Specialist (RSP) Teacher
    c. Discussion: WAYS Documentary
    d. Discussion: Resubmission of 6th Grade expansion – WAYS Charter
VIII. Closed Session
    a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
    a. None
X. Future Agenda Items
    a. Board Sponsored Fundraising

XI. The board meeting of WAYS was officially adjourned at **6:29**pm.

Secretary of Board Date

President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Thursday, April 25, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

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Meeting Location:
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Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, April 25, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, April 25, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **3:45**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Alan Friedenberg
IV. Additions to the Agenda
V. Approval of Minutes
    a. March 25, 2013 – Approved 4/0
VI. Reports
    a. Executive Director – See Handouts
    b. Vice Principal(s) – See Handouts
    c. Director of Operations – See Handouts
VII. Discussion/Action Items
    a. Action: WAYS 2013-14 School Year Calendar
    b. Discussion: Charter Revision to reflect LACOE MOU F and G requirements
VIII. Closed Session
    a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
    a. None
X. Future Agenda Items
    a. Board Sponsored Fundraising
    b. Possible New Executive Director

XI. The board meeting of WAYS was officially adjourned at **4:33**pm.

Secretary of Board Date

President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Thursday, June 6, 2013
5:00 PM

I. Instructions for Presentations to the Board by Members of the Community

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, June 6, 2013 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, June 6, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **6:33**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil
IV. Additions to the Agenda
V. Approval of Minutes
   a. April 25, 2013 – Approved 5/0
VI. Reports
   a. Executive Director – Oral Report
   b. Vice Principal(s) – See Handouts
   c. Director of Operations – Oral Report
   d. Ball Business Management – Oral Report/See Handouts
VII. Discussion/Action Items
   a. Discussion: Board Sponsored Fundraising – Mrs. Jones
   b. Action: Teacher Performance Based Stipends 2012-13 FY – Mr. Cabil – Approved 5/0
   c. Discussion: LACOE Letter Dated May 2, 2013 Re: Board Meetings – Mr. Cabil
   d. Discussion: LACOE Letter Dated May 17, 2013 Re: FCMAT Audit – Mr. Cabil
   e. Discussion: Board Roster and Calendar 2013-14 FY – Mr. Okonkwo
   f. Action: Food Service 2013-14 SY - Revolution Foods Proposal – Mr. Cabil – Approved 5/0
   g. Discussion: WAYS Budget 2013-14 FY – Ball Business Management
   h. Discussion: Certificated Teacher Salary Table 2013-14 FY – Mr. Okonkwo
   i. Discussion: School Site Classroom Size – Mr. Cabil, Mr. Okonkwo
   j. Action: Memorandum of Understanding between Kedren Community Pre-School Centers and WAYS – Mr. Cabil, Mr. Okonkwo -
VIII. Closed Session

IX. Oral Communication
   a. None

X. Future Agenda Items

XI. The board meeting of WAYS was officially adjourned at **7:38**pm.

Secretary of Board Date

Carol Wallace 9/26/2013
President of Board Date

minutes?

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, June 6, 2013 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, June 6, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **6:33**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa
Board Members Absent: Karen Haynes
Others In Attendance: Jason Okonkwo, Edward Cabil
IV. Additions to the Agenda
V. Approval of Minutes
    a. April 25, 2013 – Approved 5/0
VI. Reports
    a. Executive Director – Oral Report
    b. Vice Principal(s) – See Handouts not here
    c. Director of Operations – Oral Report
    d. Bali Business Management – Oral Report/See Handouts
VII. Discussion/Action Items
    a. Discussion: Board Sponsored Fundraising – Mrs. Jones
    b. Action: Teacher Performance Based Stipends 2012-13 FY – Mr. Cabil – Approved 5/0
    c. Discussion: LACOE Letter Dated May 2, 2013 Re: Board Meetings – Mr. Cabil
    d. Discussion: LACOE Letter Dated May 17, 2013 Re: FCMAT Audit – Mr. Cabil
    e. Discussion: Board Roster and Calendar 2013-14 FY – Mr. Okonkwo
    f. Action: Food Service 2013-14 SY - Revolution Foods Proposal – Mr. Cabil – Approved 5/0
    g. Discussion: WAYS Budget 2013-14 FY – Bali Business Management
    h. Discussion: Certificated Teacher Salary Table 2013-14 FY – Mr. Okonkwo
    i. Discussion: School Site Classroom Size – Mr. Cabil, Mr. Okonkwo
    j. Action: Memorandum of Understanding between Kedren Community Pre-School Centers and WAYS – Mr. Cabil, Mr. Okonkwo - missing
VIII. Closed Session

IX. Oral Communication
    a. None

X. Future Agenda Items

XI. The board meeting of WAYS was officially adjourned at **7:38**pm.

Secretary of Board Date President of Board Date

Wisdom Academy for Young Scientists
Board Meeting
June 6, 2013
Vice-Principals Report

1. **Highlights** - *Events that occurred over the last month of school!*

- Kindergarten and 5th Grade Graduations were a blast!
- Congratulations to our teachers of the Year, Ms. Bahena (1st grade) & Mrs. Croddy (5th grade)
- WAYS celebrated parent volunteers with a special luncheon at both campuses.
- The book fair was up at both sites and several books were purchased by parents.
- Students enjoyed Teacher Mix Up at Teacher mix-up-day. Some students even got personal letters letting them know what was in store for them in the next grade.
- Our School Site Council met and agreed on the budget for our science curriculum for next year.
- Archer school for girls high school in Brentwood spent an afternoon with our after school program at Manchester. The girls brought with them over 1,000 books as a result of their community service project. They stayed to read and eat pizza with WAYS students. Teachers and students were able to take books home for summer reading.
- WAYS students saw the fabulous musical Edutainer Part 2.
- Our true scientists showed us how much they have learned this year in the final science fair.
- Our campuses welcomed guests to talk to students about their careers. Students saw military personnel, journalists, a lawyer, a policeman, a filmmaker and an entrepreneur. Students asked great questions and got a chance to think about what they might be able to do in the future.
- The fifth graders went to their formal ball at the Scientology Center. It was fantastic to see what beautiful princesses and noble men we have seen blossom at our school.
- Ms. Gomez's third grade class had their book publishing party. It was a lot of fun and parents joined in to celebrate. The children sang and a few students gave a speech about fulfilling their dreams of becoming authors.
- The LA Times visited WAYS Manchester campus on the last day of school
- Ms. Gomez's third grade class received a letter from the First Lady of the United States, congratulating them on their efforts in publishing a book!
- Teacher were given one on one time for a personal evaluation and overview of the year
- The teachers celebrated the end of the year with a nice taco dinner.
- Teachers spent time carefully organizing the classes for next year for balance and effective learning
- Deara and Mrs Horowitz attended a two day conference on English Learners and the Common Core

2. **LACOE Site Visit Debriefing**

- June 4, 2013
- Led by Joaquin Hernandez & Judy Higelin
- A copy of observations is attached.

3. **Attendance**

- Average 94.81%; target is 95% or higher

4. **Upcoming Events**

- Considering new textbook adoption
- Curriculum Meeting, Wonders - McGraw Hill, June 26th
    - Please attend if interested.

5. **At-a-Glance**

- Staff Professional Development: July 22 - 26, 2013
- Student-Parent Orientation: July 29 - August 2, 2013
- First Day of Instruction: Tuesday, August 13, 2013
- Preliminary Master Calendar attached.
    - Your input is appreciated.

- Career Day, May 16th
- 5th Grade Formal Ball, May 17th
- The Edutainer, Thursday, May 23rd
- Earth Science Fair, May 24th @ 1:30pm
- Graduation, May 31st

Wisdom Academy for Young Scientists
Board Meeting
January 31, 2013
Vice-Principals Report

13. **ASES - After School**
- Deara is leading this.
- Review will occur on Wednesday, February 6th.

14. **WASC - Accreditation**
- Deara will lead this and other admin will assist.
- Self-study visit will be next school year.
- Admin will attend Pt. II training in March.

15. **SARC-Accountability Report**
- Karen led this and other admin assisted.
- Due today, Thursday, January 31st 2013

16. **CST**
- March 5th and 6th: 4th Grade Writing Exam
- April 29th - May 13th: 2nd - 5th ELA and Math
- Teachers and students have been preparing vigorously.
- Benchmark Data shows evidence of high student achievement across all grade levels.

17. **Attendance**
- Average 90%; target is 95% or higher

18. **Safety**
- We have increased our measures of safety in light of most recent tragedy in school.
- Mr. Jason is working to hire Campus Security.

19. **Challenges**
- Safety (teacher concerns)
  - Solution: enforced security
- Attendance (admin concerns)
  - Solution: Parent conferences
- Bullying (parent concerns)
  - Solution: February friendship month
- Classroom management (parent concerns)

20. **Upcoming Events**
- Literacy Fun Night, February 6th, 2013 @ 5pm
- Teacher evaluations, Week of February 19th - March 1st
- Science Fair, February 15th @ 1:30pm
- Black History Month Program, February 28th @ 1:30pm

- School Site Council, February 20th @ 2pm
    - Karen did parenting class on positive discipline in January

At-a-glance

- Ball, Saturday, April 13th @ 6pm
- The Edutainer, Friday, April 19th & April 20th

WAYS BOARD ROSTER
2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	Member	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Adriane Cook	Member	aecook@lasd.org	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Interim Chair/Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Maria Garcia	Member	cmcmarycg@hotmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cheryl Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/12	1/30/14	02/27/14	03/27/14	04/25/13	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:30pm	5:30pm	5:30pm

*Subject to change. Updated 3/13/14

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 926 of 3489

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting (Revised)

Friday, July 26, 2013
4:30 PM - 5:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:

Radisson Hotel – LAX 6225 West Century Blvd. Los Angeles, CA 90045

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Regular Board Meeting
Friday, July 26, 2013
4:30 PM to 5:30 PM

(Posted July 23, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____

IV. **Approval of the Board Meeting Minutes for June 26, 2013**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **New Business**

a. New Board Member Installations – Action Item
b. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – Action Item
c. Adoption of Certificated Teacher Salary Table for School Year 2013-14 – Action Item
d. Adoption of Textbooks for School Year 2013-14 – Action Item

II. **Public Comments on** Non-Agenda items

Individuals who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

III. **Recommendations For Future Agenda Items**

The Board will consider items for future Board Meeting Agendas

IV. **Recess To Board and Staff Retreat**

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Friday, July 26, 2013 4:30 PM - 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Friday, July 26, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Dr. Dortothy Valenti**, called this meeting to order at **6:06**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present . Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa
IV. Additions to the Agenda
    a. Board Members Oath of Allegiance
V. Approval of Minutes
    a. June 6, 2013 – Tabled until next Board Meeting
VI. Reports
    a. Bali Business Management – Oral Report/See Handouts
VII. Discussion/Action Items
    a. New Board Member Installations – **Approved 5/0**
    b. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – **Discussion/Tabled until next Board Meeting**
    c. Adoption of Certificated Teacher Salary Table for School Year 2013-14 – **Discussion/Tabled until next Board Meeting**
    d. Adoption of Textbooks for School Year 2013-14 – **Approved 7/0**
    e. Board Members Oath of Allegiance
VIII. Closed Session

IX. Public Communication
    a. None

X. Future Agenda Items
    a. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – Action
    b. Adoption of Certificated Teacher Salary Table for School Year 2013-14 - Action

XI. The board meeting of WAYS was officially adjourned at **7:48**pm.

Secretary of Board Date

Carol Williams 9/26/2013
President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting

Friday, August 9, 2013
4:00 PM – 5:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting and Teleconference Location:

706 East Manchester Ave. Los Angeles, Ca 90001

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Regular Board Meeting
Friday, August 9, 2013
4:00 PM to 5:00 PM

(Posted August 8, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____
6. Carol Lee Tolbert _____/_____
7. Saundra Davis _____/_____
8. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes for June 6, 2013**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **New Business**

a. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – Action Item
b. Adoption of Certificated Teacher Salary Table for School Year 2013-14 – Action Item
c. Discussion regarding lease and matters with The Salvation Army.

II. **Public Comments on** Non-Agenda items

Individuals who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

III. **Recommendations For Future Agenda Items**

The Board will consider items for future Board Meeting Agendas

Higelin_Judy

From: Jason Okonkwo <mrjason7@gmail.com>
Sent: Wednesday, August 28, 2013 1:36 PM
To: Patel_Neha
Cc: Ed Cabil (WAYS) (edcabil@sbcglobal.net); Higelin_Judy; Sanchez_Lila
Subject: Re: WAYS Audio Due (8/9 mtg)

Hi Neha,

There was no quorum of board officials at the meeting location on August 9th Board Meeting so no meeting was held.

Thanks,

Jason

On Tue, Aug 27, 2013 at 8:58 AM, Patel_Neha <Patel_Neha@lacoe.edu> wrote:

Jason,

I have not received an audio recording for the August 9th Board meeting of WAYS. Please let me know the status by 4 PM today, August 27, 2013.

Thank you,

Neha Patel

Charter School Office

Los Angeles County Office of Education

(562) 922-8806

--
Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, August 29, 2013
706 East Manchester Avenue – L.A. CA 9001
5:00 PM – 6:00 P.M.

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Regular Board Meeting
Thursday, August 29, 2013
5:00 PM to 6:00 PM

(Posted August 23, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dr. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____
6. Hon. Saundra Davis _____/_____
7. Hon. Carol Lee Tolbert _____/_____
8. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes for June 6, 2013 & July 26, 2013**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **New Business**
a. Wisdom Academy for Young Scientists' Budget for 2013-14 Fiscal Year – Action Item
b. Certificated Teacher Salary Table for School Year 2013-14 Fiscal Year – Action Item
c. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave. & 8778 South Central Ave. Los Angeles, CA Negotiator – Mr. Edward Cabil – Action Item
d. Commercial Property Lease 2013-12 Fiscal Year – 7651 South Central Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
f. Updates Regarding LACOE initiated FCMAT Audit – Discussion Item
g. Election of Officers
h. Formation of the Board's Finance & Development Committee

VIII. **Recommendations**
a. Approval of the Wisdom Academy for Young Scientists' Budget for 2013-14
b. Approval of the Certificated Teacher Salary Table for School Year 2013-14
c. Approval of the Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca.
d. Approval of the Commercial Property Lease 2013-12 Fiscal Year – 7651 South Central Ave Los Angeles, Ca.
e. Approval of the 2013-14 Executive Director Contract

IX. **Recommendations For Future Agenda Items**

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, August 29, 2013 5:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, August 29, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Dr. Dortothy Valenti,** called this meeting to order at **5:31**pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa, Carol Tolbert, Kimberly Daniels, Saundra Davis

IV. Additions to the Agenda

V. Approval of Minutes
   a. June 6, 2013 – A motion to approve by Eleanor Jones, second by Saundra Davis, a vote was taken. Approved 7/0
   b. June 26, 2013 – A motion to approve by Carol Tolbert, second by Norman Golden, a vote was taken. Approved 7/0

VI. Reports
   a. Bali Business Management – Oral Report/See Handouts
   b. Principals Report – Oral Report/See Handouts

VII. Discussion/Action Items
   a. Wisdom Academy for Young Scientists' Budget for 2013-14 Fiscal Year – A motion to approve by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0 (Bali Business management to explain line item _____)
   b. Certificated Teacher Salary Table for 2013-14 Fiscal Year – A motion to approve by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
   c. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. - A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
   d. Commercial Property Lease 2012-13 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0

Secretary of Board — Date 2-3-14 — President of Board (Vice-Chair) — Date 2-3-14

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
(FOR PUBLIC DISSEMINATION)
September 26, 2013 BOARD MEETING MINUTES

Meeting Location:
706 E. Manchester Ave.
Los Angeles, CA 90001

OPEN SESSION

I. **Meeting Called to order at 5:16PM by Board President Tolbert**

II. **BOARD MEETING ROLL CALL**

- C. Tolbert - 5:16pm, *present*
- D. Valenti - *absent*
- K. Daniels - 5:16pm, *present*
- S. Davis - 5:16pm , *present*
- A. Espinoza - 5:51pm, *present*
- N. Golden - 5:16pm, *present*
- C. Johnson - 5:45pm, *present*
- E. Jones - 5:16pm, *present*

III. **Pledge of Allegiance**

IV. Approval of board meeting minutes for August 29, 2013
- *August minutes unavailable. Item will be moved to October meeting*

V. **Consent Agenda Items**
- *None*

Item 13092609: Election of governing board officers for the 2013-2014 School Year

Item 13092609(a): Per article 7 section 3 of the bylaws, election of board leadership should be done according to protocol per Jones. Board Member Jones noted that the Office of 'Vice President' was not contained within the Bylaws **Motion to amend the bylaws made by Saundra Davis (amend the bylaws and restructure)- Davis noted the bylaws should be formatted to meet the needs of a charter school****Amendment to the motion made by Jones: make the amendment to the bylaws retroactive to allow the prior elections to stand. - Unanimous decision to amend the bylaws.

Item 13092609(b): Election of secretary or clerk - this will be pulled and moved to later meeting (moved to October meeting)

***Davis moved to table item to a working session; seconded by Jones; approved unanimously

13092609(c): Repeat of above - ***Motion to table this to a working session: approved unanimously

BYLAWS MEETING - a special meeting will be scheduled to amend and revise bylaws as motioned by S. Davis. President Tolbert stated that the CONFLICTS OF INTEREST AND CODE OF CONDUCT ISSUES could be included.

130926010: Formation of the Financial Budget Committee - we can have up to 4 members on this committee and President Tolbert will be providing details on what the responsibilities of the committee are - Motion to accept formation; approved unanimously

13092611: Certificated Teacher's Salary Table (clarification) - This will allow for a clean up of the current document as the current document needs some clarification. The document needs to highlight the relevant school year and identify the name of the school - no votes needed - not an action item

13092612: FPPC Update - Mr. Cabil absent due to illness; Tolbert motioned to table to next meeting; Seconded by Davis; approved unanimously

13092613: FCMAT Update - Mr. Cabil is absent - Tabled to next meeting; approved unanimously

VI. NEW BUSINESS

13092614: Formation of teaching and learning committee - Davis moved to approve this item; Daniels seconded; approved unanimously.

13092615: E &O Insurance - Mr. Cabil is absent - Motion to table by Tolbert; Davis seconded; approved unanimously.

13092616: Monthly budget update by Bali Business Management Unable to address this item at this time as presenter has not yet arrived. (President Tolbert learned that contractor was incorrectly informed by staff that the meeting was over when it was not. Subsequently contractor did not attend.)

13092617: **Update on Conflict of Interest** – Board discussion; Form 700 and the Conflict of Interest Statement - Should staff have conflict of interest training? Should staff have to sign a code of conduct so that there is no appearance of an existing conflict of interest? - This will be revisited as an action item - November meeting.

13092618: Organizational Chart - Tabled to the next board meeting because Executive Director Cabil was out ill; Tolbert moved to table item to October meeting; Seconded by Golden; approved unanimously.

13092619: Charter School Petition Consultation - Tabled to the next board meeting because Executive Director Cabil was out ill - Moved to October meeting; approved unanimously.

13092620: Change of Vehicle classification - Motion to change by Davis; Seconded by Daniels; approved unanimously.

REPORTS OR COMMENTS FROM THE BOARD PRIOR TO THE CLOSED SESSION

First Annual Board Reception - Board members Jones, Golden, Tolbert and Daniels gave positive reviews about the Reception. President Tolbert distributed index cards to parents and staff for comments. Comments will be shared with staff.

AUDIENCE INVITATION TO ADDRESS THE BOARD PRIOR TO CLOSE SESSION

There were no comments from the audience.

Meeting Convened To Closed Session at: 6:03PM

CLOSED SESSION

A Conflict of Interest/Code of Conduct should be considered that will better safeguard the staff and board unnecessary exposure or risk.

13092601: Lease Agreement with the Salvation Army - Espinoza recommended we entertain the idea of seeking out a location to purchase (this may be addressed by the development committee per Tolbert)

- Recommendation by Tolbert that Board Member Espinoza be on this exploratory committee.

Item 13092602: 2013-14 Lease Agreement for the school site located at 706 East Manchester Avenue, Los Angeles, CA - Lease Agreement will be tabled to November. Lease Agreement unavailable for review.

Item 13092603: 2013-14 Lease Agreement for the school site located at 8778 South Central Avenue, Los Angeles, CA - Lease Agreement will be tabled to November. Agreement unavailable for review.

The personnel items listed below were for the purposes of review, discussion and possible action:

Item 13092604: *Executive Director Contract* - No contact available; Tabled to October meeting.
Item 13092605: *Director of Operations* - No contact available; Tabled to October meeting.
Item 13092606: *Principal* - No contact available; Tabled to October meeting.
Item 13092607: *Vice-Principal* - No contact available; Tabled to October meeting.
Item 13092608: *Administrative Assistant* - No contact available; Tabled to October meeting.

RECONVENED TO OPEN SESSION AT 6:19PM

Report of Actions Taken in Closed Session:

13092601: Approval of Salvation Army Lease

a. (Reviewed for late board members) Reporting that we approved the lease agreement for the Salvation Army
b. (Reviewed for late board members) Finance and Budget Committee - advised late arrivals that this passed
c. (Reviewed for late board members) Teaching committee - advise late arrivals that this was approved

13092621: Board Member Recommendations for Future Agenda Items -

1. Per Jones - Parents concern with air conditioning and indoor location for children on cold mornings - there is nothing that can be done about this at this time per Jason Okonkwo. Board will find an amicable way to address this issue with concerned parents
2. Board meetings at different locations requested by a parent; roving meetings may be something we should consider going forward.
3. Board meeting minutes requiring signature per Jason Okonkwo. Tolbert and Valenti will address signing issues
4. Recommendation by Tolbert to provide certificates for teachers as well as other ways to incorporate teacher recognition
5. Recommendation by Tolbert to make sure the parents know when the board meetings are. The goal is to be more available to parents
6. One board member slot is available for one parent - parents have been notified to submit applications if interested per Jones
7. Parent involvement - parent involvement plan
8. Principal reports and Vice Principal reports
9. The Single Plan for Student Achievement should be presented to the Board
10. Board members are requesting more trainings for itself, staff and parents
11. The illumination for conducting Special meeting per section 3d above. What are the criteria?
12. Board members are interested in varying positions and roles within the board such as that of Recorder

MEETING ADJOURNED at 6:40PM. Moved by: Board Member Davis. Seconded by: Board Member Daniels.

Future item - Mrs. Jones has submitted her resignation (letter) to Mrs. Tolbert and we will address the resignation at the next meeting. This item was not recorded as it was raised after the meeting was adjourned.

Minutes Approved With/Without Corrections On: _____

(Minutes taken by Board Member Daniels and Prepared for distribution by President Tolbert.)

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, October 9, 2013
6:30 PM – 7:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."
3. "Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.
4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.
5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.
6. Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Special Board Meeting
Wednesday, October 9, 2013
6:30 PM to 7:00 PM

(Posted October 8, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____
6. Hon. Saudra Davis _____/_____
7. Hon. Carol Tolbert _____/_____
8. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes for August 29, 2013**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. ANTICIPATED LITIGATION—One potential item (pursuant to Gov. Code § 54956.9(d)(2).)
b. Public Employee Dismissal/Release 1 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item
c. Public Employee Dismissal/Release 2 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item
d. Public Employee Performance Evaluation/Employment Title: Executive Director

VIII. **Open Session**
a. Acceptance of Board Member resignation and release of membership – Action Item
b. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item

VIII. **Recommendations**
a. Approval of the Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca.
b. Approval of the 2013-14 Executive Director Contract
c. Approval to accept the Board Member resignation.

IX. **Recommendations For Future Agenda Items**

X. **Meeting Adjourned**

From: Jason Okonkwo
To: Patel_Neha
Subject: Re: Wisdom Academy"s Audio Recordings
Date: Wednesday, October 23, 2013 11:28:19 AM

Neha,

There was no quorum on October 9th 2013, therefore the meeting was canceled.

Thanks,

Jason

On Wed, Oct 23, 2013 at 9:08 AM, Patel_Neha <Patel_Neha@lacoe.edu> wrote:

> Jason,
>
> I received a CD yesterday in the mail for September 26th Board meeting. That audio was already emailed to us by Mr. Cabil (in 4 parts). The audio recording that is **due today is for the October 9th meeting**. Please let me know when can we expect that audio.
>
> Thank you,
>
> Neha Patel
>
> **From:** Jason Okonkwo [mailto:mrjason7@gmail.com]
> **Sent:** Friday, October 18, 2013 2:43 PM
> **To:** Patel_Neha
> **Subject:** Re: Wisdom Academy's Audio Recordings
>
> The disc was returned to us today. It seems like the package was damaged by a liquid substance. I am resending the audio recording to you today. Please confirm receipt.
>
> On Fri, Oct 11, 2013 at 4:11 PM, Higelin_Judy <Higelin_Judy@lacoe.edu> wrote:
>
> Mr. Cabil,
>
> The files were so large they filled our email capacity and may have been returned to you for that reason. Please work with Neha to determine what we got/did not get.

Our email capacity is not intended for large audio files; it would be helpful if you could save them to a secure website and give us access to retrieve from there. Please work with Neha on this, too. I believe you can use the LACOE secure website for this, but again, check with Neha to make that determination.

Thank you,

Judy

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Friday, October 11, 2013 3:53 PM
To: Patel_Neha; Sanchez_Lila
Cc: Carol Tolbert; Karen Horowitz; Jason Okonkwo; Higelin_Judy
Subject: Wisdom Academy's Audio Recordings

Unfortunately, the audio recordings of the last last board meeting were returned by Yahoo mail with failure notices. Mr. Jason will record the files on a CD and mail it out today.

The files were sent to us by email; however, they just could not be forwarded.

Blessings,

Ed Cabil

--

Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

- CONFIDENTIALITY NOTICE -
The information contained in this transmission is intended only for the person or entity to which it is addressed and contains confidential and/or privileged material. If you are not the intended recipient of this information, do not review, retransmit, disclose, disseminate, use, or take any action in reliance upon, this information. If you received this transmission in error, please contact the sender and destroy all printed copies and delete the material from all computers.

--
Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

- CONFIDENTIALITY NOTICE -
The information contained in this transmission is intended only for the person or entity to which it is addressed and contains confidential and/or privileged material. If you are not the intended recipient of this information, do not review, retransmit, disclose, disseminate, use, or take any action in reliance upon, this information. If you received this transmission in error, please contact the sender and destroy all printed copies and delete the material from all computers.

WISDOM Academy for Young Scientists Public Charter School
Los Angeles, California

(FOR PUBLIC DISSEMINATION)

OCTOBER 24, 2013 BOARD MEETING NOTES
Meeting Location:
706 E. Manchester Ave.
Los Angeles, CA 90001

OPEN SESSION

Meeting Call to Order At: 5:46 PM By: Carol Lee Tolbert (President)

BOARD MEMBER ATTENDANCE (ABSENT/PRESENT)

Hon. Carol Lee Tolbert, President - Present
Dr. Dorothy Valenti, Vice President - Present
Ms. Kimberly Daniels, Esq. - Present
Hon. Saundra Davis - Present
Mr. Armando Espinoza - Present
Mr. Norman Golden - Present
Mrs. Cheryl Johnson - Present (6:15PM)
Mrs. Eleanor Jones - Present - Resignation

- PLEDGE OF ALLEGIANCE -

OPEN SESSION AGENDA ITEMS

I. READING AND APPROVAL OF BOARD MINUTES

A. Board Minutes for August 29, 2013
Action required (Yes/No): Yes
Motion by: Tolbert - motion to accept as amended
Second by: Davis
Number of votes in favor: 6
Number of votes opposed: 0
Motion adopted (Yes/No): Yes
Follow up required (Yes/No): No
Comments: (1) issue with the $118k line item on the budget that needs further identification and clarification as noted by Armando in prior meeting (2) Exec. Director contract noted in item 'E' should be clarified as there was no contract available for review (3) agenda item 'G' should be adjusted to include Dr. Valenti's election (4) public comment (5) Saundra's name is misspelled (6) item -d- ntoes an incorrect date and should be corrected.

B. Board Minutes for September 26, 2013
Action required (Yes/No): Yes
Motion by: Davis - motion to table since copies are not currently available

Second by: Golden
Number of votes in favor: 6
Number of votes opposed: 0
Motion adopted (Yes/No): N/A
Follow up required (Yes/No): Yes
Comments: Tabled to next meeting in the interest of time by Davis (Moved to November 2013 meeting

II. CONSENT AGENDA ITEMS

A. **Resignation letter from Board member Eleanor Jones** (5:50PM)
Action required (Yes/No): No
Motion by: N/A
Second by: N/A
Number of votes in favor: N/A
Number of votes opposed: N/A
Motion adopted (Yes/No): N/A
Follow up required (Yes/No): No
Comments: Certificate provided to Mrs. Jones in appreciation for her dedication and commitment to the WAYS Board and Charter School

III. NEW BUSINESS

A. **Item 13092615(A):** Errors and Omissions Insurance Policy – The Governing Board received the school's insurance policy coverage. The policy is set to expire on November 1. The Board will consider the renewal of policy w/current carrier to prevent any lapse in coverage. (Action/Discussion) – *Dufour Insurance Services, LLC*
    i. Ms. Dufour's presentation
        1. Notes:
            a. November 1st is the renewal deadline
            b. Current liability policy is with Scottsdale
            c. Incident in 2011 create issue with obtaining different and more reasonably priced coverage
            d. *See* DUFOUR Summary of Proposed Insurance
            e. Crime coverage was not on policy last year but has been added this policy term
            f. Need an updated number of teachers for this academic year
            g. $5 million is standard for a charter school of this size - WAYS insurance has been updated accordingly - (new policy costs the school an addition $4,000) - Broker has guaranteed full coverage
            h. Workers Comp renews in February 2014 (rating of current policy holder may go down to a B+ so if so she plans to move the policy)
            i.
        2. Board Comments:
            a. Davis - is this the insurance for the charter and the board? The general liability policy covers the school and

board from bodily injury. The Directors and Officers liability policy covers management decisions and governance. The E&O coverage is a part of the Directors and Officers liability insurance

b. Espinoza - Why did the insurance not cover the 2011 settlement? To be addressed in closed session
c. Daniels - Break down of coverage/policy limits per claim
d. Johnson - Do we need to compare other insurers? See materials

Action required (Yes/No): Yes
Motion by: Davis moved to accept coverage
Second by: Daniels
Number of votes in favor: 7
Number of votes opposed: 0
Motion adopted (Yes/No): Yes
Follow up required (Yes/No): No
Comments: None

Meeting Convened To Closed Session At: 6:30PM
Motion to go into closed session by Davis

CLOSED SESSION

A. Insurance Policy Payout Claim

B. **The following closed session items are from a special board meeting agenda prepared by/called by board member Armando Espinoza on Tuesday, October 8, 2013 at 6:30 pm for Wednesday, October 9, 2013 at 6:30PM. The meeting was cancelled due to a lack of a quorum.**

a. **1310205:** The anticipated litigation is regarding verbal claims made by the school staff and contractor that a Board Member is making unilateral decisions, without input from a majority of the Board, which risks the potential for legal claims.

b. **1310206:** As of Friday, October 4, 2013, two employment contracts were terminated prematurely by school staff and require immediate Board action. *(The Board heard the parties involved, but was not able to formally conclude the matter.)*

***A DISRUPTION OCCURRED AT THE END CLOSED SESSION BY AN ADMINISTRATIVE EMPLOYEE. NO OTHER BOARD BUSINESS WAS ABLE TO BE CONDUCTED.**

c. **13102067:** The employment contract for the ED is normally decided before July 1, 2013, yet is has been postponed repeatedly.

*Convened To Open Session At: _____

OPEN SESSION

IV. **LEASE AGREEMENTS**

A. OCI Lease Agreement - 706 E. Manchester Ave., Los Angeles CA
Action required (Yes/No): _____
Motion by: _____
Second by: _____
Number of votes in favor: _____
Number of votes opposed: _____
Motion adopted (Yes/No): _____
Follow up required (Yes/No): _____
Comments:

B. OCI Lease Agreement - 8778 South Central Ave., Los Angeles CA
Action required (Yes/No): _____
Motion by: _____
Second by: _____
Number of votes in favor: _____
Number of votes opposed: _____
Motion adopted (Yes/No): _____
Follow up required (Yes/No): _____
Comments:

V. EDUCATION ADMINISTRATIVE STAFF REPORTS

A. Report - Principal
Action required (Yes/No): _____
Follow up required (Yes/No): _____
Comments:

B. Report - Vice - Principal
Action required (Yes/No): _____
Follow up required (Yes/No): _____
Comments:

VI. **OLD BUSINESS**

A. **Item 13092609: Election of Governing Board Officers for the 2013-14 School Year**
   i. Item 13092609(b): Election of Secretary (Discussion/Action)
B. **Item 130926109(A):** Formation of the Board's Finance & Budget Committee - To appoint committee members. (Action) – *Board President Tolbert*
C. **Item 13092611:** Status on updating the Certificated Teacher Salary Table for FY 2013-14 (Clarification) – *Board President Tolbert*
D. **Item 13092613:** FCMAT Update - The school is currently undergoing an audit from LACOE. (Informational/Discussion) – *Executive Director, Mr. Cabil*
E. **Item 13092618:** WISDOM Organization Chart – Delineating employee responsibilities and lines of supervisorial authority (Informational/Discussion) - *Executive Director, Mr. Cabil*
F. **Item 13092619:** Request for Charter School Petition Consultant in the amount

not to exceed $8,000. (Discussion/Action) - *Executive Director, Mr. Cabil*

G. **Item 1310201:** Other required Insurance Policy – The Governing Board received the school's insurance policy coverage. The Board will consider the renewal of policy w/current carrier to prevent any lapse in coverage. (Action/Discussion) – *Dufour Insurance Services, LLC*
H. **Item 13092616:** Monthly Budget Update for 2013-14 School Year, and disposition of the unaudited actual financial report for fiscal year ending June 30, 2013 requested from LACOE– (Discussion/Possible Action) - *Bali Business Management*
I. **Item 13092614(A):** Formation of the Board's Teaching and Learning Committee – To appoint committee members. (Action) – *Board President Tolbert*
J. **Item 1310202:** Adoption of a Revised 2013-14 Board Meeting Calendar. (Action) – *Board President Tolbert*

VII. **NEW BUSINESS** (continued)

A. Item **1310203:** Scheduling A Board Retreat – The Retreat is Fourfold: 1) To establish guiding principles and values that will better enable the Board to conduct the business of the school with transparency, efficiency and civility. 2) To review and update the Board's By-Laws that align with the operation of a public charter school rather than the general purposes of a nonprofit organization. 3) To receive training in areas to be identified by board members. 4) Other development purposes identified by Board members. *(Action) – Board Members*
B. Item **1310204:** Update on the arbitration between LACOE and Wisdom Academy

VIII. **FUTURE AGENDA ITEMS**

A. **Item 13092620:** Board Member Recommendations for Future Agenda Items

(THE BOARD WAS UNABLE TO RECONVENE TO OPEN SESSION OFFICIALLY ADJOURN THE MEETING.)

*Motion to Adjourn By*_____*Meeting Adjourned At*_____

**Agenda items in blue were unable to be addressed by the Board due to the disruption caused by the employee.

(Minutes taken by Board Member Daniels and Prepared for distribution by President Tolbert.)

From: Edward Cabil
To: dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.com; normanskx@gmail.com; saundavis@aol.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com
Cc: Patel Neha; Jason Okonkwo; Karen Horowitz; deara7@gmail.com; Bali Business Management; larry.wisdomacademy@gmail.com
Subject: Board Meeting Postponed
Date: Tuesday, November 19, 2013 4:44:55 PM

I am writing you to notify that the November 21, 2013 board meeting has been postponed.

Blessings,
Ed Cabil

From: Higelin_Judy
To: Edward Cabil (edcabil@sbcglobal.net)
Cc: Patel_Neha; Sanchez_Lila; Jason Okonkwo (mrjason7@gmail.com); kids@civicpride.net
Subject: FW: Board Meeting Postponed
Date: Wednesday, November 20, 2013 1:43:19 PM

Mr. Cabil,
Please be reminded that all communications to Ms. Patel should also be sent to me. This protocol ensure that one of us will receive the communication in a timely manner even if the other is absent.
Thank you for ensuring that WAYS staff members follow this protocol at all times.
Judy

Judy Higelin
Project Director III
Charter School Office
Los Angeles County Office of Education
Education Center West
P: 562-922-8806
F: 562-922-8805
Leading Education • Supporting Students • Serving Communities

From: Patel_Neha
Sent: Wednesday, November 20, 2013 8:09 AM
To: Higelin_Judy
Cc: Wilson_Dina; Sanchez_Lila
Subject: FW: Board Meeting Postponed

FYI

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Tuesday, November 19, 2013 4:45 PM
To: dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; jonnsoncenter@msn.com; normanskx@gmail.com; saundavis@aol.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com
Cc: Patel_Neha; Jason Okonkwo; Karen Horowitz; deara7@gmail.com; Bali Business Management; larry.wisdomacademy@gmail.com
Subject: Board Meeting Postponed

I am writing you to notify that the November 21, 2013 board meeting has been postponed.

Blessings,
Ed Cabil

From: Norman g
To: Edward Cabil
Cc: Bali Business Management; johnsoncenter@msn.com; divalenti747@yahoo.com; Patel, Neha; Karen Horowitz; larry.wisdomacademy@gmail.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com; saundavis@aol.com; Jason Okonkwo; deara7@gmail.com; armando.espinoza.10@my.csun.edu
Subject: Re: Board Meeting Postponed
Date: Wednesday, November 20, 2013 4:46:55 PM

Hi Mr Cabil,

What are the reasons for the postponement of the meeting?

Best Regards,
Norman Golden II

On Nov 19, 2013 4:44 PM, "Edward Cabil" <edcabil@sbcglobal.net> wrote:

> I am writing you to notify that the November 21, 2013 board meeting has been postponed.
>
> Blessings,
> Ed Cabil

From: Saundra Davis
To: Edward Cabil
Cc: dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; jonnsoncenter@msn.com; normanskx@gmail.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com; Patel, Neha; Jason Okonkwo; Karen Horowitz; deara7@gmail.com; Bali Business Management; larry.wisdomacademy@gmail.com
Subject: Re: Board Meeting Postponed
Date: Thursday, November 21, 2013 11:26:15 AM

Dear Mr. Cabil,
I am concerned about you postponing today's Board Meeting. Although I had concerns even before now because of the fact that we were Literally verbally threatened, told to leave and not to come back, lights turned off and then thrown out of the October 24th board meeting by Jason Okonkwo. On one hand I appreciate your intervention to ensure our safety and not allow him to attack us again. I want to thank you for stepping up to the plate to intervene on our behalf. On the other hand, I'm wondering if I missed the Board vote or authorization to postpone the board mtg. Is this in your scope of authority without Board Approval and/or authority? In our efforts to get this school and administration on the right track, we must take protocol and authority into consideration.
Please apprise me of how this decision was made because even though our safety was and is a concern, we must approach every situation within the scope of position, following all policies, procedures, rules and regulations and remembering,"It's All About The Kids"

Blessings,
Saundra Davis
(310)733-8091
Sent from my iPhone

On Nov 19, 2013, at 4:44 PM, Edward Cabil <edcabil@sbcglobal.net> wrote:

> I am writing you to notify that the November 21, 2013 board meeting has been postponed.
>
> Blessings,
> Ed Cabil

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Monday, January 27, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

From: Jason Okonkwo
To: Patel, Neha
Cc: Ed Cabil (WAYS) (edcabil@sbcglobal.net); Higelin, Judy; Wilson, Dina
Subject: Re: WAYS Board Minutes Due
Date: Friday, February 07, 2014 11:41:10 AM

Dear Neha,

Thank you for your inquiry.

On January 27, 2014, the Board was one member shy of a quorum, therefore no Board Meeting was held.

The documents and audio for the January 30, 2014 meeting were mailed to you on 2/4/14 via USPS Priority Mail tracking number 9114901189861526191 91

Please confirm receipt of the package.

The documents and audio for the February 3, 2014 meeting were mailed to you on 2/7/14 via USPS Priority Mail tracking number 9114901159815848112682

As you are aware, WAYS has experienced a significant and highly disruptive issue with a now former board member, Mrs. Carol Tolbert, who improperly attempted to unilaterally "notice" her own "meetings". As explained in our recent letter to Dr. Delgado, the WAYS Board promptly remedied that situation by removing Mrs. Tolbert from the board. In any event, the WAYS bylaws require all board meetings to be held at the school site, unless the board votes to move the meeting somewhere else. That did not happen. Regrettably, the gatherings that apparently occurred on January 6, 2014, and January 29, 2014, were off site, and were not official "meetings" of the Board. We don't know whether a quorum was present at those gatherings. If the former board chair Mrs. Tolbert made an audio recording or distributed documents at those gatherings, she did not provide them to WAYS. We are aware of the Brown Act implications of Mrs. Tolbert's actions, and are of course highly concerned. Rest assured that WAYS has taken steps to ensure that this does not happen again.

Sincerely,

Jason Okonkwo

Serving Students ▪ Supporting Communities ▪ Leading Educators

--
Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

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MERLE WILLIAMSON FOUNDATION
DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A CALIFORNIA NON-PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTH ENDED JUNE 30, 2011

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Not-for-Profit Organization)

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Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors of
Wisdom Academy for Young Scientists
Los Angeles, California

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of **Wisdom Academy for Young Scientists** (WAYS) (a California not-for-profit organization), as of June 30, 2011, and the related statements of activities and changes in net assets, and cash flows for the twelve months period then ended. These financial statements are the responsibility of **Wisdom Academy for Young Scientists'** management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the organization's 2010 financial statements and, in my report dated November 9, 2010, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Wisdom Academy for Young Scientists** as of June 30, 2011, and the changes in its net assets and cash flows for the twelve months period then ended in conformity with accounting principles generally accepted in the United States of America.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606

In accordance with *Government Auditing Standards*, I have also issued a report dated December 14, 2011 on my consideration of **Wisdom Academy for Young Scientists'** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

My audit was conducted for the purpose of forming an opinion on the financial statements of **Wisdom Academy for Young Scientists.** The accompanying schedule of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the additional supplementary information section is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clem Payne Jr.

Clem Payne, Jr., CPA
Altadena, California
December 14, 2011

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF FINANCIAL POSITION
June 30,

ASSETS

	2011	2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 513,331	$ 422,535
Accounts receivable - Sponsoring Districts		53,977
Accounts receivable (Note 3)	525,547	368,201
Prepaid expenses	45,756	34,058
Total current assets	1,084,634	878,771
FURNITURE, EQUIPMENT AND IMPROVEMENTS:		
Furniture and equipment (Note 4)	77,221	65,682
Leasehold improvements (Note 4)	197,312	146,543
Leasehold improvements - ERate (Note 4)	35,483	35,483
Less: accumulated depreciation (Note 4)	(53,691)	(34,610)
Total property, equipment and improvements	256,325	213,098
Total assets	$ 1,340,959	$ 1,091,869

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 56,732	$ 75,132
Due to Sponsoring District	5,470	
Credit card payable	5,303	
Payroll liabilities	29,125	10,206
Total current liabilities	96,630	85,338
NET ASSETS		
Unrestricted	1,249,799	1,006,531
Temporarily restricted - (deficit)	(5,470)	
Total net assets	1,244,329	1,006,531
Total liabilities and net assets	$ 1,340,959	$ 1,091,869

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF ACTIVTIES AND CHANGES IN NET ASSETS
For the twelve month ended June 30,

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT:				
General purpose block grant	$ 982,763	$	$ 982,763	$ 785,555
Categorical block grant	211,468		211,468	196,988
Class size reduction	89,182		89,182	87,426
Private contributions	8,446		8,446	3,135
Federal income		61,086	61,086	1,234
Charter school facilities grant		118,461	118,461	102,464
In-lieu property taxes	353,049		353,049	310,201
In-lieu property taxes - prior year	8,304		8,304	10,288
After school education and safety	112,500		112,500	-
Fundraising income	9,259		9,259	
Special education		204,578	204,578	175,509
Child nutrition - federal		147,788	147,788	112,524
Child nutrition - state	9,695		9,695	8,080
Title II		4,254	4,254	9,230
Title I		49,576	49,576	121,659
Facility reimbursement	52,738		52,738	
Other state income	89,549		89,549	102,773
Other local income	143,789		143,789	45,212
Interest income	1,488		1,488	1,521
Net assets released from restrictions	591,213	(591,213)	-	-
Total revenue and support	2,663,443	(5,470)	2,657,973	2,073,799
EXPENSES:				
Certificated salaries	833,752		833,752	583,267
Classified salaries	277,200		277,200	211,692
Fringe benefits	172,429		172,429	151,364
Books and supplies	126,532		126,532	93,920
Contract services and other expenses	959,793		959,793	715,687
Fundraising expenses	9,600		9,600	2,208
Depreciation	19,081		19,081	11,506
Other outgo	15,314		15,314	13,556
Total expenses	2,413,701	-	2,413,701	1,783,200
Increase in net assets	249,742	(5,470)	244,272	290,599
Net assets, beginning of the year	1,006,531	-	1,006,531	699,705
Prior year adjustments (Note 11)	(6,474)		(6,474)	16,227
Net assets, end of the year	$ 1,249,799	$ (5,470)	$ 1,244,329	$ 1,006,531

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF CASH FLOWS
For the twelve month ended June 30,

	2011	2010
Cash flows from operating activities:		
Increase in net assets	$ 244,272	$ 290,599
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,081	11,506
Prior period adjustments	(6,474)	16,227
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Due from employee		
Accounts receivable - sponsoring district	53,977	(53,977)
Accounts receivable	(157,346)	(171,499)
Prepaid expenses	(11,698)	(18,293)
Increase (decrease) in liabilities:		
Accounts payable	(18,400)	52,903
Due to Sponsoring District	5,470	
Other liabilities	5,303	(10,459)
Payroll liability	18,918	(8,799)
Net cash provided by operating activities	153,103	108,208
Cash flows from investing activities:		
Work in progress		35,484
Purchase of property and improvements	(62,307)	(108,177)
Net cash used for investing activities	(62,307)	(72,693)
Net increase in cash	90,796	35,515
Cash and cash equivalents- beginning of the year	422,536	387,021
Cash and cash equivalents - end of the year	$ 513,332	$ 422,536
Supplemental Disclosures:		
Cash paid for interest expense	$	$ 1,197

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 1 - ORGANIZATION

NATURE OF BUSINESS

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (WAYS) is a public charter school of approximately 280 students located in South Los Angeles, serving kindergarten through fifth grade education. Opened in 2006, WAYS serve a population of students traditionally labeled as underperforming or high-risk students. As a charter school, WAYS was created under the approval of the Los Angeles Unified School District and the California State Board of Education, and receives public per-pupil funding to help support its operations. WAYS was granted the Accreditation of Commission for Schools of the Western Association of Schools and Colleges. The term of the accreditation will run through June 30, 2013. WAYS is economically dependent on federal and state funding provided through the Los Angeles Unified School District.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists. Teachers at WAYS are trained to incorporate a variety of assessment strategies including the regular use of authentic assessments, standardized tests, diagnostic tests, portfolios, and parent reports.

WAYS primary emphasis of its instructional program is to produce "leaders of science." Through a rigorous inquiry-based curriculum, rich in science, math, technology, social science and language development. The schools objective is for its students to experience learning in its most powerful, meaningful, and effective environment.

In 2010-2011, WAYS scored 736 on the Academic Performance Index (API).

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

The summary of Significant Accounting Policies of WAYS is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of WAYS' management, who are responsible for their integrity and objectivity.

WAYS accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". WAYS conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Statements Presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of FASB ASC 958-205, (prior authoritative literature: SFAS No. 117, *Financial Statements of Not-for-Profit Organizations).* Accordingly, WAYS' financial statements are present on the following three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Temporarily restricted and permanently restricted net assets are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by WAYS based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flow, WAYS considered all liquid investments with a maturity three months or less to be cash equivalents.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of Accounting

The financial statements of WAYS have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

WAYS accounts receivable consists of amounts due from government sources only. No allowance for doubtful accounts has been established as WAYS deems all amounts to be fully collectible.

Contributions and Contributed Services

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor as required by SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Use of Estimates

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

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Equipment and Improvements

Equipment and improvements are recorded at cost. All property, equipment and improvements with a value of $1,000 or greater and a useful life of 1 year or more are capitalized. Improvements are depreciated under a straight-line method over their estimated useful lives of 20 years. Equipment is depreciated under straight-line method over the estimated useful life of five to seven years. The depreciation expense for the year ended June 30, 2011 is $19,081.

Income Taxes

WAYS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with WAYS' financial statements for the twelve months period ended June 30, 2010, from which summarized information was derived.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2011, reported as follows:

General purpose block grant	$ 525,545
Total	$ 525,545

NOTE 4 - EQUIPMENT AND IMPROVEMENTS

Below is the summary of the changes in fixed assets owned by Wisdom Academy for Young Scientists for the year ended June 30, 2011:

Description	Balance at 7/1/2010	Additions (deletions)	Balance at 6/30/11
Leasehold improvements	$ 146,543	$ 50,769	$ 197,312
Leasehold improvements -ERate	35,483		35,483
Furniture and equipment	65,682	11,539	77,221
Total fixed assets	247,708	62,308	310,016
Accumulated depreciation	(34,610)	(19,081)	(53,691)
Net fixed assets	$ 213,098	$ 43,227	$ 256,325

NOTE 5 - DONATED SERVICES

No amounts have been reflected in the accompanying financial statements for donated services inasmuch as no objective basis was available to measure the value of such services; however, some volunteers have donated their time to WAYS.

NOTE 6 - RECONCILIATION OF ANNUAL FINANCIALS

The schedule on page 17 were prepared by WAYS for the Los Angeles Unified School District.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 7 - COMMITMENTS

WAYS entered into a four-year lease agreement for its main facility with Kendra Okonkwo, Executive Director that commenced in July 2006. Monthly lease payments began at $10,120. The agreement requires annual rent rate to increase approximately 3.0% each year. The lease was terminated in January 31, 2011, due to LAUSD concerns regarding a conflict of interest. Payments made on this facility lease totaled $72,652 for the seven months period ended January 31, 2011. (Refer to Note 9 – Related Parties Transactions)

In addition, WAYS entered into a one-year lease on 8778 Central Avenue. The monthly lease payments are $4,000. The agreement requires annual rent rate to increase approximately 3.0% each year. The lease was terminated in January 31, 2011. Payments made on this facility lease totaled $28,720 for the five months period ended January 31, 2011. (Refer to Note 9 – Related Parties Transactions)

The owner of the real property changed in February 2011.

As such, WAYS entered into a five-month agreement for its main facility located on 706 East Manchester Avenue, L.A., CA with OCI Development Corporation. Monthly lease payments began at $10,728. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2011. Payments made on this facility lease totaled $53,640 for the seven months period ended June 30, 2011.

At the same time, WAYS entered into a five-month agreement with OCI Development Corporation for the property located at 8778 Central Avenue, L.A, CA. Monthly lease payments began at $4,240. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2011. Payments made on this facility lease totaled $21,200 for the seven months period ended June 30, 2011.

WAYS entered into a five-year lease agreement for a facility for additional occupancy and parking near its main facility. The lease commenced in December 2007. Monthly lease payments are $1,450 for the duration of the lease. The lease will expire in December 2012. Payments made on the facility lease totaled $17,400 for the twelve months ended June 30, 2011.

The future minimum lease payments due for the next 2 years are as follows:

Year Ending June 30,		Amount
2012	$	197,016
2013		202,926

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 8 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS). WAYS is not eligible to participate in Public Employees' Retirement System (PERS).

State Teachers' Retirement System (STRS)

Plan Description

WAYS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and WAYS is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2009-10 is 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS

WAYS' contributions to STRS and PERS for this fiscal year are as follows:

Year Ended June 30	STRS Required Contribution	STRS Percent Contributed
2011	$71,650	100%

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2011

NOTE 9 - RELATED PARTIES TRANSACTIONS

A related party is one which controls, exercises significant influences over, or is significantly influenced by a group or member in making financial, and operating decisions, along with any group member, is subject to common control or significant influence.

In 2006 WAYS entered into a rental services agreement with its executive director Kendra Okonkwo, a related party, to pay monthly rental installments for the locations of 702-706 East Manchester Street, Los Angeles, California and 8778 S. Central Avenue, Los Angeles, California. It appears that the executive director held title to those real properties until February 3, 2011. At which time the rental arrangement was terminated. During the fiscal year, WAYS made approximately $108,212 in rental payments to this vendor. (Refer to Note 7 - Commitments).

NOTE 10 – SUBSEQUENT EVENTS

WAYS has evaluated subsequent events through December 14, 2011, the date which the financial statements were available to be issued.

WAYS entered into several one-year lease agreements for educational facility located on 706 East Manchester Avenue and 8778 Central Avenue. The lease will commence on July 2011, and ending on the 30th day of June 2012. Monthly lease payments for each property are $10,738 and $4,367.

In addition, WAYS entered into a one-year lease with the Salvation Army on 7651 Central Avenue. The monthly lease payments are $13,492. The lease will commence on August 2011, and ending on July 2012.

On June 30, 2011, Wisdom Academy for Young Scientists' charter expired and was not renewed with the Los Angeles Unified School District. Effective July 1, 2011, Wisdom Academy for Young Scientists was chartered under the authority of the Los Angeles County Board of Education (LACOE).

NOTE 11 - Prior Period Adjustments

Miscellaneous adjustments to the prior period resulted primarily from correction to payable.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

SUPPLEMENTARY INFORMATION SECTION

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

RECONCILIATION OF ANNUAL FINANCIAL
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2011

	2011
June 30, 2011 unaudited financial report fund balances (net assets)	$ 1,428,456
Adjustments and Reclassifications:	0
Increasing (Decreasing) the Fund Balance (Net Assets)	
Cash in bank	(69,358)
Accounts receivable	(75,065)
Other assets	
Prepaid expenses	14,540
Property and equipment	(3,899)
Accumulated depreciation	(19,081)
(Increase) decrease in liabilities:	
Accounts payable	(31,237)
Payroll liabilities	13,158
Due to Sponsoring District	(5,470)
Other liabilities	(7,715)
Net adjustments and reclassifications	(184,127)
June 30, 2011 Audited Financial Statement Fund Balance	$ 1,244,329

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF INSTRUCTIONAL MINUTES
Twelve Months Period ended June 30, 2011

	Requirement	Actual	Number of Days Traditional Calendar	Status
Kindergarden	34,971	64,800	180	In compliance
Grade 1 through 3	48,960	64,800	180	In compliance
Grade 4 through 5	52,457	64,800	180	In compliance

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
Twelve Months Period ended June 30, 2011

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Kindergarden	54.74	54.74	54.50	54.50
Grade 1 through 3	130.18	130.18	127.90	127.90
Grade 4 through 5	71.07	71.07	71.32	71.32
ADA Totals	255.99	255.99	253.72	253.72

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO SUPPLEMENTARY INFORMATION
Twelve Months Period ended June 30, 2011

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Instructional Minutes

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of Education Code Sections 46200 through 46206.

B. Schedule of Average Daily Attendance (ADA)

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS

Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA number	Contract period	Expenditures
UNITED STATES DEPARTMENT OF EDUCATION/			
Pass through State Department of Education/			
Title I	84.010	7/1/10-6/30/11	$ 4,254
Title II	84.018	7/1/10-6/30/11	49,576
Charter School Facilities Incentive Grant	84.282D	7/1/10-6/30/11	118,461
Total United States Department of Education			172,291
UNITED STATES DEPARTMENT OF AGRICULTURE			
Pass through State Department of Education Child Nutrition/ Fiscal Services			
Child Nutrition - Federal	10.555	7/1/10-6/30/11	147,788
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 320,079

The accompanying notes are an integral part of these financial statements

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Twelve Months Period ended June 30, 2011

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wisdom Academy For Young Scientists and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

ORGANIZATION STRUCTURE
Twelve Months Period ended June 30, 2011

Wisdom Academy for Young Scientists (#839) was formed as charter pursuant to Education Code Section 47600 under an agreement with Los Angeles Unified District granted in July, 2006.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

School Board

Name	Term on Board Expires	Board
Karen Haynes	Perpetual	Secretary
Jonathan Fields	Perpetual	Member
Adell Walker	Perpetual	Member
Queen Collins	Perpetual	Parent Representative
Loretta McDonald	Perpetual	Chairperson
Kandee Lewis	Perpetual	Member
Edward Cabil (Resigned June 30, 2011)	Perpetual	Member
Alex Love	Perpetual	Member
Oliver Ortega	Perpetual	Member
Cathy Roby	Perpetual	Member
Tamara Smith	Perpetual	Member
Dorthy Valenti	Perpetual	Member

Administration

Kendra Okonkwo (Resigned June 30, 2011)	Executive Director
Edward Cabil (Effective July 1, 2011)	Executive Director
Alake Watson	Principal
Bali Business Management	Business Manager

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

I have audited the financial statements of **Wisdom Academy for Young Scientists (WAYS)** as of and for the twelve months period ended June 30, 2011, and have issued my report thereon dated December 14, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting
In planning and performing my audit, I considered WAYS' internal control over financial reporting as basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WAYS' internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of WAYS' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

(Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. List of findings, please refer to schedule of findings and questions costs.

Compliance and Other Matters

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

We noted certain matters that we reported to management of **WAYS** in a separate letter dated December 14, 2011.

WAYS' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **WAYS'** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, the Los Angeles Unified School District, the California Department of Education, the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr

Clem Payne, Jr. CPA
Altadena, California
December 14, 2011

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

REPORT ON STATE COMPLIANCE

Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

I audited the financial statements of **Wisdom Academy for Young Scientists (WAYS)**, a California non-profit corporation, as of and for the twelve months period June 30, 2011, and have issued our report thereon dated December 14, 2011, which was unqualified. My audit was made in accordance with auditing standards generally accepted in the United States of America, the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Education Audit Appeals Panels *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for our opinion.

WAYS' management is responsible for the Academy's compliance with laws and regulations. In connection with the audit referred to above, I selected and tested transactions and records to determine **WAYS'** compliance with the laws and regulations applicable to the following items:

State Compliance Procedures for Charter Schools:	Procedures In Audit Guide	Procedures Performed
Class Size Reduction Program		
General Requirements	7	Not Applicable
Option One Classes	3	Not Applicable
Option Two Classes	4	Not Applicable
Only One School Serving Grades L-3		
After School Education and Safety Program:		
General Requirements	4	Yes
After School	4	Yes
Before School	5	Not Applicable
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Non-classroom – Based Instructions/ Independent Study	15	Not Applicable
Determination of Funding for Non-class Based Instructions	3	Not Applicable
Annual Instructional Minutes – Classroom Based	3	Yes

The term "Not Applicable" is used above to mean either that WAYS did not offer the program during the current fiscal year or that the program applies only to a different type of local education agency.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2011

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No _

One or more significant deficiencies identified are not considered to be material weaknesses? Yes X No ____

We consider the combination of the following deficiencies in Wisdom Academy for Young Scientists' internal control to be material weaknesses:

Condition:

- Untimely deposit of cash receipts,
- Lack of proper bank reconciliation supervision,
- Lack of accounts receivable reconciliation of general ledger account with sub-accounts,
- Recording of transactions without complete supporting documentation or proper written explanation.

Questioned Costs:

Not Applicable

Context:

This problem was systemic

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2011

A. Summary of Auditors' Results (Continued)

We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies:

- Salaries and wages expense accounts were not reconciled to the quarterly payroll returns.
- Written assets capitalization policy needs to be implemented and followed.

Questioned Costs:

Not Applicable

Context:

This problem was systemic

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

June 30, 2010

Audit findings are identified as one or more of the following six categories:

Five Digit Code	Finding Categories
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
50000	Federal Compliance
60000	Miscellaneous

Findings: None noted.

Questioned Costs: None noted

Chan_Vo Attachment O-2

From: Chan_Vo
Sent: Wednesday, January 11, 2012 12:19 PM
To: Isenberg_Jan
Cc: Andrade_Vibiana; Benitez_Yolanda; Smith_Pat; Memon_Zak; Sanchez_Lila
Subject: RE: WAYS

Tracking:

Recipient	Read
Isenberg_Jan	Read: 1/19/2012 8:13 AM
Andrade_Vibiana	Read: 1/11/2012 12:35 PM
Benitez_Yolanda	Read: 1/11/2012 4:52 PM
Smith_Pat	
Memon_Zak	Read: 1/11/2012 12:48 PM
Sanchez_Lila	Read: 1/11/2012 12:49 PM

Jan,

As I shared with you and Judy earlier, I visited WAYS yesterday and met with Ed Cabil and Jason Okonkwo. I shared with them that the purpose of my visit was not to investigate any complaints as they had suggested in their prior e-mail communications but to follow-up on concerns that I have identified-specifically as it relates to credit cards.

Both Ed and Jason stated that they may deem any actions taken by me to be of an investigative nature and they also stated they need to be notified of any investigation and provided documentation. They also stated that any findings be communicated to them along with recommendations for corrective actions and they will work with LACOE to resolve em.

Ed stated that LACOE had issued a notice of violation that cited "complaints" made against WAYS and he has requested from LACOE the supporting document regarding complaints but has not received the documentation.

Back to the purpose of my visit, I'll try to keep it short.

We discussed our concerns over WAYS credit card usage and oversight. The ED acknowledged weaknesses in internal controls and stated he is committed and is working on putting in place policies and procedures to strengthen internal controls but that he has been distracted with numerous issues with LACOE and incurring legal costs. He said he has only been in the position for two months and asked for time to work through the issues. Some of the actions he stated WAYS has taken while not yet formalized in policies and procedures include: (1) stop using the credit card under the name of its former executive director; (2) WAYS has applied and received new credit card under its own name (Ed and Jason are authorized users); (3) minimize credit card usage; utilize purchase orders instead; (4) plan to stop the practice of charging for fuel; to implement mileage reimbursement.

They were cooperative for the most part except certain questions I posed they perceived them to be of an investigative nature and would either not respond or would not elaborate. For example, I asked why the former executive director made charges after she had been terminated (they clarified that she was "released"), they would only said that the account was open by her for the benefits of WAYS. I asked how those charges benefit the school but did not receive a response. The ED repeatedly shared that WAYS perceived LACOE to be working to close the school and he will do whatever it takes to keep it open.

.e DO maintain all charges made by him are for valid business purposes. The ED stated he verbally approves the credit card charges made by the DO and that he trusts him.

I shared with them that until policies and procedures are put in place, these concerns remain unresolved. My plan is to work with them and validate that they have implement what they said they have/will do. I would need to visit their back-office provider in the future to review documents. They stated the official financial records are maintained with the back-office provider.

Given their perceived relationship with LACOE, I am in need of guidance as to how to move forward. Actions taken may be misinterpreted as an "investigation".

I am available to meet to further discuss.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu |

From: Isenberg_Jan
Sent: Wednesday, January 11, 2012 9:35 AM
To: Chan_Vo
Cc: Andrade_Vibiana; Benitez_Yolanda; Smith_Pat; Memon_Zak; Sanchez_Lila
Subject: WAYS

Hi Vo:
Please recap the discussion and findings on January 10th at Wisdom with Ed Cabil and Jason Okowoko.
Thank you

Jan Isenberg
Project Director III
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805 (fax)

Chan Vo Attachment 0-4

From: Chan_Vo
Sent: Friday, December 09, 2011 2:54 PM
To: 'Edward Cabil'
Subject: RE: Schedule Site Visit - WAYS

Mr. Cabil:

I have concerns with your internal controls identified through the normal course of performing my oversight responsibilities. Since my concerns are preliminary pending further discussion and review, I prefer to meet and discuss them first with you. Perhaps, my concerns are not valid but without having an opportunity to discuss and review documents with you and your staff, it would be difficult to move forward or provide any meaningful feedbacks to you.

I am sure as the executive director of WAYS, you would be interested in hearing my concerns and would want to make any necessary corrective actions. While it would be helpful to be able also speak with you staff to gain a better understanding of your operations and internal controls, I will leave that discretion up to you.

Would you have one hour available to meet with me next week? I appreciate your comment about getting "any problem fixed for the benefits of the children" and I share the same.

As far as the communication between you and our superintendent, I am not part of that process so I cannot really comment. I follow protocols and that does not typically involve having direct communication with our superintendent.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu |

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Friday, December 09, 2011 10:50 AM
To: Chan_Vo
Cc: mrjason7@gmail.com; Halilu Haruna
Subject: Re: Schedule Site Visit - WAYS

Mr. Chan,

WAYS is happy to promptly respond to all reasonable requests from LACOE. That having been said, your request is a bit suspicious in light of Superintendent Delgado's November 17, 2011 "Notice of Investigation" and my November 28, 2011 response letter, copies of which are attached. Perhaps you are unaware of the correspondence with Dr. Delgado. We have not yet received any response from Dr. Delgado, nor have we received copies from LACOE nor any response whatsoever concerning the records we requested. LACOE's statutory response deadline per the Government Code was yesterday.

I suggest that you confer with Dr. Delgado and please confirm that there is no "complaint" as suggested in LACOE's November 17, 2011 letter. If there is any such "complaint", please provide a copy immediately so that we may have an opportunity to address any problem at our school, if there is any such problem. At this point, we have no reason to believe there is any problem at all. LACOE did not respond or provide copies of anything by December 1 as we requested, and failed to meet its December 8 statutory deadline.

Your broad request to meet with "staff" for an unstated period of time, for unstated reasons is not reasonable, especially under these circumstances. LACOE's Government Code violation in that regard is especially troubling. Please specify the purpose of your request and specify what information you would like us to provide, and the estimated time duration of your meeting. Our staff is fully occupied educating children. Any meeting must be scheduled at a time and in a manner that accommodates our educational program. By you providing the requested information, I can ensure that the appropriate staff are present to address the subject of your inquiry, whatever that might be. As I stated to Dr. Delgado, if you have any specific concern with the implementation of any provision of the charter, please let us know so that we can engage in meaningful dialogue and get any real problem fixed for the benefits of the children.

Thank you Vo. I look forward to you providing the requested information and a meaningful meeting.

Sincerely,

Ed Cabil

From: Chan_Vo <Chan_Vo@lacoe.edu>
To: EDWARD CABIL <edcabil@sbcglobal.net>
Cc: Isenberg_Jan <Isenberg_Jan@lacoe.edu>; Memon_Zak <Memon_Zak@lacoe.edu>
Sent: Thursday, December 8, 2011 9:32 AM
Subject: Schedule Site Visit - WAYS

Mr. Cabil:
This is to request to schedule a visit to WAYS' office to meet with you and your staff to discuss your fiscal operation and internal controls. Please let me know which day(s) next week (except for Tuesday, December 13) would work for you.
For your reference, I am including a couple items below taken from the ***Monitoring and Oversight Memorandum of Understanding (MOU)***.

- *Internal Fiscal Controls*· The Charter School shall develop and maintain internal fiscal control policies governing all financial activities. Such policies and procedures are subject to review during site visits to see that they are being implemented.

- LACOE reserves the right to make unannounced visits to the Charter School. EC § 47604.32(b) requires LACOE to conduct a site visit annually. The purpose of the visits shall be to monitor the instructional program and operations in accordance with County Board of Education Policy 6650.

Also, EC § 47604.3 states a *"A charter shall promptly respond to all reasonable inquiries, including but not limited to, inquiries regarding its financial records, from its chartering authority, the county office of education that has jurisdiction over the school's chartering authority, or from the Superintendent of Public Instruction and shall consult with the chartering authority, the county office of education, or the Superintendent of Public Instruction regarding any inquiries."*
Thank you in advance for your cooperation.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu |

Wisdom Academy for Young Scientists

November 28, 2011

Arturo Delgado, Ed.D.
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242-2890

Re: Wisdom Academy for Young Scientists Charter School

Dear Superintendent Delgado:

As the Executive Director of the Wisdom Academy for Young Scientists Charter School ("WAYS"), I am responding to your letter dated November 17, 2011 concerning what you have called a "Notice of Investigation".

First and foremost, you incorrectly cite Education Code section 47604.4 as authority to "investigate" whether WAYS "has the capacity to govern the school and implement the charter." The Education Code provides no such authority. In fact, the Education Code specifically provides the authority to make determinations about the likely success of charter implementation to the LACOE Board as part of the charter approval or denial procedure. Please see Education Code section 47605(b)(2). By granting the charter on June 7, 2011, the LACOE Board implicitly determined that the school is likely "to successfully implement the program set forth in the petition". You have cited no facts or even allegations to the contrary.

You have misinterpreted section 47604.4. That section provides that the County Superintendent may monitor and conduct an investigation into the operations of a charter school. Of course, you must have a reasonable, articulated basis for doing so. And because LACOE is the school's authorizer, your oversight is further affected by the charter itself. Your letter vaguely states that you have "received complaints regarding the operation of the school." However, the supporting documentation you attached to your letter demonstrates nothing of the sort. Rather, it is a series of emails from your staff attempting to schedule what its calls a "Capacity Interview". There is no mention whatsoever of any "complaint". And there is no such process as a "capacity interview" authorized by the Education Code or the charter.

Please immediately provide copies of any and all "complaints" referred to in your November 17, 2011 letter. If there is in fact a complaint, WAYS will respond. To the extent a LACOE investigation is reasonable and appropriate, we will of course fully and immediately cooperate to the extent necessary.

Empowering Students to be Leaders,
Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

If you do not provide copies of the "complaints" by December 1, 2011, we will presume that no such complaint exists. If there is a problem at the school, we wish to resolve it immediately for the benefit of our students.

WAYS does not concede that you have authority to conduct what appears to be a fishing expedition / witch hunt under authority of the Education Code. If you believe you have a reasonable basis to conduct an investigation about anything whatsoever concerning WAYS, please immediately inform us of that basis and your supporting facts.

We do not wish to engage in prolonged disputes with you concerning charter oversight. If you truly have a specific concern with the implementation of any provision of our charter, please let us know so that we can engage in meaningful dialogue and get any real problem fixed for the benefit of the children. Your vague, unsupported allegations and incorrect read of the Education Code are not helpful.

Sincerely,

Edward Cabil
Executive Director

Los Angeles County Office of Education
Leading Educators • Supporting Students • Serving Communities

November 17, 2011

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Douglas R. Boyd
President

Rudell S. Freer
Vice President

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Rebecca J. Turrentine

Wisdom Academy for Young Scientists Board
Mr. Edward Cabil, Executive Director
Mr. Armando Espinoza
Mr. Jonathan Fields
Mr. Norman Golden
Ms. Karen Haynes
Ms. Cheryl Johnson
Ms. Dorothy Valenti
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board of Directors:

Notice of Investigation Pursuant to *Education Code* Section 47604.4

Pursuant to *Education Code* section 47604.4, "a county superintendent of schools may, based upon written complaints by parents or other information that justifies the investigation, monitor the operations of a charter school located within that county and conduct an investigation into the operations of that charter school."

This *Notice of Investigation* (*Notice*) informs Wisdom Academy for Young Scientists (WAYS) that the Los Angeles County Superintendent of Schools has received complaints regarding the operation of the school. The nature of the complaints is that the school has not complied with the terms of the charter and lacks the capacity to govern the school and implement the charter. The Los Angeles County Office of Education (LACOE), under my direction, has begun to investigate these allegations.

On October 19, 2011, LACOE requested a meeting with current members of WAYS governing board and its executive director to determine whether the school has complied with the terms of the charter and has the capacity to govern the school and implement the charter.

On October 26, 2011, the current WAYS board president informed LACOE by email, "I cannot make a sole decision regarding this matter. I will inform the board of your request in the next board meeting...." (Attachment 1)

Agendas for the October 29, 2011 and November 3, 2011 board meetings did not include this item. (Attachments 2 – 3)

This *Notice* provides WAYS with a final opportunity to meet with LACOE prior to the conclusion of the investigation.

The meeting is scheduled for December 9, 2011 at 1:00 p.m. at 12830 Columbia Way, Downey, CA 90242.

Please contact Ms. Jan Isenberg in the Charter School Office at (562) 922-8806 to confirm this meeting no later than December 1, 2011, and if you have any other questions.

Sincerely,

Arturo Delgado

Arturo Delgado, Ed.D.
Superintendent

AD/JI:ls
Attachments (3)

c: Los Angeles County Board of Education
Yolanda M. Benitez, Interim Assistant Superintendent, LACOE
Jan Isenberg, Project Director III, LACOE

Notice of Intent to Revoke
Attachment 1

From: dorothy onwuegbusi
To: Isenberg_Jan
Cc: Benitez_Yolanda; Higelin_Judy; Reed-Hunter_Deborah; Sanchez_Lila; "Edward Cabil"
Subject: Re: Follow-up WAYS: Second Request
Date: Wednesday, October 26, 2011 4:16:01 PM

Greetings Jan Isenberg:

I cannot solo make a sole decision regarding this matter. I will inform the board of your request in the next board meeting for a quorum to decide if and when they are willing to participate in the capacity interview. Thank you for your overstanding.

Sincerely,

D. Valenti

WAYS Board President

From: Isenberg_Jan <Isenberg_Jan@lacoe.edu>
To: "'dvalenti747@yahoo.com"' <dvalenti747@yahoo.com>
Cc: Benitez_Yolanda <Benitez_Yolanda@lacoe.edu>; Higelin_Judy <Higelin_Judy@lacoe.edu>; Reed-Hunter_Deborah <Reed_Deborah@lacoe.edu>; Sanchez_Lila <Sanchez_Lila@lacoe.edu>; 'Edward Cabil' <edcabil@sbcglobal.net>
Sent: Tuesday, October 25, 2011 1:24 PM
Subject: Follow-up WAYS: Second Request

Hi Dorothy:

Please let us know by the close of day tomorrow (October 26, 2011) which day and time the Board and acting Executive Director are able to meet.
Thank you.
Jan Isenberg
Charter School Office
(562) 922-8806

From: Isenberg_Jan
Sent: Wednesday, October 19, 2011 12:03 PM
To: 'dvalenti747@yahoo.com'
Cc: Benitez_Yolanda; Higelin_Judy; Sanchez_Lila; 'Edward Cabil'
Subject: Follow-up: WAYS
Importance: High

Hi Dorothy:

This is a follow-up to our conversation on October 19, 2011. Due to the resignations of WAYS Board members and the Executive Director, we are requesting that the Board and the acting Executive Director meet with the Charter School Office for a Capacity Interview. The interview will be conducted in two phases:

- The first phase will assist us in determining whether the governing board understands its role and responsibilities, and has the capacity to govern the school. Only voting members of the board participate in this phase.
- The second phase will assist us in determining whether the board and the leadership team have the capacity to implement the charter. Toward that end, questions will focus on petition, the educational program, outcomes, and other elements, the financial plan, and the governance and management structure. The entire leadership team participates in this phase.

Tentative dates:
Friday, October 21, 2011- 10:00 am or 1:00pm; Thursday October 27, 2011 10:00 or 1:00pm. Once the date is confirmed please email us with names of the Board members that will be attending. Thank you for your assistance.

Jan Isenberg

Jan Isenberg
Project Director III
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805 (fax)

From: dorothy onwuegbusi [mailto:dvalenti747@yahoo.com]
Sent: Wednesday, October 19, 2011 10:17 AM
To: Isenberg_Jan
Subject: Re: Second Request: Please contact

Greetings Ms. Isenberg:

Per messages sent to me, via email regarding your request, my phone number is (626) 429-6458. I prefer all request relating to WAYS, or communication in relation to the board be sent to me by email. Due to the nature of my job I only return calls during my break time.

Thank you for your overstanding,

D. Valenti
WAYS Board President

From: Isenberg_Jan <Isenberg_Jan@lacoe.edu>
To: Isenberg_Jan <Isenberg_Jan@lacoe.edu>; " 'dvalenti747@yahoo.com' " <dvalenti747@yahoo.com>

Cc: ' Edward Cabil ' <edcabil@sbcglobal.net>; Higelin_Judy < Higelin_Judy @lacoe.edu>; Sanchez_Lila < Sanchez_Lila @lacoe.edu>
Sent: Wednesday, October 19, 2011 8:44 AM
Subject: Second Request: Please contact

Please contact the Charter School Office. Thank you.

Jan Isenberg
Project Director III
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805 (fax)
From: Isenberg_Jan
Sent: Monday, October 17, 2011 12:23 PM
To: ' dvalenti747@yahoo.com '
Cc: Higelin_Judy ; Sanchez_Lila
Subject: FW: Dorothy Valenti Phone Number

Hi Dorothy:
Please give call.
Jan

Jan Isenberg
Project Director III
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805 (fax)
From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Monday, October 17, 2011 12:06 PM
To: Isenberg_Jan
Subject: Re: Dorothy Valenti Phone Number

Hi Ms. Isenberg,

I received your message left on my voice mail regarding you not being able to reach Dorothy Valenti by phone! I called the school to verify that her number was correct, and when I dialed the number, I too, could not reach her. Perhaps it is best to just leave her an email. Her email address is
dvalenti747@yahoo.com

I believe that she needs to get the phone company involved so that her phone problem can be resolved!

Blessings,
Ed Cabil

Attachment 2

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Saturday, October 29, 2011
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and ADA compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call** **Present/Absent**

Karen Haynes	____/____
Cheryl Johnson	____/____
Norman Golden	____/____
Jonathan Fields	____/____
Armando Espinoza	____/____
Dorothy Valenti	____/____

Others in Attendance

Edward Cabil	____/____
Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. **Additions to the Agenda (Provisions of emergency/Urgency)**

III. **Approval of Minutes**

Approval of the October 14, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. **Oral Communications:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. **Discussion/Action Items**
1. Approval of October 14, 2011 Board Meeting Minutes
2. Removal of previous Executive Director from all accounts associated with Wisdom Academy for Young Scientists
3. Approve new authorized bank account signatories.
4. Approval persons authorized to retrieve checks from LACOE
5. Approval of Board Member Resignation

VI. **Closed Session**

VII. **Future agenda Items**
The Board will consider items for future Board Meeting Agendas

VIII. **Meeting Adjourned at** _____

Attachment 3

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001
Board of Directors Meeting
Thursday, November 3, 2011
5:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and ADA compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Karen Haynes _____/_____
Cheryl Johnson _____/_____
Norman Golden _____/_____
Jonathan Fields _____/_____
Armando Espinoza _____/_____
Dorothy Valenti _____/_____

Others in Attendance

Edward Cabil _____/_____
Alake Watson _____/_____
Lawrence Wynder _____/_____
Jason Okonkwo _____/_____
Bali Business Management _____/_____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the October 29, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion

- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items

1. Approval of Interim Executive Director's status to permanent.
2. Approval of 2010-11 SY Fiscal Audit

VII. Closed Session

1. Settlement of previous Executive Director.
2. Revisit Of Staff Contracts

VII. Future agenda Items

The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

Chan_Vo Attachment O-5

From: Chan_Vo
Sent: Thursday, December 08, 2011 9:32 AM
To: EDWARD CABIL
Cc: Isenberg_Jan; Memon_Zak
Subject: Schedule Site Visit - WAYS

Mr. Cabil:

This is to request to schedule a visit to WAYS' office to meet with you and your staff to discuss your fiscal operation and internal controls. Please let me know which day(s) next week (except for Tuesday, December 13) would work for you.

For your reference, I am including a couple items below taken from the ***Monitoring and Oversight Memorandum of Understanding (MOU)***.

- *Internal Fiscal Controls*· The Charter School shall develop and maintain internal fiscal control policies governing all financial activities. Such policies and procedures are subject to review during site visits to see that they are being implemented.

- LACOE reserves the right to make unannounced visits to the Charter School. EC § 47604.32(b) requires LACOE to conduct a site visit annually. The purpose of the visits shall be to monitor the instructional program and operations in accordance with County Board of Education Policy 6650.

Also, EC § 47604.3 states a *"A charter shall promptly respond to all reasonable inquiries, including but not limited to, inquiries regarding its financial records, from its chartering authority, the county office of education that has jurisdiction over the school's chartering authority, or from the Superintendent of Public Instruction and shall consult with the chartering authority, the county office of education, or the Superintendent of Public Instruction regarding any inquiries."*

Thank you in advance for your cooperation.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu |

VC 12/7/11

Concerns Regarding WAYS Credit Card Usage and Oversight Pending Further Review

- Credit cards statements are being mailed to the attention of WAYS former executive director (ED) at a residential address
- There are charges made ($2,155.01) under the name of the former ED after she had been terminated (subsequent to LACOE Board approval on June 7, 2011); charges include travel to Atlanta believed to be for a conference; charges covers period 6/13/11 to 6/30/11
- The director of operations (son of former ED) makes significant credit card charges (over $23,000 during August 2011)
- Charges made by the director of operations (son of former ED) that appears to be excessive or questionable; legitimate business purpose (i.e. frequent charges made for gas with some on the same date)
- Lack of segregation of duties (authorization, review, approval, etc.); e.g. the director of operation approves check requests for credit card payment -essentially approving charges initiated by him
- Some credit card charges appears not adhere to its fiscal policies (i.e. not obtain prior approval, bypassing the normal procurement process, paying statement prior to reviewing receipts, and timely recording of transactions)

Los Angeles County Office of Education

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Gabriella Holt

Maria Reza

Thomas A. Saenz

April 18, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 537-8209
E-Mail: edcabil@sbcglobal.net

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil:

WAYS Fiscal Policy Recommendations

Thank you for submitting the fiscal policy for Wisdom Academy for Young Scientists (WAYS) to our office. We appreciate the school's effort to improve its fiscal management. After thorough review of fiscal policies and procedures, we recommend inclusion of additional measures to strengthen internal control and safeguard assets of WAYS charter school. Please see attachment.

If you have any questions, please contact the Controller's Office at (562) 803-8351.

Sincerely,

Patricia Smith, Executive Director
Business and Finance

PS/ZM: clc
Attachment

Cc: Zak Memon, Assistant Controller, Controller's Office, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE
Judy Higelin, Interim Project Director III, Charter School Office, LACOE

Wisdom Academy for Young Scientists (WAYS)
Recommendations for Inclusion in Fiscal Policy

After reviewing the fiscal policy for WAYS, we recommend the addition and revision of the following procedures:

1. **Policy Number One: Budget Preparation and Implementation Policy**-Ensure the budget is in compliance with Generally Accepted Accounting Principles (GAAP), board policy, and finance-related legal requirements. All expenditures will match budget expectations. Revenue from any Federal or State sources will be committed in accordance with all specific federal/state laws or requirements applicable.
2. **Policy Number Two: Time Sheet and Payroll Procedures**-Designate an employee to maintain personnel files.
    - Each personnel file should contain the following information, at minimum:
        - Employment application or resume
        - A record of background investigation results
        - Date of employment
        - Employment agreement
        - Position, pay rates, and changes therein
        - Authorization of payroll deductions
        - Earning records for non-active employees
        - W-4 Form
        - I-9 Form
        - Termination data, when applicable
    - All personnel files are to be kept locked in a locking file cabinet in the business office.
    - Payroll deductions are to be recorded properly and paid to the appropriate third parties on a timely basis. Also, all payroll reports to third parties shall be submitted on a timely basis.
3. **Policy Number Three: Purchase and Other Procurement Procedures**-Formal bidding procedures will be used for service and other contracts anticipated to cost more than $10,000 (ten thousand dollars). Specification and bidding requirements should include:
    - Specifications to be prepared by the administration
    - Specifications to be approved by the Board
    - Specifications to be mailed to any identified potential bidders
    - All bids to be submitted in sealed envelopes and plainly marked as indicated in the bid specifications
    - Bids to be publicly opened at an announced time, and on a specific date
    - The bidder to whom the award is made to be required to enter into written contract and purchase order.

4. **Policy Number Four: Contracting Policies and Procedures**
   - The contractor must provide the school with a completed form DE542, Employment Development Department Report of Independent Contractor, at the time of signing the contract
   - All contracts that exceed $25,000 should be signed and approved by the Board
   - Line Item no.3-Delete: *"except in cases where an exception is allowed by a Principal"*
   - Line Item no. 4-Delete: *"except in cases where the school agrees to cover the contractor as part of terms of the contract"*
   - The school will evaluate criteria established by the IRS when assigning independent contractor status and issue IRS Form 1099 to independent contractors if compensation is $600 or more. The consultant contract will include description of services, deliverables, pay rate, timeframe, and timeline of payments and reimbursements.
5. **Policy Number Five: Check Requests Procedures**
   - Duties of check requester and approver should be segregated.
   - P. 7 Bullet no. 2 - *"Check in excess of $10,000 of non recurring item require two signatures"* – Signatories should be identified.
   - Incoming invoices will be logged in by the Administrative Assistant before distributing for approval. Once monthly, the Director of Operations should check the invoice log to determine if there are any outstanding invoices which have not yet been paid. If so, then reasons for the nonpayment of these invoices should be discussed with the responsible staff member.
6. **Policy Number Six: Reimbursements**
   - Reimbursement forms must be approved by the Executive Director, the supervisor, and signed by the recipient.
7. **Policy Number Seven: Use of Corporate Credit Cards and Procedures**
   - The purpose of issuing a corporate credit card is to increase flexibility for key staff members, and not for the *"convenience"* as stated in the fiscal policy page 7. The school will use the standard procurement procedures whenever possible.
   - The Board will authorize the credit card uses as follows:
     - Travel related expenses
     - Meeting/conference expenses
     - Online purchases where purchase orders are not accepted
     - Emergency spending
     - Pre authorized expenditures
   - The credit card holders will be responsible for documenting and justifying all expenditures (school-related purpose) and held personally liable if the credit card charge is deemed personal or unauthorized.
   - Each credit card transaction must be supported by an actual receipt containing detail of the item(s) purchased.

8. **Policy Number Eight: Petty Cash Policies and Procedures**
    - Petty Cash Holders – Position needs to be identified.
    - The recipient of the petty cash funds must sign the petty cash disbursements log to indicate the receipt of the funds. The paid receipt should be attached to the log. Petty cash box should be locked and secured safely until it is time to replenish the fund. The Petty Cash Fund reconciliation and associated receipts should be attached to the check request for replenishment.
    - The petty cash account should be reconciled monthly. When the petty cash account is reconciled, the appropriate expense account should be charged in the school's general ledger. Once reconciled, request for replenishment can be processed.
    - The Director of Operations should review petty cash transactions and make periodic counts of petty cash fund
    - The petty cash account may not be used to cash payroll checks or other personal checks.
9. **Policy Number Nine: Financial Reporting Review Procedures –** The school's accounting system will be in conformity with the California School Accounting Manual. Accounting method will follow Generally Accepted Accounting Principles (GAAP) guidelines for nonprofit reporting. All budgets and financial reports will be presented using full accrual accounting in alignment with annual audited financial statements. The school will follow the financial reporting guidelines required by Education Code section 47604.33, 47605(m) and 47604(3).
    - P.9 Bullet no. 2 – Executive "*Consultant*" – should be Executive "*Director*"
    - The school will submit the following financial reports to LACOE per Education Code Section 47604.33 and 47604(3):
        - On or before June 15, submit a preliminary budget
        - On or before December 1, submit the first interim financial report
        - On or before March 1, submit the second interim financial report
        - On or before August 15, submit a final unaudited report for the full prior year
        - Respond to all reasonable inquiries, including, but not limited to, inquiries regarding its financial records.
    - The school will transmit a copy of its annual independent financial audit report for the preceding fiscal year to LACOE, the State Controller's Office, and the California Department of Education by December 15 of each year per Education Code Section 47605(m).
10. **Policy Number Ten: Program Cash Receipts and Deposit Procedures**
    - P.10 Bullet no. 3 Three staff persons – Positions need to be identified.
    - The reception desk for each school site should record the cash and checks received on a cash/check receipts log which should include the date of check/cash was received, name of the payer, amount, check number and program/department
    - Make two copies of the checks with one copy to be filed in the program deposits file and another copy in the deposited checks/cash folder

- In addition to the program deposits file, set up a separate "deposited checks/cash" folder and place all copies of deposit documents in the file
- A copy of cash/check receipts log should be given to the Executive Director on a weekly basis

11. **Policy Number Eleven: Revolving Cash Procedures**
    - The bank statements for the revolving cash funds will be reconciled on a monthly basis by the Back Office services provider.
12. **Recommended New Policy: Policy Number Twelve: Fixed Asset Procedures –** The purpose of this policy is to establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting, and safeguarding the school's assets in compliance with generally accepted accounting principles, and financial reporting requirements.
    - The management must maintain a permanent property log and depreciation schedule for all fixed assets purchased by the school
    - The property log will contain the following information:
        - Date of purchase
        - Description of item purchased
        - Received by donation or purchased
        - Cost or fair market value on the date of receipt
        - Donor or funding source
        - Funding source restrictions on use or disposition
        - Identification/serial number
        - Depreciation Method
        - Vendor name and address
        - Warranty period
        - Inventory tag number
        - Number of check used to pay for the equipment
    - At least annually, a physical inspection and inventory should be taken of all fixed assets and reconciled to the general ledger balance. Adjustments for dispositions will be made annually.
    - Fixed assets purchased with federal funds should be disposed of according to federal guidelines.
    - Material changes in the status of property and equipment such as changes in location, sale of items, and any purchase or sale of the real estate should be recorded for management information.
13. **Recommended New Policy: Policy Number Thirteen: Risk Management** - The school should maintain an insurance program to protect the school against any losses that may occur due to the many normal and unusual hazards.
    - Insurance policy and coverage should be approved by the Board of Directors, and comply with LACOE's MOU requirements

- Insurance certificates should be kept on file in the school's administrative office at all times and available for inspection.

14. **Recommended New Policy: Policy Number Fourteen: Debt Management Policy** – The purpose of this policy is to enhance the school's ability to manage its debt in a fiscally conservative and prudent manner. The effects of decisions regarding types of borrowing, covenants and terms, interest rates, and payment structure directly impact the school's ability to continue operation.
    - The Executive Director is responsible for administering and maintaining the school's current obligations under direction of the Board. The finance committee should meet with the Executive Director and Board regarding the status of the school's existing debt and to make specific recommendations.
    - No new debt should be incurred without approval of the Board.
    - Advance written notification of all borrowings should be provided to LACOE as per the current MOU requirements.
    - All approved annual budgets should include timely repayment of all outstanding debt, or include a reasonable repayment plan for such debt if timely repayment is not possible.
    - Prior to incurring any new borrowing, the Executive Director should prepare a financial analysis showing the effect of the borrowing on current and future operations for the Board to make an informed decision.
    - The school should take all practical precautions and proactive measures to avoid borrowing decisions that can negatively impact current or future operations.
15. **Recommended New Policy: Policy Number Fifteen: Conflict of Interest Policy** – Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall excuse him /her from the discussion and voting on the matter. The Board shall develop a more comprehensive policy on conflict of interest to be complied with Government Code 1090 *et seq.* and the Political Reform Act of 1974.

BYLAWS
OF
MERLE WILLIAMSON FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Doing Business As
WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS)

ARTICLE I
NAME

Section 1. NAME. The name of this corporation is Merle Williamson Foundation, doing business as Wisdom Academy for Young Scientists ("WAYS" or "Charter School").

ARTICLE II
PRINCIPAL OFFICE OF THE CORPORATION

Section 1. PRINCIPAL OFFICE OF THE CORPORATION. The principal office for the transaction of the activities and affairs of this corporation is 760 E. Manchester Avenue, Los Angeles, State of California. The Board of Directors may change the location of the principal office. Any such change of location must be noted by the Secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 2. OTHER OFFICES OF THE CORPORATION. The Board of Directors may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

ARTICLE III
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS

Section 1. GENERAL AND SPECIFIC PURPOSES. The purpose of this corporation is to improve the social and economic status of the South Central Los Angeles community by creating and operating a pre-school, a school devoted to the education of boys and girls, and an organization which promotes the cultural diversity of the South Central Los Angeles community, all of the foregoing to enable young people of the South Central Los Angeles community to become successful and useful citizens and the providing of support and resources toward the accomplishments of the foregoing purposes, and to engage in any other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law. The recital of these purposes as contained in this Article is intended to exclusive of any and all other purposes, this corporation being formed for such public and charitable purposes only.

Also in the context of these purposes, the Corporation shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Corporation.

The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue

Code, or the corresponding section of any future federal tax code; or (b) a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IV
CONSTRUCTION AND DEFINITIONS

Section 1. CONSTRUCTION AND DEFINITIONS. Unless the context indicates otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

ARTICLE V
DEDICATION OF ASSETS

Section 1. DEDICATION OF ASSETS. This corporation's assets are irrevocably dedicated to public benefit purposes as set forth in the Charter School's Charter. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

ARTICLE VI
CORPORATIONS WITHOUT MEMBERS

Section 1. CORPORATIONS WITHOUT MEMBERS. This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board of Directors finds appropriate.

ARTICLE VII
BOARD OF DIRECTORS

Section 1. GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors ("Board"). The Board may delegate the management of the corporation's activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Section 1 of these bylaws, but subject to the same limitations, the Board of Directors shall have the power to:

a. Appoint and remove, at the pleasure of the Board of Directors, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.

b. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in California for holding any meeting of members.

c. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

Section 3. DESIGNATED DIRECTORS AND TERMS. As outlined in the WAYS charter, the number of directors shall be no less than five (5) and no more than fifteen (15), unless changed by amendments to these bylaws and to the WAYS charter. All directors shall be designated by the existing Board of Directors. All directors are to be designated at the corporation's annual meeting of the Board of Directors or, if the directors are not elected at such meeting, at any special meeting of the Board held for that purpose.

The Board of Directors is composed of parents and/or community members. Members will be nominated from the community based on their expertise and desire to promote a quality educational program. These individuals may have backgrounds in areas such as business, law, fundraising, community outreach, finance, mental health, etc., along with their willingness to serve a needed role on the WAYS Board. Paid employees of WAYS will not sit on the Governing Board of WAYS. Additionally, in accordance with Education Code section 47604 (b), the charter authorizer reserves the right to appoint a single representative to serve on the Board.

Section 4. DIRECTORS' TERM. As of the 2011 annual meeting, or any special meeting held in 2011 for the purpose of appointing directors, terms of service shall be as follows: (1) All newly appointed (i.e. new to the Board) directors shall be appointed for a three (3) year term of service; (2) All returning/reappointed directors shall be appointed for a single two (2) year term of service. This shall be done in an effort to stagger Board terms of service.

For all subsequent appointments and reappointments of directors thereafter, each director shall hold office for three (3) years and until a successor director has been designated and qualified. Directors may serve multiple terms of service.

Section 5. NOMINATIONS BY COMMITTEE. The Chairman of the Board of Directors or, if none, the President will appoint a committee to designate qualified candidates for election to the Board of Directors at least thirty (30) days before the date of any election of directors. The nominating committee shall make its report at least seven (7) days before the date of the election or at such other time as the Board of Directors may set and the Secretary shall forward to each Board member, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.

Section 6. USE OF CORPORATE FUNDS TO SUPPORT NOMINEE. If more people have been nominated for director than can be elected, no corporation funds may be expended to support a nominee without the Board's authorization.

Section 7. EVENTS CAUSING VACANCIES ON BOARD. A vacancy or vacancies on the Board of Directors shall occur in the event of (a) the death, resignation, or removal of any director; (b) the declaration by resolution of the Board of Directors of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) the increase of the authorized number of directors; or (d) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting.

Section 8. RESIGNATION OF DIRECTORS. Except as provided below, any director may resign by giving written notice to the Chairman of the Board, if any, or to the President, or the Secretary, or to the Board. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

Section 9. DIRECTOR MAY NOT RESIGN IF NO DIRECTOR REMAINS. Except on notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors.

Section 10. REMOVAL OF DIRECTORS. Any director may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Ralph M. Brown Act. (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code). Any vacancy caused by the removal of a director shall be filled as provided in Section 12.

Section 11. VACANCIES FILLED BY BOARD. Vacancies on the Board of Directors may be filled by approval of the Board of Directors or, if the number of directors then in office is less than a quorum, by (a) the affirmative vote of a majority of the directors then in office at a meeting held according to the Brown Act, or (b) a sole remaining director.

Section 12. NO VACANCY ON REDUCTION OF NUMBER OF DIRECTORS. Any reduction of the authorized number of directors shall not result in any directors being removed before his or her term of office expires.

Section 13. PLACE OF BOARD OF DIRECTORS MEETINGS. Meetings shall be held at the principal office of the Corporation. The Board of Directors may designate that a meeting be held at any place within the jurisdiction of the WAYS charter authorizer. All meetings of the Board of Directors shall be noticed, called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act ("Brown Act"), California Government Code Sections 54950, et seq., as said chapter may be modified by subsequent legislation.

Section 14. MEETINGS; ANNUAL MEETINGS. All meetings of the Board of Directors and its committees shall be held in compliance with the Brown Act.

Section 15. REGULAR MEETINGS. Regular meetings of the Board of Directors, including annual meetings, shall be held monthly at such times and places as noticed by the Board of Directors in accordance with the Brown Act. At least 72 hours before a regular meeting, the Board of Directors, or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

Section 16. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board of Directors, if there is such an officer, or a majority of the Board of Directors. If a Chairman of the Board has not been elected then the President is authorized to call a special meeting in place of the Chairman of the Board. The party calling a special meeting shall determine the place, date, and time thereof.

Section 17. NOTICE OF SPECIAL MEETINGS. In accordance with the Brown Act, special meetings of the Board of Directors may be held only after twenty-four (24) hours notice is provided to the public in accordance with the Brown Act.

Additionally, members of the Board of Directors shall be provided with notice of special meetings at least twenty-four (24) hours in advance of the meeting as follows:

a. Any such notice shall be addressed or delivered to each director at the director's address as it is shown on the records of the Corporation, or as may have been given to the Corporation by the director for purposes of notice, or, if an address is not shown on the Corporation's records or is not readily ascertainable, at the place at which the meetings of the Board of Directors are regularly held.

b. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.

c. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 18. QUORUM. A majority of the directors then in office shall constitute a quorum. All acts or decisions of the Board of Directors will be by majority vote based upon the presence of a quorum. Should there be less than a majority of the directors present at any meeting, the meeting shall be adjourned. Directors may not vote by proxy.

Section 19. TELECONFERENCE MEETINGS. Members of the Board of Directors may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

a. At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the boundaries of the school district in which the Charter School operates;

b. All votes taken during a teleconference meeting shall be by roll call;

c. If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;

d. All locations where a member of the Board of Directors participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;[1]

e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and

f. The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.[2]

Section 20. ADJOURNMENT. A majority of the directors present, whether or not a quorum is present, may adjourn any Board of Directors meeting to another time or place. If a meeting is adjourned, notice of such adjournment to another time or place shall be given, prior to the time scheduled for the continuation of the meeting, to the directors who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

Section 21. COMPENSATION AND REIMBURSEMENT. Directors may not receive compensation for their services as directors or officers, only such reimbursement of expenses as the Board of Directors may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

Section 22. CREATION AND POWERS OF COMMITTEES. The Board, by resolution

[1] This means that members of the Board of Directors who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any members of the public who wish to attend the meeting at that location.

[2] The Brown Act prohibits requiring members of the public to provide their names as a condition of attendance at the meeting.

adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, (known as a "Committee of the Board") to serve at the pleasure of the Board. Appointments to a Committee of the Board shall be by majority vote of the authorized number of directors. The Board of Directors may appoint one or more directors as alternate members of any such Committee of the Board, who may replace any absent member at any meeting. Any such Committee of the Board shall have all the authority of the Board, to the extent provided in the Board of Directors' resolution, except that no committee may:

a. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;

b. Fill vacancies on the Board of Directors or any committee of the Board;

c. Fix compensation of the directors for serving on the Board of Directors or on any committee;

d. Amend or repeal bylaws or adopt new bylaws;

e. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or subject to repeal;

f. Create any other committees of the Board of Directors or appoint the members of committees of the Board;

g. Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or

h. Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest.

The Board may also create advisory committees composed of directors and non-directors, to serve in an advisory capacity to the Board of Directors.

Section 23. MEETINGS AND ACTION OF COMMITTEES. Meetings and actions of committees shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board of Directors' actions, and the Brown Act, if applicable, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board of Directors' resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board of Directors has not adopted rules, the committee may do so.

Section 24. NON-LIABILITY OF DIRECTORS. No director shall be personally liable for the debts, liabilities, or other obligations of this corporation.

Section 25. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS. The Charter School and the Board of Directors shall comply with all applicable provisions of the

Family Education Rights Privacy Act ("FERPA") as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

ARTICLE VIII
OFFICERS OF THE CORPORATION

Section 1. OFFICES HELD. The officers of this corporation shall be a President, a Secretary, and a Treasurer. The corporation, at the Board's direction, may also have a Chairman of the Board and a Vice-Chair. The officers shall carry out the corporate duties set forth in this Article VIII and may designate the relevant administrative duties associated with their officership to the appropriate WAYS staff members.

Section 2. DUPLICATION OF OFFICE HOLDERS. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the President or the Chairman of the Board.

Section 3. ELECTION OF OFFICERS. The officers of this corporation shall be chosen annually by the Board of Directors and shall serve at the pleasure of the Board.

Section 4. REMOVAL OF OFFICERS. The Board of Directors may remove any officer with or without cause.

Section 5. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

Section 6. VACANCIES IN OFFICE. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by majority vote of the Board.

Section 7. CHAIRMAN OF THE BOARD. If a Chairman of the Board of Directors is elected, he or she shall preside at the Board of Directors' meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time. If there is no President, the Chairman of the Board of Directors shall also have the powers and duties of the President of the corporation set forth in these bylaws. If a Chairman of the Board of Directors is elected, there shall also be a Vice-Chairman of the Board of Directors. In the absence of the Chairman, the Vice-Chairman shall preside at Board of Directors meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

Section 8. VICE-CHAIRMAN OF THE BOARD. The Vice-Chairman shall preside at Board of Directors meetings in the absence of the Chairman of the Board and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

Section 9. PRESIDENT. Subject to such supervisory powers as the Board of Directors may give to the Chairman of the Board (if there is a Chair), the President shall supervise the corporation's activities. The President shall have such other powers and duties as the Board of Directors or the bylaws may require.

Section 10. VICE-PRESIDENTS. If the President is absent or disabled, the Vice-Presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a Vice-President designated by the Board, shall perform all duties of the President. When so acting, a Vice-President shall have all powers of and be subject to all restrictions on the President. The Vice-Presidents shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 11. SECRETARY. The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the directors present at Board of Directors and committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board of Directors that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 12. TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Treasurer shall send or cause to be given to directors such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times.

The Treasurer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board of Directors may designate; (b) disburse the corporation's funds as the Board of Directors may order; (c) render to the President, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the corporation; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the bylaws may require.

ARTICLE IX
CONTRACTS WITH DIRECTORS AND NON-DIRECTOR DESIGNATED EMPLOYEES

Section 1. CONTRACTS WITH DIRECTORS AND NON-DIRECTOR DESIGNATED EMPLOYEES. The Corporation shall not enter into a contract or transaction in

which a director or non-director designated employee directly or indirectly has a personal, material financial interest (nor any other corporation, firm, association, or other entity in which one or more of this Corporation's directors are directors have a material financial interest), unless the interest is deemed to be a remote or non-interest under Government Code Section 1090 et seq.

ARTICLE X
LOANS TO DIRECTORS AND OFFICERS

Section 1. LOANS TO DIRECTORS AND OFFICERS. This corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses of the corporation.

ARTICLE XI
INDEMNIFICATION

Section 1. INDEMNIFICATION. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board of Directors by any person seeking indemnification under Corporations Code Section 5238 (b) or Section 5238 (c) the Board of Directors shall promptly decide under Corporations Code Section 5238 (e) whether the applicable standard of conduct set forth in Corporations Code Section 5238 (b) or Section 5238 (c) has been met and, if so, the Board of Directors shall authorize indemnification.

ARTICLE XII
INSURANCE

Section 1. INSURANCE. This corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its directors, officers, employees, and other agents, to cover any liability asserted against or incurred by any director, officer, employee, or agent in such capacity or arising from the director's, officer's, employee's, or agent's status as such.

ARTICLE XIII
MAINTENANCE OF CORPORATE RECORDS

Section 1. MAINTENANCE OF CORPORATE RECORDS. This corporation shall

keep:

a. Adequate and correct books and records of account;
b. Written minutes of the proceedings of the Board and committees of the Board; and
c. Such reports and records as required by law.

ARTICLE XIV
INSPECTION RIGHTS

Section 1. DIRECTORS' RIGHT TO INSPECT. Every director shall have the right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

Section 2. ACCOUNTING RECORDS AND MINUTES. On written demand on the corporation, any director may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Board of Directors and committees of the Board of Directors at any reasonable time for a purpose reasonably related to the director's interest as a director. Any such inspection and copying may be made in person or by the director's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the directors at all reasonable times during office hours.

ARTICLE XV
REQUIRED REPORTS

Section 1. ANNUAL REPORTS. The Board of Directors shall cause an annual report to be sent to itself (the members of the Board of Directors) within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

a. The assets and liabilities, including the trust funds, or the corporation as of the end of the fiscal year;

b. The principal changes in assets and liabilities, including trust funds;

c. The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;

d. The corporation's expenses or disbursement for both general and restricted purposes;

e. Any information required under these bylaws; and

f. An independent accountant's report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all directors, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and mail or deliver to each director and furnish to each director a statement of any transaction or indemnification of the following kind:

a. Any transaction (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than $50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than $50,000. For this purpose, an "interested person" is either:

(1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

ARTICLE XVI
BYLAW AMENDMENTS

Section 1. BYLAW AMENDMENTS. The Board of Directors may adopt, amend or repeal any of these Bylaws by a majority of the directors present at a meeting duly held at which a quorum is present, except that no amendment shall change any provisions of the Charter that created the Wisdom Academy for Young Scientists Charter School or make any provisions of these Bylaws inconsistent with that Charter, the corporation's Articles of Incorporation, or any laws.

ARTICLE XVII
FISCAL YEAR

Section 1. FISCAL YEAR OF THE CORPORATION. The fiscal year of the Corporation shall begin on July 1st and end on June 30th of each year.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Merle Williamson Foundation, a California nonprofit public benefit corporation; that these bylaws, consisting of 13 pages, are the revised bylaws of this corporation as adopted by the Board of Directors on March 16, 2011; and that these bylaws have not been amended or modified since that date.

Executed on March 16, 2011 at Los Angeles, California.

Adell Walker, *Secretary*

BYLAWS

OF

MERLE WILLIAMSON FOUNDATION

A California Nonprofit Public Benefit Corporation

ARTICLE 1.

LOCATION OF OFFICES

The name of this corporation is Merle Williamson Foundation. It is a California nonprofit public benefit corporation with principal offices in Los Angeles, California.

ARTICLE 2.

PURPOSE

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. The specific purpose of this corporation is to improve the social and economic status of the South Central Los Angeles community by creating and operating a pre-school, a school devoted to the education of boys and girls and an organization which promotes appreciation of the cultural diversity of the South Central Los Angeles community, all of the foregoing to enable young people of the South Central Los Angeles community to become successful and useful citizens and the providing of support and resources toward the accomplishment of the foregoing purposes, and to engage in any other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law. The recital of these purposes as contained in this Article is intended to be exclusive of any and all other purposes, this corporation being formed for such public and charitable purposes only.

ARTICLE 3.

MEMBERSHIP

The corporation shall have no members.

ARTICLE 4.

DIRECTORS

Section 4.1. **Powers.**

Subject to limitations of the Articles and these Bylaws and of pertinent restrictions of the Corporations Code of the State of California, all the activities and affairs of the corporation shall be exercised by or under the direction of the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

a. To select and remove all the officers, agents and employees of the corporation, prescribe such duties for them as may not be inconsistent with law, with the Articles of Incorporation, or with these Bylaws, fix the terms of their offices and their compensation and in their discretion require from them security for faithful service.

b. To make disbursements from the funds and properties of the corporation as are required to fulfill the purposes of this corporation as are more fully set out in the Articles of Incorporation, and generally to conduct, manage and control the activities and affairs of the corporation and to make rules and regulations not inconsistent with law, with the Articles of Incorporation or with these Bylaws, as they may deem best.

c. To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem best.

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

e. To the extent permitted by the exempt status of the organization, to carry on a business at a profit and apply any such profit that results from the business activity to any activity in which it may legally engage.

Section 4.2. **Number of Directors.**

The authorized number of Directors of the corporation shall be between one (1) and five (5), with the exact number of directors to be fixed, within the limits heretofore specified, by the Board of Directors from time to time.

Section 4.3. **Selection and Tenure of Office.**

Directors shall be elected at each annual meeting of the Directors. Each Director shall serve until the next annual meeting and until a successor has been elected and qualified. If an annual meeting is not held, or the Directors are not elected at such meeting, the Directors may be elected at any special meeting of Directors held for that purpose.

Section 4.4. **Vacancies.**

Any Director may resign effective upon giving written notice to the Chair of the Board, the President, or the Secretary of the Board, unless the notice specifies a later time for the effectiveness of the resignation.

If the resignation is to take effect at some future time, a successor may be selected before such time, to take office when the resignation becomes effective.

Vacancies in the Board shall be filled in the same manner as the Director(s) whose office is vacant was selected, provided that vacancies to be filled by election by Directors may be filed by a majority of the remaining Directors, although less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office until the expiration of the term of the replaced Director and until a successor has been named and qualified.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any Director, or if the authorized number of Directors is increased.

The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty arising under the California Nonprofit Public Benefit Corporation Law.

No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

Section 4.5. **Removal of Directors.**

A Director may be removed from office if any of the following has been found to have occurred:

a. The Director is found to have engaged in activities that are directly contrary to the interests of the corporation.

b. The Director is found to be engaged in the misrepresentation of the corporation and its policies to outside third parties, either willfully, or on a repeated basis.

Before any such removal occurs, the Director will be advised of the allegation and the basis for the same, and will be given an opportunity to present any contrary evidence, or explanation he or she may have to the Board. Removal must be by a majority vote of all the Directors.

Section 4.6. **Place of Meetings.**

Notwithstanding anything to the contrary provided in these Bylaws, any meeting (whether regular, special or adjourned) of the Board of Directors of the Corporation may be held at any place within or without California that has been previously designated for that purpose by resolution of the Board of Directors or by the written consent of all the members of the Board.

Section 4.7. **Regular Meetings.**

Regular meetings of the Board shall be held without call or notice on the last Friday in June of each year, at 3:00 p.m. local time at the offices of the corporation, unless otherwise modified by the Board; provided, however, should said day fall on a holiday observed by the corporation, then the meeting shall be held at the same time or the next day thereafter ensuing that is a full business day.

Section 4.8. **Special Meetings.**

Special meetings of the Board of Directors may be called at any time by order of the President, of any Vice President, of the Secretary, or of two or more of the Directors.

Section 4.9. **Notice of Special Meetings.**

Special meetings of the Board shall be held upon four days notice by first class mail or a forty-eight hour notice given personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The notice shall be addressed or delivered to each Director or at the Director's address as it is shown upon the records of the corporation or as may have been given to the corporation by the Director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place at which the meetings of the Directors are regularly held.

Section 4.10. **Quorum.**

Except as otherwise provided herein, a majority of the authorized number of Directors shall constitute a quorum except when a vacancy or vacancies prevents such majority, whereupon a majority of the Directors in office shall constitute a quorum, provided such majority shall constitute either one third of the authorized number of Directors or at least two Directors, whichever is larger, or unless the authorized number of Directors is only one. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Except as the Articles of Incorporation, these Bylaws and the California Nonprofit Public Benefit Corporation Law may provide, the act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors.

Section 4.11. **Participation in Meetings by Conference Telephone.**

Directors may participate in a meeting through use of conference telephone, electronic video screen communications, or other communications equipment, so long as all Directors participating in such meeting can communicate with all of the other Directors concurrently, each Director is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection, to a specific action to be taken, and the corporation adopts and implements some means of verifying that the person communicating by telephone, electronic video screen, or other communications equipment is a Director entitled to

participate in the board meeting, and that all statements, questions, actions, or votes were made by that Director and not by another person not permitted to participate as a Director.

Section 4.12. **Waiver of Notice.**

Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4.13. **Adjournment.**

A majority of the Directors present, whether or not a quorum is present may adjourn any Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 4.14. **Action Without Meeting.**

Any action required or permitted to be taken by the Board may be taken without a meeting if all Directors individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of proceedings of the Board.

Section 4.15. **Rights of Inspection.**

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation of which such person is a Director, for a purpose reasonably related to that person's interest as a Director.

Section 4.16. **Official Board Committees.**

Committees of the Board may be appointed by resolution passed by a majority of the whole Board. Committees shall be composed of two or more members of the Board, and shall have such powers of the Board as may be expressly delegated to it by resolution of the Board of Directors, except with respect to:

a. The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires members' approval (must be approved by the Board as a whole);

b. The filling of vacancies on the Board or on any committee

c. The fixing of compensation of the Directors for serving on the Board or on any committee;

d. The amendment or repeal of Bylaws or the adoption of new Bylaws;

e. The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

f The appointment of other committees of the Board or the members thereof;

g. The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

h. The approval of any self-dealing transaction, as such transactions are defined in Section 5233 (a) of the California Nonprofit Public Benefit. Corporation Law.

Any committee may be designated an Executive Committee or by such other name as the Board shall specify. The Board shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, the committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or the committee shall otherwise provide, the regular and special meetings and other actions of the committee shall be governed by the provision of this Article applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 4.17. **Fees and Compensation.**

Directors (as such) shall not receive compensation for their services as Directors. Directors may receive a reasonable allowance for personal services actually rendered pursuant to resolution passed by a majority vote at a regular or special meeting of the Board; reimbursement for expenses as may be fixed or determined by the Board.

Not more than 49% of the Directors may serve the organization in some other capacity for which compensation is paid.

ARTICLE 5.

OFFICERS

Section 5.1. **Officers.**

The officers of the corporation shall be a Chair of the Board or a President or both, a Secretary and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the President or the Chair of the Board.

Section 5.2. **Election.**

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen annually by, and shall serve at the pleasure of, the Board of Directors, subject to the rights, if any, of an officer under any contract of employment. Each officer shall hold his office until he or she resigns, is removed, or becomes otherwise disqualified to serve, or until his or her successor is elected and qualified.

Section 5.3. **Subordinate Officers.**

The Board of Directors may appoint, and may empower the President to appoint, other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

Section 5.4. **Removal and Resignation.**

Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

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

Section 5.5. **Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 5.6. **Inability to Act.**

In the case of absence or inability to act of any officer of the corporation and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer, or any director or other person whom the Board may select.

Section 5.7. **Chair of the Board.**

The Chair of the Board, if there shall be such an Officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform other powers and duties as may

be from time to time assigned to him or her by the Board of Directors or prescribed by the Bylaws. If the Corporation does not have a President, then the Chair shall also have the powers otherwise given to the President.

Section 5.8. **President.**

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chair of the Board, if there be such an Officer, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the activities and Officers of the corporation. In the absence of the Chair of the Board, or if there is none, the President shall preside at all meetings of the Board of Directors. The President shall be ex-officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of a President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 5.9. **Vice President.**

In absence or disability of the President, the Vice Presidents, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the Bylaws.

Section 5.10. **Secretary.**

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at the Board and committees' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California and the original and a copy of the corporation's Articles and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as prescribed by the Board.

Section 5.11. **Treasurer and Chief Financial Officer.**

The Treasurer shall be the Chief Financial Officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all reasonable times be open to inspection by any Director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with depositories designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and the Directors, whenever they request it, an account of all of his or her transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 5.12. **Assistant Treasurer.**

At the request of the Treasurer, or in his or her absence or disability, the Assistant Treasurer shall perform all the duties of the Treasurer, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer.

Section 5.13. **Salaries.**

The salaries of the Officers shall be fixed from time to time by the Board of Directors and no Officer shall be prevented from receiving such salary by reason of the fact that such Officer is also a Director of the corporation.

ARTICLE 6.

OTHER PROVISIONS

Section 6.1. **Endorsement of Documents; Contracts.**

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between this corporation and any other person, when signed by any one of the Chair of the Board, the President or any Vice President, and any one of the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of this corporation shall be valid and binding on this corporation in the absence of actual knowledge on the part of the other person that the signing Officers had no authority to execute the same.

The Board of Directors, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation. This authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, and except as provided in this Section, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Section 6.2. **Representation of Shares of Other Corporations.**

The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent and exercise on behalf of the corporation all rights incident

to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any officer in person or by any other person authorized to do so in proxy or power of attorney duly executed by the officer.

Section 6.3. **Construction and Definitions.**

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 6.4. **Amendments.**

These Bylaws may be amended or repealed in whole or in part, and new Bylaws adopted by the Board of Directors.

Section 6.5. **Record of Amendments.**

Whenever an amendment or new Bylaw is adopted, it shall be copied in the Book of Minutes with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in the Book.

ARTICLE 7.

INDEMNIFICATION OF AGENTS OF THE CORPORATION

Section 7.1. **Definitions.**

For purposes of this section, "agent" means any person who is or was a Director, Officer, employee or other agent of this corporation, or is or was serving at the request of this corporation as a Director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a Director, Officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(c) of this Article.

Section 7.2. **Indemnification in Actions by Third Parties.**

This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party to any proceeding (other than an action by or in the right of this corporation to procure judgment in its favor, an action brought under Section 5233 of the

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

Section 7.3. **Indemnification in Actions by or in the Right of the Corporation.**

This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 7.4. **Indemnification Against Expenses.**

To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

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

Section 7.3. **Indemnification in Actions by or in the Right of the Corporation.**

This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 7.4. **Indemnification Against Expenses.**

To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 7.5. **Required Indemnification.**

Except as provided in Section 4 of this Article, indemnification under this Article shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending, upon application made by this corporation or the agent, attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this corporation.

Section 7.6. **Advance of Expenses.**

Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 7.7. **Other Indemnification.**

No provision made by the corporation to indemnify its or its subsidiary's Directors or Officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of Directors, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such Directors and Officers may be entitled by contract or otherwise.

Section 7.8. **Forms of Indemnification Not Permitted.**

No indemnification or advance shall be made under this Article, except as provided in Sections 4 or 5(b) in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7.9. **Insurance.**

The corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article; provided, however, that this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 7.10. **Nonapplicability to Fiduciaries of Employee Benefit Plans.**

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 1 of this Article. The corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

ARTICLE 8.

RECEIPT, INVESTMENT AND DISBURSEMENT OF FUNDS

Section 8.1. The corporation shall receive all monies and/or other properties transferred to it for the purposes for which the corporation was formed (as shown by the Articles of Incorporation). However, nothing contained herein shall require the Board of Directors to accept or receive any money or property of any kind if it shall determine in its discretion that receipt of such money or property is contrary to the expressed purposes of the corporation as shown by said Articles.

Section 8.2. The corporation shall hold, manage and disburse any funds or properties received by it from any source in a manner that is consistent with the expressed purposes of this corporation.

Section 8.3. No disbursement of corporation money or property shall be made until it is first approved by the President of the corporation or by the Treasurer or by the Directors. However, the Directors shall have the authority to appropriate specific sums to fulfill the objects and purposes for which the corporation was formed and to direct the officers of the corporation from time to time to make disbursements to implement said appropriations.

Section 8.4. **Instruments in Writing.**

All checks, drafts, demands for money and notes of the corporation, and all written contracts of the corporation shall be signed by such officer or officers, agent or agents, as the Board of Directors may from time to time by resolution designate.

ARTICLE 9.

CORPORATE RECORDS AND REPORTS

Section 9.1. **Records.**

The Corporation shall maintain adequate and correct accounts, books and records of its business and properties. All such books, records and accounts shall be kept at its principal place of business in the State of California, as fixed by the Board of Directors from time to time.

Section 9.2. **Inspection of Books and Records.**

Every Director shall have the absolute right at any reasonable time to inspect all books, records, documents of every kind, and the physical properties of the Corporation, and also of its subsidiary organizations, if any.

Section 9.3. **Certification and Inspection of Bylaws.**

The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members and Directors of the Corporation at all reasonable times during office hours.

Section 9.4. **Annual Report.**

An annual report shall be sent to the directors no later than 120 days after the close of the corporation's fiscal year, containing the following:

(a) Financial statements of the corporation for the fiscal year, containing the following detail:

(i) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year,

(ii) The principal changes in assets and liabilities, including trust funds,

(iii) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes,

(iv) The expenses or disbursements of the corporation, for both general and restricted purposes,

accompanied by a report from the independent accountants, or if none, a certificate of officer that the statements were prepared without audit.

(b) A statement of any transaction in which an interested person had a material financial interest that individually or cumulatively involved more than $50,000. This

UNANIMOUS WRITTEN CONSENT

OF DIRECTORS

OF

MERLE WILLIAMSON FOUNDATION

A California Nonprofit Public Benefit Corporation

The undersigned, being all of the Directors of Merle Williamson Foundation, a California nonprofit public benefit corporation, do hereby dispense with the formality of a meeting and adopt the following resolutions:

1. Approval and Adoption of Bylaws.

WHEREAS, the incorporator of this Corporation has not as yet adopted Bylaws for the regulation of its affairs; and

WHEREAS, it is necessary to adopt a set of Bylaws for the regulation of the affairs of this Corporation; and

WHEREAS, the undersigned have reviewed the Bylaws attached as Exhibit A and approve the same without modification; and

NOW, THEREFORE, BE IT RESOLVED, that the Bylaws attached as Exhibit A be, and they hereby are, approved and adopted as and for the Bylaws of this Corporation.

2. Certification and Filing of Charter Documents.

RESOLVED, that the Secretary of this Corporation is hereby authorized and instructed to insert in the Book of Minutes of this Corporation a copy of the Articles of Incorporation as filed in the Office of the California Secretary of State on December 3, 2002, and certified by said Secretary of State.

RESOLVED, FURTHER, that the Secretary of this Corporation is hereby authorized and directed to certify the adoption of said Bylaws and to insert said Bylaws as so certified in the Book of Minutes of this Corporation and to see that a copy of said Bylaws, similarly certified, is kept at the principal executive office for the transaction of business of this Corporation in accordance with Section 213 of the California Corporations Code.

3. Number of Directors.

WHEREAS, Article 4, Section 4.2 of the Bylaws of this Corporation provides that the number of directors shall be between one (1) and five (5), with the exact number of directors to be fixed by the Board of Directors from time to time.

NOW, THEREFORE, BE IT RESOLVED, that the number of directors shall be three (3).

4. Election of Officers.

RESOLVED, that each of the following persons be, and hereby are, duly elected and shall serve in the capacities set forth opposite his or her name below from the date of this resolution until his or her successor shall have been duly elected and qualified:

Godfrey Ike Okonkwo	-	President
Karen Haynes	-	Chief Financial Officer
Karen Haynes	-	Secretary

5. Corporate Seal.

RESOLVED, that the corporate seal in the form, words and figures so affixed hereto be, and the same hereby is, adopted as the seal of this Corporation.

6. Bank Account.

RESOLVED, that funds of this Corporation be deposited in CalFed Bank, Watts branch, subject to the bylaws, rules, regulations and practices of the Bank in force from time to time governing accounts with said Bank, and subject to any and all service charges now or hereafter established, and that either Godfrey Ike Okonkwo or Kendra U. Okonkwo is authorized to sign checks, drafts, or other orders for and on behalf of this Corporation for deposit, encashment, or otherwise, and said Bank is hereby authorized to honor and pay on account of this Corporation any and all checks, drafts, or other orders signed and/or endorsed in accordance herewith.

RESOLVED, FURTHER, that the form resolutions of CalFed Bank, Watts branch, as attached hereto, be, and the same hereby are, adopted and approved as if set forth herein in their entirety.

7. Payment of Organization Expenses.

RESOLVED, that the Chief Financial Officer of this Corporation be, and he hereby is, authorized and directed to pay all fees and expenses, including attorney's fees, incurred in the organization and incorporation of this Corporation.

8. Registration with State Attorney General, Registry of Charitable Trusts.

RESOLVED, that the President of this Corporation is hereby authorized and directed to register the Corporation with the Registry of Charitable Trusts, Office of the Attorney General of the State of California, no later than six months following the receipt of assets for the charitable purposes for which this Corporation was organized.

RESOLVED, FURTHER, that the President of this Corporation is directed to make periodic filings as required by the Attorney General describing the financial activity of the Corporation and the distribution of the assets held for charitable purposes.

9. Exemptions from Federal and State Taxes.

RESOLVED, that the officers of this corporation be, and they are hereby authorized and directed to prepare, execute and file any and all requisite papers and documents, including without limitation applications, reports, surety bonds, irrevocable consents and appointment of agents for service of process, as may be necessary or appropriate to establish the tax-exempt status of this corporation under applicable State and Federal Law; and be it

RESOLVED FURTHER, that the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matter shall conclusively establish their authority therefor from this corporation and the approval and ratification by this corporation of the papers and documents so executed and the actions so taken.

10. Filing with Secretary of State.

RESOLVED, that the appropriate officers of this corporation shall file with the California Secretary of State a statement of the names of the president, secretary and chief financial officer together with a statement of such other information as may be required under Section 1502 of the California Corporations Code; and it is

RESOLVED FURTHER, that this resolution shall constitute continuing authority to the secretary of this corporation to file such statement with the Secretary of State annually or more frequently as required by law.

11. Accounting Year.

RESOLVED, that this corporation adopt an accounting year as follows:

DATE ACCOUNTING YEAR BEGINS: January 1

DATE ACCOUNTING YEAR ENDS: December 31

12. Licenses.

RESOLVED, that the officers of the corporation are directed to obtain in the name of the corporation such licenses and tax permits as may be required for the conduct of business of the corporation by any Federal, State, County, or Municipal government ordinance or regulation, and to do all things necessary or convenient to qualify the corporation to transact business in compliance with the laws and regulations of any appropriate Federal, State or Municipal government authority.

13. Principal Office Location.

RESOLVED, that the principal office for the transaction of the business of this corporation be, and the same hereby is designated and fixed at the following address:

702-706 Manchester
Los Angeles, California 90002

14. Racially Nondiscriminatory Policy.

RESOLVED, that this Corporation re-affirms and re-approves a racially nondiscriminatory policy set forth in the Articles of Incorporation as to students of this Corporation's school and pre-school/afterschool programs and authorizes the statement of the racially nondiscriminatory policy as to students to be stated in the Admission Policy/Parent Handbook/Admission Agreement of this Corporation and that any officer of this Corporation be, and he or she is, authorized and directed to publish and to publicize this policy.

This Unanimous Written Consent may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Unanimous Written Consent. This Unanimous Written Consent and any executed counterparts shall be filed in the Book of Minutes of this Corporation and become a part of the records of this Corporation.

Dated: December 16, 2002

Godfrey Ike Okonkwo

Karen Haynes

Reverend Brian Eklund

WAIVER OF NOTICE AND CONSENT TO HOLDING OF

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF

MERLE WILLIAMSON FOUNDATION

A California Nonprofit Public Benefit Corporation

The undersigned, being all of the directors of Merle Williamson Foundation, a California nonprofit public benefit corporation, do hereby waive notice and consent to the holding of a Special Meeting of Board of Directors of the corporation, held at the time, on the date and at the place as follows:

TIME: 11:40 a.m.

DATE: December 4, 2002

PLACE: St. Mark's Lutheran Church
3651 South Vermont Avenue
Los Angeles, CA 90007

This waiver of notice and consent to said meeting is made in compliance with the terms of Section 5211(a)(3) of the Corporations Code of the State of California, and the undersigned hereby consents that the same may be made part of the record of said meeting, and that any business transacted at said meeting shall be as valid as if held at a meeting regularly called or noticed.

Dated: December 4, 2002

Rev. Brian Eklund

Reverend Brian Eklund

Karen Haynes

Karen Haynes

Godfrey Ike Okonkwo

MINUTES OF SPECIAL MEETING OF THE

BOARD OF DIRECTORS OF

MERLE WILLIAMSON FOUNDATION

A California Nonprofit Public Benefit Corporation

The Directors of Merle Williamson Foundation, a California nonprofit public benefit corporation (the "Foundation"), held a special meeting at the time, on the day and at the place set forth as follows:

TIME: 11:40 a.m.

DATE: December 4, 2002

PLACE: St. Mark's Lutheran Church
3651 South Vermont Avenue
Los Angeles, CA 90007

There were present at the meeting the following Directors, constituting a quorum of the full board:

Reverend Brian Eklund
Karen Haynes
Godfrey Ike Okonkwo

Also present by conference telephone was Louis E. Michelson, counsel to the Foundation.

The following persons acted as Chairman and Secretary of the meeting:

Acting Chairman: Godfrey Ike Okonkwo
Acting Secretary: Karen Haynes

WAIVER

The Chairman announced that the meeting was held pursuant to a written waiver of notice thereof and consent thereto signed by all of the Directors of the corporation; such waiver and consent was presented to the meeting and upon motion duly made, seconded and unanimously carried was made part of the records of the meeting and now precedes the minutes of this meeting in the Book of Minutes of the corporation.

State of California
Bill Jones
Secretary of State

02-362987

STATEMENT BY DOMESTIC NONPROFIT CORPORATION

Filing Fee $20.00 — If Amendment, See Instructions

IMPORTANT — Read Instructions Before Completing This Form

ENDORSED - FILED
In the office of the Secretary of State
of the State of California
DEC 27 2002
BILL JONES, Secretary of State

This Space For Filing Use Only

1. CORPORATE NAME: (Do not alter if name is preprinted.)

MERLE WILLIAMSON FOUNDATION
C 2476737

2. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE IN CALIFORNIA, IF ANY (If none, complete 3) — CITY AND STATE — ZIP CODE

702-706 East Manchester, Los Angeles, California 90002

3. MAILING ADDRESS — CITY AND STATE — ZIP CODE

702-706 East Manchester, Los Angeles, California 90002

LIST THE NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS: (The corporation must have these three officers. The appropriate title for the officer may be added but do not alter or obliterate the form.)

4. CHIEF EXECUTIVE OFFICER/ — ADDRESS — CITY AND STATE — ZIP CODE

Godfrey Ike Okonkwo 702-706 East Manchester, Los Angeles, CA 90002

5. SECRETARY/ — ADDRESS — CITY AND STATE — ZIP CODE

Karen Haynes 702-706 East Manchester, Los Angeles, CA 90002

6. CHIEF FINANCIAL OFFICER/ — ADDRESS — CITY AND STATE — ZIP CODE

Karen Haynes 702-706 East Manchester, Los Angeles, CA 90002

7. CHECK THE APPROPRIATE PROVISION BELOW AND NAME THE AGENT FOR SERVICE OF PROCESS:

[X] AN INDIVIDUAL RESIDING IN CALIFORNIA.
[ ] A CORPORATION WHICH HAS FILED A CERTIFICATE PURSUANT TO CALIFORNIA CORPORATIONS CODE SECTION 1505.

AGENT'S NAME: Kendra U. Okonkwo

8. ADDRESS OF THE AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL — CITY — ZIP CODE

702-706 East Manchester, Los Angeles CA 90002

COMMON INTEREST DEVELOPMENT ASSOCIATION (Civil Code Section 1350, et seq.)

9. [X] THIS CORPORATION IS NOT AN ASSOCIATION FORMED TO MANAGE A COMMON INTEREST DEVELOPMENT (PROCEED TO ITEM 11)

10. [ ] THIS CORPORATION IS AN ASSOCIATION FORMED TO MANAGE A COMMON INTEREST DEVELOPMENT UNDER THE DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT. (PROCEED TO ITEM 10A AND 10B)

10A. BUSINESS OFFICE STREET ADDRESS OR PHYSICAL LOCATION OF DEVELOPMENT, INCLUDING NINE-DIGIT ZIP CODE

10B. NAME AND ADDRESS OF THE MANAGING AGENT

11. THIS STATEMENT IS TRUE, CORRECT AND COMPLETE.

Godfrey Ike Okonkwo		President	12/16/02
TYPE OR PRINT NAME OF OFFICER OR AGENT	SIGNATURE	TITLE	DATE

SO-100 (REV. 10/2001) — STF - Approved by Secretary of State

IV

A. This corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (or corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or corresponding provision of any future United States Internal Revenue Law).

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to the purposes set forth in Article II above and no part of the net income or assets of this corporation shall ever inure to the benefit of any private person. Upon winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable or educational purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

Dated: October 22, 2002

Kendra U. Okonkwo, Incorporator

OFFICE OF THE SECRETARY OF STATE

Board Meeting – May 10, 2011

Item VII. Reports / Study Topics

Report on the *Wisdom Academy for Young Scientists, Grades K-5* Appeal of a non-renewed Petition by Los Angeles Unified School District Board of Education

The Wisdom Academy for Young Scientists Charter School renewal petition is presented to the Los Angeles County Board of Education (County Board) pursuant to *Education Code* section 47605. Upon denial by Los Angeles Unified School District Board of Education, the petitioner exercised the statutory right of appeal to the County Board.

Charter renewal is governed by *EC* sections 47607 and 47605:

Section 47607(a)(2) states: Renewals… of charters are governed by the standards and criteria in § 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

Section 47605(b) limits the reasons for denying a renewal petition to the following:

(1) The charter school presents an unsound educational program

(2) The petitioners are demonstrably unlikely to successfully implement the program

(3) The petition does not contain an affirmation of specified assurances

(4) The petition does not contain reasonably comprehensive descriptions of 16 required elements of a charter

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Section 47607(b) states: Commencing on January 1, 2005, or after a charter school has been in operation for four years, whichever date occurs later, a charter school shall meet at least one of [5 academic performances] … criteria prior to receiving a charter renewal….

Section 47605(b) states: A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Summary of Key Findings:

Finding 1: WAYS **met the academic performance criteria** for renewal under EC § 47607(b)(1) and (2).

Finding 3: **The petitioner is unlikely to successfully implement the program.** The governing board has demonstrated a lack of capacity to oversee the operation of the school by allowing self-dealing transactions and other Conflicts of Interest. In addition, members of the governing board have personal and business ties to the school and/or Executive Director. The board was ineffective in responding to the Conflict of Interest concerns identified in the Notice to Cure; this ultimately led to non-renewal of the charter. Deficiencies in the renewal petition and responses by the board during the Capacity Interview indicate a continued lack of understanding and familiarity with the content of the petition and requirements of law necessary to successfully implement the charter.

Finding 5: **The petition lacks a reasonably comprehensive description of eleven (11) of the 16 required elements.**

- Proposed **educational program** lacks an adequate description of the school's target populations, overestimates the number of students to be served in the first year of the renewal charter, and provides no build-out plan to support this level of enrollment. The petition fails to indicate how the school will identify and respond to the needs of pupils who are not achieving at or above expected levels, students with disabilities, and English learners. The **Measurable Outcomes** and **Means for Measuring Pupil Progress** do not address the needs of all student subgroups the school proposes to serve.

- The proposed **Governance Structure** fails to provide evidence of an organizational and technical design that reflect a seriousness of purpose necessary to ensure that the school will become and remain a viable enterprise The governance structure fails to provide adequate oversight of the school's operation and fiscal management. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no

evidence that the board can implement the proposed educational program stated in the petition. The Organization Chart conflicts with information provided elsewhere in the petition regarding key management positions. The petition does not commit to complying with the Political Reform Act, which is required of all charter schools, and fails to include a Conflict of Interest policy. Certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

- The following Required Elements are not reasonably comprehensive: Employee Qualifications, Means to Achieve a Racial and Ethnic Balance, Admission Requirements, Submission of Annual Independent Audit, Suspension and Expulsion Procedures, and Public School Attendance Alternatives, and Dispute Resolution Procedures.

The full Report on the Findings of Fact for the Wisdom Academy for Young Scientists Charter School is attached.

LACOE staff will present the report to the County Board.

Los Angeles County Office of Education
Charter School Office
Date: May 10, 2011

Report on the *Wisdom Academy for Young Scientists Charter Petition, Grades K-5*
Appeal of a Petition for Charter Renewal Denied by Los Angeles Unified School District
Board of Education

Background Information

The *Wisdom Academy for Young Scientists Charter School* (WAYS) petition seeks an application for renewal of their K-5 charter school in accordance with *Education Code* Section 47607.5. The school's current enrollment is approximately 250 students. The school proposes to grow enrollment to 500 students over the next five (5) years by expanding operations from its two (2) current sites (706 East Manchester 90001 and 8878 South Central Avenue 90002) to a larger facility. WAYS also applied to LAUSD for a Prop 39 site; sites were awarded on April 1, 2011.

The petition states the charter school's mission "is to create a transformational learning climate in which students become 'Empowered to be Leaders Change Agents and True Scientists.'"

The school's vision is "to create an educational program that educates the whole child." Nine (9) goals are stated under the vision.

WAYS first year of operation was 2006-07. Its Academic Performance Index (API) history (calculated as a small school with less than 100 students in Growth API) and enrollment figures are presented below.

Growth API			Enrollment Figures			
Year	Growth API	Number of Valid Scores*	Enrollment on First Day of Testing Grades 2-5	Total Enrollment Grades 2-5	Total Enrollment Grades K-1	Total Enrollment Grades K-5
2009-10	879	90	127	129	108	237
2008-09	843	95	98	97**	76	173**
2007-08	774	78	93	59	87	141
**Number of students included in Growth API. Students must be continuously enrolled since Census day (CBEDS)* Source: CDE DataQuest			***4 additional students are included as enrolled in grade 6 although school is authorized for grades K-5* Source: CDE DataQuest			

The CDE states "APIs based on small numbers of students are less reliable and therefore should be carefully interpreted." Schools with less than 100 Valid Scores on the California Standards Test (CST) do not receive Similar School Rankings or comparison schools; therefore, it cannot be determined how WAYS' API compares to schools with similar demographics.

The chart compares the demographics of WAYS and the two (2) closest public non-charter schools.

2009-10 DEMOGRAPHIC Information	WAYS	LAUSD Local District 7	South Park Elem.	93rd Street Elem.
Black or African American	61%	18.6%	17%	24%
Hispanic or Latino	38%	80.4%	82%	76%
Free & Reduced Price Lunch	100	Data Not Available or Not Available for 2009-10	100	100
English Learners	15		52	41
Students with Disabilities	4		9	8
Average Parent Education Level	2.53 *		1.58**	1.57***

* 21% Not HS Grad. / 37% HS Grad. / 9 % Some College / 33% College Grad. ** 59% Not HS Grad. / 28% HS Grad. / 9 % Some College / 2% College Grad. / 2% Grad. School ***60% Not HS Grad. / 25% HS Grad. / 13% Some College / 1% College Grad. / 1% Grad. School

Data Sources: CDE STAR and LAUSD http://search.lausd.k12.ca.us/cgi-bin/fccgi.exe#racialandethnichistory

Racial and ethnic demographic data shows WAYS does not reflect diversity of the community (LAUSD Local District 7) in which it is located or the two (2) closest LAUSD non-charter elementary schools. WAYS also enrolls fewer students with disabilities and English learners than near-by public non-charter schools. Conversely, its parents have a higher education level, which positively correlates with higher levels of student academic achievement.

Reason for Denial by the Local District

The Los Angeles Unified School District (LAUSD) Board of Education denied the petition based on written Findings of Fact that comply with requirements for denial under the following sections of the Charter School Act:

EC § 47605(b)(2) The petitioners are demonstrably unlikely to successfully implement the program:

Conflict of interest concerns exist pertaining to members of the WAYS Board of Directors and the WAYS Executive Director and Principal. Specifically, the WAYS founder and Executive Director receives both a salary for her position and lease payments for two properties which she owns that are occupied by the school. She negotiated the leases to WAYS charter school. The WAYS governing board was asked to independently address and resolve the conflicts by the mutually agreed upon date of October 15, 2010; the WAYS Board of Directors' response failed to resolve the issues by that deadline. The WAYS governing board was minimally responsive to staff communications; the Executive Director was the primary respondent to address the Conflict of Interest issues. LAUSD considered the governing board's lack of independent and effective response to the Notice of Concern to be inconsistent with its fiduciary responsibility considering that the Executive Director was the subject of the self-dealing Conflict of Interest concerns which called into question the Board's capacity to govern the Charter School and successfully implement the program set forth in the petition. The WAYS Board failed to resolve the Conflict of Interest issues and only minimally attempted to do so in January 27, 2011.

The WAYS governing board is unfamiliar with the content of the petition and/or requirements of law. Cited examples included inconsistencies between the charter petition and the WAYS' corporate bylaws regarding compliance with the Brown Act which called into question whether the Board is familiar with and complies with the requirements of the Brown Act. Additionally, the Board allowed self-dealing transactions to transpire, even though the Board in the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest.

EC § 47605(b)(5) The petition fails to provide a reasonably comprehensive description of 12 of the 16 required elements: The Educational Program, Method for Measuring Pupil Progress, Governance Structure, Health and Safety Procedures, Means for Achieving a Racial and Ethnic Balance, Admission Requirements, Submission of Independent Audit, Suspension and Expulsion Procedures, Identification of Retirement Systems, Public School Alternatives, Dispute Resolution, Closure Procedures.

Any of the above findings alone may be cause for the denial of a charter under *EC* § 47605(b).

The Findings of Fact state the academic performance criteria for renewal under *EC* § 47607(b) were met.

Response from the Petitioner

The petitioner provided a written response to the findings of the local board and submitted it as part of the petition package. The response was considered during the review process.

Appeal to the Los Angeles County Board of Education

The Los Angeles County Board of Education (County Board) held a Public Hearing to determine support for the petition on April 19, 2011.

LACOE Review Process

The LACOE Charter School Review Team (Review Team) considered the petition according to the requirements of law, *California Administrative Code of Regulations*, County Board Policy and Regulations, and LACOE review procedures.

The Review Team included staff from the Controller's Office, Business Operations and Services, Risk Management, Divisions for School Improvement, Curriculum and Instruction, Special Education, Student Support Services, Human Resource Services, Office of General Counsel, and the Charter School Office.

Findings are based on a review of the same petition submitted to the local district and supporting documents submitted by the petitioner, and information provided through the Capacity Interview and other communications with the petitioner and other representatives of the school. The petitioner also submitted proposed changes (technical adjustments) to the petition necessary to reflect the County Board as the potential authorizer. These changes should reflect the statutory, policy, and structural differences between a county office of education and a local district. These differences include, but are not limited to, the statutory authority of the County Superintendent of Schools to investigate complaints as well as structural differences in the responsibilities with regard to special education services. Proposed changes provided by the petitioner were considered by the Review Team.

Findings also take into account the petition was initially submitted to a local district and contains specific references to that district. The Charter School Office confirmed that LAUSD requires the petitioner to include specific language or content in a petition. This requirement was considered by the Review Team.

Findings of Fact

Finding 1: WAYS met the academic performance criteria for renewal under *EC* § 47607(b)(1) and (2).

WAYS *attained its Academic Performance Index (API) growth target in the prior year, in two of the last three years, and in the aggregate for the prior three years.*

Academic Performance Criteria: Met Assigned Growth Targets				
Year	API Base	Growth Target	API Growth	Actual Growth
2007-08	782*	5	774	-8
2008-09	775*	5	843	68
2009-10	843*	A**	879	36
	Aggregate Growth	10		96

**API is calculated for a small school (between11 and 99 valid scores) which makes it less reliable and should be carefully interpreted. ** No growth target for schools where API is 800 or above.*

WAYS *ranked in deciles 4 to 10, inclusive, on the API in the prior year and in two of the last three years.*

Academic Performance: Decile Ranks*		
Year	Statewide Rank	Similar Schools Rank
2007-08	6	N/A*
2008-09	5	N/A*
2009-10	8	N/A*
* *Not calculated for small schools*		

While WAYS met the academic criteria necessary to be considered for renewal, there are concerns that the school has not increased or sustained its percentage of "Valid" CST scores indicating an unstable student enrollment base. Valid scores are based on the number of students tested who were continuously

enrolled from norm day (CBEDS) in October through the first day of testing. For 2009-10, only 71% of tested students were continuously enrolled. At South Park Elementary School, 88% of tested students were continuously enrolled. On average, 26% of students who enroll at WAYS withdraw prior to standardized testing based the "Elementary Principal's Statistical Report" for 2007-08 through 2010-11.

Finding 2: The petition provides an unsound educational program for students to be enrolled in the school. [*EC* § 47605(b)(1)]

The program is determined to be unsound for specific subgroups of students as described under Finding 5: Elements 1 – 3.

Additionally, based on enrollment data for Hispanic/Latino students, English learners, students with disabilities, and data showing the number of students who leave during the year, the school is not providing a *program of educational benefit* for all students the petition states the school intends to serve.

Finding 3: The petitioners are demonstrably unlikely to successfully implement the program. [*EC* § 47605(b)(2)]

Based on review of the petition, supporting documents provided by the petitioner, documents provided by LAUSD, and the Capacity Interview with the school's leadership team, the petition does not meet the criteria established in *CCR, Title 5*, § 11967.5.1(c).

1. Review of the renewal petition submitted on behalf of the WAYS board indicates the WAYS governing board lacked the capacity to govern the school.

   A. The governing board was *unfamiliar with the content of the petition* and *requirements of law* with respect to Conflict of Interest. The submitted charter states the school will comply with *Government Code* 1090; however, some members of the board had prior relationships with the school and/or the Executive Director and members of her family.

      i. The board president, a business management consultant, lists Wisdom Academy as a client on her resume, which contradicts her statement on the *Prospective Charter School Board Member Questionnaire* that consulting services were not provided.

      ii. One board member stated on the *Prospective Charter School Board Member Questionnaire* that she is the Board President for DeDe Dance Studio, owned by the Executive Director's daughter, and is currently used by the charter school; this indicates a Conflict of Interest.

   B. The governing board failed to comply with the terms of the charter by allowing the school to enter into a self-dealing transaction with its Executive Director regarding the school's facilities. There is no evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director.

   C. The governing board allowed other conflicts of interest to exist through the hiring of members of the Executive Director's family and by permitting the Executive Director to supervise these family members while the Principal supervised other similarly employed personnel. The Executive Director's son, originally hired to oversee custodial and gardening services was promoted to Director of Operations, which involves financial responsibilities according to the Executive Director. The Executive Director's daughter, who is employed as a teacher and dance instructor, owns the dance studio used by the school.

   D. The governing board demonstrated its inability to effectively govern the school by its failure to respond fully and in a timely fashion to the September 29, 2010 Notice to Cure regarding Conflicts of Interest issued by LAUSD. The LACOE Review Team reviewed documents received

from both the district and the charter school. The documents indicate WAYS failed to provide a sufficient cure. WAYS governing board had eight (8) months (September 2010 to April 2011) to remedy the concerns in the Notice to Cure, and failed to do so.

2. The WAYS governing board continues to be *unfamiliar with the content of the petition and requirements of law that would apply to the proposed charter school* and lacks the *necessary background* to effectively govern the school.

   A. In its response to the Findings of Fact upon which the LAUSD Board of Education denied charter renewal, WAYS submitted documents pertaining to the governance structure of the school in an effort to demonstrate that the school had taken steps to address Conflict of Interest concerns. Although these documents may not have been considered by the LAUSD Board of Education because they were submitted after the deadline to provide evidence, the LACOE Review Team considered the documents to determine whether they would substantially resolve the conflicts. The Review Team determined the documents were inadequate to resolve the Conflict of Interest concerns based on the facts presented below:

      i. The action taken by the Executive Director, and supported by the WAYS governing board, failed to resolve the conflict regarding her ownership of the property. Documents submitted by WAYS indicate the properties were placed into a revocable trust. WAYS' attorney concurred that this action failed to resolve the conflict in that "the transfer to a holding company through a revocable trust, [was] not transferring the property ownership under California law." (page 3 of the March 25, 2011 Response to LAUSD Findings of Fact) WAYS' governing board allowed the conflict to continue by executing a lease agreement with the holding company rather than requiring the Executive Director to take action that would definitively end the conflict.

      ii. The governing board failed to disclose that the school had been offered Prop 39 facilities, a viable option to resolving the issue. At the April 19, 2011 Capacity Interview, the Review Team inquired about the school's statement that it had requested a Prop 39 site. Neither the Executive Director nor WAYS board members disclosed that LAUSD had offered the school facilities on April 1, 2011. LAUSD received a letter of acceptance signed by the Executive Director on May 2, 2011. LACOE has yet to hear from WAYS regarding their decision.

      iii. Changes to the governance structure proposed after the petition was submitted to LAUSD continue to be inadequate. The Organizational Chart indicates three (3) positions report directly to the board due to the Conflict of Interest posed by the familial relationships: the Executive Director, Principal, and Director of Operations. This structure places an undue burden on the board to manage the day-to-day operations of the school. There is no evidence the current board has the capacity to govern effectively under this structure.

      iv. The governing board failed to demonstrate the ability to avoid future Conflict of Interest situations. When asked at the Capacity Interview about potential conflicts arising from the employment of multiple family members, the chain of command, and continued use of the facilities owned by the Executive Director, the board members did not explain how they would ensure that no future Conflicts of Interest would develop or how they would handles such conflicts if they did occur. The board stated that additional changes to the governance structure are being considered; these options are outside of the scope of this review as they were not available to be considered by the LAUSD Board of Education.

      v. The renewal petition submitted by WAYS fails to comply with *EC* § 47607(a)(2) which requires that *Renewals...of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter*

schools enacted into law after the charter was originally granted or last renewed... The petition contains references to outdated laws, policies, and practices, contains significant contradictions and omissions regarding key positions of employment, and provides elements that are no reasonably comprehensive. These deficiencies, reported under Finding 5, indicate the governing board lacks the knowledge of the laws under which the charter would operate.

3. *The petitioner has a history of involvement in education agencies (public or private) considered as unsuccessful.*

   A. The Executive Director is listed as the petitioner. Properties she owns and leased to WAYS were previously used to house her private school. CDE records compiled from data supplied by the private school operator indicate that enrollment declined from 60 to 20 students in the three years prior to the school closing.

   B. The WAYS Executive Director closed her private school with the intent to use the facilities she owned to house a charter school. The chronology of public records and statements made by the Executive Director during the Capacity Interview indicate she closed the private school due to insufficient enrollment. The petitioner stated she inquired about the process of becoming a charter school and was informed that the private school would need to be closed for one year prior to becoming a charter. The petitioner purposely closed the charter school as required and applied for a charter after the one year required waiting period.

The status of the Conflict of Interest issues is unclear. With the acceptance of the Prop 39 sites, the conflict regarding facilities may be resolved only if the school stops leasing its current facilities. The conflicts concerning personnel could only be resolved through a material revision to the governance structure of the charter including, but not limited to, the Executive Director's resignation or release from her current position and with the provision that she hold no future positions funded by the school. Regardless of the potential resolution to the certain Conflict of Interest issues, the Review Team considers the governing board to be ineffective in governing the school and demonstrably unlikely to successfully implement the proposed charter.

Finding 4: The petition contains an affirmation of all specified assurances. [*EC* § 47605(b)(4); *EC* § 47605(d)]

Finding 5: The petition does not contain a reasonably comprehensive description of all required elements. [*EC* § 47605(b)(5)(A)-(P)]

Based on criteria provided by the *California Code of Regulations, Title 5*, (*5 CCR*) eleven (11) of the 16 elements are not reasonably comprehensive.

Element 1: Description of the Educational Program. *Not reasonably comprehensive*

The *5 CCR* § 11967.5.1(f)(1) requires the petition to address eight (8) requirements. The petition fails to meet each of the established criteria rendering aspects of the educational program deficient for specific populations the school proposes to serve: English Learners, low-achieving students, high-achieving students, and students with disabilities. The deficiencies are as follows:

1. Failure to *indicate the proposed charter school's target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.*

   A. The petition overestimates the number of students to be served in the first year of the renewal charter and provides no build-out plan to support this assumption.

i. There is no build-out plan to support the proposed enrollment. The petition states (page 31) 520 students will be served in the first year of operation. At the Capacity Interview, the leadership team indicated that number is attainable only if a new site is obtained with increased capacity. The petition lacks an expansion plan except to state "...scheduled expansion to 25 [classrooms]." No plan was provided during the Capacity Interview.

ii. WAYS has never increased enrollment by 250 students in a single year. In 2009-10, the school enrolled 237 students, 46% of which were in grades K-1; in 2008-09, the school enrolled 177 students, of which 43% were in K-1; and in 2007-08, the school enrolled 146 students, of which 60% were in K-1. Historically, the school has seen reduced enrollment in its upper grades, although that trend was not as pronounced in 2009-10, the most recent year for which CDE data is available. At the Capacity Interview, the school stated it currently enrolls about 250 students.

B. The school failed to meet its goal of serving a target population "similar to that of the surrounding community" defined as 50% Hispanic/Latino and 50% African American (page 34). In 2009-10, 61% of the students were Black or African American and 38% were Hispanic or Latino as compared to LAUSD Local District 7 which was comprised of 18.6% Black or African American students and 80.4% of Hispanic or Latino Students.

C. The petition lacks specific information regarding its target population for students with disabilities and English learners. It states (page 33) the student population at the nearest non-charter public school is 63% English learners while the CDE reports 7% of WAYS students are English learners. The CDE reports 4% of WAYS students are identified as having disabilities which is half the rate of the two (2) closest non-charter public elementary schools.

2. *Lacks a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.*

A. The petition lacks detail regarding the grade levels and outcomes for each grade level and there is no framework for curriculum and/or instructional approach for English learners outlining how this population of students will be provided access to core curriculum.

B. While the petition states the school will provide more instructional minutes than required by the state, WAYS has been reducing the number of minutes it provided based on its Independent Audit Reports. The year ended June 30, 2009, shows 72,900 actual minutes and the year ended June 30, 2010, shows 70,200 minutes. The petition proposes 53,500 minutes for year 2011-2012; it does not explain the reason for the reductions or how the school intends to maintain its academic performance as instructional minutes are reduced.

3. Fails to *indicate how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.* The goals (page 47) for low achieving students are not clear and there is no indication of what advanced academic challenges will be provided for gifted and talented students (page 48).

4. *Indicates how the charter school will meet the needs of students with disabilities, English learners, students achieving substantially above or below grade level expectations, and other special student populations.*

A. The element is deficient with respect to English learners because it fails to:

i. Describe adequate basic and supplemental resources to provide English learners equitable access to the core curriculum.

ii. Provide the manner in intervention will be given to students who struggle to acquire English language skills outside of the "45 minutes during the school day for focused English language development. This instruction will emphasize vocabulary development, phonemic awareness, and oral and writing English." (page 48)

iii. Describe how the Individualized Education Program (IEP) Team determines placement of English learners in need of special education services, state that non-biased assessments used to determine placement must be conducted in the student's primary language under Federal law, and that the IEP must be linguistically appropriate.

iv. Demonstrate understanding of the difference between meeting the needs of English learners and meeting the needs of students with disabilities. The petition (page 22) indicates that to ensure the success of English learners, the school will use a collaborative approach that fosters communication between its Resource Specialist and Speech Therapist. These specialists only provide direct services to students identified as having disabilities.

B. The element is deficient with regard to students with disabilities because it fails to *specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.*

i. It does not describe accommodations and/or modifications that may be used during standardized assessments or how WAYS is responsible for students with disabilities when the IEP Team exempts them from standardized testing.

ii. There is no mention of how parents of students with disabilities are informed about the school's educational program.

iii. There are deficiencies with regard to English learners and special education services as stated in "A," above.

Element 2: Measurable Pupil Outcomes. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(2) as follows:

I. It fails to *specify skills, knowledge, and attitudes that reflect the school's educational objectives and can be assessed by objective means that are frequent and sufficiently detailed enough to determine whether pupils are making satisfactory progress.*

A. There are no identified measurable outcomes for students in Kindergarten and first grade who do not participate in Standardized Testing and Reporting (STAR).

B. There is no ongoing means for measuring English learners' acquisition of English or academic growth in content areas. The petition states the (California English Language Development Test (CELDT) will be administered "periodically" to monitor student progress of English language acquisition; however, it can only be administered annually which is insufficient to *evaluate the effectiveness of and to modify instruction.* The petition indicates Open Court Reading assessments will be used as formative assessments for English learners; however, they are not designed to measure progress towards English language proficiency but rather language arts skills and concepts. It fails to provide assessments to determine academic growth in other content areas.

C. Goals cannot be measured as stated. The petition states the percentage of students achieving proficient and advanced in History/Social Science will increase on the CST by 5% each year; there is no History/Social Science CST for grades K-5.

D. It lacks information on how students with disabilities will be assessed on making progress toward meeting their goals and benchmarks.

Element 3: Method for Measuring Pupil Progress. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(3) as follows:

1. It does not *utilize a variety of assessment tools that are appropriate to the skills, knowledge, or attitudes being assessed, including, at minimum, tools that employ objective means of assessment consistent with the measurable pupil outcomes.*

   A. Information is limited on how stated internal assessments (text based, benchmark performance, unit level, etc.) are used *as objective means* to assess student progress *consistent with measurable outcomes* (page 98). Language is vague and fails to indicate how assessments are used in English-Language Arts, math, science, social studies, and English Language Development.

   B. There is no information regarding assessment of K-1 students who do not participate in STAR. This is of particular concern since about half the school's enrollment is in grades K-1.

   C. Out of date assessments are proposed in violation of *EC* § 47606(a)(2). The petition states the school will administer the CAT 6, which is obsolete, and proposes performance objectives based on data from this assessment.

2. It does not *outline a plan for collecting, analyzing, and reporting data on achievement* of English learners *to school staff and to pupils' parents and guardians, and for utilizing the data continuously to monitor and improve the charter school's educational program.* There is no mention of English learner's testing performance or academic monitoring of English language levels beyond use of the CELDT. Nor is there mention of providing accommodations and/or modifications for standardized tests for students with disabilities; tests used to determine eligibility for special education programs and services; the manner and type of data maintained for students with disabilities; or how information will be disseminated to parents of students with disabilities.

Element 4: Governance Structure. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(4) as follows:

1. There is lack of *evidence of the charter school's incorporation as a non-profit public benefit corporation* for the purpose of running a charter school. While the articles of incorporation and bylaws provide evidence of the charter school's non-profit public benefit corporation status, governing a charter school is not listed as the specific purpose of this corporation. The petitioners have failed to amend these documents to reflect the running of a public charter school. As stated above in Finding 3, 3.B, the WAYS Executive Director purposely closed her private school with the intent to use the facilities she owned to house a charter school.

2. There is a lack of *evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:*

   A. *The charter school will become and remain a viable enterprise.* The governance structure fails to provide adequate oversight of the school's operation and fiscal management. Failure of the articles of incorporation and bylaws to state the purpose of the corporation is to provide for the

operation of a publicly funded charter school is further evidence that the structure lacks a *seriousness of purpose*. The bylaws states the board has only one regularly scheduled meeting, which is insufficient to provide for effective governing of a public charter school. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no evidence that the board can implement the proposed educational program stated in the petition.

B. The petition does not provide a clear description of the governance and management structure. It is difficult to know the duties and responsibilities of management. The Organization Chart (Appendix B) conflicts with information provided elsewhere in the petition.

C. The petition makes no commitment to complying with the Political Reform Act (PRA), which is required of all charter schools. The petition fails to include a Conflict of Interest policy which is required under the PRA.

D. The body of the petition states that meetings will comply with the Brown Act (page 109). However, certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

i. Section 4.6, Place of Meetings allows for meetings outside California. The Brown Act requires that the Board's meetings be held within the boundaries of the territory within which it has jurisdiction.

ii. Section 4.7, Regular Meetings authorizes meetings "without call or notice" in violation of the Brown Act. The Brown Act requires that at least 72 hours before a regular meeting an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting shall be posted.

iii. Section 4.11, Telephone Meetings, authorizes teleconferencing and video teleconferencing to constitute presence but fails to state the necessary safeguards that would render it compliant with the Brown Act such as posting agendas at the teleconferencing location and ensuring those locations are fully accessible to members of the public.

iv. Section 4.14, Action without Meeting, permits the Board to take an action without a meeting if all the members of the Board consent in writing to such action. This violates the Brown Act requirement that the board not take action on any item of business outside a meeting.

v. Section 4.7, the Board of the Merle Williamson Foundation is required to meet only once per year, on the last Friday in June; the Brown Act requires regularly scheduled meetings.

vi. The Agenda for the Special Board Meeting held Saturday, April 30, 2011, documents specific violations of the Brown Act with respect to items discussed in Closed Session.

Element 5: Employee Qualifications. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(5) as follows:

1. There is insufficient information on *the general qualifications for the various categories of employees (e.g., administrative, instructional, instructional support, non-instructional support)* and whether the *qualifications are sufficient to ensure the health, and safety of the school's faculty, staff, and pupils.*

2. It fails to *identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions.*

A. The petition fails to provide job descriptions and/or minimum qualifications for the following positions listed in the petition: Special Education Program Coordinator (page 96), Academic Co-Principals (page 112), Coordinator of Operations (page 128), and Academic Consultants and Director of Operations (Appendix B). Qualifications for Executive Director are absent.

B. The Organization Chart (Appendix B) is deficient. It fails to include an Executive Director, although there is a job description (page 120) outlining critical duties such as "oversee the school-operating budget...instructional program...classroom management...supervise staff...be an active member of the school board." Based on the job description, it is unclear if the Executive Director is a member of the board. Appendix B lists board members by name; the Executive Director's name is absent. The Organizational Chart includes a "Director of Operations," with no job description or qualifications provided for that position. It is unclear if it is the same as "Coordinator of Operations." The Organizational Chart identifies "Auxiliary Staff," but lacks specific corresponding positions.

3. *Specify that all requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary.* Teacher qualifications (page 122) state the CA *SB* 2042 teaching credential is required; this will exclude teachers who hold Ryan multiple subject credentials and life elementary credentials with added English language certification.

Element 6: Health and Safety Procedures. *Reasonably comprehensive*

Element 7: Means to Achieve a Reflective Racial and Ethnic Balance. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(7) based on evidence that:

1. During the term of its first charter, WAYS failed to *achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district in which it is located* as indicated on in the chart on page two (2) of this report. Enrollment of Hispanic/Latino students is not comparable to the two (2) closest LAUSD non-charter elementary schools.

2. The description of the student population (required under Element 1) and the proposed recruitment plan show no indication WAYS is aware that it failed to achieve the required ethnic balance and provides no corrective action in its plan. The recruitment plan is vague and lacks benchmarks that could guide the school toward correcting the deficiency.

Element 8: Admission Requirements. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(8) as follows:

1. It does not comply with *the requirements of* EC § *47605(d)* which, by reference, includes *EC* § 220 and *CA Penal Code* § 422.55 as the *other applicable provision*[s] *of law* in its statement of non-discrimination of protected classes. The petition additionally violates *EC* § 47607(a)(2) because the deficiency is the result of failing to update the renewal petition. This failure could result in the school engaging in discriminatory practices in its admissions procedures and policies.

2. *The process for conducting the lottery* is absent from the petition.

3. The preference given to siblings is *likely to negatively impact* the school from attaining its stated *racial and ethnic* goal.

Element 9: Annual Independent Financial Audits. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(9) as follows:

1. It does *specify the timeline in which audit exceptions will typically be addressed* or specify the timelines for statutory reporting requirements including the submission of the preliminary budget.

2. It does not specify that the school's Board of Directors will hire an independent auditor or that the auditor selected will be on the State Controller's list of educational auditors.

Element 10: Suspension and Expulsion Procedures. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(10) as follows:

1. There is no differentiation between *offenses for which students in the charter school must and may be suspended* and *separately, the offenses for which students in the charter school must or may be expelled, providing evidence that the petitioner reviewed the offenses for which students must or may be suspended or expelled in non-charter public schools.*

2. There is insufficient specificity regarding *the procedures by which pupils can be suspended or expelled.* It fails to provide timelines necessary to comply with due process requirements. It refers to due process but never defines it with regard to the suspension and expulsion process. No information is provided regarding how members of the expulsion hearing panel will be selected to avoid Conflict of Interest. The petition lists three (3) standards where "a student's suspension may lead to expulsion..." but lacks criteria for meeting the standards, which could result in capricious and prejudicial practices.

3. It does not describe how parents are informed *of their due process rights in regards to suspension and expulsion.*

4. It fails to *demonstrate an understanding of the rights of pupils with disabilities in...regard to suspension and expulsion.* The petition references the Individuals with Disabilities Act (IDEA) and Section 504 but does not differentiate between them regarding the procedures to be used for suspension and expulsion. The petition discusses Manifestation Determination; however, there is no mention of how WAYS deals with pupils when the behavior is associated with the disability, or ensure the pupil is in the appropriate program/services. There is no mention of how WAYS deals with a student with disabilities who begins displaying negative behaviors, of calling an IEP Team meeting and writing a Behavior Support Plan, or deals with suspensions (cumulative) of over 10 days.

Element 11: STRS, PERS, and Social Security. *Reasonably comprehensive with specific omission*

The petition does not state *the staff who will be responsible for ensuring that appropriate arrangements for coverage have been made* as required under *CCR, Title 5,* § 11967.5.1(f)(11).

Element 12: Public School Attendance Alternatives. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(12) as it does not *specify that the parent/guardian of each pupil enrolled in the charter shall be informed that the pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.*

Element 13: Post-Employment Rights of Employees. *Reasonably comprehensive*

Element 14: Dispute Resolution Procedures. *Not reasonably comprehensive*

The petition fails to meet the minimum requirements of *CCR, Title 5,* § 11967.5.1(f)(14) as follows:

1. Provides an unacceptable description of *how the costs of the dispute resolution process would be funded.* LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."

2. It fails to *recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto.*

   A. While the petition states that "any controversy or claim... except [one] that is in any way related to revocation of this Charter must be put in writing," the language does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).

   B. The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.

Element 15: Exclusive Public Employer. *Reasonably comprehensive*

Element 16: Closure Procedures. *Reasonably comprehensive with specific deficiencies*

The petition fails to meet the requirements as defined by *CCR, Title 5,* § 11962 as follows:

1. It does not comply with the requirement for *transfer and maintenance of personnel records in accordance with applicable law or* state how the school *will return any donated materials and property if closed.*

2. Closure procedures reflect the LAUSD Board of Education as the authorizer; the petitioner did not submit necessary changes to reflect the County Board as the potential authorizer. This is of particular importance with regard to special education as WAYS currently operates as a school of the district for special education services and would be a Local Education Agency (LEA) if authorized by the County Board.

Finding 6: The petition does not satisfy all of the Required Assurances of *Education Code* section 47605(c), (e) through (j), (l), and (m) as follows:

Standards, Assessments and Parent Consultation. *Does not meet the condition*

The petition does not provide evidence required by *EC* § 47605(c) that charter schools:

1. *Meet all statewide standards and conduct the pupil assessments required pursuant to EC § 60605 and 60851 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in non-charter public schools.* It fails to meet this condition due to its stated use of outdated tests and failure to specify correct procedures for students with special needs.

2. *The school shall, on a regular basis, consult with their parents and teachers regarding the school's educational programs.* It fails to meet the condition as there is no indication that WAYS provides a method for parents of English learners to provide input on programs specific to English learners and there is no mention of how parents of students with disabilities will be informed about the school's educational program.

Effect on the Authorizer and Financial Projections. *Does not provide the necessary evidence*

EC § 47605(g) requires the petition to provide information regarding the proposed operation and potential effects of the school on the authorizer. Requirements regarding the budget and facilities currently under lease were met. Concerns are as follows:

1. The petition does not provide evidence that there are no potential civil liability effects. Due to the Conflict of Interest issues raised by LAUSD and WAYS' failure to resolve those conflicts, there are concerns with the potential liability effects that authorizing the charter may bring to the County Board if the charter is authorized and the conflicts continue or recur.

2. While the current budget and projections for the next two years seem reasonable, the cost of facilities is unknown as the current lease expires in June 2011. The budget reflects an increase to lease expenses for expansion, based on current expenditures; however, if the school were to remain at the current site, it is unknown whether the holding company might raise the rate for the current sites, which would impact the out-year budgets.

Teacher Credentialing Requirement. *Does not meet the condition*

EC § 47605(l) requires that *teachers in charter schools shall be required to hold a CCTC certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold...It is the intent of the Legislature that charter schools be given flexibility with regard to noncore, non-college preparatory courses.* The petition fails to meet the condition because there is no mention of the type of credential a teacher would need to teach students with disabilities and teacher qualifications limited to *SB* 2042 credentials as reported under Element 5.

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

Lease Agreement

This Lease is made as of August 1, 2013, between The Salvation Army, a California corporation, whose address is 180 East Ocean Boulevard, Long Beach, CA 90802 ("Landlord") and Wisdom Academy for Young Scientists, a California nonprofit public benefit corporation, whose address is 706 E. Manchester Avenue, Los Angeles, CA 90001 ("Tenant").

1. DEFINITIONS. The following terms used in this Lease shall have the meanings set forth below.

1.1. Base Rent: $13,387.54 per month (August 2013 – May 2014); $1,512.75 (June 2014 – July 2014).
1.2. Intentionally Omitted.
1.3. Commencement Date: August 1, 2013.
1.4. Expiration Date: July 31, 2014.
1.5. Parking. School may only use assigned parking stalls. Unauthorized use of parking stalls will incur a $15 per day charge.
1.6. Intentionally Omitted.
1.7. Premises: Slemon Family Youth & Community Center, 7651 South Central Avenue, Los Angeles, CA 90001, as specified on Exhibit A.
1.8. Security Deposit: $13,492.00
1.9. Intentionally Omitted.
1.10. Use: Elementary School, Grades K-5
1.11. Intentionally Omitted

2. EXHIBITS. The following exhibits are attached to and made a part of this Lease: Schedule of shared space including square footage, supported by Exhibit A layout of the building.

3. LEASE. Landlord leases to Tenant the Premises, and Tenant leases the Premises from Landlord, subject to the terms and conditions of this Lease. Tenant accepts the Premises in "as is" condition and acknowledges that Landlord makes no representation or warranty, express or implied in fact or by law, as to the condition of the Premises. The Lease term ("Term") shall begin on the Commencement Date and end on the Expiration Date unless sooner terminated pursuant to the provisions of this Lease. Landlord shall have the right, at any time upon entering into a contract for the sale of the premises, to cancel this lease, and the term hereby granted, upon giving to the Tenant 30 days' notice of intention to do so, and upon the expiration of said 30 days, the Tenant agrees to vacate the premises and to surrender this lease and the term hereby granted at the end of the then current school year. The term of this lease may be extended for one (1) additional year by Tenant, which option shall not be exercised except but by written notification to Landlord of its election at least sixty (60) days prior to the Expiration Date. Such extension shall be subject to all other terms of this Lease except that the rent will reflect a 3.5% increase.

In addition, this Lease may be terminated by either party in the event that the Tenant's charter school contract with LACOE is, for any reason, revoked or not renewed.

4. USE. Tenant shall use the Premises, at all times during the Term, for the Use and for no other use or purpose. Tenant shall, at its cost, fully comply with all laws, statutes, codes, rules, regulations, ordinances, order, judgments, decrees, write, permits, certificates, licenses, or other authorizations, directions, or requirements. Tenant shall not do or permit any act to be done or to exist upon the Premises, which may (a) be dangerous, unless safeguarded as provided for by Legal Requirements; (b) constitute a public or private nuisance; (c) interfere with landlord's own operations in the building, including loitering or trespassing by its invitees; or (d) make nay insurance void or voidable or cause any increase in insurance premiums. Tenant shall neither cause nor permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials; neither cause nor permit a release or threatened release of Hazardous Materials onto the Premises or any other property as a result of any intentional or unintentional act or omission on the part of Tenant; comply with all applicable Legal Requirements related to Hazardous Materials; and cooperate with Landlord in compliance with Legal Requirements in regard to the Building including but not limited to any upgrading of life safety systems or removal of asbestos, it being acknowledged that the Building may not have all systems and improvements which would be required if the Building were newly constructed as of the date of this Lease. Tenant shall faithfully observe and comply with rules and regulations as promulgated by Building Management from time to time. Landlord shall not be responsible for the nonperformance by others of any of such rules and regulations. "Hazardous Materials" are defined as any flammable explosives, radioactive materials, oil or petroleum products and their by-products, asbestos, polychlorobiphenyls, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as defined under or regulated by any Legal Requirements, including, without limitation, the following statutes and the regulations promulgated under their authority: (a) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.); (b) the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); and (c) the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §§ 6901 et seq.).

Landlord shall provide Tenant with a copy of the most current Certificate of Occupancy and Fire Inspection Report for the property. Landlord shall notify Tenant immediately in the event of any change in status.

4.1 Tenant Representations and Warranties.

4.1.1. Tenant has conducted its own investigation into the uses permitted by zoning, land use regulations, or other governmental restrictions and regulations, and Tenant is satisfied that it can use the Premises for the Use permitted under the Lease.

4.1.2. Landlord has made no representation to Tenant regarding its intended use or uses permitted for the Premises, and Tenant is relying solely upon its own investigation in determining the suitability of the premises for Tenant's intended use.

4.1.3. Tenant understands that its obligation to pay rent is independent of any restrictions or limitations on its intended uses, such that any restrictions, limitations, or prohibitions of its intended use by any government authority shall not relieve Tenant of its obligation to pay rent.

5. RENT. Tenant shall pay Base Rent and all sums due under this Lease (together, "Rent") when due, without notice or demand. Base Rent is payable monthly in advance on or before the first of each calendar month during the Term (prorated for partial months, if any). Other sums shall be paid upon notification by Landlord. If payment is not received when due, an administrative fee and late charge of 5% of base rent shall be immediately due and payable without notice or demand. This provision is not a grace period; it is not a penalty, but liquidated damages to defray administrative and related expenses. An additional administrative fee and late charge shall become immediately due and payable on the first of each month for which any portion of a payment (or administrative fee and late charge) remains unpaid, and for processing of any check returned unpaid. Tenant acknowledges that Rent payments shall be made by Tenant to Landlord without any claim on the part of Tenant for diminution, setoff, or abatement. Nothing shall suspend, abate, or reduce any Rent.

5.1. Additional Rent. All taxes, insurance costs, utilities, and maintenance costs which Tenant is required to pay by this Lease, and any other sum which Tenant is required to pay to Landlord or third parties shall be additional rent.

6. SECURITY DEPOSIT. Upon the execution of this Lease, Tenant shall deposit with Landlord a Security Deposit in the amount set forth in Section 1.8 above. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.

7. SERVICES. No electric current shall be used except as provided by Landlord; no electric cable or wire shall be brought into the Premises except with Landlord's prior written consent. Tenant shall not use machines that use more than standard current or which shall overload the Building's circuits. Any consumption of electricity in excess of that which is customary for all tenants, or requiring special circuits or equipment, shall require Landlord's prior approval and the cost thereof shall be paid to Landlord. Landlord is not providing security services. Parking shall be provided as described in 1.5.

7.1. Utilities and Other Services. The following utilities are included in the monthly rent: electricity, heat, cooling, and janitorial. The Landlord shall provide janitorial services to clean the Premises, common areas, and restroom facilities incompliance with all applicable laws.

8. REPAIRS AND MAINTENANCE.

8.1. Landlord's Obligations. The following shall be the responsibility of the Landlord:

8.1.1. Repairs and maintenance of the roofs and gutters, exterior walls (including painting), bearing walls, structural members, and foundations.

8.1.2. Repair of sidewalks, driveways, curbs, parking areas, and areas used in common by Tenant and Landlord or tenants of other portions of the Building.

8.1.3. Repair and maintenance of exterior water, sewage, gas, and electrical services up to the point of entry to the Leased Premises.

8.1.4. Repair and maintenance of the heating and air conditioning system.

8.1.5. Repair of interior walls, ceilings, doors, and windows and related hardware, light fixtures, switches, wiring, and plumbing from the point of entry to the Premises.

8.2. Tenant's Obligations. The following shall be the responsibility of Tenant, with respect to the office space it exclusively occupies:

8.2.1. Repair of interior walls, ceilings, doors, windows, and related hardware, light fixtures, switches, and wiring and plumbing from the point of entry to the Premises.

8.2.2. Any repairs necessitated by the negligence of Tenant, its agents, employees, and invitees.

8.3. Landlord's Interference with Tenant. Any repairs, replacements, alterations or other work performed on or around the Premises by Landlord shall be done in such a way as to interfere as little as reasonably possible with use of the Premises by Tenant. Tenant shall have no right to an abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirement of this provision.

8.4. Reimbursement for Repairs Assumed. If either party fails or refuses to make repairs which are required by this Section 4, the other party may make the repairs and charge the actual costs of repairs to the first party. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the rate of nine percent per annum from the date of expenditure by Landlord. Such expenditures by Tenant may be deducted from rent and other payments subsequently becoming due or, at Tenant's election, collected directly from Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party and charge the other party for the resulting expense unless at least 30 days before work is commenced the defaulting party is given notice in writing outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

8.5. Inspection of Premises. Landlord shall have the right to inspect the Premises at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant notice in writing of the repairs that are required.

9. CONDITION OF PREMISES. Tenant shall not make or suffer to be made any alterations, additions, improvements, or utility installations (collectively, "Alterations") to the Premises, including painting, or any part thereof without the prior consent of Landlord. Tenant shall not, without Landlord's prior consent that may be granted or withheld in Landlord's sole discretion, paint, install window treatment, hang shelves or paintings or otherwise alter the Premises. Tenant may not install signs within or without the Premises that can be seen from any other part of the Building, or from outside the Building, without Landlord's prior written consent. Landlord and Landlord's employees and other agents shall have the right, but not the

obligation, upon reasonable notice to Tenant, and at reasonable times, to enter upon and pass through the Premises from time to time in order to (a) make an examination of the Premises, and (b) show the Premises to prospective purchasers, mortgagees, prospective mortgagees, and others. In the event of an emergency, Landlord and Landlord's agents shall have the right, but not the obligation, without any notice to Tenant, to take such actions, whether on or off the Premises, as Landlord shall deem appropriate to respond to the emergency. Tenant shall accept the Premises in its "as-is" condition.

10. INSURANCE AND TAXES.

10.1. Liability Insurance. Tenant shall, at its own cost and expense, maintain commercial general liability insurance protecting against loss of life, bodily injury and property damage, any and all liability occasioned by negligence, occurrence, accident, or disaster with respect to the Premises and Tenant's operations thereon, with such insurable limits as Landlord may from time to time require, but in no event less than Two Million and No/100 Dollars ($2,000,000.00) combined single limit bodily injury and property damage liability on an occurrence basis with a Two Million and No/100 Dollars ($2,000,000.00) aggregate. Such insurance shall name Landlord as additional insured, and Tenant shall provide Landlord with an additional insured endorsement, and such insurance shall be primary and not excess to Landlord's insurance. Tenant's insurance shall be with an insurer acceptable to Landlord. Tenant shall provide a copy of the policy, or a binding certificate, to Landlord upon execution of this Lease.

10.2 Property Insurance. Landlord shall keep the Premises insured at Landlord's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Tenant shall bear the expense of any insurance insuring the Tenant's property on the premises against such risks.

10.3. Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss neither party's insurance company shall have a subrogated claim against the other.

10.4. Taxes. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to reasonably cooperate in order to obtain exemption determination from County Tax Assessor. In the event that clearance is not obtained or lost, Tenant shall pay all real property taxes and assessments on the Premises (for Tenant's portion of Premises) when due.

11. INDEMNIFICATION. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any

covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damaged to property in, upon, or about the part of the Premises which Tenant exclusively occupies from any source to whomever belonging, and Tenant hereby waives all claims in respect thereof against Landlord and agrees to defend and save Landlord harmless from any action, dispute, complaint or otherwise relation to any violation of the Americans with Disabilities Act of 1990 an all regulations issued thereunder that are within Tenant's responsibility.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, except to the extent of Tenant's negligence or willful misconduct, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

12. CONSTRUCTION LIENS. Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of nine percent per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

13. DAMAGE AND DESTRUCTION.

13.1. Partial Damage. If the Premises are partly damaged and paragraph 13.2 below does not apply, the property shall be repaired by Landlord at Landlord's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Landlord and shall be performed in accordance with the provisions of paragraph 4.3 above.

13.2. Destruction. If the leased Premises are destroyed or damaged such that the cost of repair exceeds 40 percent of the value of the structure before the damage, either party may elect to terminate the lease as of the date of the damage or destruction by notice given to the other in writing not more than 45 days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of termination, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, Landlord shall proceed to restore the leased Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters not under control of Landlord.

13.3. Rent Abatement. Rent shall be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant.

14. EMINENT DOMAIN.

14.1. Partial Taking. If a portion of the Premises is condemned and paragraph 9.2 does not apply, the lease shall continue on the following terms:

(a) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

(b) Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

(c) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the property in anticipation of taking, the rent shall be reduced in proportion to the reduction in value of the leased Premises as an economic unit on account of the partial taking. If the parties are unable to agree upon the amount of the reduction of rent, the amount shall be determined by arbitration in the manner as is provided in Section 17.

(d) If a portion of Landlord's property not included in the leased Premises is taken and severance damages are awarded on account of the leased Premises, or an award is made for detriment to the leased Premises as a result of activity by a public body not involving a physical taking of any portion of the leased Premises, this shall be regarded as a partial condemnation to which subparagraphs 9.1(a) and (c) apply, and the rent shall be reduced to the extent of reduction in rental value of the Premises as though a portion had been physically taken.

14.2. Total Taking. If a condemning authority takes all of the leased Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use which Tenant was then making of the Premises, the lease shall terminate as of the date the title vests

in the condemning authorities. Such termination shall have the same effect as a termination under paragraph 9.1(a) above. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

14.3. Sale in Lieu of Condemnation. Sale of all or part of the leased Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 9 as a taking by condemnation.

15. ASSIGNMENT; SUBLETTING. Tenant shall not in any manner make or allow any assignment, subletting, or occupancy arrangement or any encumbrance of the Premises or this Lease. Any attempt to do any of the foregoing without Landlord's prior written consent shall be void. A change in ownership of Tenant shall be deemed an assignment.

16. DEFAULT; REMEDIES.

16.1. An Event of Default shall occur if any payment to be made under this Lease is not made when due; if any obligation of Tenant is not timely performed or Tenant shall otherwise be in default of a provision of this Lease; or if Tenant shall be brought within the purview of a Bankruptcy Court, whether adjudicated a bankrupt or not.

16.2. If there is an Event of Default by Tenant, Landlord, at Landlord's option, may elect to do one or more of the following: (a) accelerate all of the remaining Rent for the Term, in which event all Rent shall become immediately due and payable; (b) terminate this Lease and re-enter the Premises and remove all persons and property from the Premises, by summary proceedings or by any other suitable action or proceeding at law, or otherwise; or, (c) without terminating this Lease, re-enter the Premises and remove all persons and property from the Premises, by summary proceedings or otherwise, and relet the Premises. If Landlord elects to terminate this Lease, Tenant shall quit and peacefully surrender the Premises to Landlord, without any payment by Landlord for doing so, on or before the effective date of termination, and all Rent shall be paid up to the effective date of termination, together with such expenses, including attorneys' fees, as Landlord shall incur in connection with such termination. No receipt of money by Landlord from Tenant after termination of this Lease shall reinstate, or extend the Term, affect any notice previously given by Landlord to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent. If Landlord shall terminate this Lease, Landlord shall be entitled to retain, free of trust, all sums then held by Landlord pursuant to any of the provisions of this Lease. In the event of any re-entry and/or dispossession by summary proceedings or otherwise without termination of this Lease, all Rent shall become due and shall be paid up to the time of such re-entry and/or dispossession, together with such expenses, including attorneys' fees, as Landlord shall incur in connection with such re-entry and/or dispossession by summary proceedings or otherwise; all Rent for the remainder of the Term may be accelerated and due in full; and Landlord may relet all or any part of the Premises, either in the name of Landlord or otherwise, for a term which may, at Landlord's option, be

equal to, less than, or greater than the period which would otherwise have constituted the balance of the Term. Tenant shall pay, as additional Rent, to Landlord, as they are incurred by Landlord, such reasonable expenses as Landlord may incur in connection with reletting including, without limitation, attorneys' fees, brokerage commissions, and expenses incurred in altering, repairing, and putting the Premises in good order and condition and in preparing the Premises for reletting. If Tenant shall not have paid accelerated Rent, Tenant shall pay in monthly installments on the due dates for Rent payments for each month of the balance of the Term, the amount by which any Rent payment exceeds the net amount, if any, of the rents for such period collected on account of the reletting of the Premises; any suit brought to collect such amount for any months shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent months by a similar action or proceeding. Landlord shall have as Landlord's absolute property, any sums collected by Landlord upon reletting the Premises after Landlord shall resume possession of the Premises including, without limitation, any amounts by which the sums so collected shall exceed the continuing liability of Tenant under this Lease. If Landlord shall have accelerated and collected Rent payments and subsequently shall have relet the Premises, then Landlord, after deducting all costs related to reletting shall pay to Tenant the amount remaining which is collected as Rent for each month, to the extent Landlord shall have previously received the Rent for such month from Tenant.

17. RELOCATION. Landlord may relocate Tenant to another location in the Building, without releasing Tenant of any obligation under this Lease for the full Term. If Landlord remodels a substantial portion of the Building and deems the Premises to be needed for other purposes than this Lease, Landlord may relocate Tenant in the Building or terminate this Lease.

18. MISCELLANEOUS.

18.1. Neither Landlord nor any disclosed or undisclosed principal of Landlord (or officer, director, stockholder, partner or agent of Landlord or of any such principal), nor any successor of any of them, shall have any personal liability for any such failure under this Lease or otherwise. The provisions of this Section shall apply only to Landlord and the parties above-described. They shall not be for the benefit of any insurance company or other third party. Except as specifically set forth in this Lease, Tenant hereby expressly waives its rights under any and all Laws, to terminate this Lease (whether prior to or after the commencement of the Term) or to withhold any payment owed by Tenant under this Lease, on account of any damage, condemnation, destruction, or state of disrepair of the Premises, or any part thereof, it being the parties' intent that the provisions of this Lease shall govern the parties' rights and obligations with respect to such matters. Any holder(s) of any fee mortgage shall have no obligations whatsoever under this Lease. This Lease shall at all times be subordinate to any fee mortgage encumbering the Property. If the holder of any fee mortgage shall succeed to Landlord's interest in this Lease, Tenant shall, upon request, attorn to such holder in writing. In the event of any transfer of Landlord's interests, Landlord shall be released and relieved from all liability and responsibility thereafter accruing to Tenant and Landlord's successor shall be liable and responsible to Tenant with respect to all obligations of Landlord under this Lease accruing from and after the date of such transfer.

18.2. Tenant shall, on the last day of the Term or upon any termination of this Lease, surrender and deliver up the Premises to Landlord "broom clean" and in good condition and repair, subject to ordinary wear and tear, with all equipment and tenant improvements removed if Landlord so requests. All personal property and other belongings that are left upon the Premises at the time of such surrender shall be deemed to have been abandoned. The cost to Landlord of removal, sale and/or storage of such property shall be paid to Landlord by Tenant.

If Tenant does not immediately surrender the Premises to Landlord at the end of the Term, then Tenant shall pay to Landlord double the amount of the Rent payable by Tenant for the last month of the Term for each month or portion thereof that Tenant holds over, plus all damages that Landlord may suffer on account of Tenant's failure to surrender possession to Landlord, and shall indemnify and save Landlord harmless from and against all claims made by any succeeding tenant of the Premises or broker procuring such tenant, related to delay in delivering possession to such succeeding tenant, so far as such delay is occasioned by failure of Tenant so to surrender the Premises. No receipt of money by Landlord from Tenant after termination of this Lease or the service of notice of suit or judgment for possession shall reinstate or extend the Term or affect any such notice, demand, suit or judgment. No act or thing done by Landlord or its agents, including acceptance of keys to the Premises, during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Landlord.

18.3. At any time and from time to time during the Term, within ten (10) days after request by Landlord, Tenant will execute, acknowledge, and deliver to Landlord and its designees, a certificate which states (a) that this Lease is unmodified and in full force and effect, or if there have been modifications, that this Lease is in full force and effect as modified, and identifying the modification agreements; (b) the date to which the Rent has been paid; (c) the nature and extent of any existing default by either party as to which a notice has been given to the other party; (d) whether or not there are any setoffs, defenses, or counterclaims against enforcement of the obligations to be performed under this Lease existing in favor of Tenant; and (e) other matters which Landlord may reasonably request.

18.4. If a claim for brokerage or similar fees in connection with this transaction is made by any other broker, agent, salesman, or finder other than Brokers claiming to have dealt through or on behalf of one of the parties to this Lease, then such party shall indemnify, defend, and hold harmless the other party from all liabilities, damages, claims, costs, fees, and expenses (including reasonable attorneys' fees) with respect to such claim for brokerage. The provisions of this Section shall survive the expiration or termination of this Lease.

18.5. Each Notice shall be deemed to have been given (a) when in writing; (b) when sent by personal delivery, facsimile, Federal Express or other widely recognized overnight delivery service, or registered or certified mail; (c) upon receipt or refusal of receipt by the person to

whom it is addressed; and (d) when addressed to each applicable person at the applicable addresses set forth on the first page of this Lease, or to such other person or address as a party shall in the future designate by giving notice to the other.

18.6. Each party represents to the other that it has full legal right, power, and authority to enter into, execute, and perform this Lease. All the rights and remedies of Landlord under this Lease or pursuant to present or future law shall be deemed to be separate, distinct, and cumulative. No one or more of them, whether exercised or not, nor any mention of or reference to any one or more of them in this Lease, shall be deemed to be in exclusion of, or a waiver of, any of the others, or of any of the rights or remedies which Landlord may have under this Lease, at law, and/or in equity. Landlord shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies separately and to pursue any lawful action or proceedings to exercise or enforce any right or remedy without thereby waiving or being barred or estopped from exercising and enforcing any other rights and remedies by appropriate action or proceedings. No waiver by Landlord of any breach by Tenant of any term or condition of this Lease, and no failure by Landlord to exercise any right or remedy in respect of any such breach, shall constitute a waiver or relinquishment for the future, or bar any right or remedy of Landlord in respect of, any other breach of such term or condition or any breach of any other term or condition of this Lease. No payment by Tenant or receipt of payment by Landlord of an amount less than the full amount then due Landlord under this Lease shall be construed as anything other than a partial payment of such sum then due and owing. No endorsement or statement on any check or letter or any form of payment or accompanying document shall be deemed to be an accord and satisfaction or other form of settlement; Landlord may accept any such payment without prejudice to its rights to recover the balance of sums due and owing under this Lease or to pursue any other remedy permitted under this Lease.

18.7. Whenever under this Lease Landlord's consent or approval is expressly or impliedly required, it may be arbitrarily withheld. If Tenant requests Landlord's consent or approval, and if in connection with such request Landlord seeks the advice of its attorneys, architect and/or other adviser or expert, then Tenant shall pay such persons' costs and fees related to such request and the preparation of related documents, which costs and fees shall be limited to $750 per request for matters in the normal course of Tenant's business. Such limitation shall not apply for extraordinary matters such as improvements or remodeling, or any work of any nature that might affect the Building's structural integrity or building systems.

18.8. All obligations of Tenant that are or may be intended by their nature to be performed and/or complied with after the expiration or earlier termination of this Lease shall survive such expiration or termination. Express provisions in this Lease that require or permit survival in specific instances, or as to specific obligations, shall not be deemed a limitation upon the generality of this survival clause. Every provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. If any provision of this Lease, or the application of such provision to any person or circumstance, shall be determined by appropriate judicial authority to be illegal, invalid, or unenforceable to any extent, such provision shall, only to such extent, be deemed stricken from this Lease as if never included. The remainder of this Lease,

and the application of such provision to persons or circumstances other than those as to which such provision is held illegal, invalid, or unenforceable, shall not be affected. In this Lease, "attorneys' fees means without limitation, accountants' and attorneys' fees, including fees for the services of paralegals and similar persons, consultant fees, investigation and laboratory fees, court costs, and litigation expenses at the trial and all appellate levels, and through collection.

18.9. The captions and headings contained in this Lease are for convenience and reference only, shall not be deemed to be a part of this Lease or construed as limiting, amplifying, or modifying in any manner the provisions of this Lease, and shall not otherwise affect the interpretation of this Lease. All references to Exhibits or Sections are to Exhibits or Sections of this Lease. Whenever the context of any provision of this Lease so requires, pronouns of any gender shall include the other genders, words in the singular shall include the plural, and words in the plural shall include the singular. This Lease may be executed and delivered in two or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to be one instrument. The parties shall take all such actions and execute all such documents as may be necessary to carry out the purposes of this Lease, whether or not specifically provided for in this Lease. Time is of the essence as to all material terms of this Lease. This Lease shall be construed and governed in accordance with the laws of the State of California without application of conflict of law principles. All of the parties to this Lease have participated fully in its negotiation and preparation. Accordingly, this Lease shall not be more strictly construed against any one of the parties. Landlord shall not be deemed, in any way or for any purpose, to have become, by the execution of this Lease or any of the provisions of this Lease, or any action taken under this Lease, a partner of Tenant, in Tenant's business or otherwise, or a member of any joint enterprise or venture with Tenant.

18.10. This Lease contains the sole and entire agreement, and supersedes all other prior written or oral agreements, between the parties with respect to the subject matter of this Lease. This Lease may be changed, amended, or modified only by an agreement in writing signed by the party against whom such change, amendment, or modification is sought to be enforced. The terms and conditions of this Lease shall bind the parties and their respective successors and assigns, and shall inure to the benefit of the parties and their respective permitted successors and assigns. Any waiver of rights by either party shall be deemed not only to be a waiver of such rights by such party but also a waiver of such rights for and on behalf of such party's successors and assigns.

18.11. Claims, disputes, or other matters in controversy arising out of or related to the lease shall be subject to mediation as a condition precedent to binding dispute resolution.

18.12. The parties shall endeavor to resolve their disputes and claims ("Claims") by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its applicable procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Lease, and filed with the person or entity administering the mediation. The request

may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If arbitration is stayed pursuant to this Section 18.13, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

18.13. The parties shall share the mediator's fee and any filing fees equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

18.14. Any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its applicable rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Lease, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

18.15. A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

18.16. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. The party determined to be the prevailing party in the arbitration shall be entitled to an award of its reasonable costs and fees, including attorneys' fees and expert's fees, incurred therein.

18.17. The foregoing agreement to arbitrate shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

18.18. In case suit shall be rightfully brought for possession of the Premises, the prevailing party shall recover reasonable attorney's fees from the other in each such suit. It is further mutually agreed by and between Landlord and Tenant, that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, and/or any claim of injury or damage, and any emergency statutory or any other statutory remedy. Should Landlord seek recourse to enforce any of its rights under this Lease, Tenant agrees to waive any defense which it might otherwise

have that Landlord has any adequate remedy at law. Tenant further agrees that it shall not interpose any counterclaim or set off in a summary proceeding or in any action based in whole or in part on nonpayment of rent.

18.19. IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THEY SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LANDLORD OR TENANT AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, AND/OR TENANT'S USE OF OR OCCUPANCY OF THE PREMISES. TENANT FURTHER AGREES THAT IT SHALL NOT INTERPOSE ANY COUNTERCLAIM OR COUNTERCLAIMS (EXCEPT COMPULSORY COUNTERCLAIMS) IN ANY SUMMARY PROCEEDING OR IN ANY ACTION BASED UPON NONPAYMENT OF RENT OR ANY OTHER PAYMENT REQUIRED BY TENANT UNDER THIS LEASE.

18.20. The parties have executed this Lease on the date set forth in the first paragraph.

18.21. Tenant agrees to train all school staff in Landlord's Protecting The Mission policies and procedures.

18.22. Shared Rooms. Tenant agrees that all teachers and school staff must vacate all shared rooms by 3:20 p.m. In addition, Tenant may only use walls in shared rooms which are specifically assigned to them by Landlord.

18.23. Windows and doors must not be covered or blocked, except in cases of emergency.

18.24. Landlord's furniture and equipment must not be moved from their assigned rooms without prior written permission of Landlord.

LANDLORD
The Salvation Army,
a California corporation

BY: _____
ITS: TREASURER

BY: _____
ITS: ASSISTANT TREASURER

OCT 23 2013

THE SALVATION ARMY
SOUTHERN CALIFORNIA DIVISION
FINANCE COUNCIL

(OCT 23 2013)

☐ Approved ☐ Not Approved
☑ Recommended ☐ Concept Approval
☐ Reviewed/Noted ☐ Deferred
By: _____

TENANT Wisdom Academy

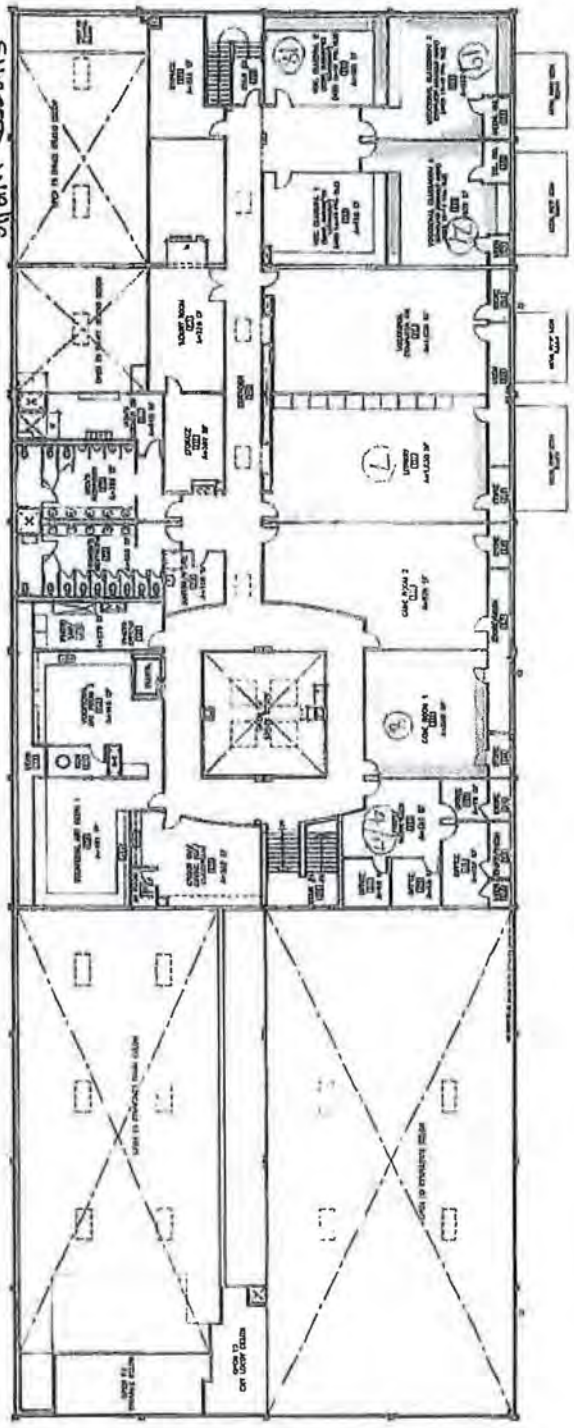
BY: _____
ITS: Executive Director

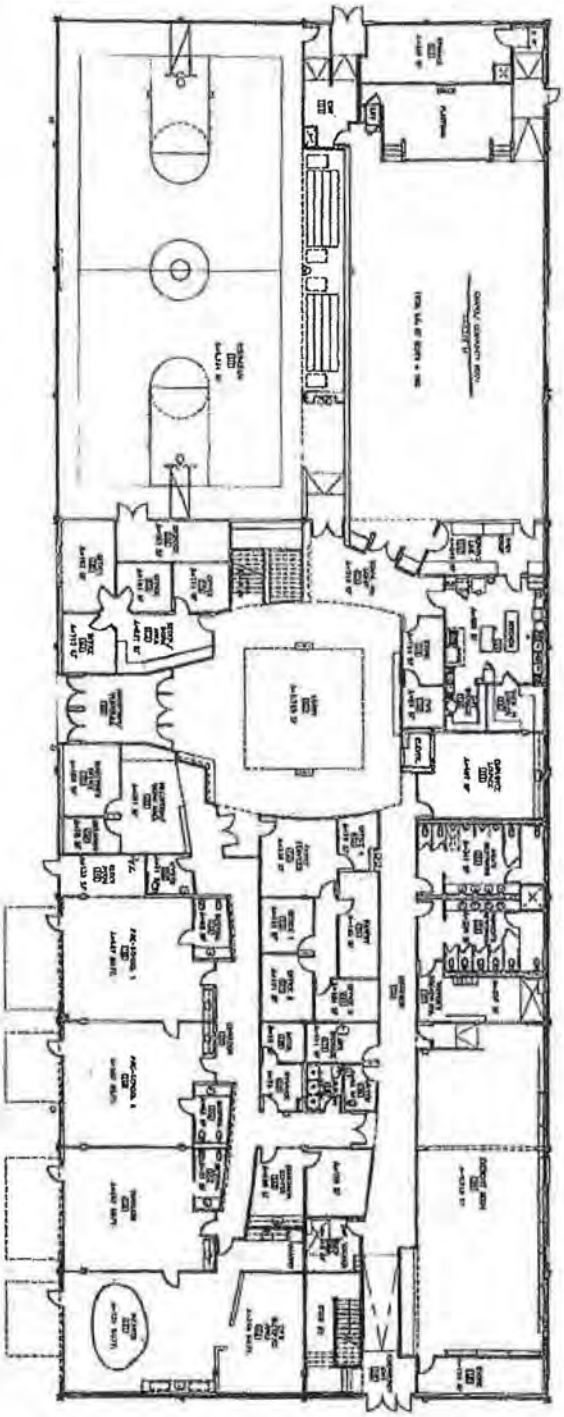
BY: _____
ITS: _____

14

Schedule 1

		The Salvation Army	Wisdom Academy
Education Room 2 (18)	409.14 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Education Room 3 (19)	519.77 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Education Room 4 (27)	534.70 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Library (7)	1022.80 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Game Room 1 (8)	583.20 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Infant Room	1309 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Office Suite (4/17)	696.00 sq ft	Space is not being shared with Wisdom Academy.	Space is being used by Wisdom Academy only
Chapel	2851.00 sq ft	Monday thru Friday – 5:00 PM onwards	Monday thru Friday – 7:00 AM to 4:30 PM
Parking Stalls	14 Stalls		Monday thru Friday – 6:45 AM to 4:00 PM


SHARED WALLS
- Wisdom Academy
- The Salvation Army
- Neutral Walls.



RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the resolution to sell the school vehicle (2011 Lexus RX350) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 31 day of JULY, 2012, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to authorize the Executive Director or designee to enter a lease or purchase agreement for a **vehicle for school use** behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board President)

Wisdom Academy for Young Scientists
Capital Expense Analysis

Purchase

Item: SUV or Sedan (Vehicle)

Use: Executive Business Transportation

Reason: Merle Williamson Foundation (MWF) may provide the Administrative Personnel an automobile vehicle and operating expenses for the use of conducting MWF business and reasonable personal use. Provided that MWF Administrative Personnel chose to utilize the Executive Business Transportation, this will reduce the automobile use reimbursement costs and wear and tear for individual Personnel property.

Impact: +/- 10,000 annual Personnel transportation expenses

Date: July 2012

Sale

Item: SUV or Sedan (Vehicle)

Use: Executive Business Transportation

Reason: In best interest of the stakeholders of the Merle Williamson Foundation (MWF), selling the Executive Business automobile vehicle should provide the funds to better serve the school. In which those funds may be used to purchase a vehicle for pupil transportation.

Impact: $26,000 - $32,000 one-time payment; +/- $10,000 annual Personnel transportation reimbursements.

Date: August 2013

Purchase

Item: School Bus/Van (Vehicle)

Use: Pupil Transportation, Utility Vehicle

Reason: Subsidize expenses for rentals and chartered school buses for short-distance fieldtrips and destinations. Provide a van for Pupil transportation and select utility use.

Impact: +/- 10,000 annual Pupil transportation expenses

Date: TBD

Transaction #679061 - Jason-Inyoung-RX350
(You are the Seller)

Logged in as: Jason Okonkwo (mrjason7@gmail.com)
Help | Sign Out

Status
Select any status for help.

1. BUYER AND SELLER AGREE TO TERMS
2. BUYER SENDS PAYMENT TO ESCROW.COM
3. SELLER SHIPS MOTOR VEHICLE TO BUYER
4. BUYER RECEIVES MOTOR VEHICLE
5. ESCROW.COM PAYS SELLER
   - Closing Statement sent

Closing Statement sent via E-Mail

- The Buyer has accepted the merchandise.
- The closing statement was sent to your E-Mail account.
- Did you enjoy using Escrow.com? **Send us your feedback!**

[redacted]

Merchandise

No.	Item Description	Quantity	Unit Price	Total Price
1	**Lexus RX350 2011**	1	$26,000.00	$26,000.00
			Sub-total	$26,000.00
			Shipping Fee	$0.00
			Fee: Escrow	$-115.70
			Total	$25,884.30

Transaction ID: 679061
Escrow ID: 484243

Terms

Transaction #:	679061
Escrow #:	484243
Transaction Title:	Jason-Inyoung-RX350
Buyer:	Inyoung Kwon (iykwon@hotmail.com)
Seller:	Jason Okonkwo (mrjason7@gmail.com)
Inspection Period:	3 calendar days
Escrow Fee to be paid by:	Split(Buyer/Seller) The buyer is responsible for 100% of the escrow fee in the event the transaction is cancelled or the merchandise is returned.
Transaction fulfilled using:	Cargo Shipping
Shipping fee to be paid by:	Buyer

History

Jan 28 2014 10:09AM PDT Funds disbursed. Final closing statements sent to both parties.

Jan 27 2014 9:26PM PDT Inspection period ended, Buyer accepts merchandise.

Jan 27 2014 9:25PM PDT Buyer received merchandise. Inspection period starts.

Jan 27 2014 12:02PM PDT Seller shipped goods by Buyer pick up (Phone: 4036080016) with tracking number -

Buyer Pick-up

Dec 12 2013 2:49PM PDT
Escrow.com approves payment.

Dec 12 2013 2:48PM PDT
Buyer paid by wire transfer, awaiting Escrow.com approval.

Dec 2 2013 3:12PM PDT
Both parties have accepted the offer, awaiting buyer payment.

Nov 30 2013 2:30PM PDT
Buyer initiates the transaction

Customer Support | Privacy Policy | Terms of Use
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PROVIDED BY ESCROW.COM

Internet Escrow Service
Escrow Trust Account
30318 Esperanza
Rancho Santa Margarita, CA 92688
(949) 635-3800

BANK OF AMERICA

119107

Escrow Number: 13--484243

January 28, 2014

Pay TWENTY-FIVE THOUSAND EIGHT HUNDRED EIGHTY-FOUR AND 30/100********** US Dollars

25,884.30 USD

TO THE ORDER OF
Merle Williamson Foundation
706 East Manchester Ave
Los Angeles, CA 90001

INTERNET ESCROW SERVICES, INC.
ESCROW ACCOUNT VOID AFTER 60 DAYS

RED CHECK NUMBERING IMAGES THROUGH TO BACK OF SHEET

⑈119107⑈ ⑆122000661⑆ 14594⑈28440⑈

MD 119107

INTERNET ESCROW SERVICES, INC.

Escrow Number: 13--484243

Sellers Proceeds
Transaction No. 679061

Check No: 119107

Date: 01-28-2014

Amount: 25,884.30

Property:

Buyer : Inyoung Kwon

Seller : Jason Okonkwo

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 1086 of 3489

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

Aubrey W. King, CPA
Richard K. Savage, CPA

October 22, 2013

To the Governing Board and Management of
Wisdom Academy for Young Scientists
706 E Manchester Ave.
Los Angeles, California 90002

We are pleased to confirm our understanding of the services we are to provide for Wisdom Academy for Young Scientists for the year ended June 30, 2013.

We will audit the financial statements of Wisdom Academy for Young Scientists, which comprise the statement(s) of financial position as of June 30, 2013, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of expenditures of federal awards.

2) Supplementary information identified in the State Audit Guide

We will also prepare the organization's federal and state information returns for the year ended June 30, 2013.

Audit Objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
- An opinion on state compliance as identified in *Standards and Procedures Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and with OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance

with OMB Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for the tax services and any other nonattest services we provide; oversee the service by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us, and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on November 18, 2013.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you

are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

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

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

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

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

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

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Circular A-133 Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the Organization's major programs. The purpose of these procedures will be to express an opinion on Wisdom Academy for Young Scientists' compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

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

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

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

The audit documentation for this engagement is the property of Wilkinson Hadley King & Co LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the California Department of Education or its designee, the California State Controllers Office, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Wilkinson Hadley King & Co LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the California Department of Education or California State Controllers Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Aubrey King is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately November 18, 2013 and to issue our reports no later than December 15, 2013, unless extended to another date. We plan on completing your tax returns by the extended due date.

We estimate that our fees for these services will range be $9,500 for the audit and ~~$950 for the information returns~~. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

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

Very truly yours,

Wilkinson Hadley King & Co LLP

Wilkinson Hadley King & Co. LLP

RESPONSE:

This letter correctly sets forth the understanding of Wisdom Academy for Young Scientists.

Management signature: _____

Title: Director of Operations

Date: 11/18/13

Governance signature: _____

Title: _____

Date: _____

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the auditor selection of Wilkinson Hadley King & Company, LLP on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

From:	Carol Lee Tolbert
To:	"Edward Cabil"; dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.com; normanskx@gmail.com; saundavis@aol.com; kimberly@ksdanielslaw.com
Cc:	Patel, Neha; "Jason Okonkwo"; "Karen Horowitz"; deara7@gmail.com; "Ball Business Management"; larry.wisdomacademy@gmail.com
Subject:	Hon. Carol Lee Tolbert, President /RE: Board Meeting Postponed
Date:	Wednesday, November 20, 2013 11:54:31 PM

Good Evening Mr. Cabil,

On yesterday evening, I read your email unilaterally postponing the Board of Directors' meeting; even though I emailed a draft agenda to you at 4:40PM - in time for you to post it by 5:00PM to meet the 72-hour deadline required by the Brown Act. However, you did find time to send out a scurrilous email requesting that the 'new' board members step down; and identifying me specifically. (I will be responding to your recent emails under separate cover.)

a. Your administrative responsibilities do not give you the prerogative to postpone Board meetings. Case in point, board members do not have the prerogative to cancel staff meetings. Moreover, you were keenly aware of the time-sensitive documents being requested by LACOE. We were to submit these documents below not later than November 22, 2013. I will list them for you:

    1. Board Policy on Admissions/Enrollment/Lottery
    2. Board Policy on Student Fees
    3. Board Policy on Suspension & Expulsion
    4. Board Meeting Minutes for September 26, 2013
    5. Board Meeting Minutes for October 24, 2013

b. Interestingly enough, LACOE sent an email earlier today indicating staff had emailed these unapproved Board Policies. I requested you to place the above policies on the November 21, 2013 Board agenda for review/modification/approval for the 2013-14 School Year in order to meet the requested deadline. These policies must still be approved by the Board of Directors; similar to Board minutes.

Additionally, other matters that needed to be considered by to the Board at its November 21, 2013 meeting included:

c. The Single Plan for Student Achievement along w/ the draft Student Achievement Plan outlining the strategies to be implemented that would ensure African-American and Special Education students; who did not meet their 2012-13 AYP growth targets, would meet their 2013-14 AYP growth targets. The final Student Achievement Plan is due to LACOE on December 2, 2013. I am sure Board members would like to have this information presented in a timely manner.

d. The Title One Budget due to LACOE by November 15, 2013 that was not submitted, and has yet to be reviewed and approved by the Board. This budget identifies the funds to be used to support both the 2013-14 Single Plan for Student Achievement as well as the Student Achievement Plan.

e. An overdue monthly budget presentation from Bali Business Management explaining to the Board a line item budget increase of $118,000 from the previous school year in supplies. As you may recall, in August the Board 'conditionally' approved this year's budget in order that some funds could be used to open the school-year, although LACOE would receive a 'conditionally approved' 2013-14 budget. Since August, the Board has not had an opportunity to review the school's budget. In September, the contractor was called and instructed not to come. In October, when the contractor did come, the Board meeting was disrupted and the contractor was unable to present the budget, nor was the Board able to continue with the meeting as we were told to "get out". In fact, was directly yelled at and threatened by the employee to, "Get out and don't come back!" among his other verbal and physically menacing gestures.

f. Scheduling of Board Retreat that every board member agreed was needed for several reasons. (See Agenda)

g. Hearing critical Closed Session items

h. The review/approval of a contract for the Executive Director; if one had been provided. In fact, no contracts for this school year have been presented to the Board for review, approval or denial. Were the teachers' contracts approved prior to the end of school? I know this current Board did approve their Salary Schedule.

Since there is no scheduled Board Meeting in December, I am recommending that the Board schedule a December meeting, due to

'postponement' of its November meeting.
For further illumination, please see the attached agenda.

Needless to say, this and other recent events are disheartening. Board members are **NOT** the problem. Board members govern, approve expenditures and direct administration. Administration implements the policies of the Board, and manages the daily operations of the organization. There is no getting around this fact. No matter who the governing board members are; in public entities, this is known as the system of 'checks and balances'.

Respectfully,
Hon. Carol Lee Tolbert, President
Wisdom Academy for Young Scientists

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Tuesday, November 19, 2013 4:45 PM
To: dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.com; normanskx@gmail.com; saundavis@aol.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com
Cc: Patel_Neha@lacoe.edu; Jason Okonkwo; Karen Horowitz; deara7@gmail.com; Bali Business Management; larry.wisdomacademy@gmail.com
Subject: Board Meeting Postponed

I am writing you to notify that the November 21, 2013 board meeting has been postponed.

Blessings,
Ed Cabil

Wisdom Academy for Young Scientists

November 12, 2013

Neha Patel
LACOE Charter Schools Office
9300 Imperial Highway
Downey, California 90242

Dear Ms. Patel,

I am writing regarding Wisdom's October 24, 2013, Board Meeting audio recording.

The Wisdom's October 24, 2013, Board Meeting was ended abruptly at 8:40pm at the conclusion of the closed session due to an unanticipated interruption.

The audio enclosed is the only audio there is for the October 24, 2013, Board Meeting.

Sincerely,

Edward Cabil

Empowering Students to be Leaders, Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

Mitchell_April

From: Mitchell_April
Sent: Tuesday, February 04, 2014 1:03 PM
To: Edward Cabil (edcabil@sbcglobal.net); Jason Okonkwo (mrjason7@gmail.com)
Cc: Memon_Zak; Onanuga_Adebayo; Wilson_Dina; Higelin_Judy; Carol Lee Tolbert (kids@civicpride.net)
Subject: Board Approval of Documents

Hi Edward & Jason,

Can you please let me know if our governing board has approved the following items? If, so can you please send a copy of the agenda(s), and minutes documenting approval:

Items:

1. Approval the annual budget due in July of each year
2. The selection and approving of the auditor and the acceptance of the audit report
3. Approval of Annual Federal 990 filing due in November of each year
4. Annual approval of administrative contracts

Thank you in advance, if you have any questions please don't hesitate to contact me.

April Mitchell
Financial Operations Consultant
Controllers's Office, ECW-120
Los Angeles County Office of Education
Ph: [562] 803-8351
Fax: [562] 401-5789

Patel_Neha

From: Higelin_Judy
Sent: Wednesday, February 05, 2014 11:01 AM
To: Patel_Neha
Subject: FW: Board Approval of Documents
Attachments: WAYS Board Minutes - August 29, 2013.PDF; Board Resolution - Executive Director Contract.PDF; Board Resolution - Auditor and Audit.PDF

For your files

From: Jason Okonkwo [mailto:mrjason7@gmail.com]
Sent: Wednesday, February 05, 2014 10:23 AM
To: Mitchell_April
Cc: Edward Cabil (edcabil@sbcglobal.net); Memon_Zak; Onanuga_Adebayo; Wilson_Dina; Higelin_Judy; Carol Lee Tolbert (kids@civicpride.net)
Subject: Re: Board Approval of Documents

Dear April,

Please the following attached:

1. WAYS August 29, 2013 Board Meeting Minutes, including approval of 2013-14 FY Budget

2. WAYS Board Resolution to Select Auditor and Acceptance of Audit Report

3. The WAYS 990 was filed, however, I am unable to locate the Board Resolution. I will address this with the WAYS Executive Director and get back to you soon.

4. WAYS Board Resolution to enter employment agreement with the Executive Director. The contracts for other administrative staff are in place and executed by the Executive Director, the authorized Agent of the WAYS Board. However, we do not have a Board Resolution in place for other administrative contracts. I will address this with the WAYS Executive Director and get back to you soon.

Sincerely,

Jason

On Tue, Feb 4, 2014 at 1:03 PM, Mitchell_April <Mitchell_April@lacoe.edu> wrote:
Hi Edward & Jason,

Can you please let me know if our governing board has approved the following items? If, so can you please send a copy of the agenda(s), and minutes documenting approval:

Items:

1. Approval the annual budget due in July of each year

2. The selection and approving of the auditor and the acceptance of the audit report

3. Approval of Annual Federal 990 filing due in November of each year

4. Annual approval of administrative contracts

Thank you in advance, if you have any questions please don't hesitate to contact me.

April Mitchell
Financial Operations Consultant
Controllers's Office, ECW-120
Los Angeles County Office of Education
Ph: [562] 803-8351
Fax: [562] 401-5789

--

Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

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~modeling rigor, innovation and the pursuit of academic excellence~

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New School Opening

July 2012

Innovative Ways Academy

Independent School (6-8)

Providing A Superior and World-Class Education

Developing Academic Excellence and Exemplary Character

- A uniquely designed middle school where talented and caring faculty and staff will cultivate in each student the passion for learning, self-confidence, social well-being, discipline and the individual talents that each possesses. Dedicated to the development of academic excellence, exemplary character, and self-discovery in each child, Innovative Ways Academy will provide a world-class education for scholars, while focusing on the development of the whole child.

LEARN MORE ABOUT OUR SCHOOL!

ENGLISH FLYER & SPANISH FLYER

REGISTER FOR ORIENTATION

WEDNESDAY, APRIL 4, 2012

Educational Consultant Services

Rigorous academic training

Increasing student achievement

Innovative Ways Academy offers educational consulting services for K-12 schools to improves standardized test results. In partnering with Innovative Ways Academy, we can design a specific Student Achievement Plan tailored to student data and unify the instruction across grade levels to foster academic achievement for all. iWays is a transformational climate that promotes rigorous learning and education of the whole child. We provide consultation in Core Standards of Math, Language Arts and Science.

What's New!

iWays Blog

Stay tuned with our upcoming events!

Innovative Ways Academy

Middle School Orientation

Wednesday, April 4, 2012

Register!

Parents for Excellence Meeting

Monday, March 26th 2012 &

Wednesday, March 28th 2012

@ 5:30PM

706 E. Manchester Ave.

LA, CA 90001

Topic: Next Steps for 5th Graders

Middle School Options

Click here for English Flyer

Click here for Spanish Flyer

For More Information, Contact

Deara Okonkwo, (323) 608 - 1320

[nnovative Ways Academy -

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6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com

Innovative Ways Academy

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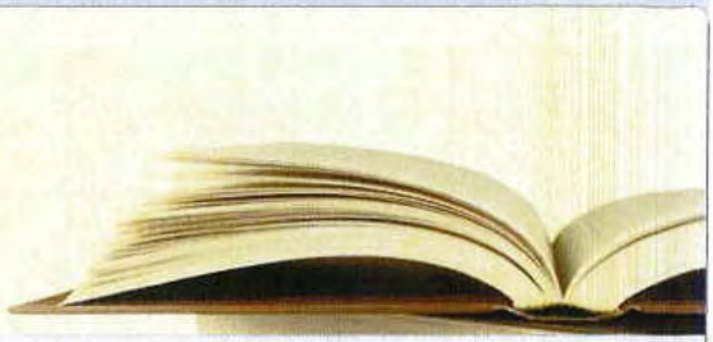

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TUITION

APPLICATION FEE (students applying)..... $25.00

REGISTRATION FEE (admitted students)..... $150.00

Registration fee must be paid before or on the May 7th Letter of Intent Deadline.

SUMMER ENRICHMENT..... $450.00

Summer Enrichment fee must be paid before or on the May 28, 2012.

TUITION..... $1250.00

All fees may be subject to change.

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6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com

Innovative Ways Academy

You want what's best for your child. We do too.
Deciding on an excellent Middle School for your child?
Come join us for a meeting to address Middle Schools Options!

Parents for Excellence Meeting
Monday, March 26th 2012 @ 5:30PM &
Wednesday, March 28th 2012 @ 5:30PM
706 E. Manchester Ave.
Los Angeles, CA 90001

Topic: Next Steps for 5th Graders
Middle School Options

For More Information, Contact
Deara Okonkwo, (323) 608- 1320
www.iwaysacademy.com

Innovative Ways Academy

~modeling rigor, innovation and the pursuit of academic excellence~

Innovative Ways Academy
Mailing Address:
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Los Angeles, CA 90045
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info@iwaysacademy.com

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About Us

Vision Statement

Equipping students with 21st century skills to become global leaders.

Mission Statement

School Mission: Innovative Ways Academy s mission is to create a transformational climate of lifelong learners where talented and compassionate faculty will nurture students pursuit of academic excellence, exemplary character, and meaningful contribution to their local, national, and global communities.

Consultant Mission: Our mission is to provide a model framework of rigorous instruction that has practical tools for accomplishing our visionary ends of fostering self-responsible and lifelong learners. We accomplish this by training teachers, engaging students, educating parents and designing curriculum to ensure that student achievement is met for all.

Founder & Executive Director

Deara Okonkwo is an extraordinary 21-year-old woman whose gifts and talents illuminate in the children of her classroom and dance studio. Ms. Okonkwo is a doctoral candidate at the University of Southern California, holding a Master s Degree in Education, Clear Teaching Credential and Bachelor s all obtained from the prestigious University. She is renowned for her outstanding academic accomplishments: at the prime age of fourteen, she graduated from high school with an Associate of Arts Degree; at seventeen, she received her Bachelor s in English with a minor in Psychology and at eighteen she obtained her Master s Degree in Education along with her teaching credential. Deara is the Founder and CEO of DeDe Dance Studio, a 501(c) (3) non-profit that works to empower youth through multicultural performing arts, brotherhood and sisterhood clubs and educational enrichment. Most recently, she established Innovative Ways Academy, a uniquely designed Middle School that provides children with a world-class and elite educational experience. Furthermore, her Academy offers rigorous academic coaching for educators and provides practical modeling in the classrooms to increase student achievement. Her motto is to recycle the knowledge that she obtained and she has sought to achieve these as an urban educator. Her passion lies in her professions, educating children in the classrooms and empowering youth through the performing arts. With only twenty-one years, she demonstrated profound leadership skills through her humanitarian efforts. Deara is a true change agent and leader for the youth that she serves.

Innovative Ways Academy
English Language Arts Syllabus 6A
Trimester 1: August 14th – October 26th 2012
Ms. Deara
deara@iwaysacademy.com
www.iwaysacademy.com/ela

Course Description:
The Reading portion of the Grade 6 California English–Language Arts Standards Test has three strands/ reporting clusters: Word Analysis, Reading Comprehension, and Literary Response and Analysis. In ELA 6A, Word Analysis will be introduced. Each of these strands/clusters is described below. The Writing portion of the Grade 6 California English–Language Arts Standards Test has two strands/reporting clusters: Writing Strategies and Written Conventions. In ELA 6A, Writing Strategies will be introduced.

Strands to Cover: Writing Conventions/Word Analysis

Wk	Standard	Topic	Grade/Percentage
1	All	Pre-Test and Introduction	
2	W.C. 1.1	Sentence Structure	
3	W.C. 1.2	Grammar	
4	W.C. 1.3	Punctuation	
5	W.C.1.4/1.5	Capitalization/Spelling	
6	Previous	Midterm	
7	W.A. 1.2	Figurative Language/Homograph	
8	W.A. 1.3	Word Origins	
9	W.A. 1.4	Using Contextual Clues	
10	W.A. 1.5	"Shades of Meaning"	
11	All	Study Week/Exams/Presentations	

Grading	**Percentage**	**Letter Grade**
10% Attendance/Participation 10% In-class Assignments 10% HW 10% Project 30% Quizzes 30% Mid-term/Exam	90 – 100 80 – 89 70 – 79 60 – 69 50 – 59	A B C D F

1. Attendance/Participation: Students receive 1 pt for each attended day of school.

2. In – Class Assignments: Students receive 1 pt for each assignment completed.

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Innovative Ways Academy
Mailing Address:
6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com

close

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3. HW: Students receive 1 pt for each assignment completed. Hw is always what was not finished in addition to reading a chapter of the class novel and completing one of the 3 choices of comprehension

I. Summary/critique/ reflection/ connection
II. Quiz for peer 7-10 questions
III. visual representation/poem/song

4. Project: More information will be discussed in class.

5/6. Assessments:
I. Pre-Assessment
II. Weekly Quizzes,
Total of 10 questions.
2 multiple choice
2 true false
2 opened ended
2 short answer ea. Worth 2 points ea.
III. MidTerm
Total of 30 questions
10 multiple choice
10 true false
6 opened ended
4 short answer ea. Worth 2 points ea.
IV. Exam
Total of 30 questions
10 multiple choice
10 true false
6 opened ended
4 short answer ea. Worth 2 points ea.

Language Arts Reading List:
**Deposit for each book is $20; refunded when child returns book in original condition.*

1. August: Arby Jenkins: Mighty Mustang, Sharon Hambrick
2. September: The Dreamer, Pam Munoz Ryan
3. October: The Audacity of Hope, Barack Obama
4. November: Walk Two Moons, Sharon Creech
5. December: The Skin I'm In, Sharon Flake or Slam, Walter Myers
6. January: The Middle Heart, Bette Bao Lord
7. February: The Autobiography of Malcolm X, Malcolm X
8. March: D' Aulaires' Book of Greek Myths, Ingrid d'Aulaire
9. April: The End of Molasses Classes, Ron Clark
10. May: The Candymakers, Wendy Mass

Jp Explore Upload Find photos, people, or groups Sign In

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Deara-Okonkwo-8x10

Comments and faves

Add your comment here.

Innovative Ways Academy - September 2012 Calendar

Sep 12	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					August 31st Tuition Payment Due No later than 3pm	1	2
Week 4	3 Labor Day School Closed	4	5	6	7 Back to School Dance Fundraiser	8	9
Week 5	10	11	12 LA Presentation Due	13 Field Trip to LACMA	14 Picture Day!	15	16
Week 6	17 Student Council Campaign Begins	18	19	20	21 Hispanic Heritage Month Celebration Parent Meeting re: STAR Trip 5pm	22	23
Week 7	24 Student Council Voting Day	25	26	27 P.H.E. Mt. Vernon Hill	28 Celebration of September Birthdays *Themed Day of the Week Favorite Sports Team Day	29	30

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
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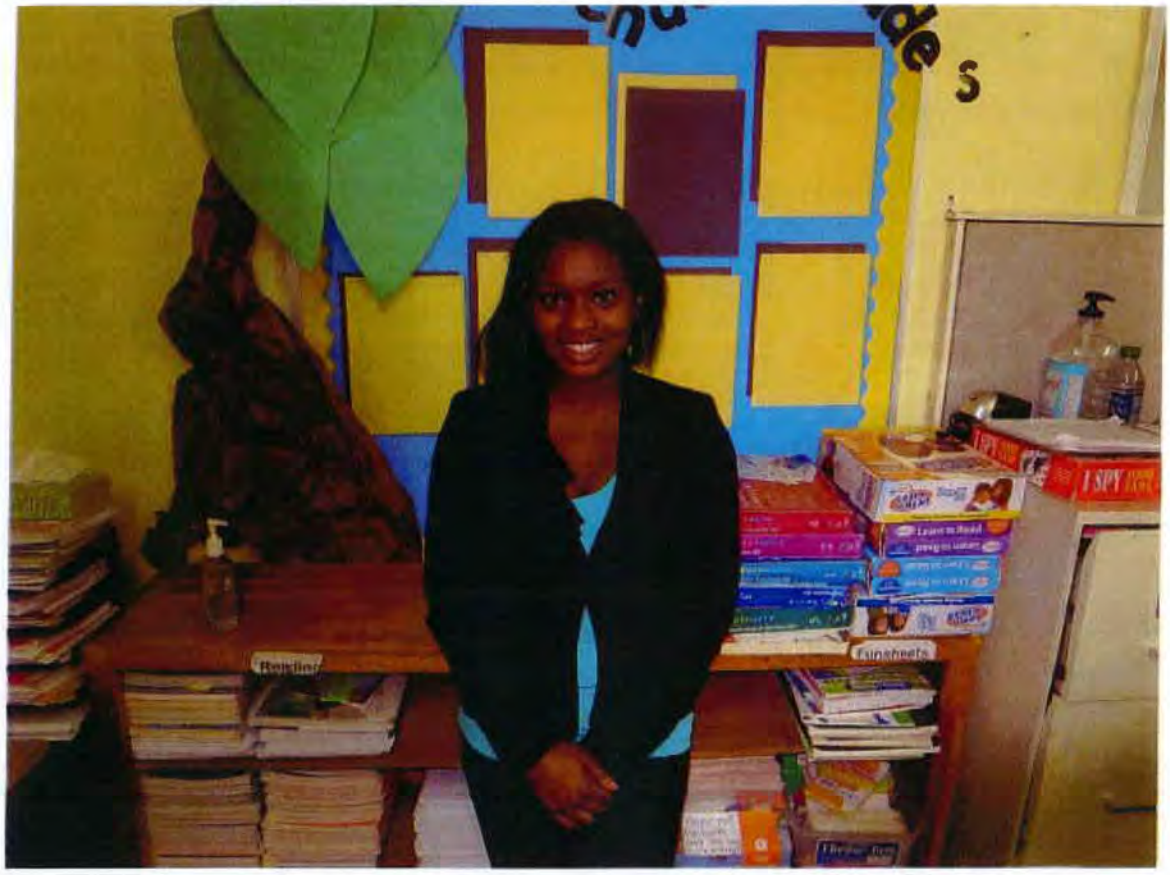
Innovative Ways Academy November 2012 Calendar

Nov 12	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1 Tuition Payment Due Parent Conferencing	2 Parent Conferencing	3	4
Week 13	5	6 iWays Student Government Election	7 *USC Field Trip	8	9	10	11
Week 14	12 Veterans' Day School Closed	13	14	15	16 Thanksgiving Program	17	18
Week 15	19	20 Community Outreach	21 Fall Recess	22 Fall Recess	23 Fall Recess	24	25
Week 16	26	27	28	29 P.H.E. Culver City Stairs	30 Celebration of November Birthdays *Themed Day of the Month College T-Shirt Day		

Innovative Ways Academy **www.iwaysacademy.com** *All activities may be subject to change without notice.

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 1113 of 3489
000965

Deara



In today's hypercompetitive job market, there are few things more desirable than a sterling education. Yet the American educational model is in trouble: public schools are woefully underfunded, graduation rates are falling, and nobody seems willing to agree on a solution. That might change when **Deara** joins the conversation in Washington one day. The 22 year-old South Los Angeles native has specialized in bringing enlivening learning opportunities to her community ever since starting her own nonprofit dance studio at age sixteen. Since then, Deara – who holds masters degree in Education from USC – has changed young lives at two South LA schools. She serves as the vice principal at Wisdom Academy for Young Scientists, and is the founder of Innovative Ways Academy, a private school for middle school-aged students.

Me: I want to start by talking about your dance studio, since it touches on this generation's interest in entre-

preneurial spirit. You got in touch with yours at an earlier age than most Millennials. Tell me the story.

Deara: Well, I've been dancing for most of my life. As a kid, it began with creative movements, and then as I got older, I started doing ballet and tap dance at the Kittsville Youth Foundation; this academy founded by Eartha Kitt, right here in South LA. The director of the program took notice and one day, she suggested to my mother that I audition for Debbie Allen Dance Academy. I tried out and was accepted with a scholarship. And through this whole process, my parents promised that one day they'd help me start a dance studio. The idea was I could use the studio as a way to give back.

So teaching dance had been a dream of yours for some time?

It was already happening. When I was at Debbie Allen, I started giving lessons in our backyard. I had a signup sheet on the front door of my house and we'd rotate between styles: Flamenco this day, Capoeira the next, and so. And I did all that because my friends and neighbors who were interested in dancing weren't going to Debbie Allen with me, but they were interested in enhancing their techniques.

When and how did your parents acquire the space that would become DeDe Dance Studio?

It was mainly through my mother. She's retired now, but at the time, she was the Executive Director at Wisdom Academy for Young Scientists. There was a building there, used mostly for storage, which my mother and my aunt Dolores helped to convert into a studio space. The part that I had a stake in was the wall-to-wall mirrors and ballet bars, which were paid for by fundraising events like dance performances that my team and I would perform.

Is it safe to say this early experience set you on a path towards education as a profession?

My interest was present from the beginning, but one event that transformed my idea of starting and running a school into a reality happened during the first year of my doctoral program at USC. I was enrolled in a leadership course with Dr. Rudy Castruita, and we had to design an outlook plan in which we hypothesized our own leadership evolving over ten years. And I remember noting that by Year Eight, I wanted to found a school. But it actually began happening much sooner than that.

When, exactly? What were the circumstances?

Shortly after finishing the leadership course, the executive director at Wisdom Academy introduced me to an individual from the Church of Scientology named Isaac Asberry. I wound up meeting him right in South LA, at this big, beautiful building that I soon learned was the church's own community center. Only, it was abandoned. And I remember seeing it and thinking, "This is it. This is going to be the school."

Follow

And when you say "the school", you mean Innovative Ways Academy. What were the next steps? How does one pilot a new school?

First, you have to project the idea of the school to the surrounding community. I had a vision of this world-class, elite, college-oriented institution for students right here in South Central LA, in a building that was already steeped with history. And it was always intended to be a middle school, because that's the age range when a lot of kids tend to drop out of school. I wanted to start a program that would engage students to a level where they'd manage to hang on through the toughest times.

So you have the dream, out in the open. What comes next?

Next, you need a budget, and that's where my mother's brains come in. I'm very fortunate to have a mother who supports everything I do, and she also happens to be a sound businesswoman. The two of us sat down and began by outlining all the necessary supplies we'd need to get the school up and running. Then we tackled operations and hiring faculty. Salaries are easily the biggest financial consideration behind getting a school up and running. My mother financed these setup costs, but we also conducted a lot of neighborhood fundraising to pay for things like student meals and field trips for the first year.

How many students were enrolled at Innovative Ways Academy during the first school year?

Only 13. I wanted to make sure that the curriculum worked before applying it to a larger group of students. But it did, and now that it's been a success, I've been looking at trying to apply our learning model to a bigger public school environment. And right now, we've actually got one middle school nearby that's interested in giving it a test run for the 2013-2014 school year. A lot of my recent time has been spent facilitating that.

Hearing about all of this, it's easy to overlook the fact that you're also *working as the vice principal at Wisdom Academy for Young Scientists! What does a day in the life of a VP look like?*

The whole day begins at 7 AM. The students have some time to eat breakfast as our staff and teachers roll in. Then at 7:50, we have a student-led assembly. And that really speaks to the type of leadership communication we employ at Wisdom.

A more communal approach?

Right. I like to avoid top-down school management where the principals just give commands. It's better to communicate your expectations in a way that can be echoed by students and teachers. People buy that. It's like...if I'm Marc Jacobs, and I have Beyonce model my clothes, they're much more likely to sell than if Marc Jacobs simply appears on TV and urges everyone to try out his latest designs! I pr[illegible] Follow

ing a humble leader because it gives the students more room to shine.

As the vice principal, do you also instruct students in the classroom?

Oh, definitely. At 8 AM on any given day, you might see me teaching a language arts class. And I'll usually put a spin on the lesson by working dance into the presentation. For instance, I'll use a pirouette to convey synonyms, and a jete for antonyms. It gets the kids excited about what they're learning.

Is this outside-the-box instruction approach applied in most classes at Wisdom?

We use it in almost all classroom situations. One approach that's been really popular is incorporating rap into math lessons. The students get to hear their favorite songs from their favorite rap artists, but the lyrics are reworked to teach concepts like multiplication. And it's a lot of fun for them. They look forward to the next lesson, they get involved.

And it's probably a more compelling incentive to ace their homework assignments than a standard review session the next morning.

Exactly. Not only that, but when our teachers eventually hold assessment tests to see how the students are retaining all this new information, we see very positive results. And that's extremely important when you think about the standardized testing that these students are going to negotiate; testing that will affect their academic future.

What about the students whose career expectations aren't reached by a four-year college education?

I think it's really important to have a duel emphasis on college and career when you're working with young students. Because, like you said, not every career is reached through college. Let's say you want to be a policeman or a pilot. You'll need advanced studies, but not the same as the majority of your classmates. I mean, not everyone can become the president of the United States! If a student says they like to help people, we'll sit down with them and make a list of all the professions they could pursue that would allow them to help people. And from there, we help each student work towards a higher education that applies to their career interests.

Speaking of the future, where do you see yourself five to ten years down the road from right now?

Right now, I'm at a point where I've begun to think about starting a family and the joys that come with it. So that will definitely be a priority. Career-wise, I see myself working in politics or international education.

Define "politics".

Follow

My ideal career goal – for a long time coming – has been to become the US Secretary of Education. And of course, there are many roads to that point. I could work in Sacramento for the state's standardized testing program, or serve as a superintendent. But ultimately, there are some new ideas and policies I'd like incorporate into the American public education system.

Let's hear some.

Foreign language. I'd like to see it become a mandatory subject in primary education curriculums. Another one, more of a fantasy, would be an extended school day. And when most people hear this, they go, "Ahh! No way!" But here's the twist: you'd extend the school day, and then cut out Friday. That way, students could use that free day to participate in internships, community service, sports…you name it.

That would certainly give students an early leg up in today's job market!

It would! You could almost look at Friday as an "application day." Monday and Thursday can remain devoted to theory, but Friday would allow some real world practicum. Because otherwise, you're likely to still have lots of students getting frustrated with school and dropping out early to go find a job somewhere.

In case any members of President Obama's education department are reading this, are there any other ideas you'd like to throw out there?

Sure – I'd like to see our country increase the value and esteem of the teaching profession. If we impose qualification requirements for educators – and offer them much better salaries than we do right now, we're likely to see a competitive pool of teaching applicants, who will in turn be better teachers for our students. Most of us want the best doctors presiding over us, or the best engineers designing our cities. Why shouldn't we expect the same standard when it comes to the professionals educating our children?

What challenges do you see yourself facing as you move towards your professional goals?

I think relocating will be hard for me. My neighborhood, USC, and my family are very important to me, and while I know that eventually I'll have to move…hopefully to Washington DC one day…it's tough for me to just leave, start a new clique somewhere else, and adapt to an entirely new environment.

Blowing that question open, what challenges do you think Millennials are likely to face as they enter their 30s and 40s?

Of course, employment and healthcare will probably be two of the biggest challenges for mos[illegible] Follow

But there's always a way to solve challenges, and that's what I think we need to channel our energy into. If you can't find a job that allows you to do something you enjoy and do well, maybe it's time to start thinking about how you could create that job. If I didn't have either of the opportunities I do have for teaching, I'd find like-minded individuals and create a charter school. Or a tutoring program. It's possible to create an outlet for your skills: but it requires a lot of hustling, living within your means, and being very specific about your goals. Write them down or put them in a flow chart if you have to!

I'm especially curious to hear your take on this one: i've asked everyone involved with this project how they identify with the term Millennial and its mainstream connontations. (The entitled, lazy young adult.) What does the term mean to you?

Based on my experience and those of my colleagues…I think "Millennial" means a 21st century individual who's very adaptable and open to new ideas and demands of the times we're living in. It's a very positive word to me. I think the popular, more unflattering definition comes from people our age being studied alongside the next generation of young adults, the ones who are in high school now. Because I've worked with a lot of these students, and some of them do tend to embody the negative Millennial stereotype: you know, sending unpolished resumes via their iPhones and expecting an interview.

Interesting. And troubling too. Why do you reckon that is?

Technology, maybe? Most Millennials didn't have Facebook, Twitter, or smartphones until high school at the *earliest*. I sometimes wonder if all these devices are handicapping the next generation; weakening their initiative. And that's part of my job as an educator – showing high school juniors how to finesse a cover letter with a nice, professional signature, or brainstorming ways that a student could hedge their bets on landing a job they want by networking with the company they want to join, or even doing some volunteer work there *before* applying.

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Aimee & Jesse Mary An Introduction

This entry was posted in Uncategorized on June 30, 2013 [http://driveallnight.org/2013/06/30/deara/] .

One thought on "Deara"

kashmira omar
January 30, 2014 at 9:27 pm

AMAZZZZZZZING STORY!!!!!!! The LORD Most High have DEFINITELY put you on this earth to be an

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AMAZZZZZZZING BLESSING to us ALL!!!!!!! CONTINUED SUCCESS Dear DEARA!!!!!!! YOU ARE AWESOME!!!!!!! Peace & Blessings!!!!!!!

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning , 2012, and ending

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C
MERLE WILLIAMSON FOUNDATION
706 E MANCHESTER AVE
LOS ANGELES, CA 90001

D Employer identification number
71-0919256

E Telephone number
323-752-6655

G Gross receipts $ 3,596,007.

F Name and address of principal officer: EDWARD CABIL
Same As C Above

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If 'No,' attach a list (see instructions)

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◄ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ► N/A

H(c) Group exemption number ►

K Form of organization: ☐ Corporation ☐ Trust ☐ Association ☐ Other ►

L Year of Formation

M State of legal domicile

Part I Summary

1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION IS COMMITTED TO DEVELOPING A MODEL COMPREHENSIVE ELEMENTARY PROGRAM THAT MEETS THE UNIQUE NEEDS OF THE 21ST CENTURY STUDENTS.

2 Check this box ► ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	6
	4	Number of independent voting members of the governing body (Part VI, line 1b)	6
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	56
	6	Total number of volunteers (estimate if necessary)	0
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
	b	Net unrelated business taxable income from Form 990-T, line 34	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	3,129,932.	3,571,020.
	9	Program service revenue (Part VIII, line 2g)		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		24,987.
	12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,129,932.	3,596,007.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,592,145.	2,335,574.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ►		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,333,356.	1,579,205.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	2,925,501.	3,914,779.
	19	Revenue less expenses Subtract line 18 from line 12	204,431.	-318,772.

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,508,335.	1,171,102.
	21	Total liabilities (Part X, line 26)	270,590.	252,129.
	22	Net assets or fund balances Subtract line 21 from line 20	1,237,745.	918,973.

SCANNED DEC 12 2013

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

► Signature of officer — Date 11/14/13

► EDWARD CABIL — Executive Dir.
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Bali Business Management	Bali Business Management			P01382667

Firm's name ► Bali Business Management
Firm's address ► 4221 Wilshire Blvd, Suite #350
Los Angeles, CA 90010

Firm's EIN ► 75-3041799
Phone no (323) 935-4220

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

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BAA For Paperwork Reduction Act Notice, see the separate instructions. TEEA0113L 12/18/12 Form 990 (2012)

16

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐

1 Briefly describe the organization's mission:

THE ORGANIZATION IS COMMITTED TO DEVELOPING A MODEL COMPREHENSIVE ELEMENTARY PROGRAM THAT MEETS THE UNIQUE NEEDS OF THE 21ST CENTURY STUDENTS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 3,600,878. including grants of $) (Revenue $ 3,596,007.)

CREATED A TRANSFORMATIONAL LEARNING CLIMATE IN WHICH STUDENTS BECOME EMPOWERED TO BE LEADERS, SELF RESPONSIBLE LEARNERS, AGENTS OF CHANGE AND TRUE SCIENTISTS.

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ► 3,600,878.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If 'Yes,' complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If 'Yes,' complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If 'Yes,' complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If 'Yes,' complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If 'Yes,' complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If 'Yes,' complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If 'Yes,' complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management credit repair, or debt negotiation services? *If 'Yes,' complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If 'Yes,' complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings and equipment in Part X, line 10? *If 'Yes,' complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments – other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments – program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If 'Yes,' complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If 'Yes,' complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If 'Yes,' complete Schedule D, Parts XI, and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If 'Yes,' complete Schedule E*	13	X	
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If 'Yes,' complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If 'Yes,' complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If 'Yes,' complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If 'Yes,' complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If 'Yes,' complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If 'Yes,' complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If 'Yes,' complete Schedule H*	20		X
b	If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If 'Yes,' complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If 'Yes,' complete Schedule I, Parts I and III*	22		X
23	Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If 'Yes,' complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, and that was issued after December 31, 2002? *If 'Yes,' answer lines 24b through 24d and complete Schedule K If 'No,' go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If 'Yes,' complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If 'Yes,' complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If 'Yes,' complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If 'Yes,' complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If 'Yes,' complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If 'Yes,' complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If 'Yes,' complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If 'Yes,' complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If 'Yes,' complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If 'Yes,' complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1*	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If 'Yes,' complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If 'Yes,' complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If 'Yes,' complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

			Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	56		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b If 'Yes' has it filed a Form 990-T for this year? *If 'No,' provide an explanation in Schedule O*		3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b If 'Yes,' enter the name of the foreign country ►				
See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year	7d			
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?		9a		
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12	10a			
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders	11a			
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a Section 4947(a)(1) non - exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a Is the organization licensed to issue qualified health plans in more than one state?		13a		
Note. See the instructions for additional information the organization must report on Schedule O.				
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c Enter the amount of reserves on hand	13c			
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b If 'Yes,' has it filed a Form 720 to report these payments? *If 'No,' provide an explanation in Schedule O*		14b		

Part VI **Governance, Management and Disclosure** *For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. See Sch. O	1a 6		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? See Schedule O	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If 'Yes,' provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 See Schedule O			
12a	Did the organization have a written conflict of interest policy? *If 'No,' go to line 13*	12a	X	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If 'Yes,' describe in Schedule O how this is done*	12c	X	
13	Did the organization have a written whistleblower policy?	13		X
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official See Schedule O	15a	X	
b	Other officers of key employees of the organization See Schedule O	15b	X	
	If 'Yes' to line 15a or 15b, describe the process in Schedule O (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

[ ] Own website [ ] Another's website [X] Upon request [ ] Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

► HALILU HARUNA 4221 WILSHIRE BLVD #320 LOS ANGELES CA 90010 323-9354220

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of 'key employee'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors, institutional trustees; officers, key employees; highest compensated employees, and former such persons

☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) NORMAN GOLDEN	0									
Director	0							0.	0.	0.
(2) DOROTHY VALENTI	0									
Director	0							0.	0.	0.
(3) CHERYL JOHNSON	0									
Director	0							0.	0.	0.
(4) KAREN HAYNES	0									
Secretary	0							0.	0.	0.
(5) ARMANDO ESPINOZA	0									
Director	0							0.	0.	0.
(6) ALEANOR JONES	0									
Director	0							0.	0.	0.
(7) EDWARD CABIL	0									
Executive Dir.	0							0.	0.	0.
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(cont)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Subtotal								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If 'Yes,' complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If 'Yes' complete Schedule J for such individual*		X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If 'Yes,' complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

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Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	3,546,927.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	24,093.			
	g Noncash contributions included in lns 1a-1f $					
	h Total. Add lines 1a-1f		3,571,020.			
PROGRAM SERVICE REVENUE		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f					
	3 Investment income (including dividends, interest and other similar amounts)					
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
OTHER REVENUE	8a Gross income from fundraising events (not including $ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
	11a MISCELLANEOUS FEES	611600	24,987.			24,987.
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d		24,987.			
	12 Total revenue. See instructions		3,596,007.	0.	0.	24,987.

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX [X]

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	1,999,431.	1,799,488.	199,943.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	97,510.	87,759.	9,751.	
9 Other employee benefits	142,173.	127,956.	14,217.	
10 Payroll taxes	96,460.	86,814.	9,646.	
11 Fees for services (non-employees).				
a Management				
b Legal	50,200.	45,180.	5,020.	
c Accounting	65,634.	59,071.	6,563.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amt exceeds 10% of line 25, column (A) amt, list line 11g expenses on Sch O) Sch O	573,297.	573,297.		
12 Advertising and promotion	2,220.	1,998.	222.	
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	438,264.	394,438.	43,826.	
17 Travel	170.	153.	17.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	4,514.	4,063.	451.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	27,528.	24,775.	2,753.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Books & Supplies	202,449.	202,449.		
b Other Services & Operating Exp	194,191.	174,772.	19,419.	
c Telephone	19,504.	17,554.	1,950.	
d Postage and Shipping	1,234.	1,111.	123.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	3,914,779.	3,600,878.	313,901.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► ☐ if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet .

Check if Schedule O contains a response to any question in this Part X ☐

				(A) Beginning of year		(B) End of year
ASSETS	1	Cash — non-interest-bearing		112,607.	1	198,120.
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		929,293.	4	380,733.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		65,120.	9	116,578.
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 560,763.			
	b	Less accumulated depreciation	10b 85,093.	401,315.	10c	475,670.
	11	Investments — publicly traded securities			11	
	12	Investments — other securities See Part IV, line 11			12	
	13	Investments — program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	1.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,508,335.	16	1,171,102.
LIABILITIES	17	Accounts payable and accrued expenses		168,672.	17	252,129.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		101,918.	25	
	26	**Total liabilities.** Add lines 17 through 25		270,590.	26	252,129.
NET ASSETS OR FUND BALANCES		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,237,745.	27	918,973.
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1,237,745.	33	918,973.
	34	Total liabilities and net assets/fund balances		1,508,335.	34	1,171,102.

BAA

Form 990 (2012)

TEEA0111L 01/03/13

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,596,007.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,914,779.
3	Revenue less expenses Subtract line 2 from line 1	3	-318,772.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,237,745.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	918,973.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b		X
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization: MERLE WILLIAMSON FOUNDATION

Employer identification number: 71-0919256

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**

2 ☒ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state·

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)

9 ☐ An organization that normally receives. (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III – Functionally integrated d ☐ Type III – Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g (i)	
(ii)	A family member of a person described in (i) above?	11g (ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g (iii)	

h Provide the following information about the supported organization(s).

	(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in column (i) of your support? Yes	(v) No	(vi) Is the organization in column (i) organized in the U S ? Yes	(vi) No	(vii) Amount of monetary support
(A)										
(B)										
(C)										
(D)										
(E)										
Total										

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 15 %

16a **33-1/3% support test — 2012.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33-1/3% support test — 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

17a **10%-facts-and-circumstances test — 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ► ☐

b **10%-facts-and-circumstances test — 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ► ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lns 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2011** Schedule A, Part III, line 17	18	%

19a **33-1/3% support tests – 2012.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33-1/3% support tests – 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

MERLE WILLIAMSON FOUNDATION

Employer identification number

71-0919256

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ►$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ►$

(ii) Assets included in Form 990, Part X ►$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ►$

b Assets included in Form 990, Part X ►$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table.

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explantion has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current	(b) Prior year	(c) Two years	(d) Three years	(e) Four years
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► _____ %
b Permanent endowment ► _____ %
c Temporarily restricted endowment ► _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations (3a(i))		
(ii) related organizations (3a(ii))		
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R? (3b)		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		380,787.	57,863.	322,924.
d Equipment		179,976.	27,230.	152,746.
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				475,670.

Part VII Investments – Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, column (B) line 12.)* ►		

Part VIII Investments – Program Related. See Form 990, Part X, line 13. N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, column (B) line 13.)* ►		

Part IX Other Assets. See Form 990, Part X, line 15. N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, column (B), line 15.)* ►	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total *(Column (b) must equal Form 990, Part X, column (B) line 25.)* ►	

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Schedule D (Form 990) 2012 MERLE WILLIAMSON FOUNDATION 71-0919256 Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return N/A

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines 4a and 4b			4c	
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE E (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

► Complete if the organization answered 'Yes' to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization: MERLE WILLIAMSON FOUNDATION

Employer identification number: 71-0919256

Part I

		YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1	X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	2	X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe If 'No', please explain. If you need more space, use Part II	3	X	
4 Does the organization maintain the following?			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	4a	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c	X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	4d	X	
If you answered 'No' to any of the above, please explain If you need more space, use Part II			
5 Does the organization discriminate by race in any way with respect to:			
a Students' rights or privileges?	5a		X
b Admissions policies?	5b		X
c Employment of faculty or administrative staff?	5c		X
d Scholarships or other financial assistance?	5d		X
e Educational policies?	5e		X
f Use of facilities?	5f		X
g Athletic programs?	5g		X
h Other extracurricular activities?	5h		X
If you answered 'Yes' to any of the above, please explain If you need more space, use Part II.			
6a Does the organization receive any financial aid or assistance from a governmental agency?	6a		X
b Has the organization's right to such aid ever been revoked or suspended?	6b		X
If you answered 'Yes' to either line 6a or line 6b, explain on Part II			
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' explain on Part II	7	X	

Part III **Supplemental Information.** Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions).

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: MERLE WILLIAMSON FOUNDATION

Employer identification number: 71-0919256

Form 990, Part VI, Line 1a - Explanation of Material Differences of Voting Rights

NO MATERIAL DIFFERENCE IN VOTING RIGHTS GOVERNING BODY

Form 990, Part VI, Line 2 - Business or Family Relationship of Officers, Directors, Etc.

BROTHER AND SISTER PART OF KEY EMPLOYEES

Form 990, Part VI, Line 11b - Form 990 Review Process

PREPARED BY ACCOUNTANT REVIEWED BY EXECUTIVE DIRECTOR AND BOARD AND SIGNED BY EXECUTIVE DIRECTOR

Form 990, Part VI, Line 15a - Compensation Review & Approval Process - CEO, Top Management

APPROVED BY THE BOARD OF DIRECTORS AFTER SALARY SURVEY COMPARING COMPENSATION TO OTHER SIMILAR SCHOOLS AND SIZE

Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees

APPROVED BY THE BOARD AFTER SALARY SURVEY OF COMPARBALE SCHOOLS IN SIMILAR SITUATION AND SIZE

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

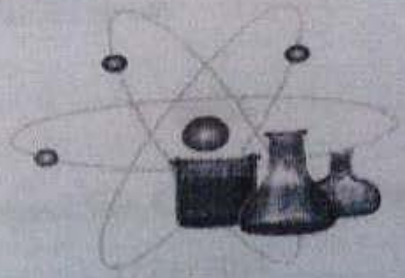
DISCLOSURE IS AVAILABLE IN THE CORPORATE OFFICE UPON REQUEST

2012 **Schedule O - Supplemental Information** Page 2

MERLE WILLIAMSON FOUNDATION 71-0919256

Form 990, Part IX, Line 11g
Other Fees For Services

	(A) Total	(B) Program Services	(C) Management & General	(D) Fund-raising
FOOD SERVICE CONTRACTOR	326,461.	326,461.		
INSTRUCTIONAL CONST	109,160.	109,160.		
SPECIAL ED CONSULTANTS	137,676.	137,676.		
Total	$ 573,297.	$ 573,297.	$ 0.	$ 0.



Wisdom Academy for Young Scientists
School Site Council Agenda
January 23, 2014 at 3 pm

I. Call to order: Quorum Time_____

II. Review Minutes from December meeting

III. New business- Resolve regarding WAYS governance- Jason Okonkwo, Mr. Cabil

IV. Adjournment

Next meeting: February 12, 2pm

RESOLUTION OF SCHOOL SITE COUNCIL
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the School Site Council of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 23rd day of January, 2014, the following resolution was offered, seconded, and adopted:

Summary: The School Site Council of Wisdom Academy for Young Scientists considered the Board of Directors membership of Board Members Carol Lee Tolbert and Saundra Davis. The said board members were elected to serve on the Board of Wisdom Academy on July 26, 2013. The said board members took an oath to consistently strive to promote the best interests of the school as a whole and follow ethical standards. However, since that time, their actions have proven to serve their own interests only and not the interests of the students or the school. The said board members have made gross violations of the Brown Act and their fiduciary responsibility to the organization and children, which has only been a distraction from growth of the school and the enhancement of the educational program to which they originally took an oath to uphold. After thorough consideration the SSC Members resolved that the aforementioned board members actions are not in the best interest of the said organization.

"Be it resolved, that the School Site Council of Wisdom Academy for Young Scientists be and is hereby authorized, empowered, and directed to recommend the removal of Board Member and President Carol Lee Tolbert and Board Member Saundra Davis from the Wisdom Academy for Young Scientists Board of Directors on behalf of the parents, students, staff, and friends of the said organization.

Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority hool Site Council Members of this organization on the date specified.

(Signature of School Site Council Secretary)

Wisdom Academy for Young Scientists

Communication from Mr. Cabil, Executive Director

Parents, Staff, and Friends of WAYS

We must save our school!

WAYS may be forced to close its doors to the community because of the malicious actions of two Board Members.

These Board Members will be present at the Board Meeting tomorrow held at the 77th Street District Police Station.

Address: 7600 Broadway Ave. Los Angeles, Ca 90003
Time: 6pm
Date: Wednesday, 1/29/2014

Please join us at the meeting to send a message to the WAYS Board of Directors.

Carol Lee Tolbert
and
Saundra Davis

MUST GO!

Los Angeles County Office of Education

Leading Educators • Supporting Students • Serving Communities

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rebecca J. Turrentine
President

Katie Braude
Vice President

Douglas R. Boyd

José Z. Calderón

Rudell S. Freer

Thomas A. Saenz

September 27, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 537-8209
Email: edcabil@sbcglobal.net

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Dr. Dorothy Valenti, President
Ms. Kimberly Daniels
Ms. Saundra Davis
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Cherly Johnson
Ms. Eleanor Jones
Ms. Carol Lee Tolbert
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Notice of Concern Regarding Student Achievement

The California Department of Education (CDE) released the Annual Performance Index (API) and Adequate Yearly Progress (AYP) Reports for 2012-13 through the Accountability Progress Reporting (APR) website of DataQuest (http://dq.cde.ca.gov/dataquest/).

The reports indicate that Wisdom Academy for Young Scientists (WAYS) attained a 2013 Growth API of 768 schoolwide, an increase of 53 points from its 2012 Base. The school also met its growth targets for two (2) of its two (2) numerically significant student groups: Hispanic or Latino (+71) and Socioeconomically Disadvantaged (+53).

WAYS did not make AYP under the No Child Left Behind (NCLB) Act. For 2013, the school did not meet proficiency rate criteria for English-Language Arts and Mathematics school-wide and for one (1) student group in English-Language Arts and two (2) student groups in Mathematics.

The LACOE Monitoring and Oversight Memorandum of Understanding (MOU) states in part:

2.2 Student Achievement Plan

If the Charter School fails to meet API and/or AYP targets school-wide or by numerically significant subgroups, it shall be required to submit a Student Achievement Plan to LACOE according to the following dates:

October 1[1] - Draft Student Achievement Plan
December 1 - Final Student Achievement Plan

The Charter School shall implement its final Student Achievement Plan that sets forth school

[1] For the 2013-14 school year, this due date has been extended to October 25, 2013.

specific goals, how progress towards and achievement of each goal shall be measured, and plans for addressing areas identified as needing improvement. The Student Achievement Plan shall build upon the assessment measures, educational goals, and student outcomes described in the charter petition, and shall provide for more stringent assessment measures, educational goals, and student outcomes than those described in the charter petition. If the final Student Achievement Plan is less stringent than the charter, this shall be considered a material revision to the charter and shall be subject to County Board of Education review and approval. The specific requirements of the Student Achievement Plan are described in Attachment A, Student Achievement Plan Guidelines.

To comply with the MOU, WAYS shall submit a draft of the Student Achievement Plan by **October 25, 2013.**

The May 31, 2005, *Impact of Title I Requirements, under the No Child Left Behind (NCLB) Act of 2001, on Charter Schools* and the subsequent January 11, 2006, clarification letter requires a charter school authorizer to "*...work with the charter school to ensure that it has taken the appropriate steps in compliance with NCLB...*".

In order to fulfill the authorizer's responsibilities and provide support as needed, please submit a copy of the school's *Single Plan for Student Achievement (SPSA)* or *Single School District Plan (SSDP)*.

In addition, submit a copy of the school's Title I budget to the Charter School Office (CSO) by **November 15, 2013**. LACOE will review the budget to ensure funds are correctly allocated and monitor expenditures to ensure they are aligned with the SPSA/SSDP.

The final Student Achievement Plan and SPSA/SSDP will be submitted to LACOE as components of the Annual Report to the County Board/School Accountability Report Card due to the CSO on **December 2, 2013.**

If WAYS would like technical assistance to complete the Student Achievement Plan or Title I requirements, please do not hesitate to contact the CSO at (562) 922-8806.

Sincerely,

Arturo Delgado

Arturo Delgado, Ed.D.
Superintendent

AD/JH:ls

c: Los Angeles County Board of Education
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE
Judy Higelin, Project Director III, Charter School Office, LACOE

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
b. Performance Based 2013-14 School Year Stipends First Half of Year

Recommendation:
Approve the Performance Based 2013-14 School Year Stipends Round One

Background:
Per the Board approved Salary Table for 2013-14 School Year, discretionary performance based stipends are awarded to select employees of Wisdom Academy upon recommendation from the Executive Director.

Implication:
Select Wisdom Academy employees are awarded stipends by performing extra curricular tasks, taking on leadership roles, and good attendance habits. Recognizing these select staff will give them an intrinsic and monetary reward; and furthermore encourage staff to go beyond their call to duty to make a positive contribution to the WAYS community, in efforts to further enrich the lives of the children we serve.

Fiscal Impact:
$14,600 Expense in Employee Bonuses

Prepared by:
Ed Cabil

Attachments:
Performance Based Stipends 2013-14 Round One of Two Summary

Notes:

WAYS Employee Salary Breakdown 2013-14 SY.xlsx

Employee	Teacher of the Year	Attendance Teachers and A	Attendance Support Sta	Leadership 1(Bi- Annual	Leadership 2(Bi- Annua	Masters Degree	Doctorate Degree	Total
Amount	$1,500	$700	$300	$300	$200	$600	$1,200	
Allen, Suzanna								
Alvarez, Justine					X			200
Amador, Jennifer		X						700
Anano, Haryters				X				300
Aparicio, Kuhenia		X		X				1000
Armbruster, Donna			X	X				600
Aubrey, Deborah				XX				600
Bahena, Erika				X	X			500
Bowman, France								
Bronner, Amber				X				300
Cabil, Edward								
Castro, Tanya				XX				600
Cradoy, Sheryl		X		XX				$300
Dinolt, Jason								
Gallardo, Raquel		X						700
Gomez, Kayla					X			200
Gordon, Lydia				X				300
Gordon, Renze								
Hale, Jannica								
Henry, Laurel								
Horowitz, Karen								
Hopkins, Beverly				X				300
Jenkins, Edward								
Johnson, Physicia					X			200
Johnson, Terrance								
Lawson, Danielle								
Lawson, Mary								
Lincoln, Deborah								
Lopez, Bernardo								
Lopez, Sophia			X					300
Lorenzo, Noema								
Mathis, Hinita		X						700
Medel, Erick			X		X			500
Mixette, Diana								
Moore II, Larry								
Morales, Leticia			X					300
Norris, Lavette				X	X			500
Okonkwo, Deeka		X		X				1000
Okonkwo, Jason								
Perez, Anita			X					300
Portales-Blair, Liliana				X				300
Robins, Sammie			X	X				300
Saen, Olivia								
Sandoval, Sandy		X						700
Santos, Nardie								
Skeen, Robin								
Smith, Brian								
Torres, Maria De Los Angeles								
Trigg, Kenya		X		X				1000
Van Leuven, Jan William		X			X			900
Vargas, Gabriela								
Yan, Mary								
White, Yolanda								14600

WISDOM ACADEMY FOR YOUNG SCIENTISTS

FINANCIAL REPORTS AND NARRATIVES

DECEMBER 2012

BALI BUSINESS MANAGEMENT

WE MAKE YOUR $S GO FURTHER

WWW.BALIBUSINESS.NET

4221 WILSHIRE BOULEVARD SUITE 350

LOS ANGELES, CA. 90010

PHONE 323-935-4220

FAX 323-935-4230

/

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SNAP SHOT SUMMARY OF FINANCIAL CONDITION OF THE SCHOOL AS OF DECEMBER 31, 2012

- We received in excess of $1,000,000 from various State and Federal Agencies that deferred our revenue for 2011-2012 fiscal year. These funds were used to meet the cash flow needs of the school in view of the deferrals of revenue in the current fiscal year 2012-2013. Additionally we used some of the money to pay for former employee settlement of over $200,000. At the end of December we had cash of $182,383 and accounts receivable of $255,458. Our financial statement ratios still show our current ratio (our ability to pay our bills) at seven to one compared with industry average of two to one. The ratio is very good compared to industry average. Our financial health measured by the relationship between our assets and our liabilities is 14 to one, which is way above industry average. This means for every $1 of liability there are $14 of assets to cover the liability.
- For this fiscal year the July payment has been deferred to September and January so there was no payment for the month of July. 60% of August money has been deferred to January so we only received 40% of August money in September. 45% of October apportionment was deferred to January 2013. This means that about $128,108 is being deferred to January.
- We had major expenditures in capital outlay specifically the air conditioning.
- Salaries and benefits is expected to be over budget by about $30,000 based on the level of spending to date. Books and supplies is over budget by $38,000 and is expected to be over budget at the end of the year by about $70,000. Most of the over expenditures are in other supplies, instructional supplies and non capitalized equipment. Management need to review

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these line items and revise the budget or cut back in these areas. Our cash flow projection shows that we will be ok given the large receivables received after the end of the year and our line of credit which we are asking the bank to increase to $750,000 from the current $250,000.

- It is however advised to proceed with caution as the state budget picture is still very fluid and may change any time.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
December 31, 2012
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past six years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 6 to 1 compared with accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 8%, meaning the school can withstand losses in the future without worrying about paying its bills. Finally the financial health ratio, which is the relationship between the school's assets and liabilities, is 13 to 1. The industry average is one or higher.

The accounts receivable balance is $255,458 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $463,822.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending December 31, 2012, Net Income (loss) is ($559,715) versus budgeted net loss of ($824,237). The difference is as a result of state deferral of revenues.

REVENUE:

For the period ending December 31, 2012 total revenue is $1,253,824 this is $436,336 over budgeted revenue for the period.

EXPENDITURES:

- For the period ending December 31, 2012, total expenses are $1,813,539. This is $171k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $210k over budget in salaries and benefits. This is due to early start of the school year than expected spending and timing of expenditures.
- Books and Supplies are $38k over budget for the period. This is because of timing of expenditures. Services and Other Operating Expenses are under-budget by $25k due to timing of expenditures.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS:		
Cash	$	182,383
Accounts receivable		255,458
Other assets		92,835
Total current assets		530,676
PROPERTY AND EQUIPMENT:		
Leasehold improvements-Erate		35,483
Leasehold improvements		340,040
Furniture & fixtures		141,990
Less: accumulated depreciation		(53,691)
Total property and equipment		463,822
Total assets	$	994,498

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Cash Overdraft		-
Accounts payable	$	35,601
Payroll and related liabilities		35,550
Wells Fargo Bank- Line of Credit		-
Total current liabilities		71,151
NET ASSETS		
Net assets-beginning		1,483,062
Increase/(decrease) in net assets		(559,715)
Total net assets		923,347
Total liabilities and net assets	$	994,498

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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 12/31/2012
In Whole Numbers

		Current Period Actuals 12/31/2012	Current Period Budget	$ Variance	YTD Actuals 12/31/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
	A. REVENUES								
8015	TOTAL, REVENUE LIMIT SOURCES	107,548	135,957	(28,409)	615,144	815,375	199,769	1,463,550	848,406
	FEDERAL REVENUES								
8291	Title I		0		0			200,000	200,000
8298	Title II		0		0			14,297	14,297
8296	Title IV		0		0				0
8220	Child Nutrition		0	0	22,758		22,758	370,000	347,242
8229	Facilities Incentive Grant		0	0	0		0		0
8221	Education Jobs Fund		0		0				
8226	Other Federal Revenues/Prior Year		0		0				
	TOTAL, FEDERAL REVENUES	0	0	0	22,758	0	22,758		
	OTHER STATE REVENUES								0
8311	Special Education	0	9,646	(9,646)	53,288	43,942	9,346	221,589	168,301
8480	Categorical Block Grant	29,985	27,191	2,794	162,122	83,075	79,047	319,223	157,101
8480	In Lieu of Economic Impact Aid	0	0		0	0	0		0
8569	Child Nutrition-State	0	0	0	0	0	0	2,264	2,264
8566	PE Teachers Incentive	0	0	0	0	0	0	0	0
8563	Art and Music Block Grant	0	0	0	0	0	0	0	0
8564	After School Education and Safety	0	0	0	0	67,500	(67,500)	112,500	112,500
8434	Class Size Reduction	0	44,084	(44,084)	39,627	44,084	(4,457)	176,334	136,707
8560	State Lottery	0	13,906		0	13,906		55,625	55,625
8481	Charter School Facilities Grant	0	0		0	0	0	135,000	135,000
8590	All Other Revenues	6,293	0	6,293	6,293	12,586	(6,293)	2,979	(3,314)
			0			0			
	TOTAL, OTHER STATE REVENUES	36,278	94,827	(58,549)	261,330	265,093	(3,763)	1,025,514	764,184

Prepared by Bali Business Management

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Notice of Intent to Revoke
accs-apr15item04
Attachment 6
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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 12/31/2012
In Whole Numbers

		Current Period Actuals 12/31/2012	Current Period Budget	$ Variance	YTD Actuals 12/31/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
	OTHER LOCAL REVENUES								
8780	In lieu of Propery Tax	48,498	27,988	20,510	314,908	127,499	187,409	602,433	287,525
8779	Fundraising	12,108	0	12,108	12,172		12,172		(12,172)
8700	Other Local Income	3,490	2,254	1,236	27,341	9,521	17,820	23,042	(4,299)
8785	Prior Year Revenue								
	TOTAL OTHER LOCAL REVENUES	64,097	30,242	33,855	354,421	137,020	217,401	625,475	271,054
	SUSPENSE - INCOME	0			171				
	TOTAL REVENUES	287,923	261,026	(53,103)	1,255,824	817,488	438,336	2,698,636	2,441,983
	B. EXPENDITURES								
	CERTIFICATED SALARIES								
1100	Teachers' Salaries	81,889	103,823	(21,934)	484,358	415,293	69,065	963,232	478,874
1220	Substitute Salaries		3,039	(3,039)	0	12,155	(12,155)	30,388	30,388
	Teachers Extra Duty				0			75,000	
1300	School Administrators' Salaries	14,584	20,317	(5,733)	196,995	81,267	115,728	243,800	46,805
	TOTAL CERTIFICATED SALARIES	96,473	127,179	(30,706)	681,353	508,715	172,638	1,312,420	556,067
	CLASSIFIED SALARIES								
2100	Instructional Aides		12,276	(12,276)		85,934	(85,934)	220,972	220,972
2200	Classified Support Salaries	8,457			45,603				
2300	Classified Administrator	6,667	6,667	(0)	42,770	40,000	2,770	80,000	37,230
2400	Clerical /Office Salaries	34,623	4,600	30,023	163,265	27,600	135,665	55,200	(108,065)
2900	Other Classified Salaries	7,162	3,316	3,846	26,067	23,210	2,857	59,684	33,617
	TOTAL CLASSIFIED SALARIES	56,908	26,859	30,049	277,706	176,744	100,962	415,856	(37,218)

Prepared by Bali Business Management

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 12/31/2012
In Whole Numbers

		Current Period Actuals 12/31/2012	Current Period Budget	$ Variance	YTD Actuals 12/31/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
	EMPLOYEE BENEFITS								
3101	Strs	8,034	10,492	(2,458)	41,771	41,569	(198)	108,275	66,504
3202	Pers	0	0		0	0		0	0
3301	Oasdi - Regular	3,265	1,665	1,600	24,813	10,958	(13,855)	24,951	138
3302	Oasdi - Medicare	2,224	2,234	(10)	13,875	9,939	(3,936)	28,517	14,642
3400	Health & Welfare Benefits	3,013	12,839	(9,826)	49,164	77,031	(27,867)	154,063	104,899
3501	Unemployment Insurance	466	4,732	(4,506)	7,469	28,632	(21,163)	57,262	49,793
3601	Workers' Compensation	0	4,897	(4,897)	7,831	39,174	(31,343)	58,761	50,930
3902	Other Benefits	13	66	(53)	27	199	(172)	597	570
	TOTAL EMPLOYEE BENEFITS	**17,015**	**36,965**	**(19,950)**	**144,952**	**207,902**	**(62,950)**	**432,426**	**287,474**
	BOOKS & SUPPLIES								
4110	Textbooks	0	0	0	12,816	30,000	(17,184)	30,000	17,184
4210	Books & Other Than Textbooks	1,600	0		10,048	5,000	5,048	5,000	(5,048)
4300	Instructional Materials & Supplies	60	1,667	(1,607)	18,856	10,000	8,856	20,000	1,144
4400	Non-capitalized Equipment	5,410	1,667	3,743	22,597	10,000	12,597	20,000	(2,597)
4390	Other Supplies	4,575	1,667	2,908	25,748	10,000	15,748	20,000	(5,748)
4350	Office Supplies	0	1,250	(1,250)	9,678	7,500	2,178	15,000	5,322
4710	Food Supplies	966	167		11,986	1,167	10,819	3,000	(8,986)
	TOTAL BOOKS & SUPPLIES	**12,610**	**6,418**	**6,192**	**111,728**	**73,667**	**38,061**	**113,000**	**1,272**
	SERVICES, OTHER OPERATING EXP.								
5220	Travel & Conferences	0	417	(417)	0	2,500	(2,500)	5,000	5,000
5310	Dues & Fees	0	583	(583)	2,710	3,500	(790)	7,000	4,290
5450	Insurance	363	3,750	(3,388)	27,328	30,000	(2,673)	45,000	17,673
5500	Utilites & Housekeeping	4,255	4,167	88	25,548	25,000	548	50,000	24,452
5610	Rentals,Leases & Repairs	24,167	38,054	113	194,057	204,920	(10,863)	399,990	205,933
5812	Pupil Transportation	850	1,000	(150)	3,525	4,000	(475)		
5831	Student Activities	4,000	3,333	667	18,945	20,000	(1,055)		
5840	LACOE Expense Reimbursement	0	837	(837)	5,289	5,020	269	10,010	
5853	Business Consultant	5,083	5,000	83	31,161	30,000	1,161	60,000	28,839

Prepared by Bali Business Management

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 12/31/2012
In Whole Numbers

		Current Period Actuals 12/31/2012	Current Period Budget	$ Variance	YTD Actuals 12/31/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
5850	Non-Instructional Consultants	0	0	0	23,996	0	23,996		
5851	Instructional Consultants	6,350	4,167	2,183	44,144	25,000	19,144	50,000	
5863	Professional Development	0	417	(417)	14,331	2,500	11,831	5,000	
5854	Consultant-Food Services	0	30,833	(30,833)	0	185,000	(185,000)	370,000	370,000
5810	Field Trips	0	0	0	0	0	0	0	0
5820	Legal & Audit	0	2,666	(2,666)	15,850	15,997	(147)	31,994	16,144
5852	Special Ed Consultants	20,936	8,333	12,603	57,737	50,000	7,737	100,000	42,263
5890	Other Services (Hiring Cost)	0			0	0	0	0	0
5900	Communications	752	0	752	9,621	0	9,621	0	(9,621)
5920	Postage (UPS, Fedex, US Mail)	0	417	(417)	1,140	2,500	(1,360)		
5890	Other Services & Operating Expenses	32,734	2,346	30,388	118,901	10,650	108,251	95,227	(23,674)
5898	LAUSD Special Ed Fees	0		0	0	3,824	(3,824)		
	Suspense Expense	325			325				
	TOTAL SERVICES & OTH OPER EXP	109,415	102,920	7,495	591,605	620,411	(28,806)	1,229,227	[illegible]
	CAPITAL OUTLAY								
6200	Building and Improvements	0	2,500	(2,500)	0	15,000	(15,000)	30,000	
6410	Capitalized Equipment	0	2,500	(2,500)	0	15,000	(15,000)	30,000	
6900	Furnitures			0	0		0	0	
	TOTAL CAPITAL OUTLAY	0	5,000	(5,000)	0	30,000	(30,000)	60,000	0
7000	**OTHER OUTGO**								0
7299	District Oversight Fees		3,631	(3,631)	0	21,786	(21,786)	43,568	
7438	Debt Service - Interest	0	2,500	(2,500)	3,194	2,500	694	30,000	
	TOTAL OTHER OUTGO	0	6,131	(6,131)	3,194	24,286	(21,092)	73,568	0
	TOTAL EXPENDITURES	295,821	310,872	(15,051)	1,813,539	1,631,725	[illegible]	1,636,991	1,488,895
	Net Income/(Loss)	(84,898)	(49,846)	(35,052)	(559,715)	(824,237)	264,522	62,145	956,088
	Change in Net Assets	(84,898)	(49,846)	(35,052)	(559,715)	(824,237)	264,522	62,145	956,088

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001014

WISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
JULY 2012- JUNE 2013

		Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
	2012-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Accrual
BEGINNING CASH BALANCE		32,842	20,151	671,089	470,771	457,081	13,625	182,384	189,977	273,112	228,170	193,194	107,295	
ADJUSTMENTS				13,451	6,322		8,594							
SOURCES OF CASH:														
GENERAL PURPOSE	1,463,350		451,637	185,151	152,139		207,726	135,997	279,517	91,091	0	70,098	0	470,712
FEDERAL FUNDING	214,297							80,000		5,719		80,000	5,719	42,859
CHILD NUTRITION PROGRAM	370,000	0	48,869	4			22,758	37,000	37,000	37,000	37,000	37,000	37,000	67,000
CATEGORICAL BLOCK GRANT	319,223		90,246	20,061	42,417		57,915	27,191	55,991	16,218		14,140		120,607
IN LIEU OF PROPERTY TAX	662,432		121,851	48,918	48,918		95,211	27,988	27,988	83,792	83,792	83,792	83,792	
SPECIAL EDUCATION	221,583		90,546	50,498	27,473		16,759	9,846	9,846	31,671	31,671	31,671	31,671	31,671
CHILD NUTRITION - STATE	2,764		2,793					226	226	226	226	226	226	906
CLASS SIZE REDUCTION	176,334		64,256		39,827									132,251
STATE LOTTERY	55,625									13,906			13,906	13,906
CHARTER SCHOOL FACILITY (SB 740)	90,000	0	157,862										90,000	
CHARTER SCHOOL FACILITIES INCENT	45,000												45,000	
PE TEACHERS INCENTIVE														
ARTS & MUSIC BLOCK GRANT														

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
JULY 2012- JUNE 2013

		Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
	2012-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Accrual
AFTER SCHOOL EDUC & SAFETY	112,500						39,375				45,000			0
OTHER STATE REVENUE	2,979						6,265					993		1,986
MISCELLANEOUS		393		157										
INTEREST INCOME	3,042	2		954				254	254	254	254	254	254	
OTHER LOCAL INCOME	20,000	866	316	5,060	8,082		3,490	2,000	2,000	2,000	2,000	2,000	2,000	
PRIOR YEAR REVENUE														
ACCOUNTS RECEIVABLE		68,075				82,240								
TOTAL SOURCES	1,688,835	69,337	1,029,240	327,397	324,987	87,240	485,060	320,262	412,622	283,877	199,943	320,774	309,568	881,898
TOTAL CASH AVAILABLE		102,179	1,009,089	1,011,927	795,758	574,321	471,685	502,646	602,599	556,989	429,113	423,968	416,863	881,898
APPLICATION OF CASH:														
SALARIES	1,728,276	98,559	100,850	120,677	122,062	274,815	118,244	154,038	169,630	169,630	169,630	169,630	169,630	40,633
BENEFITS	432,420	22,788	81,627	55,896	61,564	104,695	61,725	36,965	38,157	38,157	38,157	33,261	33,261	8564
BOOKS AND SUPPLIES	113,000	8,263	19,322	8,818	5,641	7,187		6,417	6,583	6,583	6,583	6,583	6,583	
SERVICES AND OTHER OPERATING	859,221	65,685	155,144	105,589	116,619	143,600	109,332	73,285	71,485	71,485	72,085	67,735	67,735	
FOOD SERVICES	370,000							30,833	30,833	30,833	30,833	30,833	30,833	
CAPITAL OUTLAY	60,000							5,000	5,000	5,000	5,000	5,000	5,000	

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
JULY 2012- JUNE 2013

		Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
	2012-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Accrual
ACCOUNTS PAYABLE/LAUSD														
OVERSIGHT FEE	43,568							3,631	3,631	3,631	3,631	3,631	3,631	
PAYROLL LIABILITIES														
CREDIT CARD PAYMENT														
LOANS PAYABLE				250,000										
INTEREST	30,000	1,042	1,076	1,076	692			2,500	4,188	2,500				
ADVANCE														
ADJUSTMENTS														
CASH APPLICATIONS FOR THE PERIOD	3,636,481	122,331	338,620	541,156	308,677	560,686	289,302	312,869	329,437	327,819	325,919	316,673	316,673	47,197
NET CASH FLOW FOR THE PERIOD	62,145	-52,983	691,220	-213,759	10,310	-473,456	168,759	7,593	83,136	-43,942	-125,878	4,101	-7,105	834,701
ENDING CASH BALANCE		29,151	671,069	470,771	487,081	13,625	182,384	189,977	273,112	229,170	103,194	107,295	100,190	234,701
Bank Statements Balance		(20,151)	671,069	470,771	487,081	13,625	182,383							
Balance Sheet - (Cash In Bank)		0	0	0	0	0	0							

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

BUDGET VARIANCE REPORT, BALANCE SHEET, CASH FLOW PROJECTION AND ACTUAL, SNAP SHORT NARRATIVE

FOR FISCAL YEAR 2012-2013 AS OF APRIL 30, 2013

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

Snap Shot Summary of Financial Condition of the School
As of April 30, 2013

- The school received (2011-2012) deferred revenue in excess of $1,200,000 from various State and Federal Agencies. These funds were used to meet the cash flow needs of the school in view of the revenue deferrals in the current fiscal year 2012-2013. Additionally, we used some of the money to pay for former employee settlement of over $200,000.

- At the end of April, the school had cash of $212,131 and accounts receivable of $432,232. The school's financial statement ratios still show a ***current ratio*** (our ability to pay our bills) of ***3 to one*** compared with the industry average of ***two to one***. This ratio is very good when compared to industry average. The ***financial health ratio*** of the school measured by the relationship between assets and liabilities is ***10 to one***, which is way above industry average. This means for every $1 of liability there is $10 of assets to cover the liability.

- For this fiscal year the July payment has been deferred to September and January so there was no payment for the month of July. 60% of August money has been deferred to January so we only received 40% of August money in September. 45% of October apportionment was deferred to January 2013. This means that about $128,108 is being deferred to January. Additionally 31% of February payment which is $52,100 is being deferred to July, 60% of March ($100,873) is being deferred to August. 35% of April (58,275) is being deferred to July and 45% of April (74,839) is being deferred to August, 100% of May ($166,885) is being deferred to July. We will receive only $214,568 between February and June, while, about $600,000 of general

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apportionment will be deferred to July and August. We also are expecting that the credential issue of one of our former staff person may reduce the amount of our ADA and therefore affecting our funding for this fiscal year.

- We had major expenditures in capital outlay specifically the air conditioning.

- Salaries and Benefits are expected to be over budget by about $30,000 based on the level of spending to date. Books and supplies are already over budget by $50,000 and are expected to be over budget at the end of the year by about $70,000.

- Most of the expenditures are in other supplies, instructional supplies and non capitalized equipment. Management need to review these line items and revise the budget or cut back in these areas.

- Our cash flow projection shows that the school will be okay given the large receivables received after the end of the year. The school is also currently working with the bank to increase its line of credit from $250,000 to $750,000.

- Management is advised to proceed with caution as the state budget picture is still very fluid and may change at any time.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
April 30, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past six years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 3 to 1 which is the accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 2%, meaning the school can withstand losses in the future without worrying about paying its bills. Finally the financial health ratio, which is the relationship between the school's assets and liabilities, is 4 to 1. The industry average is one or higher.

The accounts receivable balance is $432,232 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $471,677.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending April 30, 2013, Net Income (loss) is ($258,742) versus budgeted net loss of ($961,014). The difference is as a result of state deferral of revenues.

REVENUE:

For the period ending April 30, 2013 total revenue is $2,796,395 this is $819,789 over budgeted revenue for the period.

EXPENDITURES:

- For the period ending April 30, 2013, total expenses are $3,055,136. This is $117k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $22k over budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $57k over budget for the period. Services and Other Operating Expenses are over-budget by $176k.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF FINANCIAL POSITION
APRIL 30, 2013

ASSETS

CURRENT ASSETS:		
Cash	$	212,131
Accounts receivable		432,232
Other assets		94,190
Total current assets		738,552
PROPERTY AND EQUIPMENT:		
Leasehold improvements-Erate		35,483
Leasehold improvements		341,310
Furniture & fixtures		141,990
Equipment - Computers		37,987
Less: accumulated depreciation		(85,093)
Total property and equipment		471,677
Total assets	$	1,210,229

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Cash Overdraft		-
Accounts payable	$	178,241
Payroll and related liabilities		73,424
Wells Fargo Bank- Line of Credit		-
Total current liabilities		251,665
NET ASSETS		
Net assets-beginning		1,217,307
Increase/(decrease) in net assets		(258,742)
Total net assets		958,564
Total liabilities and net assets	$	1,210,229

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Wisdom Academy for Young Scientists
STATEMENT OF ACTVITIES
For the Period Ended April 30, 2013

A. REVENUES	
TOTAL, REVENUE LIMIT SOURCES	1,112,905
TOTAL, FEDERAL REVENUES	305,613
TOTAL, OTHER STATE REVENUES	759,533
TOTAL, OTHER LOCAL REVENUES	618,343
Grants/Donations for operating/programs	12,172
In Lieu of Property Tax	559,829
Other Local Revenues	40,782
Suspense	5,560
TOTAL REVENUES	2,796,394
B. EXPENDITURES	
TOTAL, CERTIFICATED SALARIES	910,638
TOTAL, CLASSIFIED SALARIES	487,079
TOTAL, EMPLOYEE BENEFITS	287,319
TOTAL, BOOKS & SUPPLIES	157,612
TOTAL, SERVICES & OTH OPER. EXP.	1,209,055
TOTAL, OTHER OUTGO	3,433
TOTAL EXPENDITURES	3,055,136
EXCESS REVENUE OVER (UNDER) EXPENDITURE	(258,742)
EXCESS INCOME OVER EXPENDITURES	(258,742)

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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 04/30/2013
In Whole Numbers

		Current Period Actuals 4/30/2013	Current Period Budget	$ Variance	YTD Actuals 4/30/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining
	A. REVENUES								
8015	TOTAL REVENUES FOR SCHOOL	[illegible]	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FEDERAL REVENUES								
8291	Title I	82,935	0		185,465	80,000		200,000	14,535
8298	Title II	506	0		506	5,719		14,297	13,791
8296	Title IV	0	0		0	0			0
8220	Child Nutrition	0	37,000	(37,000)	66,230	148,000	(81,770)	370,000	303,770
8229	Facilities Incentive Grant	0	0	0	0	0	0		0
8221	Education Jobs Fund	0	0		0	0			
8226	Other Federal Revenues/Prior Year	0	0		0	0			
8228	Special Education IDEA		0		53,412	0			
	TOTAL FEDERAL REVENUES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	OTHER STATE REVENUES								0
8311	Special Education AB602	20,730	31,671	(10,941)	105,388	126,576	(20,188)	221,589	115,201
8480	Categorical Block Grant	36,712	0	36,712	302,243	184,476	117,767	319,223	16,980
8480	In Lieu of Economic Impact Aid	12,685	0		34,742	0	34,742		(34,742)
8569	Child Nutrition-State	0	226	(226)	7,679	906	6,773	2,264	(5,414)
8566	PE Teachers Incentive	0	0	0	0	0	0	0	0
8563	Art and Music Block Grant	0	0	0	0	0	0	0	0
8564	After School Education and Safety	28,125	0	28,125	101,250	67,500	33,750	112,500	11,250
8434	Class Size Reduction	0	0	0	94,248	44,084	50,164	176,334	82,086
8560	State Lottery	16,070	0		106,690	27,813		55,625	(51,065)
8481	Charter School Facilities Grant	0	0		0	0	0	135,000	135,000
8590	All Other Revenues	0	0	0	6,293	0	6,293	2,979	(3,314)
			0			0			
	TOTAL OTHER STATE REVENUES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 04/30/2013
In Whole Numbers

		Current Period Actuals 4/30/2013	Current Period Budget	$ Variance	YTD Actuals 4/30/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining
	OTHER LOCAL REVENUES								
8780	In lieu of Propery Tax	49,765	83,792	(34,027)	659,829	351,057	308,772	602,433	42,604
8779	Fundraising	0	0	0	12,172	0	12,172		(12,172)
8700	Other Local Income	3,261	2,254	1,007	40,782	18,535	22,247	23,042	(17,740)
8785	Prior Year Revenue								
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	SUSPENSE - INCOME	5,560			5,560				
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	B. EXPENDITURES								
	CERTIFICATED SALARIES								
1100	Teachers' Salaries	88,589	103,823	(15,234)	767,597	830,586	(62,989)	963,232	195,635
1220	Substitute Salaries	0	3,039	(3,039)	0	24,310	(24,310)	30,388	30,388
	Teachers Extra Duty	0	0	0	0	0	0	75,000	
1300	School Administrators' Salaries	14,584	20,317	(5,733)	143,041	162,533	(19,492)	243,800	100,759
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CLASSIFIED SALARIES								
2100	Instructional Aides	0	24,552	(24,552)	0	171,867	(171,867)	220,972	220,972
2200	Classified Support Salaries	8,457	0	8,457	79,430	0	79,430		
2300	Classified Administrator	11,339	6,667	4,672	88,922	66,667	22,255	80,000	(8,922)
2400	Clerical /Office Salaries	30,436	4,600	25,836	274,970	46,000	228,970	55,200	(219,770)
2900	Other Classified Salaries	3,961	6,632	(2,671)	43,757	46,421	(2,664)	59,684	15,927
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 04/30/2013
In Whole Numbers

		Current Period Actuals 4/30/2013	Current Period Budget	$ Variance	YTD Actuals 4/30/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining
	EMPLOYEE BENEFITS								
3101	Strs	8,615	10,492	(1,877)	75,357	83,938	(8,581)	108,275	32,918
3202	Pers	0	0	0	0	0	0	0	0
3301	Oasdi - Regular	2,968	2,632	336	29,602	20,519	9,083	24,951	(4,651)
3302	Oasdi - Medicare	2,272	2,460	(188)	20,214	19,552	662	28,517	8,303
3400	Health & Welfare Benefits	18,876	12,839	6,037	112,852	128,386	(15,534)	154,063	41,211
3501	Unemployment Insurance	1,640	4,772	(3,132)	26,302	47,720	(21,418)	57,262	30,960
3601	Workers' Compensation	2,982	4,897	(1,915)	22,913	58,761	(35,848)	58,761	35,848
3902	Other Benefits	10	66	(56)	79	464	(385)	597	518
	TOTAL, EMPLOYEE BENEFITS	37,363	38,158	(795)	287,319	359,340	(72,021)	432,426	145,107
	BOOKS & SUPPLIES								
4110	Textbooks	0	0	0	16,323	30,000	(13,677)	30,000	13,677
4210	Books & Other Than Textbooks	0	0	0	10,693	5,000	5,693	5,000	(5,693)
4300	Instructional Materials & Supplies	5,318	1,667	3,651	34,194	16,667	17,527	20,000	(14,194)
4400	Non-capitalized Equipment	0	1,667	(1,667)	24,247	16,667	7,580	20,000	(4,247)
4390	Other Supplies	2,524	1,667	857	39,165	16,667	22,498	20,000	(19,165)
4350	Office Supplies	81	1,250	(1,169)	14,192	12,500	1,692	15,000	808
4710	Food Supplies	385	333	52	18,799	2,333	16,466	3,000	(15,799)
	TOTAL, BOOKS & SUPPLIES	8,308	6,583	1,725	157,613	99,833	57,780	113,000	(44,613)
	SERVICES, OTHER OPERATING EXP.								
5220	Travel & Conferences	206	417	(211)	314	4,167	(3,853)	5,000	4,686
5310	Dues & Fees	0	583	(583)	2,928	5,833	(2,905)	7,000	4,072
5450	Insurance	363	3,750	(3,389)	34,942	45,000	(10,058)	45,000	10,058
5500	Utilites & Housekeeping	9,520	4,167	5,354	53,002	41,667	11,335	50,000	(3,002)
5610	Rentals,Leases & Repairs	66,933	34,654	32,279	370,120	343,533	26,587	399,990	29,870
5812	Pupil Transportation	2,291	1,000	1,291	9,707	8,000	1,707		
5831	Student Activities	1,355	3,333	(1,978)	36,705	33,333	3,372		
5840	LACOE Expense Reimbursement	0	837	(837)	7,293	8,367	(1,074)	10,010	
5853	Business Consultant	5,083	5,000	83	51,492	50,000	1,492	60,000	8,508

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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2012 through 04/30/2013
In Whole Numbers

		Current Period Actuals 4/30/2013	Current Period Budget	$ Variance	YTD Actuals 4/30/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining
5850	Non-Instructional Consultants	8,320	0	8,320	39,931	0	39,931		
5851	Instructional Consultants	0	4,167	(4,167)	60,481	41,667	18,814	50,000	
5863	Professional Development	994	415	579	5,432	4,167	1,266	5,000	
5854	Consultant-Food Services	0	30,833	(30,833)	248,446	308,333	(59,887)	370,000	121,554
5810	Field Trips	0	0	0	0	0	0	0	0
5820	Legal & Audit	0	2,666	(2,666)	17,627	26,662	(9,035)	31,994	14,367
5852	Special Ed Consultants	6,808	8,333	(1,526)	116,932	83,333	33,599	100,000	(16,932)
5890	Other Services (Hiring Cost)	0	0	0	0	0	0	0	0
5900	Communications	2,192	0	2,192	26,259	0	26,259	0	(26,259)
5920	Postage (UPS, Fedex, US Mail)	1,638	417	1,221	3,069	4,167	(1,098)		
5890	Other Services & Operating Expenses	1,388	2,346	(958)	114,321	17,482	96,839	95,227	(19,144)
5898	LAUSD Special Ed Fees			0	0	6,373	(6,373)		
	Suspense Expense	10,005			10,005				
	[illegible]								
	CAPITAL OUTLAY								
6200	Building and Improvements	0	2,500	(2,500)	0	25,000	(25,000)	30,000	
6410	Capitalized Equipment	0	2,500	(2,500)	0	25,000	(25,000)	30,000	
6900	Furnitures			0	0		0	0	
	[illegible]								
7000	OTHER OUTGO								0
7299	District Oversight Fees		3,631	(3,631)	0	36,310	(36,310)	43,568	
7438	Debt Service - Interest	86	0	86	3,433	11,668	(8,235)	30,000	
	[illegible]								
	[illegible]								
	Net Income/(Loss)	68,184	(170,978)	239,162	(258,741)	(961,014)	702,273	62,145	618,922
	Change in Net Assets	68,184	(170,978)	239,162	(258,741)	(961,014)	702,273	62,145	618,922

Prepared by Bali Business Management

10

WISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
JULY 2012- JUNE 2013

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
	2012-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Accrual
BEGINNING CASH BALANCE		32,842	[illegible]	57?,069	470,7??	487,081	13,625	182,384	386,688	211,130	163,868	212,131	216,232	
ADJUSTMENTS				13,461	6,332		8,534				[illegible]			
SOURCES OF CASH:														
GENERAL PURPOSE	1,463,350		451,687	185,151	152,138		207,725	103,549	307,536	90,862	52,362	70,698	0	470,712
FEDERAL FUNDING	214,797								162,530		133,441	80,000	5,719	42,859
CHILD NUTRITION PROGRAM	370,000	0	48,559	4			22,736		27,066		15,586	37,000	37,000	67,000
CATEGORICAL BLOCK GRANT	319,223		90,246	25,651	42,417		57,975	129,985	129,985	1,866	31,443	14,140		120,607
IN LIEU OF PROPERTY TAX	662,433		124,853	45,918	48,218		95,211		48,493	64,572	104,422	83,792	83,792	
SPECIAL EDUCATION	221,500		98,546	58,998	22,573		16,759	48,233	16,759	32,544	20,790	31,671	31,671	31,671
CHILD NUTRITION - STATE	2,264		1,703						2,389	1,372	2,286	226	226	906
CLASS SIZE REDUCTION	176,334		64,250		21,627					54,621				132,251
STATE LOTTERY	55,825								30,870		16,870		13,906	13,906
CHARTER SCHOOL FACILITY (SB 740)	90,000	0	157,882										90,000	
CHARTER SCHOOL FACILITIES INCENT	45,000												45,000	
PE TEACHERS INCENTIVE														
ARTS & MUSIC BLOCK GRANT														

Notice of Intent to Revoke

WISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
JULY 2012- JUNE 2013

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
	2012-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Accrual
AFTER SCHOOL EDUC & SAFETY	112,500						39,375	23,125			26,125			0
OTHER STATE REVENUE	2,979						6293			22,058	12,301	993		1,986
MISCELLANEOUS	393	393		151				12,384						
INTEREST INCOME	3,042	2		954								254	254	
OTHER LOCAL INCOME	20,000	866	318	5,060	6,082		3,490		80	284	2761	2,000	2,000	
PRIOR YEAR REVENUE														
ACCOUNTS RECEIVABLE		88,076				87,240								
TOTAL SOURCES	3,695,435	89,337	1,029,240	327,397	324,987	87,240	458,060	289,280	426,355	295,376	329,827	320,774	309,568	881,898
TOTAL CASH AVAILABLE		102,179	1,099,089	1,011,927	795758	574,321	471,685	451,664	613,023	506,506	499,785	532,905	525,800	881,898
APPLICATION OF CASH:														
SALARIES	1,728,276	26,555	108,650	120,877	122,862	274,815	118,244	192,158	120,485	121,512	120,398	169,630	169,630	40,633
BENEFITS	432,428	22,786	61,627	53,696	51,554	194,695	58,725	64,905	55,427	48,407	45,884	33,261	33,261	6664
BOOKS AND SUPPLIES	113,000	6,263	19,322	35,918	5,541	5,187		9,597	3,959	8,525	5,445	6,583	6,583	
SERVICES AND OTHER OPERATING	859,227	65,686	155,744	199,559	146,818	135,803	139,332	65,886	216,572	159,036	115,038	67,735	67,735	
FOOD SERVICES	370,000											30,833	30,833	
CAPITAL OUTLAY	60,000											5,000	5,000	

accs-apr15item04
Attachment 6
Page 1178 of 3489

Notice of Intent to Revoke

001030

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
JULY 2012- JUNE 2013

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
	2012-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Accrual
ACCOUNTS PAYABLE/LAUSD														
OVERSIGHT FEE	43,568											3,631	3,631	
PAYROLL LIABILITIES														
CREDIT CARD PAYMENT														
LOANS PAYABLE				250,000										
INTEREST	30,900	1,042	1,075	1,075	892						892			
ADVANCE														
ADJUSTMENTS														
CASH APPLICATIONS FOR THE PERIOD	3,836,491	592,237	638,020	541,156	308,672	590,296	289,302	264,396	408,833	338,540	267,654	316,673	316,673	47,197
NET CASH FLOW FOR THE PERIOD	67,145	-52,993	691,220	-213,759	16,380	-433,458	166,759	4,284	24,462	-41,172	42,173	4,101	-7,105	834,701
ENDING CASH BALANCE		-20,151	671,069	470,771	487,091	13,625	182,383	186,668	211,130	169,958	212,131	216,232	209,127	834,701
Bank Statements Balance		(20,151)	671,069	470,771	487,091	13,625	182,383	186,668	211,130	169,958	212,131			
Balance Sheet - (Cash in Bank)		0	0	0	0	0	0	0	0	0	0			

Jan Isenberg, Charter School Office
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242

Re: Board Resignation

Dear Jan Isenberg:

In light of recent occurrences, I regretfully submit my resignation from the Governing Board of Wisdom Academy for Young Scientists as of September 30, 2011. I am fully committed to the education of our children, however after the September 16, 2011 meeting I am discouraged by the many attempts from misguided disgruntled parties to dissuade the educational process.

On June 30, 2011, I was asked by the Board President, Board Secretary and the new Executive Director to give the Board ninety days before rendering my decision to resign from the Board. However, at this time I do not see any positive movement in correcting past issues.

The September 16, 2011 meeting was an abusive assault on the Board President. I was so disgusted of by the negative atmosphere I walked out of the meeting with the audience yelling at me from the top of there lungs. When I walked out of the meeting I saw faces of anger and militant behavior by these disgruntled parties. A professional business meeting should not be driven down to this level of misbehaving. The misguided and disgruntled parties involved in this gang warfare are unable to see the big picture of educating our children, what they see is an agenda guided by personal issues.

I wish the school luck.

Sincerely,

Loretta McDonald

Loretta McDonald, Sergeant of Arms
WAYS Governing Board

From: Cathy Roby [cathy_roby@yahoo.com]
Sent: Tuesday, September 20, 2011 5:36 PM
To: Isenberg_Jan
Cc: michael_cureton; alexlove93; kandeele; Adell Walker; Loretta McDonald; Alake Watson
Subject: Letter of Resignation

Attachments: LETTER OF RESIGNATION final.pdf
Please see my letter of resignation attached.

I am appalled by the behavior and tactics of the former executive director, her family, those members of the board who support this nonsense, and the people who have attended our meetings under the disguise of "concerned parents and friends" who are now forcing a hostile take-over of the Wisdom Academy for Young Scientists. Driven by false promises and misinformation, they do not appear to have the best interests of the students in mind.

Conflict of interest, nepotism, chaos, intimidation, verbal abuse, dictatorship, uncooperative, uncommunicative, misleading, withholding information – these are just a few of the reprehensible strategies that have held the Governing Board of WAYS hostage and prevented an orderly transition for Administrators and students to embrace a new school year.

I wish the best for Principal Alake Watson and Principle Lawrence Wynder, and the Faculty of WAYS. I hope that under these circumstances they will be able to impart a sense of peace and fairness in the impressionable young minds of their students.

Cathy G. Roby
Governing Board Treasurer

REIS Network / WBE.NET / GITCourse.Net
We promote and support US Export Trade
and Develop Export Trading Companies
World Business Exchange Network
Global Internet Trade Course
GITC... A Proven System for Improving Education
4640 Admiralty Way, Suite 500, Marina Del Rey, CA 90292
Tel. 310-215-1770 * **800-537-7347** * Fax 310-215-9766
http://www.wbe.net * http://gitcourse.net * info@gitcourse.net

Cathy G. Roby
4640 Admiralty Way #500
Marina Del Rey, CA 90292
Tel. 310-215-1770
Email: cathy_roby@yahoo.com

September 19, 2011

Jan Isenberg
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242 – 2890

RE: LETTER OF RESIGNATION

Dear Jan Isenberg,

I am deeply troubled by the conflict and chaos displayed by the founder and former executive director of Wisdom Academy for Young Scientists who continues to be a disruptive force against the Executive Director's, Administrators' and Governing Board's every attempt to move forward for the betterment of the students, faculty and administrators we are charged to support.

The founder prefers to meddle and manipulate rather than comply with the decrees of the authorizing agency, while quoting the Brown Act to us as if she believed in its principles.

Instead of coming forward in a community spirit for the good of the students, Okonkwo and her supporters prefer to steamroll over established Charter Rules with in-your-face verbal abuse.

The entire situation is appalling.

There can be no orderly transition in this climate of discord. As a volunteer who has already invested excessive time, energy and personal resources to fight this unending battle - to the extent that I jeopardize my own livelihood and now fear for my own personal safety as well as that of parents with young students at meetings-turned-violent – I see that to continue in this vein is an exercise in futility.

As the Board elected Treasurer, I refuse to lend my name to this madness and misconduct. Therefore, I hereby submit my resignation effective immediately.

Yours truly,

Cathy G. Roby

Cathy G. Roby
WAYS Board Treasurer

From: Jazz4azz@aol.com
Sent: Tuesday, September 20, 2011 2:47 PM
To: Isenberg_Jan; michael_cureton@att.net; alake23@yahoo.com
Cc: alexlove93@hotmail.com; cathy_roby@yahoo.com; lmcdonald@lbmbs.com; kandeele@aol.com
Subject: Letter of Resignation

Attachments: September 20 resignation.doc
Hello all,

Please see attachment.

At this juncture I must submit my letter of resignation effective immediately from the Wisdom Academy for Young Scientists Governing Board. In light of the present situation of gang-like attack on board members, outbursts of disruptive behavior, just plain lack of civility, respect, and responsibility brings me to this conclusion.

I wish WAYS all the best in their endeavor to empower good, responsible, educated leaders of this global world and growth for a brighter future for our youth, our legacy.

Sincerely,

Adell Walker
WAYS Governing Board Secretary
Los Angeles, CA 90008

September 20, 2011

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

To: Jan Isenberg, WAYS' Administration and WAYS' Board of Directors

The role of an educational board member is such a serious undertaking and requires commitment and dedication to the system of making sure our children's learning is always at the forefront. The future of the school (WAYS) is at stake and the board is the essential element in assuring the mission of the school is carried out. A board needs information to perform effectively and committees need forming to operate efficiently. The ability of a charter school to carry out its mission and vision depend on the strength of its organizational foundation. A critical element of this foundation is the charter school board itself—it is important to the health of the charter school and its financial base is primary.

When I joined the WAYS' board I witnessed no written description of board roles and responsibilities (there were two members who performed many functions and wore many hats)—no R&Rs in place at the time; there was no Board Development Committee supported by the full board of directors (there were only two functioning members); no recruitment priorities based on analysis of current board and future skills and knowledge assessed; no formal orientation training sessions offered; no written board manual in place; no annual board self-evaluation process in place (was not sure of the process by which the annual review of administrators performance were assessed); well written charter school bylaws and other governance documents; commitment to and active role in strategic planning, and more could be named.

There's no getting around it—it takes time to build an effective charter school board; and, the investment of time and energy creates a board that becomes a self-renewing resource that adds value to the charter school—these are my beliefs as a qualified member and this is what I envision coming on as a WAYS Board member. Learning to govern well requires effort and dedication and is a matter of consistency and discipline.

One of the roles of the board is to ensure a safe and appropriate educational environment is provided to all students and another major role is to set policies and procedures and follow-through. These tasks require a cohesive and strong board with emphasis on supporting the school and its mission to empower students to be all that they can be for successful citizens in a global world.

At this juncture, I can no longer give of my time (As a volunteer board member I have not misses a board meeting since inception), expertise, knowledge, and energy to meetings that are disruptive, chaotic and forced fed with manipulation, hate, and bitterness. Manipulations are not a good practice and I will not be manipulated. The meetings are now appalling and stressful –they are abusive assaults on board members-I am beginning to fear for safety—meetings are not in a spirit that is "forward moving" for the good of the students, families, and community. Our efforts should be about supporting the school and its mission to empower children to become leaders. In light of the present situation at WAYS (gang warfare- like meetings, misguided, disgruntled parties, and personal issues even though they are not on the agenda)-and due to the nature of the many conflicts still in existence, I regretfully resign my position on the WAYS board effective immediately.

Best regards,

Adell Walker

Adell Walker, Secretary
WAYS Governing Board

From:	kandeele@aol.com
To:	mrjason7@gmail.com; edcabil@sbcglobal.net; dvalenti747@yahoo.com; yetundeedd@gmail.com; lwynderii@gmail.com; Katoant@aol.com; jonathanfields55@yahoo.com; normanskx@gmail.com; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.net
Cc:	wisdomacademy4ys@yahoo.com; Patel, Neha; Isenberg, Jan
Subject:	Letter of Resignation
Date:	Thursday, October 20, 2011 11:15:28 PM
Attachments:	Letter_of_Resignation_-_WAYS.doc

Please accept this letter of my immediate resignation.

Kandee Lewis

October 20, 2011

Kandee Lewis
Los Angeles, CA 90044

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

To Whom It May Concern,

Please accept my immediate resignation from the Board of Directors for Wisdom Academy of Young Scientist, as Vice President of the Board. It is with great sadness that I must tender this letter.

I wish the best for Principal Alake Watson and Principle Lawrence Wynder, as well as the children, parents, faculty and staff of WAYS. I hope the school and the board members are able execute a professional, positive, nurturing and encouraging environment in which everyone involved learns, grows and develops into positive, enlightened community leaders.

My best wishes to you, Mr. Cabil. As Executive Director, you have taken on a serious responsibility. I know you are well qualified for the job. I pray that you continue to act with the same integrity, resilience and consideration, I briefly witnessed during my short tenure.

To the Board, I wish you the best as well. Please don't just sit in your chairs and attend a meeting once a month. Go to the school; engage the students, parents and staff. Watch, listen and learn.

To the students. Take every opportunity afforded to you. Never let anyone or anything stop you from achieving your dreams! You are a blessing and a miracle! You are worthy and you have the world at your fingertips! Reach for the stars and you just may grab hold of the universe! It's your choice, win it all or lose everything for fear of taking a chance on yourself! Be a Winner!

Best regards,

Kandee Lewis

Kandee Lewis,
Ex-Vice President
WAYS Governing Board

Isenberg_Jan

From: Epps_Cheri
Sent: Monday, September 19, 2011 9:07 AM
To: Isenberg_Jan
Cc: Yamamoto_Brian
Subject: FW: Contact Msg: To Jan Isenberg

Hi Jan,

Please assist patron below. Reply to the "E-mail Address" provided by the requester.

-----Original Message-----
From: alexlove93@hotmail.com [mailto:alexlove93@hotmail.com]
Sent: Monday, September 19, 2011 8:44 AM
To: Webmaster
Subject: Contact Msg: To Jan Isenberg

Organization: Los Angeles County Office of Education
Org Acronym: LACOE
Org Id: 1
Email Address: alexlove93@hotmail.com

Message:
"September 19, 2011

Re: Letter of Resignation

To: Jan Isenberg

Due to the extreme disfunction created by non participating or some participating board members who serve only to stir up chaos and dissention, the ignorant and judgmental thought processes of a large sum of misguided parents, and a the flat out lack of support which created an environment so negative that in one day this school lost two board members and the current Executive Director (Michael Cureton). Prior to that WAYS had already been red flagged for a conflict of interest that should have been obvious to any person who bother to read the elements in the definition of Conflict of Interest.

I maybe could have handle some of those things, and still been able to function. However, the combination of all of these things with the understanding that this experience is the same ,day in...and day out, which makes any type of positive steps forward not possible.

It is with this knowledge that I realize what I came on board to accomplish here, can not be done here, and WAYS will remain in disarray no matter how much time passes because they only want to enforce what they want but WAYS is not sensible enough to realize that is not what they actually need (There is an obvious difference between the two).

Effective immediately I am resigning from my position on this board (Wisdom Academy of Young Scientist). I am not the first person to resign and it is my belief that I will not be, the last.

Good-bye and Good-luck,

Alexandria Love"

Web Applications Services TIP:

Consider adding frequently requested information to your LACOE.edu website. Assistance in doing this, or in launching a LACOE.edu website for your workgroup, can be obtained from WAS Customer Support at SmartSupport@lacoe.edu, or by contacting Cheri Epps at extension 6668.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

July 31, 2014

RECEIVED
JUL 31 2014
LACOE Superintendent's Office

Members of the Board of Education
c/o Superintendent Arturo Delgado
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242

Re: Wisdom Academy for Young Scientists' Response to Notice of Violation

Dear Members of the Board of Education:

At the June 3, 2014 Los Angeles County Board of Education ("County Board") meeting, you asked the Wisdom Academy for Young Scientists ("WAYS") to provide a detailed, comprehensive response and backup materials for each and every issue raised in the Notice of Violation ("NOV") drafted by LACOE staff. This letter and the enclosed three binders of extensive documentation provide you with that response.

We have reviewed each and every page of evidence identified by and attached as an exhibit to the NOV,[1] as well as all the "backup" documents we received from FCMAT and LACOE staff in response to our Public Records Act requests. LACOE staff have *not* provided substantial evidence of any current, uncured, material violation of law or charter at WAYS that could support revocation of the charter. For each and every "violation," LACOE failed to produce evidence that either: (1) a "violation" actually occurred; or, (2) the violation has not been cured. The burden to produce substantial evidence demonstrating actual violations of law or the charter is placed solely upon LACOE—there is no evidentiary burden for WAYS to *disprove* LACOE's allegations. In any event, WAYS has gone above and beyond what is required, and provides to you ample evidence demonstrating the inaccuracy of LACOE's allegations. The bottom line is that there is no "violation", and WAYS asks that you acknowledge that this matter is closed pursuant to Code of Regulations section 11968.5.2(d)(2).

You provided us additional time for this response beyond LACOE staff's recommendation, and we want the County Board to know we have used that time to not only prepare this comprehensive response, but to take additional steps to bolster our school's leadership and operations, which include:

[1] Upon inspection, the 1,000+ pages of "evidence" LACOE staff attached as exhibits to the NOV are primarily: WAYS' Board meeting minutes (which LACOE has received on a regular basis for the past three years) and materials; and printouts of LACOE staff's Google searches, such as an obituary announcement for a person who apparently was a distant relative of former Director of Operations Jason Okonkwo, and screenshots of Vice Principal Deara Okonkwo and the Innovative Ways Academy website. The poor copy quality is a result of LACOE staff's poor photocopying.

Salvation Army Campus
7651 S. CENTRAL AVE.
LOS ANGELES, CA 90001
Phone: 323-537-8194
Fascimile: 323-537-8209

Manchester Campus (Official Mailing Address)
706 E. MANCHESTER AVE.
LOS ANGELES, CA 90001
Phone: 323-752-6655
Fascimile: 323-752-6644

Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Fascimile: 323-589-6550

- The addition of two new, experienced board members to the WAYS board of directors (added on July 23, 2014) (Exhibit 1);

- The recruitment of a new Executive Director, holding board interviews on July 23 and 30, 2014. The Board expects to select a final candidate in August, subject to completion of background check and finalizing contract terms;

- The proposal of an updated Executive Director evaluation policy and procedures (draft enclosed as Exhibit 2); to be adopted by WAYS board of directors upon review by LACOE);

- The consideration of a contract with Celerity, an experienced and highly-regarded charter school operator and consultant, for school educational support services such as WAYS board meeting and Brown Act compliance support, assistance in vendor selection and management, guidance and oversight on relations with LACOE staff, and technical assistance to WAYS for its instructional school leadership, management and operations (Celerity also provides these services to the successful, LACOE-authorized Celerity Sirius charter school and others) (draft enclosed as Exhibit 3 & Exhibit 30.)

- The decision on July 30, 2014 to hire Charter School Management Services to serve as the school's back office services provider. CSMC is one of the largest providers of such services to charter school;

- The recruitment of candidates to fill Jason Okonkwo's former position was successful and WAYS has hired a new Director of Operations. WAYS is exploring the possibility of hiring a Co-Director of Operations whose primary responsibility will be to oversee compliance with the school's financial policies and procedures to ensure proper implementation and effective internal control;

- The purchase of the school's 706 E. Manchester site, to alleviate LACOE staff's perceived albeit unfounded concern about the school's lease of the property from its owner, former WAYS employee Kendra Okonkwo (currently in escrow);

- The organization of a full-day WAYS Board training to train board members on governance issues (such as Brown Act, conflicts of interest, charter school best practices), and discuss the school's strategic plan and direction (scheduled for August 2014); and

- The preliminary resolution of the arbitration proceeding pending between LACOE and WAYS, which resolves what LACOE staff believed were inconsistencies between the charter, the MOU, and WAYS' operations. (Exhbit 66.)

These steps are in addition to the additional actions WAYS took *prior to* June 3, which were inexplicably *not* reflected in the LACOE staff report for the NOV, such as the WAYS Board of Directors' adoption of financial policies and procedures that LACOE's Controller Zak Memon

(on behalf of Superintendent Delgado) stated would cure any lack of internal financial controls at WAYS.

The steps WAYS has taken, coupled with the responses in this letter and the evidence in the enclosed three volumes of documentation, fully and completely respond to the NOV. The evidence demonstrates that there are no current, uncured conflicts of interest or violations of law or the charter.

As we have shared with the Board in part, for years now WAYS has been subjected to unfair treatment and retaliation from the LACOE Charter School Office staff, which we believe is because a few LACOE staff members dislike and hold contempt for the school's founder Kendra Okonkwo, her family, the thickness of her accent, and the color of our leaders' skin. These few LACOE staff members have *dramatically* departed from the normal procedures and business practices LACOE uses for its other twelve charter schools, and we believe it is important for the County Board to be aware of this. The discriminatory treatment by LACOE staff has detrimentally impacted WAYS students, parents, staff, former and current board members and our entire community in South Los Angeles. We want to work with LACOE staff to move forward under our charter, and we believe we can do so. In the past weeks in particular, we have worked with LACOE staff members Judy Higelin and Courtney Brady to resolve the arbitration between WAYS and LACOE, and to keep LACOE staff informed and on board with the changes at WAYS outlined above. However, we also want the members of the Board of Education to understand the hostile climate LACOE staff has created for WAYS in the past years since approval of our charter:

- *Each and every time* LACOE Charter Schools Office staff members have arrived at and entered our school during regular school hours over the past three years, they are accompanied by armed bodyguards, presumably to protect them from our K-5 elementary students. We have learned LACOE does not bring firearms when they visit other schools. LACOE's message to our children and community is that they are perceived as dangerous criminals. Our students, teachers, staff, parents, attorneys, consultants, community members and board members, WASC accreditation staff, LAUSD Employees, Assistant Senior Deputy for Education and Public Safety to Los Angeles County Supervisor Mark Ridley-Thomas—*all* attend or visit our school *without* armed bodyguards. We have *never* experienced an incident of violence at WAYS, and even LACOE staff's own notes reflect that our school is a safe environment with a "secure front entry" where "visitors must ring a doorbell and be buzzed into the main office" and there is "a security guard that is on duty at the location." (Exhibit 4, WAYS000026.)[2] LACOE staff's use of public funds to hire armed bodyguards for WAYS visits—and *only* WAYS visits—is unlawful, discriminatory and offensive. It has become intolerable. Worse, LACOE staff Judy Higelin actually *delights* in her offensive treatment of our African American and Latino youth. She bragged to staff at the Alameda County Office of Education that "We get to go with an armed guard," and the recipient responded "Pretty scary stuff." (Exhibit 5, WAYS000029.)

[2] We have periodically provided bates numbers to specific exhibit pages for your convenience.

- On May 15, 2013, Judy Higelin met with WAYS' Executive Director Ed Cabil and stated that LACOE staff believes WAYS should hire a Latino administrator because "Latino parents want to see the face of the community!"—implying that the school's administration should be Latino/a and not African American. (Exhibit 6, WAYS000032.) We note we are the *only* remaining African American operated public elementary school in South Los Angeles.

- The LACOE Charter Schools Office paid a private eye to follow and videotape a WAYS staff member (Vice Principal Dr. Deara Okonkwo) on at least 16 occasions without her knowledge and without County Board approval—a tactic we do not believe LACOE employs with its other charter schools. (See Exhibit 16, WAYS000144.) We requested the video surveillance records by a Public Records Act request on April 11, 2014. (Exhibit 7.) After over two months of delay, our attorney Greta Proctor spoke with LACOE attorney Courtney Brady on the telephone June 17, 2014, and discussed these video surveillance records. (Exhibit 8.) Courtney Brady specifically stated that LACOE did in fact possess the video surveillance records "on DVD", and in fact specified the records could be produced on DVD versus CD, and that LACOE would provide a copy rather than requiring WAYS to duplicate LACOE's own DVD. Then, on June 18, 2014, Ms. Brady recanted and cryptically stated that LACOE did *not* have "possession, custody or control" of the video surveillance records. (Exhibit 9, WAYS00045.) LACOE staff could not have lost "possession, custody or control" of the DVD—LACOE is explicitly relying upon it as evidence in the NOV (and FCMAT report). If LACOE cannot produce this "evidence" for review, please remove all reference to it from the NOV.

- The LACOE Charter Schools Office spent $18,000 in scarce public dollars for a witch hunt directed at the WAYS founder's family by the Fiscal Crisis and Management Assistance Team ("FCMAT"). The FCMAT audit intake form, which LACOE filled out when it hired FCMAT, reveals that the audit was *not* initiated to correct financial mismanagement *at all*. Rather, LACOE explicitly stated its purpose to target and persecute the school's founder Kendra Okonkwo and her family, and to manufacture the appearance of grounds for revocation. (Exhibit 13.) On the intake form, LACOE staff recklessly reported to FCMAT that there was "evidence of" breach of fiduciary duty and conflict of interest, and "possible" evidence of ludicrous crimes such as "extortion", "mail and/or wire fraud", and "conspiracy". LACOE staff listed the "Okonkwo Family" as "co-conspirators" and "suspects." (Exhibit 13, WAYS00063.) (Most of the family members have never even been involved with this or any charter school, but were "investigated" anyway.) FCMAT informed WAYS that it performed private background checks on *six* members of the "Okonkwo family" whom LACOE specifically accused of "fraud". Only Deara, Jason and Kendra Okonkwo have *ever even* worked at the school. It concerns us that three additional "Okonkwos" were accused by LACOE staff and investigated by FCMAT. ***The audit did not find evidence that any fiscal mismanagement occurred at all, or is occurring at WAYS, by any member of the Okonkwo family or anyone else, much less any crimes such as extortion, fraud or conspiracy.*** The NOV claims both Deara Okonkwo and Jason Okonkwo have "conflicts of interest," related to the school, even though both have been *specifically cleared of any such conflicts.* (See,

e.g., Exhibit 10, WAYS000054 [letter from FPPC to Jason Okonkwo dated July 18, 2014 stating FPPC has "closed its file" on any potential conflicts of interest].)

- After the FCMAT audit, WAYS had to *specifically request* that LACOE comply with Education Code section 1241.5(c), which *requires* the LACOE Superintendent to present recommendations to the WAYS board of how to respond to the audit. Our request apparently stumped LACOE staff. In an email dated March 25, 2014, Judy Higelin asked for advice from a friend at the Alameda County Office of Education: "Staff is being tasked with preparing the report to the WAYS Board on the FCMAT Audit. We cannot find any sample.... Do you have anything we could use as guidance?" "Do you by chance have a copy of the [] report that was delivered for us to model after?"[3] (Exhibit 5, 000029.) Clearly, LACOE staff ordered the FCMAT audit to amass "evidence" against WAYS for revocation; it had not even *considered* that the FCMAT report should be used to *improve* the school as provided by the FCMAT statutes.

- LACOE staff refuses to acknowledge that the WAYS charter document itself was approved by the County Board. After the County Board approved WAYS' petition on June 7, 2011, LACOE staff asked WAYS to revise the charter petition in several areas as a "condition" of approval. WAYS attempted to do so in good faith and on numerous occasions, but each time WAYS submitted a redlined draft to LACOE staff, the draft was rejected without any insight or direction as to what LACOE believed was amiss. This has made it impossible for WAYS to comply with LACOE staff's demands—it is reminiscent of the old voter literacy tests in the Jim Crow era. WAYS complies with the charter *as it was approved by the LACOE Board of Education*, yet LACOE staff expects compliance with conditions not yet memorialized in any final charter document. Ms. Okonkwo requested a copy of WAYS charter from LACOE staff, and LACOE staff responded that "There is not a public document that responds to your request." (Exhibit 11, WAYS000056.) Noticeably, LACOE did ***not*** include copy of the school's charter as an exhibit to the NOV. We believe this issue has recently been resolved, or soon will be as part of an arbitration proceeding initiated by LACOE. But for purposes of this NOV response, LACOE's actions pose a technical problem for itself in that the parties must refer to compliance with a charter document *that LACOE staff states does not exist.*

- LACOE staff has had preconceived but incorrect notions that "illegal" activities were taking place at WAYS before our charter was even approved by the County Board. That is why LACOE staff recommended denial back in 2011. FCMAT recently provided us evidence that *before* LACOE became WAYS' charter authorizer, a LACOE staff member contacted the Los Angeles District Attorney's Office accusing Kendra Okonkwo of an alleged conflict of interest and demanding an investigation—*the very same* LACOE staff member who urged the County Board to deny the charter. (Exhibit 12, WAYS 000059.) The DA's response was only that the matter was

[3] That "model" was for revocation of an Oakland area charter school called "AIMS" for fiscal mismanagement. Earlier this month, a Superior Court judge overturned that "model" and restored the AIMS charter school.

> "currently open" at that time. But the issue was never pursued by the DA. Rather than accept the DA's conclusion that there was no illegal activity occurring at WAYS, LACOE staff has continued to press for more inquiry, more investigation, and contrary to all evidence, has refused to let go of the idea that "something illegal" must have happened at WAYS. In one instance reported by a former WAYS board member, the former Charter School Office Coordinator, Janis Isenberg, expressed her suspicion about how Mrs. Okonkwo accumulated real estate and ran a successful charter school "if she could not even speak English correctly."

In short, these abusive conditions and the constant game of "hide the ball" by LACOE staff has made it difficult for us to work with them. We believe the County Board has only heard one side of the story about WAYS from LACOE staff. We hope this letter provides the other side, and provides the careful response necessary for the Board to see that WAYS continues to successfully serve our community, continues to improve, and should remain open to ensure that the interests of WAYS students prevail. We look forward to working with both LACOE staff *and* the Board of Education in the future in that regard.

I. ***LACOE FAILED TO FOLLOW THE CORRECT STANDARD IN ISSUANCE OF THE NOV***

LACOE staff cites violations of Education Code sections 47607(c)(1)(A)[4] and 47607(c)(1)(C)[5] as the basis for the NOV to revoke the WAYS charter.

Before revocation, Sections 47607(d) and (e) require LACOE to provide the school with a written notice of "*facts in support of revocation*" and "*a reasonable opportunity to remedy the violation.*" LACOE has not complied with these procedures. The "facts" cited by LACOE in the NOV do not support revocation of the WAYS charter because they are (1) false and unfounded, as demonstrated by LACOE's own evidence, and WAYS' enclosed evidence, or (2) to the extent they are true, they have already been fully cured, most many years ago, *or were never a violation of law or the charter in the first place*. Importantly, the NOV fails to identify what WAYS could do to "remedy" the violation to LACOE's satisfaction. Unless there is a meaningful opportunity for WAYS to remedy the violations to LACOE staff's satisfaction, then the NOV is a sham and violates the revocation procedures in the Education Code.

Section 47607(c)(1) requires that in order to revoke a charter, the charter authorizer must find that "*substantial evidence*" supports a determination that the school violated the law or charter. "Substantial evidence" means evidence "of ponderable legal significance" that is at least "reasonable, credible, and of solid value." (*JKH Enterprises, Inc v. Dep't of Industrial Relations* (2006) 142 Cal. App. 4th 1046, 1057; *Beck Development Co. v. Southern Pacific Transportation Co.*, (1996) 44 Cal. App. 4th 1160, 1204.) The phrase "substantial evidence" "cannot be deemed synonymous with 'any' evidence." (*Id.*) It must actually be *substantial* proof of the essential

[4] All references to statutes in this letter are to the Education Code unless otherwise specifically noted.

[5] LACOE staff actually cited 47607(c)(3) and 47607(c)(1), yet 47607(c)(3) does not exist. For the purposes of this letter, WAYS assumes the proper sections are 47607(c)(1)(A) and 47607(c)(1)(C).

elements which the law requires to be proven in a particular case—here, that there exists a current, uncured, material violation of law or charter at WAYS.

The NOV, issued by the County Board, must convey and provide the "substantial evidence" that LACOE has relied upon so WAYS has a reasonable opportunity to remedy the alleged violations. We have reviewed several thousand documents in our compilation of this response: the entire record of exhibits to the NOV, documents produced by LACOE staff, documents produced to us directly from FCMAT, and our own files. We invite the County Board to review the same record. There exists *no* "substantial evidence" in the record to support a revocation of the WAYS charter. Many of the "facts" in the NOV are actually conclusory statements from the FCMAT report, which turn out to be regurgitated conclusions of the LACOE staff itself presented to FCMAT when it asked for the audit. For example, LACOE expressed their concerns about WAYS to FCMAT on the intake document, which mentions "payment to founder (250k) w/out proof of payment being owed" and "Daughter working for another company while employed (also conspiracy)." (Exhibit 13, WAYS000062.) These circular conclusions are not "substantial evidence." Several of the exhibits attached to the NOV are incomprehensible printouts of webpages taken from a Google search with no apparent relevance, such as 21 pages of screenshots from the "Innovative Ways Academy" website, which LACOE staff appears to assert is the evidence that the vice-principal of WAYS was not fulfilling her regular contracted hours of work. (See Exhibit 14.) For each and every "violation," LACOE failed to produce evidence that (1) the violation actually occurred, or (2) the violation has not been remedied. Again, the burden to produce all such evidence is on LACOE; the burden is *not* on WAYS to *disprove* the claims made by LACOE.

We remind the County Board that "[t]he chartering authority *shall not* revoke a charter, unless it makes written factual findings *supported by substantial evidence*, specific to the charter school, that support its findings." (Ed. Code § 47607(e).) We believe the item-by-item responses in Section III of this letter (which tracks the format of the NOV), as well as the attached documentary evidence, demonstrate that LACOE cannot meet the evidentiary burden required to revoke a charter.

II. BACKGROUND INFORMATION AND TIMELINE OF EVENTS LEADING TO THE NOV

The NOV contains numerous inaccuracies and omissions in the "evidence" cited in support of the NOV and ostensibly revocation.

The NOV discusses a Notice of Concern issued to WAYS by LACOE's Superintendent on December 20, 2013. The NOV claims that WAYS failed to timely respond to the Notice of Concern, and notes that LACOE received separate responses from (1) a single WAYS board member, and (2) the WAYS Executive Director and the rest of the WAYS board. However, the NOV fails to note that LACOE staff sent the Notice of Concern to *a single* WAYS Board member (Carol Tolbert) *at her personal residence in Oakland, CA and her personal email address* only—not to the school's address of record. The MOU imposed by LACOE specifies how notice is to be provided—and LACOE *failed to follow that process*. At the time the Notice of Concern was issued, WAYS' Executive Director and board members had informed LACOE staff that Board member Tolbert had been performing poorly and not acting in the best interest of

the school. The Executive Director further informed LACOE staff that Ms. Tolbert might be removed by the other board members in accordance with the bylaws. Despite this information, LACOE staff failed to provide the Notice of Concern to the school's address as required under the MOU between LACOE and WAYS, so WAYS did not receive the transmission until three weeks later on January 14, 2014. Instead, LACOE staff actually sent the notice *only* to the "rogue" member herself—who was later removed after demand from the community.[6]

The Notice of Concern stated it was based on "complaints" LACOE received about WAYS, and the NOV similarly refers to those "complaints", but provides no specifics. We have reviewed *all* the evidence provided by LACOE and it turns out that those "complaints" are constituted solely by one single email from Ms. Tolbert addressed to Mr. Cabil—nothing else. (Exhibit 15.) In the email, Ms. Tolbert stated her grievances with Mr. Cabil. The letter was not addressed to LACOE, nor was it sent to LACOE as a "complaint" intended for LACOE's consideration.

As to the timeliness of WAYS' response to the Notice of Concern, the Notice demanded that WAYS submit a plan of action to LACOE by January 20, 2014—an arbitrary deadline *which ironically happened to be Martin Luther King, Jr. Day*, a national holiday on which even LACOE offices were closed. WAYS submitted its response and plan of action the day after the national holiday, on January 21, 2014. Any reasonable 21st century American should find it absolutely outrageous that LACOE staff would cite this one-day-delay as a reason to revoke the charter of the only African American operated public elementary school in South LA, especially when the Notice was never actually transmitted to the school in the first place.

III. WAYS' ITEM-BY-ITEM RESPONSE TO GROUNDS AND EVIDENCE CITED IN NOV

a. RESPONSE TO ALLEGATION OF FAILURE TO MEET GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OR ENGAGEMENT IN FISCAL MISMANAGEMENT (ED. CODE § 47607(C)(1)(C).)

This section of the NOV relies on the FCMAT audit report to substantiate claims that WAYS either failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement. The entire basis for this portion of the NOV is the statement made in the FMCAT report that:

> "There is sufficient documentation to demonstrate that fraud, mismanagement, and misappropriation of the charter schools funds and assets ***may*** have occurred."

(Exhibit 16, WAYS000151 (emphasis added).) WAYS has been trying for several months to discover what LACOE's general allegations of "fraud, mismanagement and misappropriation" specifically refers to. LACOE staff have been vague and/or non-responsive to our requests. ***There has never been any fraud, misappropriation, theft or any misuse of public monies at WAYS.*** We have asked both LACOE staff and FCMAT for *evidence* of any misuse of the

[6] LACOE's Notice of Concern was based upon an email communication between Ms. Tolbert and Executive Director Ed Cabil. It was not a complaint or even a communication addressed to LACOE.

charter school's assets, and have not received any such evidence. FCMAT did ***not*** actually make ***any*** factual finding of any wrongdoing by WAYS in its report. The conclusion that fraud "may" have occurred is unhelpful, and could be said about any school, agency or business. Without *any* evidence, much less "substantial evidence," this conclusion is certainly insufficient to support a revocation.

i. WAYS Has Implemented New Policies And Procedures And Is Recruiting New Management Personnel To Strengthen Its Internal Controls

The FCMAT audit report recommended that WAYS improve its fiscal policies and internal controls, and WAYS has already done so (weeks before the NOV was issued) at the direction and with the approval of LACOE's Controller. Yet the NOV alleges that WAYS lacks effective internal controls. The NOV and the FCMAT report fail to identify how WAYS could further "cure" its internal controls beyond the new, enhanced fiscal policies and procedures it has already adopted.

On April 25, 2014, LACOE Controller Zak Memon presented ***the official*** Superintendent's report and recommendation to the WAYS Board arising from the FCMAT report, as is required by Education Code §1241.5(c) ("the county superintendent shall report the findings and recommendations to the governing board of the charter school at a regularly scheduled meeting.") The Superintendent's recommendations are as follows in their entirety, verbatim from Mr. Memon's report (emphasis added):

> "As we all know that LACOE Superintendent had sent a letter to FCMAT to conduct the audit of the school and the audit was conducted and a report was presented to us, which we are here today to the present to the board here. The report, if I look at it, several pages has so many transactional findings that they report, but I think that you have taken an excellent step today, by what the bottom line of the report is, and that is the fiscal policies. Because all **it boils down to is the fiscal policies** [inaudible word], and this is an excellent step that, is a very good first step in the right direction that this is what it's all about. **Because this report primarily talks about two things: one was the fiscal policies and procedures [inaudible word], and the other was the internal controls.** So obviously, once we have the fiscal policies approved and implemented, then fiscal controls will come in. As I was looking at this report, that was to be the bottom line. I'm a CPA, I was an auditor before, and the reason I believe what they have done in this report, that they went through several transactions, is to substantiate and say that **we need to strengthen the internal controls, and we need to revisit the fiscal policies, which Halilu has done today, and of course you [WAYS Board Members] have suggested some improvement, which is very good, to that policy on page number five. I believe that once you go through this policy and approve them, please send it to LACOE and that will solve a lot of problems, moving forward.**

This was my conclusion, it really talks about that the bottom line is the internal controls and fiscal policies. Moving forward, that is the improvement directed in the recommendations."

Mr. Memon recommended that the WAYS Board adopt revised fiscal policies and procedures drafted by its back-office services provider, Bali Business Management, which Mr. Memon reviewed. Mr. Memon stated: "If we can go over [the revised fiscal policies and procedures], if you can approve it, and send to us the approved policies, our Charter Schools Office will present it to the [LACOE] board as this is what the school has done, and that will help." WAYS did just that. At its April 30, 2014 meeting, the WAYS board adopted a revised Fiscal Policies and Procedures Handbook. (Exhibit 17.) LACOE staff participated in revising the handbook, and made numerous suggestions that were ultimately included in several of the policies and procedures. (Exhibit 18.) The handbook is comprehensive, covering budget development and implementation, payroll, purchases, contracting, check requests, and many other topics that were areas of concern for LACOE staff. This handbook will be a guide for WAYS. The school has already effectively cured any alleged failure to adopt and implement adequate financial policies *two months before the NOV was issued.* The NOV failed to address the Superintendent's own ***official*** recommendation required by the Ed. Code, and utterly fails to consider WAYS' response to that recommendation.

The NOV also quotes the FCMAT report's conclusion that the WAYS executive management team failed to obtain proper signatures and Board approval prior to entering into contracts. As a preliminary note, nothing in the law, charter, corporate bylaws, or in the previous or updated fiscal policies require the WAYS board to approve every contract the school enters into. Such practice would divert the board's time from more important tasks and unnecessarily entangle the board's duties with those of the administration. The day-to-day operations of the school are the purview of the Executive Director, who has authority to enter into most contracts and approve most purchases without prior Board approval.

Under the previous WAYS Fiscal Policies and Procedures Handbook, the Executive Director was expressly tasked with overseeing purchases and contracts. (Exhibit 19.) For example, Policy Number Four titled "Contracting Policies and Procedures" reads, "All contracts must be approved by the School Director and [Director of Operations]." (Exhibit 19, WAYS000214). The same language is mirrored in the "Contracting" policy under the revised 2013 policies and the newly adopted 2014 Financial Policies and Procedures Handbook. (Exhibit 20, WAYS000238; Exhibit 17.) ***Neither policy requires Board approval for all contracts.***

In any event, the WAYS board did (and continues to) exercise its approval powers when it comes to major contracts. Examples include:

- Contract with Royal Dining Catering for school breakfast and/or lunch services approved by the board on July 31, 2012 (Exhibit 21);
- Contract with Medina's for central air and heat system installation approved by the board on July 31, 2012 (Exhibit 22);

- Contract with Total Education Solutions for the provision of education and consulting services approved by the board March 22, 2013 (Exhibit 23);

- Contract payment to McGraw-Hill for new textbooks approved by the board on February 27, 2014 (Exhibit 24);

- Contract with Hill, Morgan, and Associations LLP to conduct the 2014 fiscal year independent audit approved by the board on April 25, 2014 (Exhibit 25);

Contrary to the claims in the NOV, the board also provided regular oversight of the school's financial position and activities. (See Exhibit 26 [the WAYS board recently approved a comprehensive three-year Local Control and Accountability Plan].) Bali Business Management ("Bali"), the school's back-office services provider, has presented a summary financial report at almost every meeting of the board of directors. (Exhibit 27 [attached are WAYS Board of Directors meeting agendas and minutes from the past three years].) An example these regular reports is enclosed. (Exhibit 28 [attached is the June 2014 Financial Report, which is one example of the regular reports provided to the WAYS Board since 2011. Copies of the other reports are available upon request].) At each meeting, a representative from Bali summarized the current financial state of the school, the budget, and typically provided handouts to board members with detailed financial information. The board has consistently monitored the school's financial affairs since its inception, which is one of the reasons the school has been so financially stable over the years. Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally-managed schools in the region. One of the ratios indicating strong financial position includes current ratio (the ability to pay current liabilities when due) of 12:1, which is better than accepted industry average of 2:1. Other ratios include coverage ratio of total debt to total assets of 9%, meaning the school can withstand losses in the future without worrying about inability to pay its bills. (See Exhibit 28.)

Part of the NOV's concern with internal financial controls at WAYS centers around the school's employment of two of WAYS founder Kendra Okonkwo's adult children: Jason Okonkwo (Director of Operations) and Dr. Deara Okonkwo (Vice Principal). Neither Jason nor Deara Okonkwo are dependents of Kendra Okonkwo, and neither has any *actual* conflict of interest in any of the school's transactions. For example, although the school is currently in escrow to purchase the 706 E. Manchester site, WAYS has historically leased the site from a company owned by Kendra Okonkwo, and paid rent to her. Kendra Okonkwo is not on the WAYS board and has not worked at the school since April 30, 2011—prior to LACOE's authorization of the charter. Neither Jason Okonkwo nor Deara Okonkwo had any "personal financial interest" or other impermissible conflict of interest in the lease under the Political Reform Act, Government Code section 1090 or the Corporations Code—and LACOE provided *no evidence whatsoever* to the contrary.

In fact, LACOE staff complained to the FPPC about Mr. Jason Okonkwo's alleged "conflicts" sometime in 2011 and 2012. The FPPC is "the" state agency that enforces the Political Reform Act, and investigates such conflicts. The FPPC's Senior Enforcement Counsel officially determined a few weeks ago that "after a full investigation", that there was insufficient evidence of any such conflict. (Exhibit 10, WAYS000054.) The FPPC referred to LACOE

staff's disproved allegations as "rumors". The FPPC states that it has "closed the investigation". That is the end of it. LACOE cannot seriously contend that revocation is appropriate in light of that FPPC determination.

Nevertheless, at the request of LACOE staff to avoid any *appearance* of a conflict of interest, Jason Okonkwo's contract has not been renewed to serve as Director of Operations for WAYS for the 2014-15 school year. This decision was mutual by the WAYS board and Jason Okonkwo, and he is currently retained on a temporary independent contractor basis while the school searches for his replacement. (Exhibit 29.) Further, in the interest of recruiting "new faces" (LACOE's staff's terminology) at WAYS at the request of LACOE staff, the WAYS board and Mr. Cabil have chosen not to renew his contract as WAYS' Executive Director. Mr. Cabil will remain in his position while the school searches for a replacement with similar experience and passion. Candidates for the Executive Director position were interviewed by the WAYS board on July 23 and 30, 2014, and the Board expects to select a final candidate subject to negotiation of contract terms and background check clearance.

To further solidify the new internal controls and management at WAYS, the school's board has considered two contracts with established charter school support organizations. On July 23, 2014, the WAYS board of directors considered a contract with Celerity Global Development, a California nonprofit public benefit corporation, for school educational support services such as WAYS board meeting and Brown Act compliance support, assistance in vendor selection and management, guidance and oversight on relations with LACOE staff, and technical assistance to WAYS for its instructional school leadership, management and operations. Celerity also provides these services to the successful, LACOE-authorized Celerity Sirius charter school, and other charters. (Exhibit 30 & Exhibit 3.) On July 30, 2014, the WAYS board of directors approved a contract with Charter School Management Company ("CSMC") to serve as the School's new back-office services provider. The WAYS board intends to retain CSMC either by separate contract or as part of the Celerity contract. These partnerships will ensure that WAYS implements and maintains the new, rigorous internal controls recommended by LACOE staff and adopted by the WAYS board of directors on April 30, 2014.

ii. LACOE Staff And The FCMAT Report Both Misrepresent The Auditor's Findings in the WAYS' Annual Audits

The FCMAT report and the NOV both inaccurately claim that the annual WAYS Independent Audit Reports from fiscal years 2012 and 2013 contain repeat findings which WAYS has failed to cure from year to year. The NOV contends WAYS' repeated failure to cure constitutes further proof of the lack of effective internal controls at WAYS.

It appears that neither LACOE staff nor FCMAT's auditors have carefully reviewed the WAYS Independent Audit Reports, because the 2012 and 2013 findings in the Audit Reports are *not* repeated or the same. For example, both reports contain "bank reconciliation" findings, but cite different causes for the deficiency. (Exhibit 31, WAYS000594 [deficiency based on need to ensure proper school official reviews reconciliations monthly]; Exhibit 32, WAYS000640 [deficiency based on need for support documentation for each transaction].) WAYS *addressed each finding* thoroughly and immediately upon receipt of the Reports.

Most importantly, the recommendations from both Independent Audit Reports were for the school to improve policies and procedures to help avoid issues in the future. WAYS has done so. As previously discussed, WAYS has also implemented a LACOE-approved comprehensive Financial Policies and Procedures Handbook on April 30, 2014 that applies to every specific recommendation in the independent audit reports. LACOE has not identified any other steps or actions WAYS could possibly take to further "cure" the points raised by the WAYS auditors.

iii. There Are No Conflict Of Interest Violations At WAYS

The NOV generally and incorrectly claims there are "conflicts of interest" at WAYS. A "conflict of interest" is not subjective. It is defined by law (such as the Political Reform Act, Government Code section 1090, and the Corporations Code). The only transactions and evidence cited in the NOV as "conflicts of interest" all occurred *years ago*. If there was ever any conflict of interest at WAYS, it was likewise cured *years ago*.

In this section of the NOV, LACOE staff also cites the FCMAT report's loose conclusion that the atmosphere at WAYS "allowed and continues to allow access, opportunity, and motivation for ... fraud." But FCMAT did ***not*** conclude that any such "fraud" actually occurred—because it did ***not***. Not only is WAYS fiscally sound, it is operating at as great or a greater surplus than any other charter school of its size in the entire Los Angeles region.

We take even suggestion of fraud very seriously. Statements like this one in the NOV falsely and recklessly imply to the County Board and to the public—our parents, teachers and students—that financial crimes may have occurred at WAYS, which they have not. ***To be clear for the record, there is not, and has never been, any incident of fraud at WAYS.*** Neither the NOV nor the FCMAT report present *any* factual evidence of fraud. In response to FCMAT's concern about weaknesses in the WAYS "atmosphere," we have strengthened our fiscal procedures, restructured some of our key administrative personnel and service providers, and implemented new LACOE-approved internal "checks and balances." (See Exhibit 17; Exhibit 29; Exhibit 3 [2014 Financial Policies and Procedures Handbook; Independent Contractor Agreement with Jason Okonkwo; Draft Management Contract with Celerity].)

1. The former executive director Kendra Okonkwo has not been employed at the school since April 30, 2011, and therefore cannot have a "conflict of interest" in WAYS transactions

All of the alleged "conflicts" cited in the NOV are related to Kendra Okonkwo and her relatives. The relentless witch hunt of the Okonkwos by LACOE staff is unprecedented, unprofessional and illegal. As noted above, FCMAT informed WAYS that LACOE accused *six* members of the Okonkwo family of fraud and conflicts. (Exhibit 33 WAYS000652.) At the direction of LACOE staff, FCMAT investigated all six individuals even though only three members of the Okonkwo family have ever worked at WAYS. LACOE staff also ordered a private investigator to follow and videotape Vice Principal Deara Okonkwo's private life on at least *sixteen occasions* outside of school. (See Exhibit 16, WAYS000144; Exhibit 9, WAYS00045 [LACOE "lost custody" of the videotapes before we could review them, and has refused to provide information about who currently has possession of the recordings of Deara,

yet continues to rely on the unreviewable tapes as evidence].) Neither FCMAT nor LACOE have produced any of the surveillance or background-check records on the Okonkwos to WAYS, so there are some "conflicts" alleged in the NOV that are not supported by any LACOE evidence whatsoever.

LACOE staff's allegations of Okonkwo family member "conflicts" distract from a simple fact that renders the allegations meaningless: Kendra Okonkwo has not been employed by the school (and does not serve on its board of directors) since 2011—before LACOE even authorized the charter. In the next several paragraphs we respond to the supposed "conflicts" raised by the NOV, but any discussion of Kendra Okonkwo is years-old and irrelevant to the current, proposed revocation of the WAYS charter.

The NOV claims WAYS entered into a self-dealing transaction with Kendra Okonkwo when she leased her property located at 706 E. Manchester Ave. to the school in 2010-2011. WAYS cured any potential conflict as to this transaction when the WAYS board of directors passed a resolution on April 30, 2011 terminating Ms. Okonkwo as Executive Director. (Exhibit 34.) Kendra Okonkwo has not been employed by the school (nor served on its board) ever since. LACOE cannot revoke the WAYS charter for a conflict of interest from 2011. There is no *current* conflict of interest related to Kendra Okonkwo, and LACOE has not suggested otherwise.

Even though there is no *actual* conflict, to cure the *appearance* of a current conflict of interest related to the lease from Kendra Okonkwo, the WAYS board decided to pursue purchase the school site owned by Kendra Okonkwo, thereby removing her from any transactions. Upon advice of counsel, WAYS formed an LLC to purchase the school site at 706 E. Manchester Ave. (Exhibit 35.) This purchase is currently in escrow. In an abundance of caution to prevent any appearance of impropriety, WAYS has used its broker at Cushman Wakefield to negotiate with Kendra Okonkwo (the property owner) on behalf of the School. Cushman Wakefield has provided the WAYS board of directors regular updates at WAYS board meetings. The property was appraised both by the lender and also by an independent appraiser hired by the WAYS Board. The purchase will, we hope, fully and finally resolve any questions about the lease and Kendra Okonkwo.

The NOV also cites an undefined "conflict of interest" related to WAYS' settlement with Kendra Okonkwo upon her termination. LACOE staff has not explained why they think the settlement could be a "conflict," since neither Kendra Okonkwo nor any member of her family played any role in WAYS' decision to settle and the amount of the settlement. We requested evidence from LACOE to substantiate the accusation that there was a "conflict" or the settlement was somehow unfair. (Exhibit 7.) The *only* document LACOE produced was a copy of Kendra Okonkwo's settlement agreement that *did not even include the material terms*. (Exhibit 36, WAYS000673.) Either LACOE staff is not actually aware of the terms of the settlement agreement, or LACOE staff violated the Public Records Act by its failure to produce the requested documents. Either way, LACOE has not presented "substantial evidence" required for revocation under Section 47607(c)(1) (or *any* evidence) to support its accusation that the settlement amount was improper.

Although WAYS is not required to offer any further explanation of this personnel matter, we would like to so that the County Board fully understands the circumstances. WAYS entered into the settlement agreement on advice of counsel. As background, we remind the Board of Education that WAYS terminated Kendra Okonkwo *at the direction of LACOE staff as a condition of renewal of the charter*. After WAYS did so, the school received a demand letter from Kendra Okonkwo that asserted a claim of $480,000 in unpaid salary, unused vacation and sick leave, reimbursement for business-related expenses, and repayment of personal money used in the start-up of the school, as well as other damages for breach of her employment contract. (Exhibit 37.) The school's Executive Director Ed Cabil forwarded Kendra Okonkwo's demand letter to its insurer, Freedom Specialty Insurance Company, and legal counsel for guidance on settlement and coverage. (Exhibit 38.) Upon advice from its insurer and legal counsel for the school, WAYS settled with Kendra Okonkwo for $228,665.38 (less than half the amount of her claim). (Exhibit 39.) WAYS told LACOE that we were considering the settlement before it was final, and LACOE provided no comment or concern. Yet now, the NOV states that WAYS does not have "proper documentation" to support the settlement. We are unclear what documentation LACOE staff expects to see to second-guess our insurer, insurer's counsel, and WAYS' counsel. As in any settlement, of course, the parties' confidential negotiations that may reveal *how* they arrived at a dollar amount are protected by the attorney-client privilege. The NOV and its exhibits do not contain *any evidence* that the settlement was somehow unsupported or excessive.

2. The contract with OSE Business Services was never a conflict of interest under any California law and was consistent with WAYS' fiscal policies

The NOV mentions that one of WAYS' former service providers—OSE Business Services ("OSE")—is a company owned by a distant cousin of Jason Okonkwo. The NOV claims this relationship created a "conflict" in WAYS' contract with OSE, even though: 1) a distant cousin is specifically *not* the type of familial relationship that creates a conflict under California law; 2) Jason Okonkwo was not even aware of his potential (unverified) relation to the owner of OSE Business Services until he was informed by LACOE staff; and 3) the FPPC has provided Jason Okonkwo a letter dated July 18, 2014 that specifically states there are no conflicts of interest related to Jason Okonkwo.

The NOV, mostly quoting the FCMAT report, states:

> "OSE is owned by Obieśe Enwezor, who is related to other WAYS vendors: Godfrey Okonkwo, Emeka Enwezor, and DeDe Dance Studio and bears the same last name as the founder/former executive director's brother-in-law, Joseph Njor Enwezor…A document LACOE received after the FCMAT Audit was published provides further evidence that the owner of OSE is the cousin of the Director of Operations/On-Site Financial Manager for WAYS."

The "document" LACOE staff refers to is an obituary announcement for a member of Mr. Enwezor's family. (Exhibit 40, WAYS000693.)

We find it outrageous and disrespectful to the deceased's family that LACOE staff included an *obituary* as "evidence" against WAYS. Moreover, the County Board should be

embarrassed that LACOE staff believes a copy of an obituary of a distant cousin of a school employee constitutes valid, substantial evidence upon which to revoke a charter.

As this Board is no doubt aware, a conflict of interest under the Political Reform Act ("PRA") exists when a public official makes, participates in, or influences a governmental decision in which he has a personal financial interest. (Gov. Code, § 87100.) Under Government Code section 1090, public officials are prohibited from being financially interested in any contract made by them in their official capacity. (Gov. Code, § 1090.) Here, Jason Okonkwo was not a "public official" for purposes of the decision to purchase from OSE, as that decision was made by the Executive Director Ed Cabil. More importantly, a "financial interest" only exists under the PRA based on a familial relationship if the decision has a material financial effect on a member of the public official's *immediate family*. (Gov. Code, § 87103.) The possibility that the owner of OSE is a *distant cousin* of WAYS' now former Director of Operations Jason Okonkwo cannot have ever been a conflict of interest under the PRA. Likewise, under Government Code section 1090, there is no way Jason Okonkwo could have had any "hope of personal financial gain," or "monetary of pecuniary" interest, in a service contract of a distant cousin. (See *People v. Honig* 48 Cal. App. 4th 289, 325.) The FPPC affirmed this conclusion in a recent letter to Jason Okonkwo dated July 18, 2014, where it stated it had "closed its file" on any investigation (initiated by LACOE) into a conflict of interest. (Exhibit 10, WAYS000054.)

In short, the NOV's contention that the OSE contract was somehow a "conflict" due to an obituary LACOE staff found is another desperate attempt to fabricate a claim against the Okonkwo family and a colossal waste of the County Board's time. It also reveals LACOE staff's lack of understanding of California's conflict of interest laws.

Contrary to the assertions in the NOV, the OSE contract also did *not* violate the school's adopted fiscal policies in place at the time. (Exhibit 19.) Under those policies, a competitive bidding process was only required for purchases in excess of $10,000. (Exhibit 19, WAYS000211.) The services and supplies provided by OSE were approximately $7,000 to $8,000, so even under the letter of the competitive bidding requirement, a bidding process was not required. (Exhibit 41.) The NOV also confusingly states that WAYS violated its policies when it "bounced a check" to OSE, but then states that "A review of WAYS 2011, 2012, and 2013 Wells Fargo bank statements do not indicate any insufficient funds or returned checks." These statements in the NOV are contradictory. LACOE staff asserts a conclusion (that WAYS violated its policy when it bounced a check) and then concedes that they have no evidence to support it (the record shows no bounced checks). Last, the NOV takes issue with WAYS' failure to use a purchase order for every OSE order. WAYS' 2006 adopted fiscal policies (in place at the time) state that "All purchases must be initiated by completing a purchase order. Exceptions may be granted by the School Director or [Director of Operations]...in emergency situations." (Exhibit 19, WAYS000211.) WAYS' student enrollment almost doubled from the 2010-2011 to the 2011-2012 school year. (Exhibit 42.) WAYS took over another school at the Salvation Army location just weeks before school started, which forced management to scramble for supplies to equip the new location. To meet this need, WAYS ordered from OSE almost daily for a period of time to stock the new school site. It was precisely the type of emergency situation contemplated by the policy that would enable the Executive Director or Director of Operations to initiate isolated purchases without a purchase order.

We also note the NOV claims OSE may not be a "legitimate" business. This claim is ridiculous. OSE provided actual supplies and services at market rates to the school for several years. In many instances, OSE helped WAYS avoid disaster by supplying services and supplies in times of crisis that the school would not have been able to acquire otherwise on such late notice. WAYS understands that OSE failed to comply with FCMAT's investigation of OSE's "legitimacy," which is unfortunate. In fact, when the WAYS board learned that OSE had refused to cooperate, it terminated the school's contract with OSE and WAYS has not worked with OSE since then. (Exhibit 43.) However, WAYS cannot be held accountable for a private business' unwillingness to cooperate with a school audit.

3. DeDe Dance Studio is a nonprofit corporation that has zero paid employees and utilizes volunteers to provide dance classes for WAYS students; by definition, this is not a conflict of interest

Dede Dance Studio ("DDS") is a California nonprofit public benefit corporation that was founded by WAYS' Vice Principal Deara Okonkwo. ***Deara Okonkwo has never been paid by DDS.*** *All* of DDS' revenue is used to cover costs of the program including the annual ball for youth, annual retreat/weekend excursion, dance recitals, fieldtrips, and other special events. DDS has no paid employees and uses volunteers to provide its dance classes. DDS was founded by Deara Okonkwo when she was *14 years old* to provide *not-for-profit* dance classes to an underserved community; we are disappointed that LACOE staff could somehow turn this into a reason to revoke the charter.

The NOV states that when WAYS contracted with DDS for after-school dance classes, there was a conflict of interest. There are no facts or evidence of any such conflict. The NOV recites the following facts: 1) Deara is the sibling of the former Director of Operations, Jason Okonkwo; 2) WAYS entered into a contract with DDS to provide an after-school program for WAYS students, which was paid for with After School Education and Safety ("ASES") Program grant funds; 3) the address for DDS is 706 E. Manchester Ave.—the same building as the school's address. (The school and DDS each use separate space at the site.)

These facts are unrevealing. WAYS is a *community* school. This alone does not create a conflict. Deara, the founder of DDS, ***has never been paid by DDS.*** This fact alone invalidates any claim of a conflict under California law. The address of DDS is at the school site because DDS provides after-school program services for the students at the school.

The *way* in which the school selected DDS was also proper, contrary to the NOV. DDS was paid roughly $4,000 per month, which is below the $10,000 threshold for a competitive bidding process. The school's Executive Director Ed Cabil chose DDS to perform the services, which was within his purview as the Executive Director. All of these procedures were in accordance with the school's fiscal policies in place at the time.

It is interesting that the FCMAT audit report questions the validity of the business relationship between WAYS and DDS in part because "the [FCMAT] team did not observe students present in the facility during the fieldwork days." (Exhibit 16, WAYS000144.) This is because, during FCMAT's visit, all dance classes had to be cancelled to accommodate FCMAT

staff in the school's largest room! Ironically, students could not take their regular dance classes because FCMAT was occupying the entire building making findings about students not taking their regular dance classes.

In 2010, LAUSD specifically investigated whether the DDS contract created a conflict of interest for Deara Okonkwo or the school, *and concluded it did not.* In a "thank you" letter to WAYS, LAUSD expressed that "[their] entire team was inspired by the dance activities that [they] observed...Please give a special thank you to Ms. Deara Okonkwo for the outstanding presentation she provided." (Exhibit 44, WAYS000702.)

4. WAYS acquired the van referred to in the NOV by *donation* and did not pay anything in exchange; by definition, this is not a conflict of interest.

The NOV claims there was an alleged conflict of interest when WAYS "paid $4,800" to Jason Okonkwo's distant cousin Emeka Enwezor for a van that had previously been leased to the school. The truth is, WAYS paid absolutely *nothing* for the van—it was a donation. The NOV also claims WAYS failed to obtain a signed contract and board authorization for the lease of the van. First, as discussed above, the distant familial relationship between Mr. Enwezor and the WAYS former Director of Operations is by definition *not* a conflict of interest under California law. More importantly, the NOV and FCMAT audit report are simply wrong about the amount WAYS spent to purchase the van. Mr. Enwezor graciously *donated* the van, at a *value of $4,800*, to WAYS on December 31, 2012. WAYS provided no consideration for the transfer. (Exhibit 45.)

The claim that WAYS failed to obtain a signed contract for the van's earlier lease is false. (Exhibit 46.) Also, the fact that the WAYS board did not give prior approval of the van lease is irrelevant because board approval is not required for *all* contracts, especially a contract of such a small value as the van lease of $400 per month. As previously discussed, the Executive Director and Director of Operations both had authority to enter into certain vendor and other small contracts on behalf of WAYS under the fiscal policies in place at the time. This is the same at all charter schools we know of. WAYS board approval was not required. It is preposterous that a free, donated school van, which only ever cost WAYS $400/month pursuant to a contract approved by the school's Executive Director, could form the basis for a NOV, let alone a charter revocation.

iv. WAYS Did Not Violate The Law In The Submission Of Its 2012 and 2013 Independent Audit Reports And Has Cured The Immaterial Issues Identified by the WAYS Auditor In Its Attendance Tracking For The ASES Program

LACOE inaccurately claims WAYS violated section 47605(m) because the School turned in its 2012 and 2013 independent audit reports beyond the annual December 15 statutory deadline. WAYS was not late. This claim reflects the lack of communication at LACOE. As evidenced by documents *produced by LACOE itself*, LACOE approved an extension on the deadline to submit the school's 2013 audit report to January 15, 2014. (Exhibit 47, WAYS000710.) WAYS timely submitted its 2013 audit report on the date of the deadline,

January 15, 2014. (Exhibit 32, WAYS000608). One year earlier, LACOE approved an extension for submission of WAYS' 2012 audit report. (Exhibit 72, WAYS001008.) WAYS timely submitted its 2012 report on December 31, 2012. (Exhibit 31, WAYS000568).

The NOV also cites a portion of WAYS' 2013 independent audit report that claims WAYS failed to comply with the attendance tracking requirements of the ASES program. Specifically, WAYS' sign-out sheets for the program did not include the time students were released from the program and WAYS attempted to claim an indirect cost rate of 5.26% in excess of the 5% allowed under the program. These minor issues were remedied by WAYS as soon as the Auditor notified us, and WAYS is now in compliance with all of the ASES requirements.

We want to point out that this entire section of the NOV—which discusses all of the school's alleged violations of law—is noticeably slim. There are inflammatory words throughout the NOV of "conflicts of interest," "fraud," and "misuse and misappropriation of assets," yet the NOV does not list these as violations of law. This is because *there is no evidence these violations of law occurred.* In fact, the evidence supports *the contrary.* The best "evidence" LACOE has presented is FCMAT's conclusion that "illegal activities ***may*** have occurred."

b. RESPONSE TO ALLEGATION OF MATERIAL VIOLATION OF CHARTER (ED. CODE 47607(C)(1)(A).)

i. The Ways Board Provided Effective Governance Of The School In Compliance With WAYS' Authorized Charter

As mentioned above, it should be noted that WAYS and LACOE staff have not been able to agree on which charter document governs the school: WAYS abides by the document that was approved by the County Board, while LACOE staff believes WAYS is required to comply with additional, unfinalized provisions contained in several different "redlined" versions of the charter. Noticeably, a copy of the school's charter is not included as an exhibit to the NOV. As a result, any revocation of the charter for violation of WAYS charter would raise questions about exactly *which* document was violated.

In terms of general effectiveness of governance at WAYS, we acknowledge there has been some turnover on the WAYS board of directors in the past. We understand board governance at WAYS is a concern for the County Board, and this is a key reason the school's board is considering a contract with Celerity that specifically includes board support and services. The WAYS board has also implemented practices to improve the board's effectiveness: the Executive Director, the Director of Operations, and a representative from the school's back-office services provider all give extensive status reports at every board meeting (Exhibit 27.); even when reports are given orally, hard copies of long reports or reports on important or complex topics, and other supplementary materials, are given to board members (Exhibit 48 [examples are provided but copies of additional reports are available upon request].); at the request of the board or the Executive Director, the Principal and/or Vice Principal attend meetings and provide status reports about the school, students, or other specific topics (Exhibit 49 [examples are provided but copies of additional reports are available upon request].) We have

carefully and thoroughly addressed LACOE staff's concerns about the WAYS board's role and supervision of the school, and the record demonstrates this issue has been resolved.

Most importantly, one thing the WAYS board of directors has consistently done well is to achieve its key goal: to create an academically successful, financially stable charter school. Due to the board's leadership, WAYS undeniably has financial stability, increased student enrollment, and objective student success.

1. The School's charter does *not* require the formation of a finance committee

The NOV claims as a basis for revocation that WAYS has not established a board finance committee as required under "Element 4: Governance" in its charter. There is no such requirement in the charter or by law. The charter references the existence of a finance committee in Elements 5 and 9, and WAYS has this committee in place. The finance committee is not a board committee or comprised only of board members as the NOV incorrectly assumes. There is no requirement that it be comprised in such way. Rather, the finance committee at WAYS is a working group of the Executive Director, Director of Operations, and back office services provider. They meet regularly to provide guidance and recommendations to the WAYS board in the development and implementation of fiscal strategy and the budget. Among other tasks, the group reviews the monthly financial reports presented to the board from the back-office services provider, and works on development of the annual budget. (See, Exhibit 74.) The WAYS board realizes that the development and implementation of the budget is *critical* to the effectiveness of the school, and the board with the help of the finance group, has consistently maintained financial stability at WAYS over the years. (Exhibit 50.)

2. The Board has adopted a comprehensive Financial Policies and Procedures Handbook and has plans to contract with outside service providers to help with the handbook's implementation

The NOV claims WAYS was uncooperative with LACOE in the revision of its fiscal policies. This is untrue. WAYS has revised its fiscal policies several times with LACOE's own revisions, and has always submitted the final, adopted policies to LACOE staff.

The NOV claims LACOE staff asked WAYS administrators for revised fiscal policies on numerous occasions beginning in November 2011 and never received the requested documents. When we looked closely at the evidence LACOE attached to the NOV in support of this claim, *there are no records to support this claim.* The exhibit attached to the NOV is actually a chain of emails and letters between WAYS and LACOE staff about a notice of investigation related to former board members—not related to revised fiscal policies. (Exhibit 51, WAYS000796.) Recall that the evidentiary burden here is on LACOE, not on WAYS to disprove.

To clarify the chain of events in the adoption and transmission of revised fiscal policies at WAYS, WAYS first adopted and submitted revised fiscal policies to LACOE staff as required under the MOU on January 31, 2013. LACOE responded almost three months later on April 18, 2013 that the policies had been received, reviewed and that staff had some additional recommendations. (Exhibit 18.) The long list of recommendations was included as an

attachment to the letter, which concluded "If you have any questions, please contact the Controller's Officer..." Now, over a year later, the NOV takes issue with the fact that WAYS did not respond to this letter. LACOE—and the letter itself—did ***not*** request a response. WAYS properly considered LACOE's list of "recommendations" and many are included in the school's policies and procedures.

As previously discussed, the WAYS board on April 30, 2014 adopted a comprehensive Financial Policies and Procedures Handbook provided by its back officer services provider, Bali Business Management. LACOE staff made direct edits to these new policies, which were adopted by the WAYS board of directors. The handbook's policies include payroll, purchases, contracts, and budget formation—all issues raised by LACOE staff. To help WAYS consistently and effectively implement these fiscal policies, the school has plans to contract with Celerity. We have discussed with LACOE that both LACOE and WAYS believe this new business relationship can increase the school's stability.

3. The Board has maintained effective oversight of the financial affairs and ultimate direction of the School

WAYS is operated by the Merle Williamson Foundation, (the "Foundation"), a California nonprofit public benefit corporation. The NOV claims the Foundation should not have amended its 2002 bylaws without LACOE staff's express approval. However, subject to any prohibition in the school's charter or the bylaws themselves, the Foundation may, by law, amend its bylaws at the discretion of the Foundation's board of directors to better facilitate the purposes of the corporation. Further, in the NOV, LACOE staff quotes *its own staff report* from May 10, 2011 that *recommends* amendment of the 2002 bylaws. The staff report criticizes the Foundation's 2002 bylaws for not allowing effective governance of a public charter school. In fact, by the time of that staff report, the Foundation had *already amended and cured its bylaws* effective March 16, 2011.

Now, the NOV takes issue with the Foundation's new bylaws, specifically that they have somehow limited the WAYS board's authority to approve contracts. The Foundation's current bylaws explicitly state that "the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, *by or under the direction of the Board of Directors*." (Exhibit 52, WAYS000804.) These powers of the board are not narrowly limited, and are consistent with other charter schools' bylaws authorized by LACOE. There is nothing in the California nonprofit corporation laws, the school's charter or its fiscal policies that would require the bylaws to state that WAYS board approval is needed for *all* contracts, as suggested in the NOV. Such a requirement is unheard of. It is our understanding that no other charter school authorized by the County Board has such a requirement. In fact, "Oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality" is specifically included in the School's charter under the job description for the Executive Director.

The WAYS board exercises its oversight powers and has in fact been active in reviewing and approving the school's major contracts. For instance, contrary to the assertions in the NOV, the WAYS board did grant prior approval for the installation of the central air and heat system. (Exhibit 22.) The Director of Operations' statements to the Board at the July 31, 2012 meeting

are misquoted by LACOE staff in the NOV. WAYS Executive Director Ed Cabil signed and dated the proposal from the contractor on August 3, 2012, which is 3 days *after* the Board approved the contract at a special meeting. (Exhibit 22.)

Regarding the board's approval of the Salvation Army facility lease, the original lease between WAYS and the Salvation Army was approved by the Board on August 10, 2011 and signed on August 25, 2011. (Exhibit 53.) The terms of the lease have remained substantially unchanged over the years, except for a small rent increase. Each year, renewal of the contract has come before the WAYS board for information. As Executive Director, Ed Cabil had the authority to execute the lease agreement renewals on substantially the same terms as the board-approved document. On February 3, 2014—at the request of LACOE staff that the WAYS board begin approving the Salvation Army lease renewal *before* execution by the Executive Director—the WAYS board ratified the school's present lease of the facility. (Exhibit 54.) The WAYS board will approve the next renewal of the Salvation Army lease prior to execution.

The NOV mischaracterizes the purchase and sale of a school vehicle. In a report to the WAYS board at a meeting on July 31, 2012, Executive Director Ed Cabil recommended that WAYS lease or purchase a vehicle for use in the operations of the school. The board of directors unanimously approved a *written resolution* that authorized "the Executive Director or his designee to enter into a lease or purchase agreement for a vehicle for school use..." (Exhibit 55.) LACOE staff claims they listened to the audio recording and concluded that the board's language did not authorize an *actual purchase*, but only to "look into" the purchase. LACOE staff cannot claim that an audio recording trumps official corporate records. The written, executed board resolution (attached) is evidence of the board's action, and the board authorized the purchase of a vehicle.

More than a year after the vehicle was purchased and used, the Executive Director determined the school no longer needed the vehicle for daily operations and should sell it. Executive Director Ed Cabil instructed the Director of Operations to research vehicles of the same year, make, and model and with similar mileage to estimate a fair sale price, and the Director of Operations did so. The school sold the vehicle for a fair price based on the research, and the WAYS board of directors ratified the sale at its February 2014 meeting. (Exhibit 56.) The NOV quotes a portion of the FCMAT report that claims the sale of the vehicle "resulted in a loss" to the school. We have *explicitly* asked for, but have not been provided any information or evidence about *how* FCMAT or LACOE could have possibly accurately calculated this "loss". How did FCMAT or LACOE determine the depreciation for the vehicle? Did FCMAT or LACOE consider the vehicle's condition, mileage, location, or market? WAYS did not violate any law or the charter in its reasonable, researched sale of the vehicle. And importantly in this context, LACOE has not provided any evidence to support revocation.

The NOV also claims school's Executive Director improperly hired Wilkinson, Hadley, King & Company, LLP as WAYS' 2013 independent auditor before approval by the WAYS board. The NOV implies that the WAYS board did not even have *knowledge* of the auditor's selection prior to the Executive Director's execution of the auditor's contract, which is not true. The Executive Director informed the entire WAYS board on October 23, 2013 that the school's former auditor had raised its prices to a number that unaffordable for the school. (Exhibit 57.) In order to save the school nearly $6,000, the Executive Director accepted a proposal from the

new auditors' firm and informed the board of his decision. While we understand the WAYS board could have preapproved the auditors' contract, and will do so in the future, we note the board did ratify the Executive Director's decision by resolution on February 3, 2014. (Exhibit 58.)

The NOV also states there is "no evidence" that the WAYS board approved the employment contract for the Executive Director, Director of Operations, Principal, Vice-Principal, and all other WAYS staff. We note that California law does not require a charter school's board to approve all employment contracts; and in fact, employment attorneys regularly advise that boards should *not* do so. The WAYS board approves the contract for the Executive Director. (Exhibit 59.) See, attached, the renewal of the Executive Director's current employment agreement. It is the Executive Director's responsibility to supervise and evaluate the teachers and classified staff—not the board's responsibility. (Exhibit 60, WAYS000886.) The Executive Director properly kept the WAYS board informed about staff employment contracts by including an update on their development in his regular report to the board of directors. (Exhibit 61.)

4. The Board oversees the development of the annual budget and provides timely approval

The NOV incorrectly claims the WAYS board failed to approve the 2013-2014 final budget before it was submitted to LACOE. The budget that WAYS submitted to LACOE on July 3, 2013 was the school's *preliminary budget*, not the final budget for the upcoming school year. Board approval of the *preliminary budget* is not required before submission to LACOE. In fact, WAYS' policy about budget preparation and implementation directed the Executive Director to review the preliminary budget with the Director of Operations, to ensure the priorities of the school are accurately reflected before approval by the board. (Exhibit 19.) The *preliminary budget* is the responsibility of the Executive Director and the finance working group (committee). Only the final budget requires WAYS board of directors' approval. That is a rather common business practice state wide.

The budget was presented to the WAYS board of directors and approved on August 29, 2013. (Exhibit 62.) During the meeting, there was a question from a WAYS board member about a specific line item that had changed from the previous year. The NOV contends this question should have been answered before the budget was approved, but whether or not to approve the budget is not LACOE staff's decision. The school's back office services consultant was unprepared to answer the question on the spot, so the WAYS board, exercising its oversight in development of the budget, directed the line item to be restored to its previous number and approved. The change in the line item is reflected in the minutes of that meeting, which were unanimously approved at the subsequent WAYS board meeting on October 24, 2013. (Exhibit 63.)

5. The Board did not authorize any improper expenditure of School funds

The NOV alleges that the performance-based stipends paid to WAYS teachers and staff were not supported by proper "criteria or documentation". It is unclear what type of "criteria or

documentation" LACOE believes is necessary, and the NOV does not specify. In fact, the modest stipends (most around $500) were approved by the WAYS board on February 27, 2014 after a report from the Executive Director. (Exhibit 64.) As outlined in the report, these stipends were for performing extracurricular tasks, taking on leadership roles, and maintaining good attendance habits that are above and beyond what is required. The Board was fully informed about the criteria and evidence the Executive Director used to make the recommendation. In fact, the audio recording from the meeting shows that when Board member Espinoza questioned the criteria used for the stipends, Mr. Cabil gave a specific example of the unpaid time and effort the teachers have expended, stating "We need to have book fairs, for example. Teachers who come forward and volunteer their time, it's not a paid position, they spend a lot of time." The stipends were a proper expenditure of public school funds as a form of compensation. LACOE staff also draws an incorrect conclusion that the WAYS board's approval of the stipends was a Brown Act violation, yet does not provide any explanation.

If any party here has misused public funds, it is the LACOE staff. LACOE paid a private investigator $18,000 to secretly trail the school's Vice Principal Deara Okonkwo for a period of *several months*. The investigator took video footage of Deara, which is a violation of her constitutional right to privacy and her federal civil rights, and LACOE staff has now apparently "lost custody" of this video footage. We believe there is currently a pending claim against LACOE for that misconduct. We see no "public purpose" for LACOE to spend school money to violate an individual's privacy and civil rights. We also note the months-long private investigation did not uncover a single violation of law. We believe LACOE staff also misuses public money when it hires armed bodyguards every time a LACOE staff member visits our elementary-aged children at the School. (Exhibit 65, WAYS00913.) WAYS is a safe, secure environment for children and the expenditure of public funds to hire gun-wielding bodyguards for LACOE staff is improper, unlawful, and disrespectful to WAYS board, staff, parents, students, and entire South Los Angeles community.

6. The Board has approved a comprehensive set of school policies

The NOV claims that WAYS has not approved and implemented school policies. LACOE's statement is utterly incorrect and totally unsupported by the evidence. The only "evidence" of this in the NOV is a reference to an email from a former WAYS board member (who LACOE is aware was removed from the WAYS board) stating her concern that the school had not adopted specific policies. That former board member was wrong. To the contrary, the WAYS Board has adopted policies as necessary for the effective operations of the School. (Exhibit 73 [attached is a full set of WAYS policies currently in place, besides the aforementioned Financial Policies and Procedures Handbook which can be found at Exhibit 17].) As required under the MOU, WAYS submits all of its approved policies to LACOE staff. As always, the school's full set of board-approved policies is available for review, which we believe are sitting on a shelf in LACOE staff's offices right now.

7. The Board has held meetings almost every month since LACOE became the charter authorizer

Over the past 3 years, the WAYS board has in fact held meetings at least once each month as required under its bylaws for nearly every month. There were a few months when the

board did not meet, but there were many other months where the board met multiple times. (Exhibit 27.) The NOV blames the Executive Director for not ensuring that the Board meets regularly to fulfill its fiduciary obligations to the school, but they fail to mention that the Board *did in fact meet almost every month.* The NOV also states that the school has not published a schedule of regular meetings. Every year since LACOE's authorization of WAYS, the Board has published a schedule of regular meetings, including most recently at the meeting on July 9, 2014 when the WAYS board approved the next year's schedule of regular meetings. (Exhibit 67.) This new schedule is, of course, available to the public and will be provided to parents, teachers and staff. It is also provided to LACOE staff.

ii. The Board Provided Adequate Oversight Of The School Management Personnel

The NOV makes broad claims that WAYS violated the Employee Qualifications element of its charter. This revolves around the duties of the Executive Director and the Director of Operations. As previously mentioned, former Director of Operations Jason Okonkwo is no longer an employee of WAYS, and the search to fill the Director of Operations position is underway. Additionally, Executive Director Ed Cabil will soon be replaced. The WAYS board of directors has already interviewed the top candidates, one of whom we expect will fill this role. To be clear, neither the Executive Director nor the Director of Operations violated the law or their employment at the school. In both cases, the decision to leave WAYS was mutual by the WAYS board and the employees.

1. The current WAYS Executive Director has increased financial stability, enrollment and parent involvement at WAYS

The NOV claims that the Executive Director violated his duties as specified in the charter. First, we note that the exact description of these duties in the charter has been one of the issues in the arbitration to determine what charter document governs WAYS. Second, any contention in the NOV that the Executive Director has been ineffective is countered by other portions of the NOV that chronicle his consistent and effective involvement with school operations. The Executive Director has overseen the school's business practices, instructional program, and classroom management—as described in his job description. He has given an oral report at every meeting of the WAYS board, consistently informing the board of his operational supervision of the school. (Exhibit 48.)

The NOV discusses the relationship between Mr. Cabil and the former WAYS board president Ms. Carol Tolbert as if it is somehow a violation of law or the school's charter sufficient for charter revocation. Executive Director Ed Cabil had significant concerns with Ms. Tolbert as did many other members of WAYS staff, parents, and the WAYS board itself. Contrary to the statements in the NOV, the Executive Director did not "remove" Ms. Tolbert from the board—the WAYS board of directors did so. The School Site Council (which is the school's parent association) recommended to the WAYS board that Ms. Tolbert be removed as a board member. The Council is organized and directed by the school principal, made up of WAYS parents and staff, and is generally tasked with assistance in the development of the educational program at WAYS. As parents and staff of the school, members of the Council were well within their rights to make a recommendation to the board. The Council did not make the

"decision" to remove Ms. Colbert, the WAYS Board did so. (Exhibit 68, WAYS000925.) The NOV cites the Council's recommendation as if it shows ineffective governance at WAYS. In fact, the involvement of the School Site Council shows that the school *effectively* engages parents, who are actively involved and heard in school governance. The Charter School Act itself *requires* such involvement. (Ed. Code 47605(b)(5)(D).) The recommendation, made by the Council and communicated to the board by the Executive Director, was proper and cannot serve as grounds for a charter revocation.

2. The former Director of Operations provided strong leadership and balance to the School with his knowledge and passion for education

In this section of the NOV, LACOE staff again discusses the purchase and sale of the school vehicle in 2012 and 2013. The NOV also again notes the relationship between WAYS and OSE. LACOE staff also misquotes a report made to the Board regarding the performance-based stipends. Executive Director Ed Cabil presented that report—not the former Director of Operations.

Confusingly, the NOV also cites the approval of the 2013-2014 budget as if the Director of Operations did something unlawful. The Director of Operations transmitted the school's preliminary budget to LACOE on July 3, 2013 as required under the MOU, the school's charter, and California law. The budget was then approved by the board on August 29, 2013 as evidenced by the board's minutes, including the revision made to the questioned line item (discussed above). The minutes from the August 29, 2013 meeting were approved at the next board meeting on October 24, 2013. This is the standard timeline and procedure for getting the annual budget approved, and the Director of Operations properly implemented this timeline.

c. CONCERN REGARDING THE GENERAL CAPACITY TO OPERATE A CHARTER SCHOOL

With respect to general capacity, we note the WAYS board of directors is comprised of respected community members with decades of experience in education and business. Our current Board is very strong and we are recently expanded our board to acquire new talent, ideas, and experience from members in the community. Each board member takes the Oath of Office upon membership, which requires the member to commit to enhancing their own individual education for the overall benefit of the school. (Exhibit 69.) Board members attend retreats together where they bond as a cohesive unit, discuss strategies for future school success, and ensure that WAYS is adhering to its mission and goals. (Exhibit 70.) The WAYS board also receives comprehensive trainings from legal counsel on specific issues like Brown Act compliance, conflicts of interest, and best practices for charter school management. (Exhibit 71.) WAYS board members understand their rights and responsibilities as fiduciaries of the school, and each one takes that responsibility to heart. The WAYS Board has consistently provided

necessary oversight and guidance that has allowed the school to prosper, and with support from Celerity, we believe this will continue to improve.

We look forward to discussion of any of these issues with the County Board, as well as LACOE staff and Superintendent Delgado.

Sincerely,

Armando Espinoza

Board Chair, WAYS Board of Directors

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EXHIBIT 1

Diana Miketta

6729 Seville Avenue· Huntington Park, CA 90255
Phone: (323) 351-4198 · Email: Mikettad@aol.com

To obtain a a seat on the school board of WAYS Charter school.

Education

Loyola Marymount University August 2013
Combined MA/Ed.S. in School Psychology with PPS Credential
Expected Graduation: May 2016

California State University, Long Beach August 2006-May 2012
Bachelor of Arts, Psychology; Minor: Sociology

Experience

Wisdom Academy for Young Scientists, Los Angeles, CA August 2013-June 2014
Special Education Paraeducator
- Provided one-on-one and small group instruction with RSP teacher support
- Modified/tailored lessons to students accordingly
- Provided support for fundraising events

A+ Educational Centers, South Gate, CA February 2013-August 2013
Academic Tutor
- Provide individualized instruction to students K-12 in academic subjects and test preparation
- Data entry and progress tracking

Miketta Family Daycare, Los Angeles, CA March 2007-August 2013
Daycare Provider Assistant
- Teach, tutor, and assist children with homework
- Plan/schedule activities for children such as arts & crafts, sports, and reading
- Recruit and market for childcare services

Volunteer Experience

DeDe Dance Studio, Los Angeles, CA August 2013-November 2013
Ladies' First Mentor
- Served as a mentor for an art/academic enrichment program
- Provided mentoring, tutoring, and empowerment for girls ages 5-12

Direct Resource Solutions, Vernon, CA
Human Resource Recruiting Intern November 2011-January 2012
- Marketed and recruited via online, on-site visits, and phone calls
- Conducted interviews, filed documents, and data entry

Cesar Chavez Elementary, Long Beach, CA February 2011-May 2011
Long Beach BLAST Volunteer
- Served as an academic mentor for 4th and 5th grade students in after school program
- Engaged in recreational activities, sports, games, reading, and arts & crafts

Skills and Abilities

- Internet, E-mail, Microsoft Word, Excel, & PowerPoint
- Bilingual in English and Spanish. Can speak, read, and write fluently.
- Experience working with Special Education students.

References and Supporting Documentation Furnished upon Request

WISDOM ACADEMY FOR YOUNG SCIENTISTS
PROSPECTIVE CHARTER SCHOOL BOARD MEMBER QUESTIONNAIRE

As you are already aware, serving on a public charter school board is a position of great trust and responsibility. As a board member of a public school, you are not only ultimately responsible for the education of all students enrolled in the school but also entrusted with the obligation to see that the public monies which are given to the charter school are legally and wisely spent.

In providing the information requested, prospective board members will assist the Charter Schools Division in determining if the application demonstrates that the school will be run in a financially, organizationally and educationally sound manner.

Yes and No answers will be acceptable however N/A is not on the following questionnaire.

Background

1. Please provide your educational and employment history. Please attach your resume.

2. Please indicate whether you will be at least eighteen years old by January 1 of the year in which the proposed charter school would open.

Yes

3. Please indicate how you became aware of the proposed charter school and the opportunity to serve as a member of its board if it is chartered, including who invited you, to sit on the board.

As a former WAYS staff (Special Education Paraeducator), I attended a board meeting and became interested being part of the board. Armando Espinoza informed me that a seat was available.

4. Please explain why you wish to serve on the board.

As a future school psychologist and an advocate for education, I believe that being part of the board will give me the opportunity to advocate for quality education and allow me to impose my ideas for effective program development.

5. Please indicate if you have previously served on a board of a school district or a not-for-profit corporation (including the board of a non-public school) and describe any relevant experience.

I have not served on any previous board before.

6. Please describe your understanding of the appropriate role of a public charter school board member.

To oversee WAYS public funds, as well as to make sure the school is being run accordingly.

7. Please indicate specifically the knowledge and experience that you would bring to the board.

I have a psychology and sociology background where I have developed skills that allow me to interact with diverse individuals. I have extensive work and volunteer experience in schools where I have served as an student aide, academic tutor, and mentor. I am currently in the school psychology

program at Loyola Marymount University where I am exposed to different school sites and required to apply different skills such as, assessment delivery, data collection, collaboration, counseling, goal setting and program evaluation. I feel that I can use these skills to supervise the school budget and give input to implement innovative programs.

8. Please provide a forecast of where you see the school in one year and then again in five years.

In the first year, I see WAYS implementing a comprehensive program that focuses on academics, extracurricular activities, and parental workshops/involvement. In five years, I see WAYS increasing student attendance and test scores.

9. How would you handle a situation in which you believe one or more members of the school's board are involved in self-dealing (working for their own benefit, or the benefit of their friends and family)?

The best way to deal with this situation would be to meet with all of the board for discussion. If more than half are involved higher authority would be contacted.

Conflict of Interest

10. If you, your spouse or other immediate family members knew any of the other prospective board members prior to being invited to sit on the board, please so indicate and describe the relationship with each such other prospective board member.

No

11. If you, your spouse or other immediate family members know any people already known to be prospective school employees, please so indicate and describe the relationship.

No

12. If you, your spouse or other immediate family members know anyone that plans to do business with the school, please so indicate and describe the relationship and the nature of the potential business.

No

13. If the school proposes to partner with an educational service provider (a management company), please indicate if you, your spouse or other immediate family members know any employees, owners, or agents of that provider. If your answer is yes, please indicate the individuals you know and the nature of the relationship.

No

14. If the school proposes to enter into a contract with an educational service provider, please indicate whether you, your spouse or other immediate family member have a direct or indirect ownership, employment, contractual or management interest in the educational service provider.

No

15. Please indicate if you, your spouse or other relative (by marriage or blood) anticipate conducting any business with the educational service provider, the school, or both. If so, please describe the potential relationship.

No

16. Please indicate if you foresee any potential ethical or legal conflicts of interests should you serve on the school's board. If so, describe such potential conflicts.

No

Educational Philosophy

17. Please describe your understanding of the school's mission and/or philosophy.

The mission of WAYS is to create a transformational learning climate in which students become "Empowered to be Leaders Change Agents and True Scientists".

18. Please indicate your level of familiarity with the educational program that the school proposes to utilize.

The educational program of WAYS aims to provide students with a variety of means, such as technology, science, and cultural performing arts to reach their academic goals and become successful individuals.

19. Please describe what you believe to be the key characteristics of a successful school. What specific steps do you think the board of the school will need to take to ensure that this school is successful?

As a board member one is entrusted with the success of the school. This means selecting individuals who believe in the mission of the school and will take responsibility in overseeing the daily activities of the school. For success, the school needs to provide quality grade level instruction along with extracurricular activities to keep students engaged, thus leading them to success.

Diana Miketta
Name (please print)

_____ _____
Signature Date

This request for information was developed by the State University of New York Charter Schools Institute.

EXHIBIT 2

WISDOM ACADEMY FOR YOUNG SCIENTISTS
EXECUTIVE DIRECTOR EVALUATION

BACKGROUND:

The Boar of Directors reviewed the evaluation process used last year and have decided to simply update the evaluation tool which is attached.

PROCESS:

The WAYS Executive Director evaluation is a multi-part process designed to elicit constructive feedback from key WAYS staff and stakeholders and employees to provide a 360 degree evaluation of the ED's ability to and success in leading the organization.

The Process Includes:

- A comprehensive performance evaluation and the open-ended questions' form to be completed by each member of the WAYS Board of Directors
- A comprehensive self-evaluation including review of goals by the ED
- An open-ended questions' form evaluation to be completed by several WAYS staff
- Compilation of all evaluation materials by the WAYS Board President in collaboration with the ED Evaluation Committee
- A discussion of the evaluation and recommendations for changes in compensation for the WAYS ED by the WAYS Board of Directors
- Delivery / discussion of the WAYS board's evaluation to the ED by the WAYS Board of Directors' President

Time Frame:

April 21	All final forms distributed to identified individuals
May 21	Evaluations due to the WAYS President of the BOD (including self evaluation)
June 10	Compilation and reviewed by ED Evaluation Committee
June 25	Discussion of Results by the WAYS Board of Directors
June 30	Evaluation given to ED by WAYS BOD President

WAYS EXECUTIVE DIRECTOR EVALUATION
OPEN-ENDED QUESTIONS

Please answer the questions below as completely as possible. Use examples if available to demonstrate specific points. Return the form to the President of the WAYS Board of Directors. Please use additional paper if needed.

1. What are the three major strengths of the WAYS Executive Director?

2. What are some limitations in the WAYS Executive Director's performance?

3. What have been the most significant achievements of the WAYS Executive Director over the past year?

4. What external factors have influenced the Executive Director's performance?

5. In the past year, what difficult issues have faced the WAYS Executive Director, and how did the Executive Director bring them to resolution?

WAYS EXECUTIVE DIRECTOR EVALUATION
BOARD OF DIRECTORS ASSESSMENT FORM

Introduction / Instructions:

Evaluation of the Executive Director is one of three major junctions of the Board of Directors, (Vision / Strategy {ensuing Quality Management, Financial Leadership, Governance}). The evaluation form should take 30-60 minutes to complete. All responses should be directed to President _____, who will remove any identifying data prior to compiling a summary which will be reviewed by the Evaluation Committee before it is shared with the Executive Director.

Each section deals with an important area of responsibility. If you need explanation of description contact President _____. If you are working with an electronic version, eliminate the numbers except your response. Answer NA or NS to questions unable to answer.

At the end of the assessment please take the time to fill out the comment section. Your response will be especially helpful when the Board look for ways to strengthen the Executive Director's performance and that of the organization as a whole. These comments will be shared with the Executive Director.

All responses will be kept confidential and will be compiled in a summary for review by the Board and used in the evaluation interview with the ED. Before June 1, 2011, send completed forms to the WAYS President.

Attach additional pages if needed or desired. Timeliness is essential to ensure the prompt completion of the process.

WAYS EXECUTIVE DIRECTOR EVALUATION
BOARD OF DIRECTORS ASSESSMENT FORM

Introduction / Instructions:

Evaluation of the Executive Director is one of three major junctions of the Board of Directors, (Vision / Strategy {ensuing Quality Management, Financial Leadership, Governance}). The evaluation form should take 30-60 minutes to complete. All responses should be directed to President _____, who will remove any identifying data prior to compiling a summary which will be reviewed by the Evaluation Committee before it is shared with the Executive Director.

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At the end of the assessment please take the time to fill out the comment section. Your response will be especially helpful when the Board look for ways to strengthen the Executive Director's performance and that of the organization as a whole. These comments will be shared with the Executive Director.

All responses will be kept confidential and will be compiled in a summary for review by the Board and used in the evaluation interview with the ED. Before June 1, 2011, send completed forms to the WAYS President.

Attach additional pages if needed or desired. Timeliness is essential to ensure the prompt completion of the process.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

EVALUATION AND DEVELOPMENT PLAN

Name: _____ Reporting Period: _____

1 = Needs Improvement 2 = Satisfactory 3 = Good 4 = Excellent

1. RELATIONSHIP WITH THE BOARD OF DIRECTORS
   _____ 1. Provides the Board of Directors and sub committees (if/when applicable) with written agenda and appropriate back-up material before each board/committee meeting
   _____ 2. Keeps the Board of Directors informed on issues, needs, and operations of WAYS
   _____ 3. Offers professional advice and appropriate recommendations on items requiring action
   _____ 4. Has a harmonious relationship with the Board of Directors which includes seeking and acceptance of constructive criticism

2. AUTHORIZING DISTRICT AND PROFESSIONAL RELATIOSHIPS
   _____ 1. Has gained the respect and support of the authorizing district/county concerning WAYS operation
   _____ 2. Solicits and gives attention to problems and opinions of all groups and individuals concerning WAYS programs
   _____ 3. Participates actively in professional organizations
   _____ 4. Works efficiently with public and private agencies that affect the operation of WAYS

3. STAFF RELATIONSHIPS
   _____ 1. Develops good staff morale and loyalty
   _____ 2. Treats staff fairly, without favoritism or discrimination, while insisting on performance of duties
   _____ 3. Delegates authority to staff appropriate to the position each holds
   _____ 4. Evaluates performance of staff, giving commendations as well as constructive suggestions for improvement
   _____ 5. Recruits and assigns the best available staff in terms of their competencies

4. INTERNAL OPERATIONS
   _____ 1. Determines that funds are spent wisely and adequate accounting controls are maintained, and pays attention to budgets and budgeting process
   _____ 2. Assures that the security of WAYS records and systems are maintained

5. PERSONAL QUALITIES
   _____ 1. Maintains high standards of ethics, honesty, and integrity in all personal and professional matters
   _____ 2. Devotes time and energy effectively to the position
   _____ 3. Exercises good judgment in arriving at decisions
   _____ 4. Provides an image suitable to the representation of WAYS
   _____ 5. Communicates effectively, expressing ideas in a logical and concise manner

_____ 6. Maintains professional development by reading, working on professional committees, attending conferences, visiting districts, and meeting with other professionals

_____ 7. Establishes goals, objectives, and plans for achieving them

6. OVERALL PERFORMANCE

DEVELOPMENT PLANS	TARGET DATE
_____	_____
_____	_____
_____	_____
_____	_____

COMMENTS: _____

_____

_____

Signed: _____ Date: _____

Board Member

EXHIBIT 3

AGREEMENT FOR PROVISION OF SERVICES

BETWEEN

CELERITY GLOBAL DEVELOPMENT

AND WISDOM ACADEMY OF YOUNG SCIENTISTS

This School Educational Support Services Agreement ("Agreement") is entered into and executed as of _____, by and between Celerity Global Development, a California nonprofit public benefit corporation ("CGD"), and the Merle Williamson Foundation, a California non-profit public benefit corporation ("MWF") doing business as Wisdom Academy of Young Scientists ("WAYS"), with respect to the following facts:

A. CGD is a California nonprofit public benefit corporation organized under California law for public and charitable purposes, which include the promotion, expansion, and replication of Celerity Educational Group charter schools and other schools, and to educate and serve at-risk children, youth, and their families; CGD is organized to support charter schools, educational program and activities, and provides educational and management services and products, human resources administration, including school personnel and business management, curricula, programs, contract administration and technology to charter schools. The products and services of CGD are designed to serve the needs of the schools it supports.

B. MWF is a California nonprofit corporation that operates WAYS charter school and is in need of the services of qualified personnel who are experienced in the provision of certain educational and consultant services.

C. CGD offers a comprehensive package of services and employs individuals ("Employees") who are experienced, competent and specially trained to provide the services involved in WAYS operations.

D. CGD and WAYS desire to enter into this Agreement for CGD to provide certain services to WAYS.

NOW, THEREFORE, the parties agree as follows:

1. SERVICES.

1.1. Listed Services. CGD shall perform such operational, back office, human resources and other professional services for WAYS as specifically described in Exhibit A, attached hereto and incorporated herein by reference ("Listed Services").

1.2. Additional Services. CGD may also provide certain additional or other related services not described in Exhibit A as WAYS may from time to time request and that are

mutually agreed upon by CGD and WAYS in writing ("Additional Services"). For example, such Additional Services may include, but are not limited to:

1.2.1. Marketing Collateral Design,

1.2.2. Marketing Collateral Printing,

1.2.3. Media Creation,

1.2.4. Business Cards and Letterhead,

1.2.5. Website and Graphic Design,

1.2.6. Print Design and Process,

1.2.7. Student Media Support,

1.2.8. Reprographics,

1.2.9. NSLP Data,

1.2.10. NSLP Reporting,

1.2.11. NSLP Fiscal Compliance,

1.2.12. Facilities Repair,

1.2.13. Facilities Maintenance,

1.2.14. IT Support,

1.2.15. IT Helpdesk, and

1.2.16. IT Asset Management.

1.3 Evaluation. CGD and WAYS will develop a comprehensive evaluation for internal use to compare WAYS' current educational support services needs to the Listed Services, and to evaluate the provision of such services by CGD. Twice annually CGD and WAYS will evaluate the status of the Listed Services within the organization to determine the effectiveness of CGD's guidance, support, and technical assistance, and WAYS and CGD may mutually agree to revise the Listed Services, if necessary.

2. COMPENSATION.

2.1. Listed Services. As compensation for CGD's provision of Listed Services, WAYS agrees to pay CGD _____ ($____) per month. The foregoing

compensation does not include compensation for any Additional Services. CGD will provide a monthly invoice detailing the services provided, and WAYS's payment shall be due within thirty (30) calendar days of the invoice date.

2.2. Additional Services. As compensation for CGD's provision of Additional Services, WAYS agrees to pay CGD the cost of each specific service provided. CGD and WAYS shall mutually agree upon the cost of each additional or other related service in writing before the provision of such services. If such additional or other related services are provided, CGD will provide a monthly invoice detailing the services provided, and WAYS's payment shall be due within third (30) calendar days of the invoice date.

3. EMPLOYMENT RELATIONSHIP.

3.1. Employees performing services pursuant this Agreement are, and shall remain, the employees of CGD, and shall be subject to the ultimate direction and control of CGD and its directors, officers, and other representatives.

3.2. CGD shall have full and sole legal control over and responsibility for payment of all compensation and benefits to the Employees, as well as the full and sole responsibility for ensuring compliance with any and all applicable state and federal income tax withholding, state and federal unemployment and disability insurance withholding and contributions, and social security tax withholding and contributions.

4. TERMINATION AND MODIFICATION.

4.1. This Agreement shall continue in effect for a term of twelve (12) months, beginning on _____, and ending twelve months thereafter. This Agreement shall automatically renew at the end of the term, and for consecutive successive twelve month terms, on the same terms and conditions herein, unless terminated by either party in accordance with section 4.2 below.

4.2. This Agreement may be terminated by either CGD or WAYS upon ninety (90) days prior written notice to the other party, with or without cause.

4.3. This Agreement may be amended by mutual consent but only if in writing and signed by both parties.

5. NOTICE.

5.1. All notices, requests, offers or demands or other communications (collectively "Notice") given to or by the parties under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served on the party to whom Notice is to be given, or seventy-two (72) hours after mailing by United States mail first class, registered or certified mail, postage prepaid, addressed to the party to whom Notice is to be given, at such

party's address set forth on the signature page of this Agreement or such other address provided by the receiving party.

6. CONFIDENTIAL AND PROPRIETARY INFORMATION.

6.1. For the purposes of this Section, the term "Confidential Information" means all confidential or proprietary information or materials including, without limitation, any documentation, processes, specifications, instructions, know-how, reports, data packages, inventions, ideas and business information, privileged communications and reports, whether or not such information would be enforceable as a trade secret or copyright or the copying of which would be enjoined by a court as constituting unfair competition, which is disclosed by either party to the other party.

6.2. Each party to this Agreement acknowledges and agrees that the other party is entitled to protect and prevent the disclosure or misuse of its Confidential Information, and hereby agrees, at all times after the date hereof, not to disclose, or permit any third party to disclose or use (a) Confidential Information at any time prior to or after the date hereof, or (b) information derived by one party from the other party's Confidential Information which information could not have developed independently, and (c) shall continue to treat the Confidential Information as confidential and nondisclosable, except in each case for and to the extent to which:

6.2.1. Such information is or becomes part of the public domain through no fault of the party;

6.2.2. Such information is disclosed (without obligation of confidentiality) with the prior written approval of the other party;

6.2.3. Such information was, as demonstrated by written records, in the party's possession before the disclosure; or

6.2.4. Such information becomes known to the party from a source other than the other party, provided that such other source has the right to disclose such information without restriction.

6.2.5. Such information is required to be disclosed by law, subject to Section 6.3, below.

6.3. In the event that either party is requested or required by statute, regulation, order of any court or by rule or order of any governmental agency to disclose any Confidential Information, the disclosure of which would otherwise be prohibited by this Agreement, that party shall supply the other party with prompt notice of such request(s) so that party may seek an appropriate protective order.

6.4. To the extent that is necessary and permissible to disclose any education records to employees of CGD in order for CGD to perform the services provided under this Agreement, WAYS designates those employees of CGD performing such services as agents of the school having a legitimate education interest solely for the purpose of entitling such persons to access education records under the Family Educational Rights and Privacy Act (20 U.S.C. section 1232g and implementing regulations; "FERPA"). The parties agree to comply with applicable laws related to student education records including FERPA.

6.5. To the extent that materials, documents or ideas were, or are, owned, designed, developed, formulated, written by or created by CGD or persons employed by CGD, WAYS agrees that CGD shall own all copyright, trademark, licensure, royalty or other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials provided by CDG, its employees, members, Board of Directors, officers or subcontractors. WAYS shall have the right to use such materials at the discretion of CGD during the term of this Agreement.

7. INDEMNIFICATION

7.1 CGD shall defend, indemnify and hold WAYS, its directors, officers, employees and agents harmless against and from all claims, actions, costs, expenses, damages, injury or loss (including reasonable attorneys' fees) to which WAYS, its directors, officers, employees and agents may be subject by reason of any wrongdoing, misconduct, negligence or default by CGD, its directors, officers, agents or employees in the execution or performance of this Agreement.

7.2 Likewise, WAYS shall defend, indemnify and hold CGD, its directors, officers, employees and agents harmless against and from all claims, actions, costs, expenses, damages, injury or loss (including reasonable attorneys' fees) to which CGD, its directors, officers, employees and agents may be subject by reason of any wrongdoing, misconduct, negligence or default by WAYS, its directors, officers, agents or employees in the execution or performance of this Agreement.

8. MISCELLANEOUS.

8.1. Headings. The descriptive headings of the Sections and paragraphs of this Agreement are inserted for convenience only, are not part of this Agreement, and do not in any way limit or amplify the terms or provisions of this Agreement.

8.2. Assignment. No party shall assign this Agreement, any interest in this Agreement or its rights or obligations under this Agreement without the express prior written consent of the other party hereto. This Agreement shall be binding on, and shall inure to the benefit of, the parties and their respective permitted successors and assigns.

8.3. Force Majeure. If any circumstance should occur that is not anticipated or is beyond the control of a party or that delays or renders impossible or impracticable a party's

performance under this Agreement, the party's obligation to perform such services shall be postponed for a period equal to the time during which such circumstances shall end, or, if such performance has been rendered impossible by such circumstance, shall be cancelled.

8.4. No Third-Party Rights. This Agreement is made for the sole benefit of the parties. Except as otherwise expressly provided, nothing in this Agreement shall create or be deemed to create a relationship among the parties or any of them, and any third-party, including a relationship in the nature of a third-party beneficiary or fiduciary.

8.5. Professional Fees and Expenses. Each party shall bear its own expenses for legal, accounting, and other fees or expenses in connection with the negotiation of this Agreement.

8.6. Compliance with All Laws, Polices, Procedures and Rules. In performing this Agreement, each party will comply with all applicable federal and state laws, local regulations and school policies including requirements of any applicable charter.

8.7. Survival. The obligations, rights and responsibilities of Sections 2 (to the extent such obligations were incurred prior to termination or expiration), 6 and 7 shall survive the termination or expiration of this Agreement.

8.8. Entire Agreement. This Agreement, including all exhibits hereto, constitutes the entire agreement between the parties with respect to the subject matter contained herein and supersedes all agreements, representations and understandings of the parties with respect to such subject matter made or entered into prior to the date of this Agreement.

8.9. Amendment. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties. No waiver of any provision of this Agreement shall constitute, or be deemed to constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8.10. Governing Law. This Agreement and all questions related to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

8.11. Jurisdiction, Forum or Venue. The proper jurisdiction, forum and venue for any arbitration, claims, causes of action or other proceedings concerning this Agreement shall be located in the State of California, County of Los Angeles. The parties agree not to bring any arbitration, action or other proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. The parties hereby submit to personal jurisdiction in the State of California for any arbitration, action or other proceeding arising out of or relating to this

Agreement, including but not limited to enforcement of this Agreement, and hereby waive any and all personal rights under the law of any state or other jurisdiction to object to jurisdiction within the State of California for the purposes of any such arbitration, legal action or proceeding, whether on the grounds of inconvenient forum or otherwise.

8.12. Attorney's Fees. In the event any action at law or in equity, arbitration or other proceeding is brought to interpret or enforce this Agreement, or in connection with any provision of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and other costs reasonably incurred in such action or proceeding.

8.13. Arbitration. Any controversy or claim arising out of this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

8.14. Severability. If any provision of this Agreement is invalid or contravenes California law, such provision shall be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of its remaining provisions, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

8.15. Counterparts. This Agreement may be signed in counterparts, which shall together constitute the signed original Agreement.

8.16. Electronic Signatures. This Agreement, and any amendment or modification to this Agreement, may be accepted in electronic form (e.g., by scanned copy of the signed document, an electronic or digital signature or other means of demonstrating assent) and each party's acceptance will be deemed binding on that party. Each party acknowledges and agrees it will not contest the validity or enforceability of this Agreement, and any amendment or modification to this Agreement, including under applicable statute of frauds, because they were accepted or signed in electronic form. Each party further acknowledges and agrees that it will not contest the validity or enforceability of a signed facsimile copy of this Agreement, and any amendment or modification to this Agreement, on the basis that it lacks an original handwritten signature. Facsimile signatures shall be considered valid signatures for purposes of this Agreement and any amendment or modification to this Agreement. Computer maintained records of this Agreement and any amendment or modification to the Agreement when produced in hard copy form shall constitute business records and shall have the same validity as any other generally recognized business records.

8.17. Legal Authority. Each party represents and warrants that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CELERITY GLOBAL DEVELOPMENT

By:_____

Its:_____

Address:_____

_____

MERLE WILLIAMSON FOUNDATION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION d/b/a WISDOM ACADEMY OF YOUNG SCIENTISTS

By:_____

Its:_____

Address:_____

_____

Exhibit A

Listed Services

1. Board Meeting Support
2. Assist in Vendor Selection and Management
3. Guidance and Oversight on General Authorizer Relations
4. Technical Assistance with Instructional School Leadership, Management and Operations
5. Participate in Student, Parent & Community Engagement Operations
6. Assist in the Identification, Recruitment, and Selection of Key Employees
7. Assist WAYS Executive Director to Identify, Develop Pool of Highly Qualified Teachers
8. Assist in School Student Recruitment
9. Assist in Master Program Planning
10. Assist School to Secure Funding for Growth
11. Assist in Charter Petition Drafting
12. Assist in Charter Petition/ Renewal/ Modification Authorizer Review Process
13. Support Executive Director in Design and Implementation of Teacher Professional Development
14. Guidance and Oversight on Day-to-Day Instructional Operations
15. Guidance and Oversight on Food Program Operations
16. Guidance and Oversight on Emergency Procedures
17. Guidance and Oversight on Communications Technology
18. Guidance and Oversight on Special Education
19. Guidance and Oversight on Health Services

20. Special Education Program Overall Guidance and Compliance

21. Defines Standards for Appropriate Technology Systems

22. Coordinates School Use of Approved Finance, Student, Achievement Data Systems

23. Research, Application, and Acquisition of Competitive Grant Awards

24. Assist School to Identify/Negotiate/Finance of School Facilities

25. Charter Market Analysis and Demographic Review

26. LEA Plan Formation and Update (if necessary)

27. Assist in Insurance Selection

28. Insurance Fiscal Liaison

29. Insurance Claims Liaison

30. Insurance Audits

31. Assist in RFP Process (as necessary)

mutually agreed upon by CGD and WAYS in writing ("Additional Services"). For example, such Additional Services may include, but are not limited to:

1.2.1. Marketing Collateral Design,

1.2.2. Marketing Collateral Printing,

1.2.3. Media Creation,

1.2.4. Business Cards and Letterhead,

1.2.5. Website and Graphic Design,

1.2.6. Print Design and Process,

1.2.7. Student Media Support,

1.2.8. Reprographics,

1.2.9. NSLP Data,

1.2.10. NSLP Reporting,

1.2.11. NSLP Fiscal Compliance,

1.2.12. Facilities Repair,

1.2.13. Facilities Maintenance,

1.2.14. IT Support,

1.2.15. IT Helpdesk, and

1.2.16. IT Asset Management.

1.3 Evaluation. CGD and WAYS will develop a comprehensive evaluation for internal use to compare WAYS' current educational support services needs to the Listed Services, and to evaluate the provision of such services by CGD. Twice annually CGD and WAYS will evaluate the status of the Listed Services within the organization to determine the effectiveness of CGD's guidance, support, and technical assistance, and WAYS and CGD may mutually agree to revise the Listed Services, if necessary.

2. COMPENSATION.

2.1. Listed Services. As compensation for CGD's provision of Listed Services, WAYS agrees to pay CGD _____ ($____) per month. The foregoing

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EXHIBIT 4

Higelin_Judy

From: Perrenoud_Michelle
Sent: Wednesday, December 18, 2013 10:36 AM
To: Higelin_Judy
Cc: Ginty_MaryJo
Subject: RE: Wisdom Academy for Young Scientist
Attachments: DeDe Dance Studio 706 East Manchester Ave LA CA 90001.pdf

Hello Judy,

I hope this message finds you well.

At the request of Mary Jo Ginty, I planned an unannounced observation and visit to Wisdom Academy of Young Scientists (http://www.cde.ca.gov/re/sd/details.asp?cds=19101990112730&Public=Y).

On December 17, 2013, I arrived at Wisdom Academy of Young Scientists located at 706 East Manchester Avenue, Los Angeles, CA 90001 to observe what is taking place from an external view and then internal unannounced visit. I arrived at 2:20pm and departed at 4:30pm. The external observation occurred from 2:20pm – 3:20pm. The internal unannounced after school program visit occurred from 3:20pm – 4:30pm. I left the vicinity at 4:35pm.

- As the instructional day ends at 2:50pm, I wanted to be sure I could observe well before and after the final bell. I arrived at the address at 2:20pm – parked my vehicle on the street (Manchester Avenue) directly in front of the school in order to watch the coming and going of people and vehicles from both the main office and parking gate.

- The main office is located in the center building and can be entered through a secure front entry. Visitors must ring a doorbell and be buzzed into the main office.

- There is a security guard that is on duty at the location, the building and premises are secure and the perimeter is enclosed. There is a main gate entrance for vehicles in which the security guard carries the gate opener on his person. Between 2:20pm and 3:20pm one car entered the gate. Two individuals (females) occupied the vehicle. All parking spaces were full at this point. The parking area is very small. (No other vehicles entered the facility up and through 4:35pm as best I could observe as the same vehicles were present upon my departure.)

- As I watched from the street: parents/guardians/adults began to arrive and wait patiently for the instructional day to end so they could pick up their respective children. They came on foot and by personal vehicle. Between 2:50pm and 3:15pm nearly 70 children left the school grounds with an adult guardian.

- During this time, as I watched from the street – no vehicles or persons arrived with children, or groups of children, to drop them off (or leave them) at the site. (I was on site up and through 4:30pm – no additional children arrived to the school or after school program through this period of time.)

- At 3:20pm I entered the facility. I asked to meet with either Jason Okonkwo or Deara Okonkwo. As I was waiting in the lobby, I picked up one marketing item from a shelf in the open area. The item is a 3x5 color postcard labeled "DeDe Dance Studio" the address for the business is the same address as the school – 706 East Manchester Avenue, Los Angeles, CA 90001. (ATTACHED)

- At 3:25pm I introduced myself to Deara Okonkwo. I explained that I worked for LACOE in the After School Technical Assistance Unit and that I was in the area dropping in to learn more about their program.

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EXHIBIT 5

Higelin_Judy

From: Higelin_Judy
Sent: Tuesday, March 25, 2014 4:19 PM
To: Debi Deal (ddeal@fcmat.org)
Subject: Yikes! Request for Sample....

Hi Debbie,
Staff is being tasked with preparing the report to the WAYS Board on the FCMAT Audit. We cannot find any sample of what any of the FCMAT Team may use to deliver the report to a board. Do you have anything we could use as guidance? We have to complete this project by noon on Thursday, March 27.
Thanks for any assistance you can provide.
Judy

From: Gail Greely [mailto:ggreely@acoe.org]
Sent: Tuesday, March 25, 2014 4:12 PM
To: Higelin_Judy
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

Yeah – I have a vague memory of seeing a FCMAT presentation (or maybe it was just questions from our board), but I don't have any docs – I'd have to look at OUSD board meeting video. I worked with Debi Deal at FCMAT- she was great.

Gail Ann Greely, Director
Charter Schools Office
Alameda County Office of Education
ggreely@acoe.org
510-670-4234
Fax 510-670-3234

From: Higelin_Judy [mailto:Higelin_Judy@lacoe.edu]
Sent: Tuesday, March 25, 2014 4:05 PM
To: Gail Greely; Teresa Kapellas
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

I guess I could Ask FCMAT!

From: Gail Greely [mailto:ggreely@acoe.org]
Sent: Tuesday, March 25, 2014 4:04 PM
To: Teresa Kapellas
Cc: Higelin_Judy
Subject: FW: Were you ever involved in presenting a FCMAT report to a charter school?

Can you lead Judy to something on FAME from FCMAT? I'm trying to remember if there might be something from AIMS on the FCMAT report that conveys how it was presented.

Gail Ann Greely, Director
Charter Schools Office
Alameda County Office of Education
ggreely@acoe.org
510-670-4234
Fax 510-670-3234

From: Higelin_Judy [mailto:Higelin_Judy@lacoe.edu]
Sent: Tuesday, March 25, 2014 3:45 PM
To: Gail Greely
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

I have read the reports. I want to see their "presentation" to the board.

From: Gail Greely [mailto:ggreely@acoe.org]
Sent: Tuesday, March 25, 2014 3:35 PM
To: Higelin_Judy
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

I really wish I'd had a guard for some of my meetings at American Indian! Pretty scary stuff. I think both the FAME report and the AIMS report are on FCMAT's website.

Gail Ann Greely, Director
Charter Schools Office
Alameda County Office of Education
ggreely@acoe.org
510-670-4234
Fax 510-670-3234

From: Higelin_Judy [mailto:Higelin_Judy@lacoe.edu]
Sent: Tuesday, March 25, 2014 3:27 PM
To: Teresa Kapellas; Gail Greely
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

They are refusing to deliver the one they just completed for us. Said their attorneys told them not to due to safety issues.
Do you by chance have a copy of the FCMAT report that was delivered for us to model after? We get to go with an armed guard.

From: Teresa Kapellas [mailto:tkapellas@acoe.org]
Sent: Tuesday, March 25, 2014 3:24 PM
To: Gail Greely; Higelin_Judy
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

Interesting question... FCMAT presented it to the charter directly as it was there report w/findings. We did however use it as the premise for our revocation. -Teresa

From: Gail Greely
Sent: Tuesday, March 25, 2014 1:41 PM
To: 'Higelin_Judy'
Cc: Teresa Kapellas
Subject: RE: Were you ever involved in presenting a FCMAT report to a charter school?

No – when we did American Indian at Oakland Unified, we presented the Notice of Violation based on the FCMAT report, but we didn't present the report itself (they had received it from FCMAT directly). Teresa may have done this with FAME, so I'm cc'ing her.

Gail Ann Greely, Director
Charter Schools Office

Alameda County Office of Education
ggreely@acoe.org
510-670-4234
Fax 510-670-3234

From: Higelin_Judy [mailto:Higelin_Judy@lacoe.edu]
Sent: Tuesday, March 25, 2014 11:34 AM
To: Gail Greely
Subject: Were you ever involved in presenting a FCMAT report to a charter school?

If not, do you know anyone who has? We have to do it this Thursday night.

Judy Higelin
Project Director III
Charter School Office
Los Angeles County Office of Education
Education Center West
P: 562-922-8806
F: 562-922-8805
Leading Educators • Supporting Students • Serving Communities

EXHIBIT 6

Letter Of Request For Meeting With CSO Leaders

Wed, Jul 30, 2014 at 6:16 AM

From: Edward Cabil <edcabil@sbcglobal.net>
To: Higelin_Judy <Higelin_Judy@lacoe.edu>; "Fuentes_Olivia@lacoe.edu" <Fuentes_Olivia@lacoe.edu>
Sent: Sunday, May 19, 2013 2:27 PM
Subject: Re: Letter Of Request For Meeting With CSO Leaders

Hi Judy and Olivia,

I want to thank you both for what I perceived as a cooperative informational sharing meeting pertaining to finalizing Wisdom Academy For Young Scientists' charter petition.

In regards to one key point of conversation regarding **enrollment demographics that match those of the district in which Wisdom Academy For Young Scientists operates,** I wish to summarize the statements made by Olivia Fuentes on this issue:
1. Olivia used her cell phone to determine the ethnic enrollment of the nearest matching K-5 elementary school to Wisdom Academy. That school was Manchester Avenue; Olivia read the ethnic ratio as 80/20 Latino students to Black students.

2. After a few exchanges on the enrollment plan, I mentioned that there was a reason why Black parents took their children out of the Los Angeles Unified School District and placed them in charter schools operated by Back leaders, and that the parents' action was due to a recent Office of Civil Rights suit against LAUSD for not teaching academic English to Black students, thus thats why there are only 4% of Black students in our California colleges. I then said that the requirement of forcing an 80/20 Latino ratio was unfair. To that statement, Olivia replied, "That's the law!"

3. I asked the question, "What was the purpose of this law? I did not get a clear answer, but a discussion ensued about school segregation. I then said that there were many Latino schools that had 98-100% Latino students enrollment, so why are there no attempts made to desegregate those schools to reflect LAUSD's ethnic ratio?

4. Mr. Jason mentioned that WAYS' recruitment plan was going quite well due to the fact that a concerted effort is in effect by WAYS to recruit Latino pre-school grads for our kindergarten class by using our Latino staff members as the key contact persons who present at 100% Latino enrolled pre-schools. To this Olivia stated, "Latino parents want to see the face of the community!" Olivia explained her statement to mean that Latino parents want to see the administrative leadership of the school! To this, I mentioned that you mean that we must hire a Latino administrator, who would be the lead person in recruiting Latino students, and

Olivia nodded yes!

5. Olivia said to me, "Mr. Cabil, you retired once, are you retiring again after this year? I did not give a yes or no answer to this question because I felt that that question was related to filling my Executive Director's position with a Latino.

6. Following all of the final exchanges between both sides, I mentioned that this whole issue of forcing an 80/20 Latino ratio in a school that followed all of the enrollment and recruitment rules will have to be settled in court!

Agan, I want to thank you both for an informative meeting!

Blessings,
Ed Cabil

From: Higelin_Judy <Higelin_Judy@lacoe.edu>
To: "Edward Cabil (edcabil@sbcglobal.net)" <edcabil@sbcglobal.net>
Cc: Benitez_Yolanda <Benitez_Yolanda@lacoe.edu>; Fuentes_Olivia <Fuentes_Olivia@lacoe.edu>; Sanchez_Lila <Sanchez_Lila@lacoe.edu>
Sent: Tuesday, May 14, 2013 1:51 PM
Subject: FW: Letter Of Request For Meeting With CSO Leaders

Good afternoon Ed,

We can meet from 1:00 to 2:00 tomorrow (May 15) to discuss revisions to the charter. Please call Lila Sanchez right away so she can attempt to reserve a room. 562-922-8806.

We will have to check everyone's availability for the week of June 3 for the visit debrief meeting. Due to previous commitments on Monday and Tuesday that week, we will be looking at Wednesday, June 5th through Friday, June 7th.

Judy

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Tuesday, May 14, 2013 12:27 PM
To: Higelin_Judy
Cc: Delgado_Arturo; Benitez_Yolanda
Subject: Letter Of Request For Meeting With CSO Leaders

In the above attachment, please find the request to meet with CSO leaders.

Blessings,
Ed Cabil

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EXHIBIT 7

WISDOM ACADEMY FOR YOUNG SCIENTISTS

April 11, 2014

VIA E-MAIL AND U.S. MAIL

kwan_frank@lacoe.edu

Frank Kwan, Director

Communication Department

Los Angeles County Department of Education

9300 Imperial Highway

Downey, CA 902-42-2890

Re: Public Records Act Request and Demand for Preservation of Evidence

Wisdom Academy of Young Scientists

Dear Mr. Kwan:

Pursuant to the Public Records Act, Government Code section 6250 *et seq.*, this letter constitutes a request for inspection and copying of Los Angeles County Office of Education ("LACOE") public records related to the Wisdom Academy of Young Scientists ("WAYS").

On March 19, 2014, the CSIS Fiscal Crisis & Management Assistance Team ("FCMAT") released a final report on an Assembly Bill 139 extraordinary audit of WAYS performed by FCMAT at the direction of LACOE. That final report is referred to throughout this Public Records Act request as the "Audit," and a copy of the Audit is attached for reference.

We note that for purposes of the Public Records Act, the "records" requested in this letter include both paper documents as well as documents stored electronically, such as electronic correspondence (email), and calendar and contact records. (Gov. Code, § 6252.) "Records" also include any data generated by, transmitted to, controlled by and/or stored on Judy Higelin's or any other LACOE staff member's computers and storage media, such as email, voice mail, text messages, flash drives and video surveillance records. (Gov. Code, § 6252.) We request that you produce electronically stored records in native format.

We request inspection and copies of the following public records pursuant to Government Code section 6253(b):

Salvation Army Campus
7651 S. CENTRAL AVE.
LOS ANGELES, CA 90001
Phone: 323-537-8194
Facsimile: 323-537-8209

Manchester Campus (Official Mailing Address)
706 E. MANCHESTER AVE.
LOS ANGELES, CA 90001
Phone: 323-752-6655
Facsimile: 323 752 6644

Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Facsimile: 323-589-6550

WISDOM ACADEMY FOR YOUNG SCIENTISTS

1. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of multiple fiscal irregularities . . . at WAYS charter school."

2. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of . . . questionable expenditures . . . at WAYS charter school."

3. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of . . . inappropriate related-party transactions at WAYS charter school."

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9. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3-4 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . failure to abide by conflict of interest laws."

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32. Any and all LACOE Board of Education meeting agendas, minutes, transcripts and/ or audio or video recordings that reflect the Board of Education's approval for Judy Higelin and/or any other LACOE staff to hire a private investigator to investigate any current and/ or former employee of WAYS, as referenced on page 38 of the Audit.

33. Any contract, engagement agreement, or other agreement between LACOE and the private investigator referenced on page 38 of the Audit.

34. Any and all video records, and any other records, of the "direct surveillance and video [of a WAYS employee] on 16 separate occasions between March 5, 2013 and April 22, 2013" referenced on page 38 of the Audit.

35. Any and all records of transmission of the Audit from Judy Higelin or any other LACOE staff or Board of Education member to the District Attorney, State Superintendent, or any other party or person.

36. Copies of all the records contained in the binders brought by LACOE staff, agents, or representatives, including Alex Cherniss, to the March 27, 2014 scheduled WAYS board meeting.

37. Any and all records that identify or relate to every person who attended the March 27, 2014 scheduled WAYS board meeting at the request or with the knowledge of Superintendent Delgado or any other LACOE staff member.

38. Any and all records that constitute, refer or relate to any electronic communication between LACOE staff member Judy Higelin and any of the following individuals from March 1, 2013 through the present: Deborah Deal, Michael W. Ammermon, Laura Haywood, and Carol Lee Tolbert.

Please identify these records and contact me within 10 days of receipt of this letter informing me of the date and time the requested information will be made available. (Gov. Code, § 6253.) If any records responsive to this request are withheld, please provide a written justification and the names, titles and positions of each person responsible for the denial. (Gov. Code, §§ 6253(d), 6255.)

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In addition, in light of the pending dispute between LACOE and WAYS, by this letter, ***LACOE and its Board are hereby given notice not to destroy, conceal or alter any paper or electronic files and other data generated by and/ or stored on its computers and storage media, or any other electronic data, such as voice mail, that have been generated and/ or accessed, related to WAYS.*** All documents, files and/ or electronic data should be preserved on the original media and in native format. ***This includes emails that would otherwise be automatically deleted, excluded or otherwise discarded from LACOE's email system pursuant to any records retention and destruction policy.*** Failure to comply with this notice can result in severe sanctions being imposed by a court for spoliation of evidence or potential evidence. In order to ensure LACOE's obligation to preserve documents and things will be met, please also forward a copy of this letter to all persons and entities with custodial responsibility for the items referred to in this letter, and confirm that you have done so.

Sincerely,

Ed Cabil

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EXHIBIT 8

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Greta A. Proctor
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E-mail: greta.proctor@procopio.com
Personal Fax: (619) 235-0398

June 18, 2014

VIA E- MAIL

Courtney M. Brady
Deputy General Counsel
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242-2890

Re: WAYS Public Records Act Request

Dear Ms. Brady:

This letter follows up on your telephone call and our conversation yesterday, as well as your email today.

You stated in our call that LACOE staff provided FCMAT with several large batches of .pdf documents about WAYS. You mentioned some were privileged, but when I asked how they were privileged, you said you had not actually reviewed them to determine which privileges and/ or Public Records Act exemptions apply. This is surprising given WAYS' Public Records Act request was made over two months ago, and LACOE staff prepared a 32-page report that recommends closure of the school based on these documents. This is also the first time LACOE has mentioned withholding any records, and that more time may be needed to assemble documents. Again, this is surprising since LACOE has already issued a NOV on these issues. Please provide us with those documents, in their native .pdf format.

You also stated that LACOE would provide WAYS copies of the 32-page staff report on the Notice of Violation, the FCMAT audit report, and the remainder of the 1000+ pages of documents that were attached to the staff report. As you know, we already have these documents, and we do not need LACOE to reproduce them (obviously).

You also mentioned that responsive emails have been deleted, which concerns us since there is pending litigation between LACOE and WAYS. LACOE was aware the FCMAT report would lead to litigation in that LACOE recommended closure of our school based on the report, and in addition, WAYS sent a litigation hold request as part of its Public Records Act request as soon as it reviewed the report. You mentioned deleted emails can be retrieved and turned into .pdf documents. Please do so and produce these emails to us.

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You also informed me that the video surveillance records requested by WAYS in the April 11, 2014 letter are disclosable and will be produced on DVD on June 23rd. Please provide us the copy costs for these DVDs.

Our FedEx number is as follows: 0921-0623-3.

Very truly yours,

Greta A. Proctor

cc: Edward Cabil

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EXHIBIT 9

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Douglas R. Boyd
President

Rudell S. Freer
Vice President

Katia Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Rebecca J. Turrentine

June 18, 2014

Via E-mail: greta.proctor@procopio.com

Greta A. Proctor
Procopio, Cory, Hargreaves & Savitch LLP
525 B Street, Suite 2200
San Diego, CA 92101

Re: Public Records Act Request re Wisdom Academy for Young Scientists

Dear Ms. Proctor:

This correspondence is in response to your June 18, 2014 correspondence. The requested records are being produced in their native format which includes hard copies, PDF files, text files, word documents, and excel spreadsheets. Documents which are protected by the attorney-client privilege have been withheld.

As clarification, responsive emails to your request may have been deleted from the user's inbox but have been preserved in other formats. I merely mentioned this because such emails will not be available in their original format but are being produced in the format in which they were stored. Please be advised that no emails and/or other responsive documents have been deleted or destroyed.

Also as clarification, the Los Angeles County Office of Education ("LACOE") does not have the requested video surveillance records in its possession, custody, or control. These records were not produced by LACOE to FCMAT. A written report regarding the video surveillance was provided by LACOE to FCMAT and that report will be produced to WAYS.

As you requested, the records will be produced as available. Flash drives with a portion of the requested documents will be sent via FedEx to your office. Please feel free to contact me with any questions or concerns.

Sincerely,

Courtney M. Brady
Deputy General Counsel

CMB:riv

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Personal Fax: (619) 235-0398

June 20, 2014

VIA E- MAIL

Courtney M. Brady
Deputy General Counsel
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242-2890

Re: WAYS Public Records Act ("PRA") Request

Dear Ms. Brady:

Yesterday, we received two flash drives you claimed contained documents responsive to WAYS' April 11, 2014 PRA request. This production was grossly inadequate. One of the flash drives (#2) was corrupt and none of the files could be opened. Moreover, the "folders" on that flash drive were empty. The documents we were able to open on flash drive #1 were *WAYS' own board resolutions, agendas and documents*, and emails from LACOE *to WAYS itself*; documents we clearly already have. When you and I spoke on Tuesday, you asked about emails and I specifically confirmed that WAYS is seeking, in particular, email communications between LACOE staff and FCMAT staff about WAYS, and internal LACOE email communications about WAYS. Where are those documents?

It has been over two months since WAYS' PRA request, which sought 38 categories of documents, and we have a grand total of 23 records from LACOE, *all of which are our own documents*. Half the documents LACOE has produced thus far cannot be opened, and the other half are WAYS' own records, which you must know we already have. This is unacceptable, and is even more surprising given LACOE staff is moving full speed ahead on a revocation of the school's charter based on the issues that are the subject of our 38-category PRA request. In fact, at the LACOE Board meeting where the NOV was issued, LACOE staff pushed the LACOE Board of Directors to *shorten* the timeframe proposed by Board member for WAYS' response to the NOV. Now, it is midway through our time to provide a response and we still have absolutely no substantive documents. This is unacceptable and we believe it may be intentional.

I was also very surprised to read your letter dated June 18, 2014 in which you stated that LACOE does not have the video surveillance records we requested in its possession, custody or control. When you and I spoke on the telephone June 17, 2014, we discussed these video surveillance records at length. You specifically stated that LACOE has the video surveillance records on DVD. In fact, you and I went back and forth about whether the records could be

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produced on CD or DVD, and whether you would provide a copy or whether we should be prepared to duplicate LACOE's own DVD. How did LACOE lose "possession, custody or control" of the DVD since we talked? If LACOE does not in fact have its own DVD surveillance records, who does have "possession, custody or control" of them? If they were destroyed, such act would clearly violate the litigation hold request WAYS sent as part of its April PRA request.

At this point, I believe it may help to lay out (again) the records WAYS is seeking and has not yet received. Below is a list of the records sought in our April PRA request, which we have *not yet received*. Most of these records are explicitly referenced by LACOE staff itself, and some we have actually observed in staff's possession (such as binders). We believe they are immediately available to you. For example, in our telephone call June 17, 2014, you told me that LACOE provided FCMAT with several large batches of documents, documents you said were too lengthy to email. We received a grand total of 23 of our own records on the flash drives you produced, which clearly do not comprise "several large batches of documents too lengthy to email." WAYS has only a few weeks left to respond to the allegations made to the LACOE Board by staff, and it is egregious for that same staff to withhold records directly relating to those allegations. Please produce these documents immediately so that we may avoid judicial intervention.

1. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of multiple fiscal irregularities . . . at WAYS charter school."

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32. Any and all LACOE Board of Education meeting agendas, minutes, transcripts and/ or audio or video recordings that reflect the Board of Education's approval for Judy Higelin and/ or any other LACOE staff to hire a private investigator to investigate any current and/ or former employee of WAYS, as referenced on page 38 of the Audit.

33. Any contract, engagement agreement, or other agreement between LACOE and the private investigator referenced on page 38 of the Audit.

34. Any and all video records, and any other records, of the "direct surveillance and video [of a WAYS employee] on 16 separate occasions between March 5, 2013 and April 22, 2013" referenced on page 38 of the Audit.

35. Any and all records of transmission of the Audit from Judy Higelin or any other LACOE staff or Board of Education member to the District Attorney, State Superintendent, or any other party or person.

36. Copies of all the records contained in the binders brought by LACOE staff, agents, or representatives, including Alex Cherniss, to the March 27, 2014 scheduled WAYS board meeting.

37. Any and all records that identify or relate to every person who attended the March 27, 2014 scheduled WAYS board meeting at the request or with the knowledge of Superintendent Delgado or any other LACOE staff member.

38. Any and all records that constitute, refer or relate to any electronic communication between LACOE staff member Judy Higelin and any of the following individuals from March 1, 2013 through the present: Deborah Deal, Michael W. Ammermon, Laura Haywood, and Carol Lee Tolbert.

Procopio

Last, I received an email from you this morning asking if you may use our FedEx number to transmit additional documents. Yes, please do so, and please re-transmit the corrupted files.

Very truly yours,

Greta A. Proctor

cc: Edward Cabil

10

EXHIBIT 10

FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

July 18, 2014

Jason Okonkwo
4326 Enoro Drive
Los Angeles, CA 90008-4804

Re: Closure Letter
FPPC No. 12/333: Jason Okonkwo

Dear Mr. Okonkwo:

The Fair Political Practices Commission (the "Commission") enforces the provisions of the Political Reform Act (the "Act").[1] As you are aware, the Commission received a complaint against you concerning the conflicts of interests provisions of the Act. Specifically, the complaint alleged that, as Director of Operations of Wisdom Academy of Young Scientists (WAYS), a public charter elementary school located in Los Angeles, CA, you violated the conflict of interest prohibitions by your involvement in facility improvements to real property leased by your mother, Kendra Okonkwo, to WAYS. Additionally, the complaint alleged that you resided with your mother, Kendra Okonkwo, and it was rumored that the properties leased to WAYS by Kendra Okonkwo were actually held in a trust in which you had a beneficial interest.

After a full investigation, the Enforcement Division has found insufficient evidence to establish that you had an economic interest in either Kendra Okonkwo, or in the real property Kendra Okonkwo leased to WAYS. Therefore, we have closed our investigation against you in this matter.

If you have any questions regarding this matter, please feel free to contact me at 916-322-5660.

Sincerely,

Angela J Brereton

Angela J Brereton
Senior Commission Counsel
Enforcement Division

[1] The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

EXHIBIT 11

Los Angeles County Office of Education
Leading Educators • Supporting Students • Serving Communities

October 4, 2011

Via First Class Mail

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Douglas R. Boyd
President

Rudolf S. Freer
Vice President

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Rebecca J. Turrentine

Ms. Kendra Okonkwo
4326 Enoro Dr.
Los Angeles, CA 90008

Dear Ms. Okonkwo:

California Public Records Act Request

The Charter School Office received your California Public Records Act (CPRA) (Government Code § 6250 et seq.) request dated September 27, 2011, for "a copy of Wisdom Academy for Young Scientists' Approved Charter...." There is not a public document that responds to your request.

If you have any questions, please feel free to contact me at (562) 922-8806.

Sincerely,

Janis Isenberg
Project Director III
Charter School Office
Division of Parent and Community Services/Williams Legislation

JI:ls

c: Yolanda M. Benitez
Frank Kwan

Los Angeles County Office of Education

Leading Educators • Supporting Students • Serving Communities

October 14, 2011

Via First Class Mail

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Douglas R. Boyd
President

Rudell S. Freer
Vice President

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Rebecca J. Turrentine

Ms. Kendra Okonkwo
4326 Enoro Dr.
Los Angeles, CA 90008

Dear Ms. Okonkwo:

Response to October 6, 2011California Public Records Act Request

The Charter School Office (CSO) received your California Public Records Act (CPRA) (Government Code § 6250 et seq.) request dated October 6, 2011, "to review any public records related to Wisdom Academy for Young Scientists." I am assuming that you are asking for documents maintained by the CSO, rather than throughout LACOE. If I am mistaken, please let me know and I will notify the other departments.

Please contact CSO at (562) 922-8806 to schedule "an appointment time to review any public document related to WAYS to select the copies that I would like." If you are requesting email correspondence, please let me know as the process for producing those can be protracted.

I want to respond to some of the comments you made in your email correspondence. You state that it has been three months since your initial request for the completed charter. As we told you, there is no final completed charter. I never asked you why you needed the documents and would never have done so. Moreover it has not been three (3) months since your initial request. We discussed with you whether you wanted the WAYS charter as received by the LACOE Board or the finalized charter reflecting the county as the authorizer and you told us that you would wait until the charter was finalized to reflect the LACOE Board as the authorizer.

We discussed with you the cost of producing the documents as we are required to do under state law.

As of the date of this letter, the petition has not been fully revised to reflect the LACOE Board as the authorizer; therefore, there is currently no public document on WAYS available as you were advised in the letter from our office dated October 4, 2011.

Sincerely,

Janis Isenberg
Project Director III
Charter School Office
Division of Parent and Community Services/Williams Legislation

JI:ls

c: Yolanda M. Benitez
Frank Kwan

EXHIBIT 12

LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE
BUREAU OF FRAUD AND CORRUPTION PROSECUTIONS
PUBLIC INTEGRITY DIVISION

STEVE COOLEY • District Attorney
JACQUELYN LACEY • Chief Deputy District Attorney
PATRICK R. DIXON • Assistant District Attorney

JANICE L. MAURIZI • Director

RECEIVED
MAY 31 2011
LACOE
CHARTER SCHOOLS OFFICE

May 19, 2011

LOS ANGELES COUNTY OFFICE OF EDUCATION
9300 Imperial Highway
Downey, CA 90242

Attn: Jan Isenberg

Re: PID Case No.: 11-0289

Dear Ms. Isenberg:

In response to your inquiry, the Public Integrity Division received a complaint on April 22, 2011, alleging that Kendra Okonkwo, Executive Director of the Wisdom Academy for Young Scientists, had a conflict of interest as a result of entering into a lease between the school and herself. The matter is currently open.

Very truly yours,

Steve Cooley
District Attorney

By

David E. Demerjian
Head Deputy
Public Integrity Division

rg

766 Hall of Records
320 West Temple Street
Los Angeles, CA 90012
(213) 974-6501

EXHIBIT 13

Extraordinary Audit AB139

Intake Document

Los Angeles County Office of Education – WAYS Charter School

Pursuant to Education Code Section 1241.5 (b), if the Superintendent of the County Office of Education has reason to believe that fraud, misappropriation of funds or other illegal practices may have occurred can request that the FCMAT team conduct an extraordinary audit.

In an effort to assist the county office in this effort, FCMAT has developed a short checklist to determine what elements indicate potential fraud or misappropriation that warrants an extraordinary audit under the education code guidelines.

Fraud can benefit either an individual or an organization. All of the following elements must be present to be considered fraud:

1. *Knowing* making a false claim, or *untrue representation*, of a *material fact*;
2. The act is *intentional*, intent to deceive *(concealment)*;
3. The victim *relies* on the untrue information (*reliance*);
4. *Damages*, or suffered *loss*, of money or property.

The following lists the major types of fraud. The COE will be asked to identify the category or categories.

Major types of fraud:

1. Embezzlement unknown
2. Breach of fiduciary duty ✓ evidence of
3. Conflict of interest ✓ evidence of
4. Bribery, or commercial bribery unknown
5. Illegal gratuity unknown
6. False statements or claims unclear – possible
7. Extortion unclear – possible
8. Mail and/or wire fraud unknown – possible
9. Conspiracy unclear – possible w/ regard to ~~Allegation~~ 2+3

[illegible]
Type of fraud Breach of Fid. Duty
Are the specific allegations documented by the district or charter school? Yes
Documented the allegations in writing? Yes
Circumstantial evidence obtained: Yes
Direct evidence obtained: Yes
Original documents obtained:
Copies of original documents obtained:
What elements of fraud or misappropriation exist?
Potential, or estimated loss: 3/4 Million dollars
Neutral Third-Party Witnesses: Vo Chan, Z. Memon (LACOE)
Corroborative Witnesses: Former Board Members, S. Willard
Adverse Witnesses: School Employees / Board
Co-conspirators: Founder, Son, Board, Cabl
Suspects: Founder, Son, Board, Cabl,

- S. Willard Case (payment $\frac{1}{2}$ mil. from school funds caused by personal request of founder)
- Failure to give M. Cureton access to bank accounts
- Payment to Founder (250 K) w/out proof of payment being owed. Never listed as debt in budget submitted to LACOE on appeal.
- Failure to update Fiscal policies for 18 months after request by LACOE / Board (See Board Mins)

Type of fraud	Conflict of Interest *
Are the specific allegations documented by the district or charter school?	Yes
Documented the allegations in writing?	Yes - audit, other
Circumstantial evidence obtained:	Yes
Direct evidence obtained:	Yes - audit, other
Original documents obtained:	No
Copies of original documents obtained:	Yes - audit, other
What elements of fraud or misappropriation exist?	
Potential, or estimated loss:	unclear
Neutral Third-Party Witnesses:	LACOE
Corroborative Witnesses:	K. Horowitz (WAYS)
Adverse Witnesses:	School Personnel
Co-conspirators:	Cabil, Okonkwo Family, Board WAYS
Suspects:	~~Blank~~ Okonkwo Family

There are multiple issues
- afterschool programming contractor (brother/sister; possible mother/daughter)
- Sale of property under negotiation (Mother/son) (~~Founder~~/friend)
- Hiring for positions where not qualified
- Daughter working for another company while employed (also conspiracy)

LACOE Staff to Be Interviewed

a

Andrade, Vibiana

Full Name: Vibiana Andrade
Job Title: General Counsel
Company: County Superintendent of Schools
Department: Office of General Counsel
Bus: 562 /922-6123
E-mail: Andrade_Vibiana@lacoe.edu
Categories: FCMAT

b

Benitez, Yolanda

Full Name: Yolanda Benitez
Job Title: Assistant Superintendent, Educational Services
Company: County Superintendent of Schools
Department: Administration
Bus: 562 /922-6129
E-mail: Benitez_Yolanda@lacoe.edu
Categories: FCMAT
Acct #01.7-73850.0-86000-21000-7372-0001125

Brady, Courtney

Full Name: Courtney Brady
Job Title: General Counsel II
Company: County Superintendent of Schools
Department: Office of General Counsel
Bus: 562 /922-6123
E-mail: Brady_Courtney@lacoe.edu
Categories: FCMAT

Branch, Pamela

Full Name: Pamela Branch
Job Title: Coordinator II
Company: Educational Programs
Department: LACOE SELPA
Bus: 562 /401-5751
E-mail: Branch_Pamela@lacoe.edu
Categories: FCMAT

c

Chan, Vo

Full Name: Vo Chan
Job Title: Business Services Consultant
Company: Business Services
Department: Business Advisory Services
Bus: 562 /922-6226
E-mail: Chan_Vo@lacoe.edu
Categories: FCMAT

Chauhan, Kirit

Full Name: Kirit Chauhan
Job Title: Consultant III
Company: Educational Services
Department: Accountability, Support & Monitoring
Bus: 562 /803-8382
E-mail: Chauhan_Kirit@lacoe.edu
Categories: FCMAT

Cherniss, Alex

Full Name: Alex Cherniss
Job Title: Chief Financial Officer
Company: County Superintendent of Schools
Department: Administration
Bus: 562 /922-6124
E-mail: Cherniss_Alex@lacoe.edu
Categories: FCMAT

f

Fuentes, Olivia

Full Name: Olivia Fuentes
Job Title: Director
Company: Educational Services
Department: Accountability, Support & Monitoring
Bus: 562 /803-8227
E-mail: Fuentes_Olivia@lacoe.edu
Categories: FCMAT
82-XXXX-21135801-1120

g

Geer, Jennifer

Full Name: Jennifer Geer
Job Title: Principal Systems Specialist
Company: Business Services
Department: Controller's Office
Bus: 562 /803-8256
E-mail: Geer_Jennifer@lacoe.edu
Categories: FCMAT

Ginty, MaryJo

Full Name: MaryJo Ginty
Job Title: Program Coordinator/Regional Lead
Company: Educational Services
Department: Student Support Services
Bus: 562 /803-8336
Oth Fax: 562 /922-6867
E-mail: Ginty_MaryJo@lacoe.edu
Categories: FCMAT

h

Hernandez, Joaquin

Full Name: Joaquin Hernandez
Job Title: Coordinator II
Company: Educational Services
Department: Charter School Office
Bus: 562 \940-1639
E-mail: Hernandez_Joaquin@lacoe.edu
Categories: FCMAT

Higelin, Judy

Full Name: Judy Higelin
Job Title: Interim Project Director III
Company: Educational Services
Department: Charter School Office
Bus: 562 /922-6356
E-mail: Higelin_Judy@lacoe.edu
Categories: FCMAT

Hung, Anthony

Full Name: Anthony Hung
Job Title: Financial Operations Consultant
Company: Business Services
Department: Controller's Office
Bus: 562 /922-8943
E-mail: Hung_Anthony@lacoe.edu
Categories: FCMAT
81-7395-411041-5722

i

Isenberg, Jan

Full Name: Jan Isenberg
Job Title: Professional Expert
Company: Educational Services
Department: Charter School Office
Bus: 562 /922-6570
E-mail: Isenberg_Jan@lacoe.edu
Categories: FCMAT

k

Keith, Jeanne

Full Name: Jeanne Keith
Job Title: Consultant II
Company: Educational Services
Department: Accountability, Support & Monitorin
Bus: 562 /803-8335
E-mail: Keith_Jeanne@lacoe.edu
Categories: FCMAT

l

Lee, Sung Yon

Full Name: Sung Yon Lee
Job Title: Office of General Counsel
Company: LAUSD
Bus: (213) 241-1679
E-mail: sungyon.lee@lausd.net

Lin, Nancy

Full Name: Nancy Lin
Job Title: Interim Financial Operations Consultant
Company: Business Services
Department: Controller's Office
Bus: 562 /803-8403
E-mail: Lin_Nancy@lacoe.edu
Categories: FCMAT

m

Memon, Zak

Full Name: Memon_Zak
Job Title: Assistant Controller
Company: Business Services
Department: Controller's Office
Bus: 562 /922-8897
Oth Fax: 562-401-5789
E-mail: Memon_Zak@lacoe.edu
Categories: FCMAT

p

Patel, Neha

Full Name: Neha Patel
Job Title: Assistant Administrative Analyst
Company: Educational Services
Department: Charter School Office
Bus: 562 /922-6417
E-mail: Patel_Neha@lacoe.edu
Categories: FCMAT

Perrenoud, Michelle

Full Name: Michelle Perrenoud
Job Title: Project Coordinator
Company: Educational Services
Department: Student Support Services
Office Location: 12830 Columbia Way
Mailing Only: 9300 Imperial Highway
Downey, CA 90242
Bus: 562 /922-6799
E-mail: Perrenoud_Michelle@lacoe.edu
Categories: FCMAT

S

Smith, Pat

Full Name: Smith_Pat
Job Title: Executive Director
Company: Business Services
Department: Controller's Office
Bus: 562 /922-6421
E-mail: Smith_Pat@lacoe.edu
Categories: FCMAT

Supple, Anne

Full Name: Anne Supple
Job Title: Professional Expert
Company: Educational Services
Department: Charter School Office
Bus: 562 /922-8806
E-mail: Supple_Anne@lacoe.edu
Categories: FCMAT

EXHIBIT 14

Daily Journal Classifieds/Jobs/Office Space : Experts/Servic

FRIDAY MONDAY TUESDAY WEDNESDAY TODAY

SEARCH/BACK to search results

Search >>

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Labor Code Violation V. $566,803

For the plaintiff:
Jeffrey Lipow
Kevin M. Salute
For the defendant:
Christopher B. Cato
Jennifer Garner

L.A. Superior Central
Hon. Ralph W. Dau

RESULT DATE: Dec. 4, 2012

Sharlene Willard v. Marla Williams Foundation, et al. (BC469435) 13-JV_675

FURTHER DESCRIPTION: Retaliation

VERDICT: $566,803

ATTORNEY Plaintiff - Jeffrey Lipow, Kevin M. Salute (Lipow & Harris, Encino).
Defendant - Christopher B. Cato, Jennifer Garner (Gordon & Rees, San Diego).

TECHNICAL Plaintiff - Karen Lynn Smith, M.A., economics, San Marino.

FACTS: Plaintiff Sharlene Willard was employed as a teacher at defendant's Los Angeles Unified School District charter school. The plaintiff contended that after about one year of employment, she was pressured by the defendant's executive director to travel to Nigeria to marry her sister's husband so he could immigrate to the United States. She asserted that the director financed the trip, and a ceremony in Nigeria took place. After returning the United States, over a period of months, the director pressured the plaintiff to file an immigration petition with U.S. Citizenship and Immigration Services. The plaintiff asserted she refused, and ultimately, the director presented a completed petition for the plaintiff to sign and submit to the federal government. The plaintiff contended she resisted filing the petition because it was fraudulent, and after continued pressure from the director, she finally told her that she would not sign or file the petition.

The plaintiff alleged that a pattern of criticism of the plaintiff's work performance ensued, culminating in the director terminating her employment approximately five months after the plaintiff affirmatively told the director she would not do as requested regarding the immigration scheme.

CONTENTIONS: PLAINTIFF'S CONTENTIONS: The plaintiff proceeded to trial on a sole cause of action for violation of Labor Code Section 1102.5(c), claiming that the plaintiff's termination was retaliation for her refusal to engage in illegal activity: signing and filing a petition for immigration containing material falsities.

DEFENDANT'S CONTENTIONS: The defendant claimed that the plaintiff had some good qualities as a teacher, but interacted poorly with students and their parents from her hiring through termination; that numerous students and parents complained about the plaintiff's behavior and that the plaintiff had been insubordinate, refusing express instructions to submit a class management plan. The defendant denied that the immigration scheme ever occurred. The defendant argued that the termination was a legitimate business decision. The defendant contends the plaintiff was ultimately let go because a parent complained that the plaintiff had told a student that the student would end up homeless, and in a meeting with the parent and student about the incident, the plaintiff was not apologetic and scolded the student of being jealous of another student. The plaintiff was let go that day.

INJURIES: The plaintiff claimed emotional distress arising from her termination and financial distress of unemployment.

JURY TRIAL: Length, five days; Poll, 11-1 (liability), 9-3 (damages); Deliberation, four hours

SETTLEMENT DISCUSSIONS: The plaintiff's last pre-trial offer was $750,000. The defendant issued a CCP 998 for $40,000.

RESULT: Verdict for $566,803.

OTHER INFORMATION: Motions for new trial and judgment notwithstanding the verdict were denied.

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Innovative Ways Academy

~modeling rigor, innovation and the pursuit of academic excellence~

New School Opening

July 2012

Innovative Ways Academy

Independent School (6-8)

Providing A Superior and World-Class Education

Developing Academic Excellence and Exemplary Character

- A uniquely designed middle school where talented and caring faculty and staff will cultivate in each student the passion for learning, self-confidence, social well-being, discipline and the individual talents that each possesses. Dedicated to the development of academic excellence, exemplary character, and self-discovery in each child, Innovative Ways Academy will provide a world-class education for scholars, while focusing on the development of the whole child.

LEARN MORE ABOUT OUR SCHOOL!

ENGLISH FLYER & SPANISH FLYER

REGISTER FOR ORIENTATION

WEDNESDAY, APRIL 4, 2012

Educational Consultant Services

Rigorous academic training

Increasing student achievement

Innovative Ways Academy offers educational consulting services for K-12 schools to improves standardized test results. In partnering with Innovative Ways Academy, we can design a specific Student Achievement Plan tailored to student data and unify the instruction across grade levels to foster academic achievement for all. iWays is a transformational climate that promotes rigorous learning and education of the whole child. We provide consultation in Core Standards of Math, Language Arts and Science.

What's New!

iWays Blog

Stay tuned with our upcoming events!

Innovative Ways Academy

Middle School Orientation

Wednesday, April 4, 2012

Register!

Parents for Excellence Meeting

Monday, March 26th 2012 &

Wednesday, March 28th 2012

@ 5:30PM

706 E. Manchester Ave.

LA, CA 90001

Topic: Next Steps for 5th Graders

Middle School Options

Click here for English Flyer

Click here for Spanish Flyer

For More Information, Contact

Deara Okonkwo, (323) 608 - 1320

000952

ovative Ways Academy -

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6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com

Innovative Ways Academy

~modeling rigor, innovation and the pursuit of academic excellence~

TUITION

APPLICATION FEE (students applying)..... $25.00

REGISTRATION FEE (admitted students)..... $150.00

Registration fee must be paid before or on the May 7th Letter of Intent Deadline.

SUMMER ENRICHMENT..... $450.00

Summer Enrichment fee must be paid before or on the May 28, 2012.

TUITION..... $1250.00

All fees may be subject to change.

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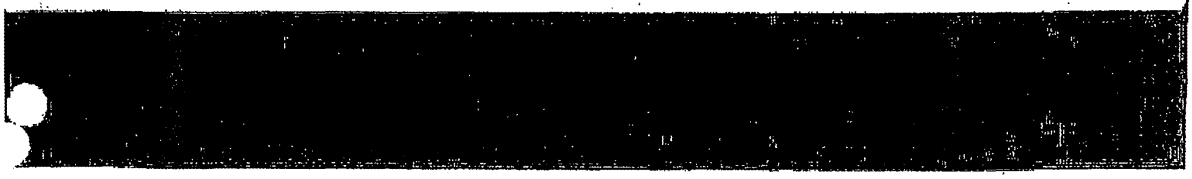
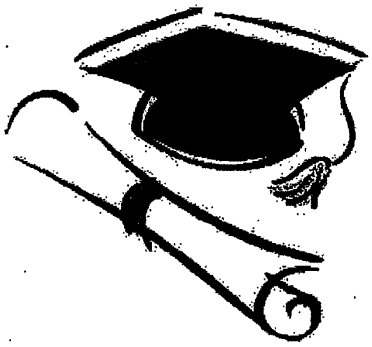
6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com



Innovative Ways Academy

You want what's best for your child. We do too.
Deciding on an excellent Middle School for your child?
Come join us for a meeting to address Middle Schools Options!

Parents for Excellence Meeting
Monday, March 26th 2012 @ 5:30PM &
Wednesday, March 28th 2012 @ 5:30PM
706 E. Manchester Ave.
Los Angeles, CA 90001



Topic: Next Steps for 5th Graders
Middle School Options

For More Information, Contact
Deara Okonkwo, (323) 608- 1320
www.iwaysacademy.com

000955

Innovative Ways Academy

~modeling rigor, innovation and the pursuit of academic excellence~

Innovative Ways Academy
Mailing Address:
6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com

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- Admissions
  - Application
  - Tuition
  - Summer Enrichment
  - Curriculum
- Musical
- Contact Us

About Us

Vision Statement

Equipping students with 21st century skills to become global leaders.

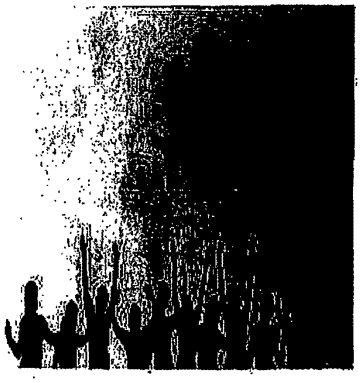
Mission Statement

School Mission: Innovative Ways Academy s mission is to create a transformational climate of lifelong learners where talented and compassionate faculty will nurture students pursuit of academic excellence, exemplary character, and meaningful contribution to their local, national, and global communities.

Consultant Mission: Our mission is to provide a model framework of rigorous instruction that has practical tools for accomplishing our visionary ends of fostering self-responsible and lifelong learners. We accomplish this by training teachers, engaging students, educating parents and designing curriculum to ensure that student achievement is met for all.

Founder & Executive Director

Deara Okonkwo is an extraordinary 21-year-old woman whose gifts and talents illuminate in the children of her classroom and dance studio. Ms. Okonkwo is a doctoral candidate at the University of Southern California, holding a Master s Degree in Education, Clear Teaching Credential and Bachelor s all obtained from the prestigious University. She is renowned for her outstanding academic accomplishments: at the prime age of fourteen, she graduated from high school with an Associate of Arts Degree; at seventeen, she received her Bachelor s in English with a minor in Psychology and at eighteen she obtained her Master s Degree in Education along with her teaching credential. Deara is the Founder and CEO of DeDe Dance Studio, a 501(c) (3) non-profit that works to empower youth through multicultural performing arts, brotherhood and sisterhood clubs and educational enrichment. Most recently, she established Innovative Ways Academy, a uniquely designed Middle School that provides children with a world-class and elite educational experience. Furthermore, her Academy offers rigorous academic coaching for educators and provides practical modeling in the classrooms to increase student achievement. Her motto is to recycle the knowledge that she obtained and she has sought to achieve these as an urban educator. Her passion lies in her professions, educating children in the classrooms and empowering youth through the performing arts. With only twenty-one years, she demonstrated profound leadership skills through her humanitarian efforts. Deara is a true change agent and leader for the youth that she serves.



Innovative Ways Academy
English Language Arts Syllabus 6A
Trimester 1: August 14th – October 26th 2012
Ms. Deara
deara@iwaysacademy.com
www.iwaysacademy.com/ela

Course Description:
The Reading portion of the Grade 6 California English–Language Arts Standards Test has three strands/ reporting clusters: Word Analysis, Reading Comprehension, and Literary Response and Analysis. In ELA 6A, Word Analysis will be introduced. Each of these strands/clusters is described below. The Writing portion of the Grade 6 California English–Language Arts Standards Test has two strands/reporting clusters: Writing Strategies and Written Conventions. In ELA 6A, Writing Strategies will be introduced.

Strands to Cover: Writing Conventions/Word Analysis

Wk	Standard	Topic	Grade/Percentage
1	All	Pre-Test and Introduction	
2	W.C. 1.1	Sentence Structure	
3	W.C. 1.2	Grammar	
4	W.C. 1.3	Punctuation	
5	W.C.1.4/1.5	Capitalization/Spelling	
6	Previous	Midterm	
7	W.A. 1.2	Figurative Language/Homograph	
8	W.A. 1.3	Word Origins	
9	W.A. 1.4	Using Contextual Clues	
10	W.A. 1.5	"Shades of Meaning"	
11	All	Study Week/Exams/Presentations	

Grading	Percentage	Letter Grade
10% Attendance/Participation 10% In-class Assignments 10% HW 10% Project 30% Quizzes 30% Mid-term/Exam	90 – 100 80 – 89 70 – 79 60 – 69 50 – 59	A B C D F

1. Attendance/Participation: Students receive 1 pt for each attended day of school.

2. In – Class Assignments: Students receive 1 pt for each assignment completed.

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Innovative Ways Academy
Mailing Address:
6709 La Tijera Blvd. Suite 274
Los Angeles, CA 90045
ph: (323) 608-1320
info@iwaysacademy.com

close

3. HW: Students receive 1 pt for each assignment completed. Hw is always what was not finished in addition to reading a chapter of the class novel and completing one of the 3 choices of comprehension

I. Summary/critique/ reflection/ connection
II. Quiz for peer 7-10 questions
III. visual representation/poem/song

4. Project: More information will be discussed in class.

5/6. Assessments:
I. Pre-Assessment
II. Weekly Quizzes,
Total of 10 questions.
2 multiple choice
2 true false
2 opened ended
2 short answer ea. Worth 2 points ea.
III. MidTerm
Total of 30 questions
10 multiple choice
10 true false
6 opened ended
4 short answer ea. Worth 2 points ea.
IV. Exam
Total of 30 questions
10 multiple choice
10 true false
6 opened ended
4 short answer ea. Worth 2 points ea.

Language Arts Reading List:
**Deposit for each book is $20; refunded when child returns book in original condition.*

1. August: Arby Jenkins: Mighty Mustang, Sharon Hambrick
2. September: The Dreamer, Pam Munoz Ryan
3. October: The Audacity of Hope, Barack Obama
4. November: Walk Two Moons, Sharon Creech
5. December: The Skin I'm In, Sharon Flake or Slam, Walter Myers
6. January: The Middle Heart, Bette Bao Lord
7. February: The Autobiography of Malcolm X, Malcolm X
8. March: D' Aulaires' Book of Greek Myths, Ingrid d'Aulaire
9. April: The End of Molasses Classes, Ron Clark
10. May: The Candymakers, Wendy Mass

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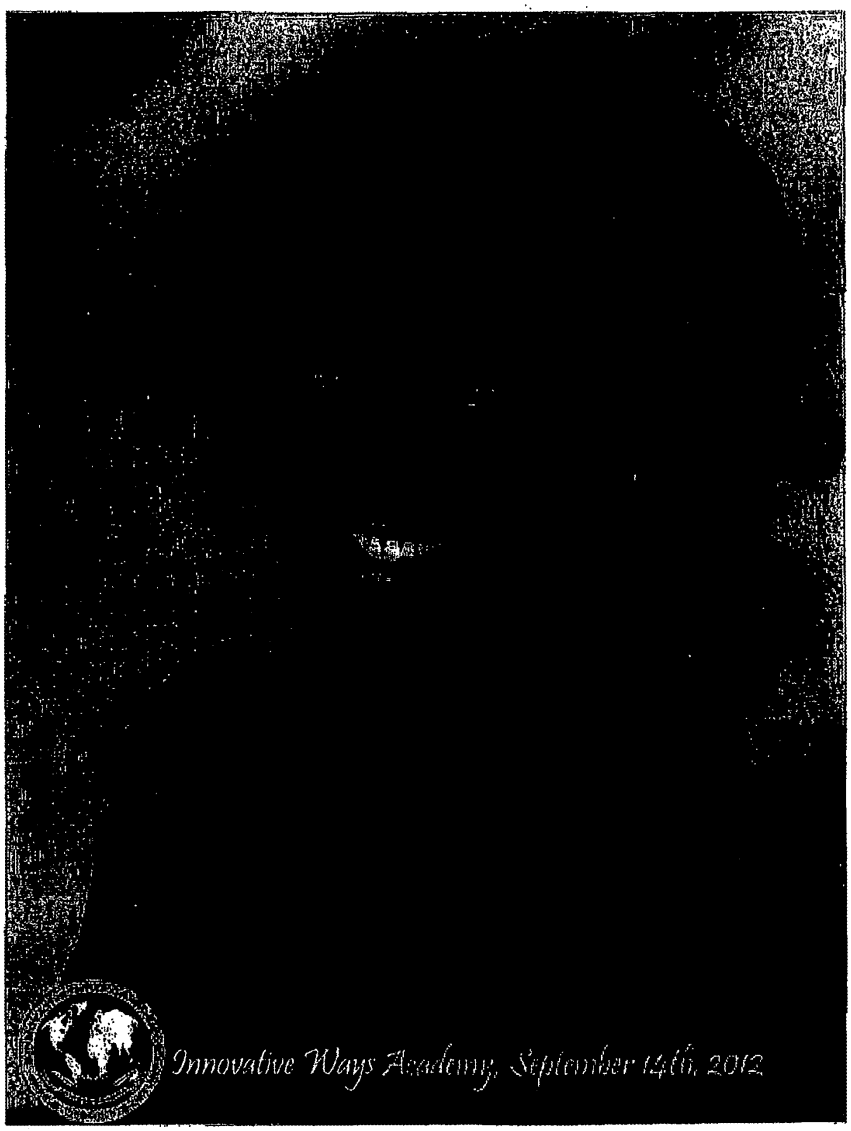

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Deara-Okonkwo-8x10

Comments and faves

Add your comment here.

000963

Innovative Ways Academy - September 2012 Calendar

Sep 12	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					August 31st Tuition Payment Due No later than 3pm	1	2
Week 4	3 Labor Day School Closed	4	5	6	7 Back to School Dance Fundraiser	8	9
Week 5	10	11	12 LA Presentation Due	13 Field Trip to LACMA	14 Picture Day!	15	16
Week 6	17 Student Council Campaign Begins	18	19	20	21 Hispanic Heritage Month Celebration Parent Meeting re: STAR Trip 5pm	22	23
Week 7	24 Student Council Voting Day	25	26	27 P.H.E. Mt. Vernon Hill	28 Celebration of September Birthdays *Themed Day of the Week Favorite Sports Team Day	29	30

Innovative Ways Academy www.iwaysacademy.com *All activities may be subject to change without notice.

000964

WAYS000081

Innovative Ways Academy November 2012 Calendar

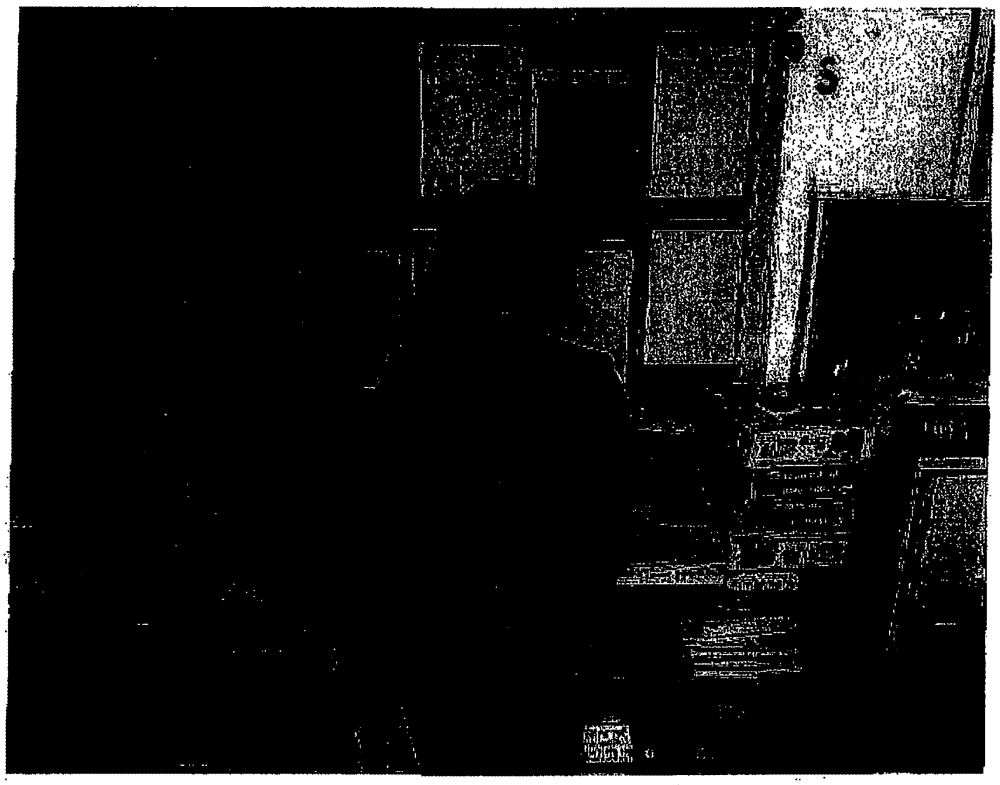
Nov 12	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1 Tuition Payment Due Parent Conferencing	2 Parent Conferencing	3	4
Week 13	5	6 iWays Student Government Election	7 *USC Field Trip	8	9	10	11
Week 14	12 Veterans' Day School Closed	13	14	15	16 Thanksgiving Program	17	18
Week 15	19	20 Community Outreach	21 Fall Recess	22 Fall Recess	23 Fall Recess	24	25
Week 16	26	27	28	29 P.H.E. Culver City Stairs	30 Celebration of November Birthdays *Themed Day of the Month College T-Shirt Day		

Innovative Ways Academy www.Iwaysacademy.com *All activities may be subject to change without notice.

000965

WAYS000082

Deara



In today's hypercompetitive job market, there are few things more desirable than a sterling education. Yet the American educational model is in trouble: public schools are woefully underfunded, graduation rates are falling, and nobody seems willing to agree on a solution. That might change when **Deara** joins the conversation in Washington one day. The 22 year-old South Los Angeles native has specialized in bringing enlivening learning opportunities to her community e ver since starting her own nonprofit dance studio at age sixteen. Since then, Deara – who holds masters degree in Education from USC – has changed young lives at two South LA schools. She serves as the vice principal at Wisdom Academy for Young Scientists, and is the founder of Innovative Ways Academy, a private school for middle school-aged students.

Me: I want to start by talking about your dance studio, since it touches on this generation's interest in entre-

preneurial spirit. You got in touch with yours at an earlier age than most Millennials. Tell me the story.

Deara: Well, I've been dancing for most of my life. As a kid, it began with creative movements, and then as I got older, I started doing ballet and tap dance at the Kittsville Youth Foundation; this academy founded by Eartha Kitt, right here in South LA. The director of the program took notice and one day, she suggested to my mother that I audition for Debbie Allen Dance Academy. I tried out and was accepted with a scholarship. And through this whole process, my parents promised that one day they'd help me start a dance studio. The idea was I could use the studio as a way to give back.

So teaching dance had been a dream of yours for some time?

It was already happening. When I was at Debbie Allen, I started giving lessons in our backyard. I had a signup sheet on the front door of my house and we'd rotate between styles: Flamenco this day, Capoeira the next, and so. And I did all that because my friends and neighbors who were interested in dancing weren't going to Debbie Allen with me, but they were interested in enhancing their techniques.

When and how did your parents acquire the space that would become DeDe Dance Studio?

It was mainly through my mother. She's retired now, but at the time, she was the Executive Director at Wisdom Academy for Young Scientists. There was a building there, used mostly for storage, which my mother and my aunt Dolores helped to convert into a studio space. The part that I had a stake in was the wall-to-wall mirrors and ballet bars, which were paid for by fundraising events like dance performances that my team and I would perform.

Is it safe to say this early experience set you on a path towards education as a profession?

My interest was present from the beginning, but one event that transformed my idea of starting and running a school into a reality happened during the first year of my doctoral program at USC. I was enrolled in a leadership course with Dr. Rudy Castruita, and we had to design an outlook plan in which we hypothesized our own leadership evolving over ten years. And I remember noting that by Year Eight, I wanted to found a school. But it actually began happening much sooner than that.

When, exactly? What were the circumstances?

Shortly after finishing the leadership course, the executive director at Wisdom Academy introduced me to an individual from the Church of Scientology named Isaac Asberry. I wound up meeting him right in South LA, at this big, beautiful building that I soon learned was the church's own community center. Only, it was abandoned. And I remember seeing it and thinking, "This is it. This is going to be the school."

Follow

And when you say "the school", you mean Innovative Ways Academy. What were the next steps? How does one pilot a new school?

First, you have to project the idea of the school to the surrounding community. I had a vision of this world-class, elite, college-oriented institution for students right here in South Central LA, in a building that was already steeped with history. And it was always intended to be a middle school, because that's the age range when a lot of kids tend to drop out of school. I wanted to start a program that would engage students to a level where they'd manage to hang on through the toughest times.

So you have the dream, out in the open. What comes next?

Next, you need a budget, and that's where my mother's brains come in. I'm very fortunate to have a mother who supports everything I do, and she also happens to be a sound businesswoman. The two of us sat down and began by outlining all the necessary supplies we'd need to get the school up and running. Then we tackled operations and hiring faculty. Salaries are easily the biggest financial consideration behind getting a school up and running. My mother financed these setup costs, but we also conducted a lot of neighborhood fundraising to pay for things like student meals and field trips for the first year.

How many students were enrolled at Innovative Ways Academy during the first school year?

Only 13. I wanted to make sure that the curriculum worked before applying it to a larger group of students. But it did, and now that it's been a success, I've been looking at trying to apply our learning model to a bigger public school environment. And right now, we've actually got one middle school nearby that's interested in giving it a test run for the 2013-2014 school year. A lot of my recent time has been spent facilitating that.

Hearing about all of this, it's easy to overlook the fact that you're also *working as the vice principal at Wisdom Academy for Young Scientists! What does a day in the life of a VP look like?*

The whole day begins at 7 AM. The students have some time to eat breakfast as our staff and teachers roll in. Then at 7:50, we have a student-led assembly. And that really speaks to the type of leadership communication we employ at Wisdom.

A more communal approach?

Right. I like to avoid top-down school management where the principals just give commands. It's better to communicate your expectations in a way that can be echoed by students and teachers. People buy that. It's like...if I'm Marc Jacobs, and I have Beyonce model my clothes, they're much more likely to sell than if Marc Jacobs simply appears on TV and urges everyone to try out his latest designs! I pr[illegible] Follow

ing a humble leader because it gives the students more room to shine.

As the vice principal, do you also instruct students in the classroom?

Oh, definitely. At 8 AM on any given day, you might see me teaching a language arts class. And I'll usually put a spin on the lesson by working dance into the presentation. For instance, I'll use a pirouette to convey synonyms, and a jete for antonyms. It gets the kids excited about what they're learning.

Is this outside-the-box instruction approach applied in most classes at Wisdom?

We use it in almost all classroom situations. One approach that's been really popular is incorporating rap into math lessons. The students get to hear their favorite songs from their favorite rap artists, but the lyrics are reworked to teach concepts like multiplication. And it's a lot of fun for them. They look forward to the next lesson, they get involved.

And it's probably a more compelling incentive to ace their homework assignments than a standard review session the next morning.

Exactly. Not only that, but when our teachers eventually hold assessment tests to see how the students are retaining all this new information, we see very positive results. And that's extremely important when you think about the standardized testing that these students are going to negotiate; testing that will affect their academic future.

What about the students whose career expectations aren't reached by a four-year college education?

I think it's really important to have a dual emphasis on college and career when you're working with young students. Because, like you said, not every career is reached through college. Let's say you want to be a policeman or a pilot. You'll need advanced studies, but not the same as the majority of your classmates. I mean, not everyone can become the president of the United States! If a student says they like to help people, we'll sit down with them and make a list of all the professions they could pursue that would allow them to help people. And from there, we help each student work towards a higher education that applies to their career interests.

Speaking of the future, where do you see yourself five to ten years down the road from right now?

Right now, I'm at a point where I've begun to think about starting a family and the joys that come with it. So that will definitely be a priority. Career-wise, I see myself working in politics or international education.

Define "politics".

Follow

My ideal career goal – for a long time coming – has been to become the US Secretary of Education. And of course, there are many roads to that point. I could work in Sacramento for the state's standardized testing program, or serve as a superintendent. But ultimately, there are some new ideas and policies I'd like incorporate into the American public education system.

Let's hear some.

Foreign language. I'd like to see it become a mandatory subject in primary education curriculums. Another one, more of a fantasy, would be an extended school day. And when most people hear this, they go, "Ahh! No way!" But here's the twist: you'd extend the school day, and then cut out Friday. That way, students could use that free day to participate in internships, community service, sports...you name it.

That would certainly give students an early leg up in today's job market!

It would! You could almost look at Friday as an "application day." Monday and Thursday can remain devoted to theory, but Friday would allow some real world practicum. Because otherwise, you're likely to still have lots of students getting frustrated with school and dropping out early to go find a job somewhere.

In case any members of President Obama's education department are reading this, are there any other ideas you'd like to throw out there?

Sure – I'd like to see our country increase the value and esteem of the teaching profession. If we impose qualification requirements for educators – and offer them much better salaries than we do right now, we're likely to see a competitive pool of teaching applicants, who will in turn be better teachers for our students. Most of us want the best doctors presiding over us, or the best engineers designing our cities. Why shouldn't we expect the same standard when it comes to the professionals educating our children?

What challenges do you see yourself facing as you move towards your professional goals?

I think relocating will be hard for me. My neighborhood, USC, and my family are very important to me, and while I know that eventually I'll have to move...hopefully to Washington DC one day...it's tough for me to just leave, start a new clique somewhere else, and adapt to an entirely new environment.

Blowing that question open, what challenges do you think Millennials are likely to face as they enter their 30s and 40s?

Of course, employment and healthcare will probably be two of the biggest challenges for mos[illegible] Follow

But there's always a way to solve challenges, and that's what I think we need to channel our energy into. If you can't find a job that allows you to do something you enjoy and do well, maybe it's time to start thinking about how you could create that job. If I didn't have either of the opportunities I do have for teaching, I'd find like-minded individuals and create a charter school. Or a tutoring program. It's possible to create an outlet for your skills: but it requires a lot of hustling, living within your means, and being very specific about your goals. Write them down or put them in a flow chart if you have to!

I'm especially curious to hear your take on this one: I've asked everyone involved with this project how they identify with the term Millennial and its mainstream connontations. (The entitled, lazy young adult.) What does the term mean to you?

Based on my experience and those of my colleagues...I think "Millennial" means a 21st century individual who's very adaptable and open to new ideas and demands of the times we're living in. It's a very positive word to me. I think the popular, more unflattering definition comes from people our age being studied alongside the next generation of young adults, the ones who are in high school now. Because I've worked with a lot of these students, and some of them do tend to embody the negative Millennial stereotype: you know, sending unpolished resumes via their iPhones and expecting an interview.

Interesting. And troubling too. Why do you reckon that is?

Technology, maybe? Most Millennials didn't have Facebook, Twitter, or smartphones until high school at the *earliest*. I sometimes wonder if all these devices are handicapping the next generation; weakening their initiative. And that's part of my job as an educator – showing high school juniors how to finesse a cover letter with a nice, professional signature, or brainstorming ways that a student could hedge their bets on landing a job they want by networking with the company they want to join, or even doing some volunteer work there *before* applying.

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Aimee & Jesse Mary An Introduction

This entry was posted in Uncategorized on June 30, 2013 [http://driveallnight.org/2013/06/30/deara/] .

One thought on "Deara"

kashmira omar
January 30, 2014 at 9:27 pm

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POST COMMENT

15

EXHIBIT 15

Hon. Carol Lee Tolbert, President /RE: Board Meeting Postponed

Carol Lee Tolbert <kids@civicpride.net>
Wed, Nov 20, 2013 at 11:54 PM

To: Edward Cabil <edcabil@sbcglobal.net>, dvalenti747@yahoo.com, armando.espinoza.10@my.csun.edu, johnsoncenter@msn.com, normanskx@gmail.com, saundavis@aol.com, kimberly@ksdanielslaw.com
Cc: Patel_Neha@lacoe.edu, Jason Okonkwo <mrjason7@gmail.com>, Karen Horowitz <klhorowitz@verizon.net>, deara7@gmail.com, Bali Business Management <balibusinessmanagement@yahoo.com>, larry.wisdomacademy@gmail.com

Good Evening Mr. Cabil,

On yesterday evening, I read your email unilaterally postponing the Board of Directors' meeting; even though I emailed a draft agenda to you at 4:40PM - in time for you to post it by 5:00PM to meet the 72-hour deadline required by the Brown Act. However, you did find time to send out a scurrilous email requesting that the 'new' board members step down; and identifying me specifically. (I will be responding to your recent emails under separate cover.)

a. Your administrative responsibilities do not give you the prerogative to postpone Board meetings. Case in point, board members do not have the prerogative to cancel staff meetings. Moreover, you were keenly aware of the time-sensitive documents being requested by LACOE. We were to submit these documents below not later than November 22, 2013. I will list them for you:

1. Board Policy on Admissions/Enrollment/Lottery
2. Board Policy on Student Fees
3. Board Policy on Suspension & Expulsion
4. Board Meeting Minutes for September 26, 2013
5. Board Meeting Minutes for October 24, 2013

b. Interestingly enough, LACOE sent an email earlier today indicating staff had emailed these unapproved Board Policies. I requested you to place the above policies on the November 21, 2013 Board agenda for review/modification/approval for the 2013-14 School Year in order to meet the requested deadline. These policies must still be approved by the Board of Directors; similar to Board minutes.

Additionally, other matters that needed to be considered by to the

Board at its November 21, 2013 meeting included:

c. The Single Plan for Student Achievement along w/ the draft Student Achievement Plan outlining the strategies to be implemented that would ensure African-American and Special Education students; who did not meet their 2012-13 AYP growth targets, would meet their 2013-14 AYP growth targets. The final Student Achievement Plan is due to LACOE on December 2, 2013. I am sure Board members would like to have this information presented in a timely manner.

d. The Title One Budget due to LACOE by November 15, 2013 that was not submitted, and has yet to be reviewed and approved by the Board. This budget identifies the funds to be used to support both the 2013-14 Single Plan for Student Achievement as well as the Student Achievement Plan.

e. An overdue monthly budget presentation from Bali Business Management explaining to the Board a line item budget increase of $118,000 from the previous school year in supplies. As you may recall, in August the Board 'conditionally' approved this year's budget in order that

some funds could be used to open the school-year, although LACOE would receive a 'conditionally approved' 2013-14 budget. Since August, the Board has not had an opportunity to review the school's budget. In September, the contractor was called and instructed not to come. In October, when the contractor did come, the Board meeting was disrupted and the contractor was unable to present the budget, nor was the Board able to continue with the meeting as we were told to "get out". In fact, was directly yelled at and threatened by the employee to, "Get out and don't come back!" among his other verbal and physically menacing gestures.

f. Scheduling of Board Retreat that every board member agreed was needed for several reasons. (See Agenda)

g. Hearing critical Closed Session items

h. The review/approval of a contract for the Executive Director; if one had been provided. In fact, no contracts for this school year have been presented to the Board for review, approval or denial. Were the teachers' contracts approved prior to the end of school? I know this current Board did approve their Salary Schedule.

Since there is no scheduled Board Meeting in December, I am recommending that the Board schedule a December meeting, due to 'postponement' of its November meeting.

For further illumination, please see the attached agenda.

Needless to say, this and other recent events are disheartening. Board members are **NOT** the problem. Board members govern, approve expenditures and direct administration. Administration implements the policies of the Board, and manages the daily operations of the organization. There is no getting around this

fact. No matter who the governing board members are; in public entities, this is known as the system of 'checks and balances'

Respectfully,

Hon. Carol Lee Tolbert, President

Wisdom Academy for Young Scientists

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Tuesday, November 19, 2013 4:45 PM
To: dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.com; normanskx@gmail.com; saundavis@aol.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com
Cc: Patel_Neha@lacoe.edu; Jason Okonkwo; Karen Horowitz; deara7@gmail.com; Bali Business Management; larry.wisdomacademy@gmail.com
Subject: Board Meeting Postponed

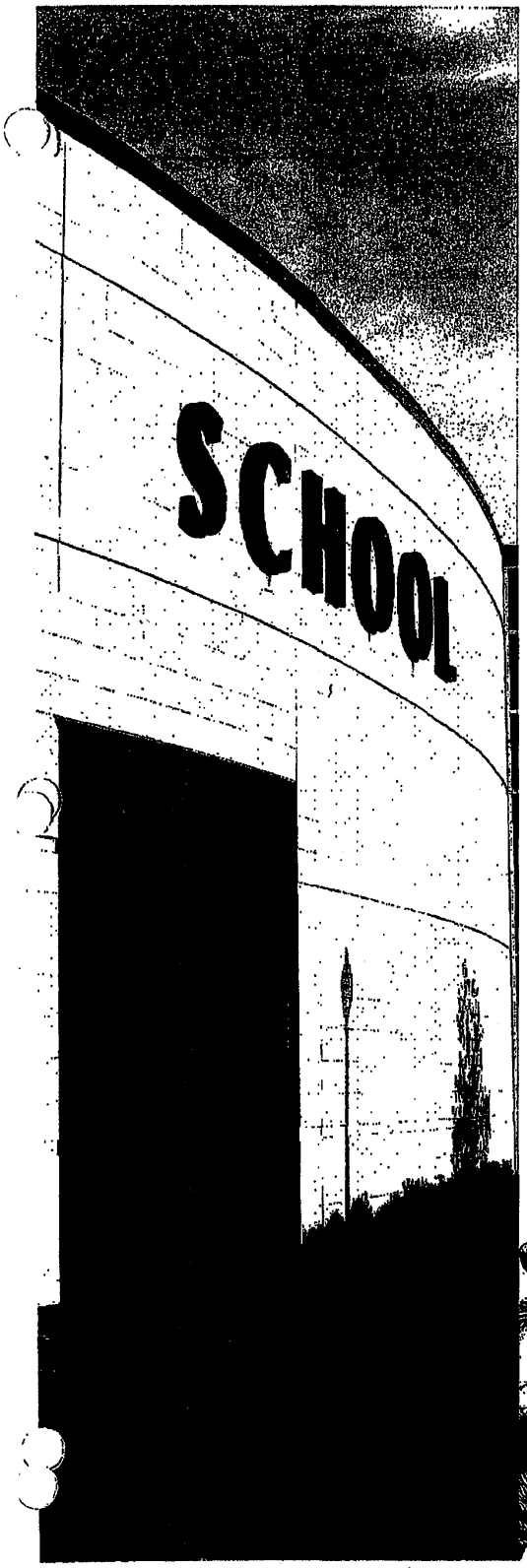
I am writing you to notify that the November 21, 2013 board meeting has been postponed.

Blessings,

Ed Cabil

16

EXHIBIT 16



FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

Los Angeles County Office of Education

regarding the

Wisdom Academy for Young Scientists

AB 139 Extraordinary Audit

March 19, 2014

Joel D. Montero
Chief Executive Officer

000048

[redacted]

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

March 19, 2014

Arturo Delgado, Ed.D., Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242

Dear Superintendent Delgado:

The contract between the Fiscal Crisis and Management Assistance Team (FCMAT) and the Los Angeles County Office of Education to provide an Assembly Bill 139 extraordinary audit of the Wisdom Academy of Young Scientists (WAYS) was signed in May 2013 and returned to FCMAT in June 2013. Specifically, the agreement stated that FCMAT would perform the following:

Scope and Objectives of the Study

1. Evaluate the charter school's internal control structure, policies and procedures to test transactions and reporting processes to determine if adequate procedures are in place to safeguard assets, including physical objects, charter school data, and intellectual property.

   Evaluation of policies and procedures will include the following:

   i. Review compliance with policies and procedures including, but not limited to, those related to human resources, finance, purchasing, granting agencies, and state and federal government programs and funding.

   ii. Review document and records retention procedures to determine whether the charter school provides reasonable assurance that asset records are safeguarded and transactions are correctly recorded.

2. Evaluate the reliability and integrity of information used for internal management decisions and external agency reports.

3. Determine if authorization procedures are appropriate and consistently followed. Review administrator and manager approvals and whether signature authority is delegated only to authorized employees.

FCMAT
Joel D. Montero, Chief Executive Officer
1300 17th Street - City Centre, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 707-636-4647 • www.fcmat.org
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

4. Determine whether proper segregation of duties exists. The team will evaluate personnel, payroll, accounts payable and cash transactions, and will do the following:
   i. Review the authorization process for cash receipts
   ii. Determine if protective measures are in place for safeguarding assets, processes and data.
   iii. Determine whether safe combinations are changed periodically and anytime a staff member who knows the combination terminates employment.
5. Evaluate reporting processes. The team will do the following:
   i. Evaluate monitoring and verify that controls are operating properly.
   ii. Evaluate controls that prevent management from overriding internal controls and thus prevent the potential misappropriation of funds.
   iii. Evaluate whether clearly established lines of authority and responsibility exist within and between departments for proper review and reporting purposes, and if these are shown on organizational charts.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the Los Angeles County Office of Education, and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Joel D. Montero
Chief Executive Officer

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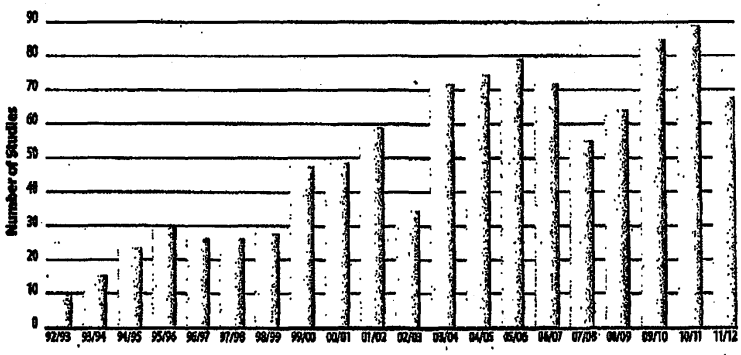
About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

In May 2013, the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the Los Angeles County Office of Education for an Assembly Bill (AB) 139 extraordinary audit of the Wisdom Academy for Young Scientists charter schools. The county office had received allegations of multiple fiscal irregularities, questionable expenditures and inappropriate related-party transactions at WAYS charter school. Concerned that these allegations may have violated various government and education codes related to fraud and/or misappropriation of assets, the county superintendent initiated an investigation to determine whether sufficient evidence of fraud, misappropriation of funds or other illegal activities may have occurred to report the matter to the local district attorney's office for further investigation. Under the provisions of Education Code Section 1241, FCMAT entered into a contract with the Los Angeles County Office of Education to conduct an AB 139 extraordinary audit.

FCMAT interviewed employees and reviewed documents to determine if instances of fraud, misappropriation of funds or other illegal practices occurred that would warrant further investigation by the local district attorney's office.

Study Guidelines

FCMAT provides a variety of services to school districts and county offices of education upon request. Education Code Section 1241.5(b)(c) permits a county superintendent of schools to review or audit the expenditures and internal controls of any school district in that county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. According to the Education Code, the review or audit conducted by the county superintendent will focus on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and is to be conducted in a timely and efficient manner. This is in accordance with Education Code Section 42638(b), which states as follows:

> If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the school district, the State Controller, the Superintendent of Public Instruction, and the local district attorney.

Therefore, FCMAT focused on the allegations of misappropriation of assets, misuse of grant funds and conflict of interest to determine whether Wisdom Academy for Young Scientists Charter School and/or its personnel were involved in or committed fraudulent activities.

Audit Fieldwork

Investigating allegations of fraud requires a number of steps that include interviewing potential witnesses and assembling evidence from internal and external sources. The FCMAT study team conducted initial county office interviews in June 2013 during the schools' summer vacation and then visited the three charter school campuses in November 2013 to conduct interviews, collect data and review documents. Based on new information, additional interviews and fieldwork were scheduled in December 2013 through February 2014. Specifically, FCMAT reviewed, analyzed and tested records that included audited financial statements, financial records, grant documents, board minutes, the charter petitions and other documentation from independent third party

sources. The review also included interviews with a board member, management personnel, business service provider, and former charter school employees to evaluate information concerning any alleged mismanagement, fraud, or abuse.

The fieldwork focused on determining whether there is sufficient information to ascertain fraud, misappropriation of funds, conflict of interest particularly with related-party transactions, self-dealing through privately owned company transactions of management and key employees and the former executive director of the charter school, and breach of fiduciary duty.

Although there are many different types of fraud, a conflict of interest and breach of fiduciary duty exists when officers or employees of the organization have a personal financial interest in a contract or transaction and is considered to be a form of misappropriation of assets.

All fraud has common elements including the following:

Knowingly making an untrue representation or a false claim of a material fact;

- Intent to deceive, or concealment of the act;
- Reliance on untrue information; and
- Damages or a loss of money or property.

This report is the result of that investigation and is divided into the following sections:

- Introduction
- Background
- Scope and Procedures
- Findings and Recommendations
  - Occupational Fraud
  - Related-Party Transactions, Significant Influence, Self-Dealing
  - Audit Findings
  - Governing Board Oversight
- Appendices

Study Team

The FCMAT study team was composed of the following members:

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Background

Wisdom Academy for Young Scientists (WAYS) operates under the Merle Williamson Foundation, a non-profit 501(c)(3). WAYS charter school was authorized as a charter school by the California Department of Education (CDE) in September 2006. The first-year enrollment of 141 grew to 267 pupils by June 30, 2012.

Originally approved by Los Angeles Unified School District Board of Education, the charter school was denied renewal of the petition effective July 1, 2011. The district cited several instances of Education Code violations that included:

1. Conflict of interest concerns between related parties, the executive director, the principal and members of the Board of Directors including self-dealing;
2. Violations of the Brown Act;
3. An ineffective governance structure; and
4. Failure to provide a reasonably comprehensive description in the petition for 12 of 16 required elements pursuant to EC 47605(b)(5) .

The WAYS governing board is responsible for fiscal accountability and proper governance over all financial transactions but has limited involvement in the schools' financial affairs. The inability for the governing board to exercise due diligence and implement internal controls has effectively allowed the former executive director, current executive director and related parties unrestricted access to the assets of the organization and implied authority to enter into a variety of business arrangements for personal gain without board authorization and/or approval.

The involvement of the former executive director, related parties, business associates, former board members and numerous businesses owned by the former executive director and her husband has raised questions regarding potential conflict of interest, significant influence over financial transactions, self-dealing, control over fiscal management and related party transactions in violation of government and education codes.

On June 7, 2011, the Los Angeles County Board of Education (LACBOE) granted conditional approval for the WAYS charter school. Since that time, the management of the charter school has repeatedly resisted implementation of the conditions for approval by ignoring requests by the county office staff for information to support that the conditions have been met. On several occasions, verification that the conditions have been met including required reports such as financial information, interim budget reports, audited financial statements and monthly reports have been submitted after repeated requests by Los Angeles County Office of Education (LACOE) staff or have not been submitted at all.

County office staff cite several instances within the first year of operations where WAYS failed to comply with the conditions set forth in the original conditional approval. Some examples include: Management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding internal control over credit card usage, attendance reports, contact information, student information, board minutes, board agendas, board meeting dates, failure to abide by

conflict of interest laws, and interference in operations from the founder/former executive director, in addition to written and verbal complaints by board members, parents and staff.

Following the conditional approval by LACBOE, the county office staff received written and verbal complaints alleging WAYS engaged in fiscal mismanagement, interference with the board in its fulfillment of fiduciary duties by the founder/former executive director, disbanding of board meetings caused by unruly behavior preventing unfavorable actions of the board, resignation of five of the nine board members in one month citing concerns over conflict of interest, ongoing board member resignations, dissention, verbal abuse of board members by the founder/former executive director and, most recently, her son, the director of operations. In January 2014, three of five board members resigned, citing similar complaints that are verified in the minutes and audio recordings of board meetings.

LACOE staff note several irregularities and possible misappropriation of funds within the WAYS charter school organization that oversees three charter school sites. These allegations of fraud involve ongoing conflicts of interest and the mismanagement of charter school funds related to facility leases, related-party transactions between the former executive director who owns two of the properties leased by the school and is related to owners of private businesses that conduct business with the charter school, execution of a vehicle lease without board approval, and a substantial separation of service payment to the former executive director without sufficient supporting documentation.

Governance issues include an ineffective governance structure caused by continued interference by the former executive director through her son and daughter that hold key positions of authority and decision making in the organization, effectively eliminating the governing board's ability to exercise its fiduciary responsibilities and duty of care. Evidence of board meeting cancellations and disruption by the current executive director and the founder's son (director of operations) are corroborated through emails, board minutes and audio recording of board meetings. Prior to the board president's resignation in January 2014, threatening outbursts by the founder's son at a specially scheduled board meeting ended the meeting, after which she obtained a restraining order for her personal protection.

Based on these allegations, the Los Angeles County Office of Education, Charter Schools Division conducted a preliminary investigation, and based on the results of their initial findings, requested assistance from FCMAT pursuant to Education Code Sections 47604.4 and 1241.5(c).

The county office requested FCMAT to provide for the assignment of professionals to study specific aspects of alleged fraud, misappropriation of funds or other illegal fiscal practices that may have occurred in the Wisdom Academy for Young Scientists organization that merit examination.

EC Section 42638(b) requires action by the county superintendent to include the following:

> If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the charter school, the State Controller, the Superintendent of Public Instruction and the local district attorney.

Sufficient evidence exists to demonstrate that WAYS' management and governing board has failed to cooperate with its oversight agency; is engaged with fiscal mismanagement; violates California conflict of interest laws by engaging in related party transactions and self-dealing; and has breached its fiduciary responsibility and duty of care.

Scope and Procedures

The fraud investigation consisted of gathering adequate information regarding specific allegations, establishing an audit plan, and performing various audit test procedures to determine whether fraud occurred, and if so, evaluate the loss, determine who was involved, and determine how it occurred. During the interviews, FCMAT study team members asked questions pertaining to levels of authority to enter into contracts, governing board oversight, financial management policies and procedures, job duties and responsibilities, and questions related specifically to the founder/former executive director's settlement agreement, facility leases, automobile lease, excess fuel purchases and various purchases by selected vendors including the dance studio owned by the founder's daughter.

The primary focus of this review is to provide the Los Angeles County Office of Education with reasonable assurances based on the testing performed that adequate management controls are in place regarding the charter schools' reporting and monitoring of financial transactions and that fraud, misappropriation of funds or other illegal activities have not occurred. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance.

FCMAT utilized fraud risk assessment tools to conduct sample tests of financial transactions, other data and contracts to determine if fraud, misappropriation of funds or other illegal activities have occurred. Testing associated with this review is based upon sample selection and does not include the testing of the complete list of all transactions and records for this period. Sample testing and review results are intended to provide reasonable but not absolute assurance as to the accuracy of the district's transactions and financial activity.

Transaction Sampling Analysis

To accomplish the objectives of this audit, a number of audit test procedures were developed to provide an in-depth analysis and understanding of the allegations and potential outcomes. The team had access to the general ledger records from July 1, 2008 through June 30, 2013. Specifically, FCMAT performed audit tests related to general ledger transactions, bank statements, check disbursements, and rent, facility and automobile lease agreements, including the following:

- Review of the charter schools' detailed QuickBooks general ledger records for the most recent five-year period from July 1, 2008 through December 31, 2013.
- Review of bank statements covering the audit period.
- Review of proper authorization and available supporting documentation.
- Review of credit card transactions and payments.
- Analysis of supporting documentation for credit card transactions.
- Review of federal forms W-9, 990 and 1099 over the audit period.
- Review of the charter schools' fiscal policies and procedures handbook.
- Review of the charter schools' petition documents and bylaws.
- Review of the governing board minutes and agendas.
- Analysis of purchases for school materials and supplies.

- Analysis of the charter schools' compliance with laws and regulations relating to conflict of interest and the Political Reform Act and review of Forms 700.
- Review of the charter schools' internal control process and procedures to determine possible weaknesses in prevention and detection of fraud, misappropriation and/or criminal activity.

Transaction sampling was the method used to evaluate the vendor payments issued by WAYS. To evaluate WAYS' management of expenditure decisions, FCMAT obtained a full copy of the WAYS accounting software, QuickBooks. Using QuickBooks, the team reviewed the WAYS general ledger and vendors over the last five years.

The WAYS chart of accounts general ledger is comprised of 196 accounts. Vendor transactions are accounted for using the charter of accounts recorded in the general ledger to account for transactions in various like-kind groups such as office supplies, books, rent, loans, capital improvement, etc. For example, a typical purchase from Staples would be recorded as supplies and subsequently paid through accounts payable, eventually decreasing the cash account.

The team reviewed all 42 customers and 667 WAYS vendors and scanned each transaction in the QuickBooks software to identify potential individual transactions to be examined further.

An audit risk assessment involves sampling of both customer and vendor transactions. Customer transactions were consistent with audit risk parameters; therefore, no additional transactions were reviewed. However, the team identified 20 of the 667 vendors for an in-depth audit that included 137 individual transactions as demonstrated in the following table below.

WAYS Transaction Sampling	Customers	Vendors	Total
Total Number	42	667	709
FCMAT Team Previewed	42	667	709
Percent Previewed	100%	100%	100%
Selected For Detailed Review	-	20	20
Percent Previewed of Total Number	0%	3%	3%
Detailed Documentation Examined	n/a	137	137

Selected vendor transactions were audited for supporting documentation for paid invoices based on specific criteria and depending on the type of purchase:

- An invoice's appearance, calculations of extended prices and quantities, description of invoice line items, and sales tax calculations
- Invoice payments
- Shipping documents
- Bills of lading and/or packing slips
- Receipt documentation such as notes, description of the business purpose
- Proper authorization including governing board approval, management approval, and conformance to internal accounting policies and procedures

- Proper coding of the transaction into the chart of accounts general ledger
- Vendor names and check payee names that are supported by valid business license, sales tax licenses and federal Form W-9
- Vendor invoices that present valid business addresses
- Vendors that were issued a federal Form 1099
- Contracts that are valid for the appropriate time period and contain authorized signatures
- Other proper documentation depending on the type of purchase or contract

After reviewing 137 detailed transactions of the 20 vendors selected for detailed review, the following six vendors fit the profile of related parties and/or were business entities that received payments from WAYS business accounts for goods or services:

1. OSE Business Services
2. American Express credit card
3. Godfrey Okonkwo
4. Emeka Enwezor
5. Avatar Technology
6. Toyota Motor Corporation - Lexus purchase and sale

The following findings and recommendations are the result of the audit procedures and analysis performed.

8

[redacted]

Findings and Recommendations

Occupational Fraud

The owners, executives, directors, managers and/or employees of an organization may commit occupational fraud, which has three primary classifications: schemes related to asset misappropriation, corruption, and financial statements. Occupational fraud is the most common type of fraud that occurs in school settings.

Asset misappropriation frauds include cash skimming, purchasing fraud, falsifying expense reports and/or forging company checks. Corruption schemes involve an employee(s) using his or her influence in business transactions to obtain a personal benefit that violates that employee's duty to the employer or the organization; conflicts of interest fall into this category. Financial statement fraud includes the intentional misstatement or omission of material information in the financial reports.

Occupational fraud is one of the most difficult types of fraud and abuse to detect; however, the most common method of detection is receiving tips from current and/or former employees, which occurs three times more frequently than any other fraud prevention method for this type of scheme, and accounts for 43.6% of detections overall. According to the 2012 Report to the Nations on Occupational Fraud and Abuse conducted by the Association of Certified Fraud Examiners (ACFE), corruption schemes accounted for approximately one-third of all occupational fraud cases reported, with a median loss of $250,000.

Based on this study, there is a direct correlation between the perpetrator's position and authority in the organization and the losses incurred. Approximately 43% of fraudsters were employees; 34.3% were managers; 4.2% were "others," and 18.5% were owner/executives. Although the second lowest percentage is from owner/executives, this group generated the largest median loss of $373,000 out of the 753 cases reported in the United States.

WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates. The founder/former executive director selected the board members, which gave her and other family members significant influence over financial decisions that benefited them financially. Even after the founder was removed from her executive director position as a condition of the newly executed charter petition by the county office of education, the founder/former executive director positioned her son, daughter and previous board president to hold key positions in the organization and run the day-to-day operations, and by this action still maintained effective control over the financial affairs of the organization.

This report will demonstrate that there is an integral relationship between appointed board members and related family members and business associates – particularly between the former executive director, her son, daughter, former board president and their associated private businesses and lease agreements – that created an environment that allowed and continues to allow access, opportunity and motivation for occupational fraud to occur.

Internal Control Elements

Internal controls are the principal mechanism for preventing and/or deterring fraud or illegal acts. Illegal acts, misappropriation of assets or other fraudulent activities can include an array of irregularities characterized by intentional deception and misrepresentation of material facts.

Effective internal control processes provide reasonable assurance that a charter school's operations are effective and efficient, that the financial information produced is reliable, and that the organization operates in compliance with all applicable laws and regulations.

Internal control elements provide the framework for an effective fraud prevention program. An effective internal control structure includes the policies and procedures used by staff, adequate accounting and information systems, the work environment and the professionalism of employees. An effective internal control structure includes the five interrelated components of the control environment: fraud risk assessment, control activities, information and communication, and monitoring.

Internal Control Element	Description
Control Environment	Commonly referred to as "the moral tone of the organization," the control environment includes a code of ethical conduct; policies for ethics, hiring and promotion guidelines; proper assignment of authority and responsibility; oversight by management, the board or an audit committee; investigation of reported concerns; and effective disciplinary action for violations.
Fraud Risk Assessment	Identification and assessment of organization's objectives to establish and develop a strategy to react timely.
Control Activities	The development of policies and procedures to enforce the governing board's directives. These include the actions by management to prevent and identify misuse of the district's assets, including the prevention of override of controls in the system by any employee.
Information and Communication	The establishment of effective fraud communication. This includes ensuring that employees receive information regarding policies and opportunities to discuss ethical dilemmas. Establishing clear lines of communication in an organization to report suspected violations.
Monitoring	Ongoing monitoring that includes periodic performance assessments for fraud deterrence by managers and employees.

Examples of improper internal controls include, but are not limited to, the following:

- Failure to adequately segregate the duties and responsibilities of authorization.
- Failure to limit access to assets or sensitive data.
- Not recording transactions, resulting in lack of accountability and the possibility of theft.
- Unauthorized transactions, resulting in skimming, embezzlement or larceny.
- Lack of monitoring or implementing internal controls by the governing board and management.
- Collusion among employees where little or no supervision exists.

A system of internal controls consists of policies and procedures designed to provide the governing board and management with reasonable assurance that the organization achieves its objectives and goals. Traditionally referred to as *hard* controls, these include segregation of duties, limiting access to cash, management review and approval, and reconciliations. Other types of internal controls include *soft* controls such as management tone, performance evaluations, training programs, and maintaining established policies, procedures and standards of conduct. Controls that have been established must also be implemented and monitored to ensure their effectiveness.

Although WAYS had a fiscal policies and procedures handbook, the organization failed to implement or monitor several of the adopted policies and procedures. Recent board minutes document

that when board members expressed the need to review and approve certain financial transactions or asked for the back office provider to present the financial statements during open board meetings, management repeatedly ignored these requests. In some cases, management canceled board meetings and caused major disruptions that ended board meetings prematurely.

The internal control environment is a critical component because it establishes the organization's moral tone, commonly referred to as "the tone at the top." The tone at the top is an intangible internal control element that consists of the perception of an organization's employees regarding the ethical conduct displayed by the governing board and executive management.

A strong system of internal controls that consists of all five elements can provide reasonable but not absolute assurance that the organization will succeed in achieving its goals and objectives. The failure to establish adequate internal controls limiting the ability of the founder, family members and other related parties to access assets coupled with a lack of accountability to the governing board created an environment for fraud and misappropriation to occur.

To further demonstrate the lack of effective internal controls, independent audit reports for the last three fiscal years report 15 instances of significant and/or combined internal control conditions. Several of these findings have not been addressed by management and the governing board; therefore, these findings are repeated each year. The following table illustrates a complete list of audit findings from 2010-11 through 2012-13 prepared by annual independent auditors.

Audited Financial Statements Schedule of Findings and Questioned Costs for Audit Years 2011, 2012 and 2013

Finding	Description	2011
II-01/3000 – Combined Significant Deficiency Internal control condition	Untimely deposit of cash receipts	Untimely deposit of cash receipts risk the mismanagement of funds (either fraud or loss), misstatement of revenue, receivable or cash, and possible noncompliance with contracts, or laws and regulations.
II-02/3000 -Combined Significant Deficiency Internal control condition	Bank Reconciliation Over Site	Bank reconciliation was not properly reviewed resulting in inconsistent bank to book balances. Could result in a material misstatement of the financial statements. Organization lacks adequate procedures to ensure that bank reconciliations are reviewed monthly by a supervisor.
II-03/3000 – Combined Significant Deficiency Internal control condition	Accounts Receivable Reconciliation	The accounts receivable general ledger balance was not reconciled to the accounts receivable subsidiary ledger balances. Organization has not adequately established written policies and procedures to ensure accounts receivable balance is properly reconciled to subsidiary ledger balances and that differences are investigated and cleared in a timely manner. Could result in material errors or possible fraudulent activities going undetected resulting in materially misstated financial statements.

11-04/3000 – Combined Significant Deficiency Internal control condition	Recording transaction without complete supporting documentation	Supporting documentation for several disbursements was not complete. Could result in duplicate payments, goods and/or services not received, or payments that are incorrect or fraudulent. Could be a material misstatement of the financial statements. Organization lacks clear policies and procedures for the approval of all disbursements.
11-05/3000 – Significant Deficiency Internal control condition	Payroll Expense Reconciliation	Payroll expenses are not properly reconciled and adjusted in a timely manner. Could be a material misstatement of the financial statements.
11-6/3000 – Significant Deficiency Internal control condition	Written Asset Capitalization Policy	Organization does not have a written asset capitalization policy or procedures. This could result in unreliable financial reporting and compliance. Could be a material misstatement of the financial statements.
Finding	**Description**	**2012**
11-01/3000 – Significant Deficiency Internal control condition	Bank Reconciliation Over Site	Bank reconciliation was not properly reviewed resulting in inconsistent bank to book balances. Could result in a material misstatement of the financial statements. Organization lacks adequate procedures to ensure that bank reconciliations are reviewed monthly by a supervisor.
11-02/3000 – Significant Deficiency Internal control condition	Payroll Expense Reconciliation	Payroll expenses were not consistently reconciled to the general ledger. Could result in a material misstatement of the financial statements. Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.
Finding	**Description**	**2013**
2013-1/3000 Significant Deficiency Internal control condition	Bank Reconciliations	Monthly adjustments are made to a "suspense" account. Correcting journal entries at year end were not reconciled or posted into the proper accounts. Questioned costs: $13,735 posted in suspense accounts. Inadequate procedures to ensure that supporting documentation is provided for all transactions associated with bank accounts. Management officials from the school are not providing information necessary to post correcting journal entries to back office provider.

2013-2/3000 Significant Deficiency Internal control condition	Payroll Expense Reconciliations	Payroll expenses were not consistently reconciled to the general ledger resulting in a material misstatement of the financial statements. Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liability.
2013-3/3000 Significant Deficiency Internal control condition	Year End Accruals and Closing Process	The organization did not record closing transactions for the accounts receivable, accounts payable, prepaid expenses, and capital assets. Effect: Recording differences between unaudited actuals reported to oversight agency and audited financial statements. Material misstatement of the financial statements. Organization has not established clear written policies and procedures for year-end closing activities.
2013-4/3000 Significant Deficiency Internal control condition	Payroll Documentation	Personnel Action Forms (PAFs) are not complete. In 100% of the PAFs reviewed there were missing approval signatures. Federal Form I-9s were not completed correctly in nine out of 10 forms tested, exposing the organization to risk of noncompliance with I-9 requirements. The organization is at risk for paying individuals that are not approved. The organization has not established adequate procedures for hiring, including required documentation.
2013-5/3000 Significant Deficiency Internal control condition	Capital Assets	The organization was unable to provide detail of capital assets to support amounts recorded in the books of record. Purchases of capital assets were inappropriately expensed instead of capitalizing these assets appropriately. Insufficient audit evidence to determine if amounts recorded in capital assets are correct or if there is a material misstatement in the financial statements. The organization has not established adequate procedures for tracking capital assets and ensuring that they are appropriately recorded in the financial statements.

2013-6/3000 Significant Deficiency Internal control condition	Credit Card Documentation	Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. Credit cards are used to purchase items and subsequently repaid with a check. The organization is using the credit card statements for supporting documentation without including all receipts for the expenditures. Questioned costs: $5,858 from sample selected. The organization has not established adequate procedures that require adequate supporting documentation. The organization is exposed to risk of misappropriation of assets.
2013-7/3000 Significant Deficiency Internal control condition	Beginning Net Assets	Net assets were not in agreement with the prior year audited ending net assets. The organization was unable to provide reconciling items to support adjustments to beginning net assets. The organization has not established adequate procedures in place to track prior year adjustments.
2013-8/3000 Significant Deficiency	Inconsistent Reporting	Financial reporting to the oversight agency is based on a fiscal year and to the IRS on a calendar year and should be consistent. IRS regulations require tax returns to be prepared based on the fiscal year of operation.
Federal Award Findings		
	Tracking Expenditures	The organization failed to track expenditures separately for federal awards. This caused major delays with the timing of audit procedures associated with OMB Circular A-133 requirements because management had to identify each individual expenditure separately. Programs involved: National School Lunch Program: $212,061 Special Education Cluster: $99,925
State Award Findings		
	Class Size Reduction Program	Form J-7 CSR was prepared using the average monthly enrollment based on the last day of the school month rather than average daily enrollment from the first day of classes through April 15. Questioned costs: Under-reported eligible students by 1 student.

Conflict of Interest

A conflict of interest exists when an individual has a private financial interest in the outcome of a contract or a public decision and does either of the following:

1. Participates in the decision-making process
2. Influences, or attempts to influence, others making a contract or decision

Statues that govern conflicts of interest include the Political Reform Act, Government Code 1090, Government Code 87100, and Corporations Code Section 5233 for nonprofit organizations. Governing board members and administrators should abstain from all discussions, negotiations and votes that are related to a contract in which they have a personal financial interest by removing themselves from the meeting and ensuring that abstention and departure are recorded in the board minutes. A conflict of interest can still exist with subsequent action on the contract, such as authorizing payment under a contract, negotiating disputes or contract terms; therefore, the governing board member or administrator should abstain from all discussions, negotiations and/or votes related to the contract in which he or she has a personal interest.

The report will demonstrate that conflict of interest exists that allowed the founder/former executive director, family members, and close associates interacting as "vendors" to gain financially.

Political Reform Act – Disclosure, Conflicts of Interest and Enforcement

The Political Reform Act (PRA), Government Code Sections 81000 - 91015, was enacted by Proposition 9 in June 1974. The stated intent of the act was to establish a process for most state and local officials as well as certain designated employees to publicly disclose their personal income and assets as follows:

> [a]ssets and income of public officials which may be materially affected by their official actions...[are] disclosed and in appropriate circumstances the officials...[are]disqualified from acting in order that conflicts of interest may be avoided.

The PRA provisions are enforced by the Fair Political Practices Commission (FPPC) and require every state and local governmental agency to adopt a conflict-of-interest code. The commission is the state agency responsible for interpreting the provisions of the law and issuing California Form 700 – Statement of Economic Interests. Because charter school governing board members are considered "public officials" and governing boards are considered "legislative bodies," board members and certain designated individuals must file Form 700 annually, or upon taking office/position. Additionally, a consultant to the organization "who makes, participates in making, or acts in a staff capacity for making governmental decisions" may be required to complete Form 700.

PRA provides an eight-step process to determine whether a conflict of interest exists as follows:

1. Is the individual a public official?
2. Is the public official making, participating in making, or influencing a governmental decision?
3. Does the public official have one of the six qualifying types of economic interests? (An economic interest will be discussed more fully in the next section of this report.)

4. Is the economic interest directly or indirectly involved in the governmental decision?
5. Will the governmental decision have a material financial effect on the public official's economic interests?
6. Is it reasonably foreseeable that the economic interest will be materially affected?
7. Is the potential effect of the governmental decision on the public official's economic interests distinguishable from its effect on the general public?
8. Despite a disqualifying conflict of interest, is the public official's participation legally required?

The WAYS governing board members, charter school officials and designated employees have filed Form 700. Only one Form 700, by a former board member, declared any financial interest. All the other forms examined showed that these individuals did not declare any financial interest in the schools' affairs or disclosed any conflict of interest that would result in personal financial gain. Consultants that meet the conditions previously identified have not filed Form 700 to date.

The charter petition for WAYS contains a conflict of interest policy that has been approved by the county board of education as a condition of WAYS' petition approval. Board minutes and audio recordings, verbal and written complaints by former board members and direct observations by LACOE staff reveal instances where the founder/former executive director continued to be present and seated at the board table during discussions regarding facility leasehold agreements for her personal properties. Evidence in the board minutes indicate that at least two occurrences transpired when she was no longer employed by WAYS. The termination of her employment was a condition of the petition approved by LACOE.

On September 16, 2011, subsequent to her departure from WAYS, the founder/former executive director was present at the board meeting. She refused to be unseated from the board table during discussions concerning the relocation of WAYS to a property not owned by the founder/former executive director. Individuals at this meeting who supported continued use of her facilities by WAYS schools caused such a disruption that the board meeting was disbanded.

During the September 22, 2011 board meeting one week later, the founder/former executive director was observed by LACOE staff seated at the board table having private conversations with one board member.

The most recent independent audit report noted that facility leasehold agreements for 2013-14 were not approved by the governing board seven months into the new fiscal year, and that the sale of a school vehicle used by the director of operations was not approved by the governing board. Instead, the vehicle, a Lexus, was sold by the founder/former executive director's son in December 2013 without board approval. Shortly after the independent auditors' report, the governing board approved the facility leasehold agreements for 2013-14 and the sale of the director of operations' Lexus.

This report will demonstrate that facility leasehold agreements, leasehold facility improvement, payments made to the private dance studio owned by the founder/former executive director's daughter and vice principal, as well as substantial purchases from a related vendor were not disclosed in accordance with laws and regulations set forth by the FPPC.

The founder/former executive director and other family members were present and exercised significant influence during board meetings that provided a direct personal financial benefit.

Government Code 1090 – Financial Interest of Public Officials, Officers and Employees

Simply stated, the intent of Government Code 1090 is to prohibit a public official, officer or employee from engaging in a contract in which he or she has a financial interest in both a governmental and personal capacity.

Section 1090 has broad implications, applies to school districts and can also apply to charter schools if included in the charter petition or the memorandum of understanding. Section 1090 provides as follows:

> Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.
>
> As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

The WAYS charter petition states the governing board has adopted its own conflict of interest policy and will abide by the conflict of interest Government Code 1090.

This report will establish that a business relationship exists between the founder/former executive director and the WAYS schools as evidenced by contracts, lease agreements and other related business as vendors. There is conclusive documentation to support that the founder/former executive director and her family members as well as close business associates have significant personal involvement and financial interest, violating the conflict of interest statutes.

Related-Party Transactions and Significant Influence

OCI Development Corporation – Building Leasehold Agreements

The current WAYS petition is subject to specific conditions including adherence with conflict of interest laws and regulations. WAYS charter school appealed to LACBOE in the spring of 2011 following a denial by LAUSD Board of Education to renew its petition after five years of operation.

The denial by LAUSD included concerns that WAYS failed to comply with the terms of the charter by allowing the charter school to enter "into a self-dealing transaction" with the founder/former executive director and her privately owned facilities that were leased to two of the three schools. Specifically, WAYS could not provide "evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director."

In an attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools, the founder/former executive director placed the properties in a revocable trust named OCI Development Corporation in 2010-11. It was subsequently determined and concurred by the WAYS legal counsel that transferring the property to a holding company through a revocable trust did not ultimately transfer property ownership under California law and therefore did not resolve the conflict of interest concern.

The WAYS governing board approved the 2012-13 facility leasehold agreements August 3, 2012. These agreements were signed by the former governing board president and current executive director as the "tenant," and by Dora Obienu, CEO for OCI Development Corporation.

According to a report on the WAYS charter petition and appeal to LACBOE dated May 10, 2011 by the LACOE Charter School Review Team, it was revealed that WAYS' governing board failed to disclose that LAUSD had awarded facilities under a Proposition 39 request for facilities on April 1, 2011. Subsequent to the approval for facilities by LAUSD that could have alleviated conflict of interest concerns, WAYS did not respond to LAUSD to indicate acceptance of the offer.

As previously stated in this report, board meetings surrounding the relocation were met with strong opposition by the founder/former executive director and others during open board meetings ultimately exercising significant influence over the decision not to accept the LAUSD offer. WAYS continues to lease the facilities owned by the founder/former executive director through OCI Development Corporation.

WAYS paid $1,070,921 to the founder/former executive director and her holding company, OCI Development Corporation, for leasehold agreements located at 706 E. Manchester Avenue, Los Angeles, CA and 8778 S. Central Avenue, Los Angeles, CA from the 2007-08 through 2012-13 fiscal years as shown in the following table.

OCI Development Corporation and Founder/Former Executive Director Facility Leasehold Payments, 2007-2008 through 2012-13

Fiscal Year	Payee	Annual Total
2007-08	Founder	$110,400
2008-09	Founder	169,440
2009-10	Founder	179,560
2009-10	Founder - "Advanced Rent"	30,000
2010-11 (June - January)	Founder	93,245
2010-11 (February - June)	OCI	74,840
2011-12	OCI	226,450
2012-13	OCI	216,986
Grand Total		$1,100,921

The facility leasehold agreement for 2013-14 was approved by the governing board in January 2014. Lease payments are estimated to be $223,878 for the current fiscal year and are not included in the table above.

Other general ledger entries from the WAYS financial records show additional rent payments that are listed in the general ledger with no supporting documentation totaling $115,550:

Loraine Turner	2007-08 – 2012-13	$89,350
Wisdom Pre-School	2007-08	2,900
Founder: Recruiting Students	2007-08	2,000
Founder: ERATE Consultancy	2007-08	500
Founder: "Good Faith Offer"	2008-09	10,000
Pre-School Rent	2008-09	10,800
Grand Total		$115,550

There are three school sites under the WAYS name located in Los Angeles on Manchester Ave, S. Central and Central. Two are owned by the founder/former executive director and one leased with the Salvation Army. In addition, the school on Manchester Avenue pays $2,400 per year for additional parking spaces. No contracts or lease agreements exist for Loraine Turner, Wisdom Pre-School or Pre-School Rent. The payment of $10,000 made to the founder/former executive director for "Good Faith Offer" is unsubstantiated. Other payments for recruiting students and E-Rate consultancy fees paid to the founder/former executive director are questionable.

WAYS' balance sheet dated June 30, 2013 shows leasehold improvements totaling $341,710 plus $35,483 in federal E-Rate funding for leasehold improvements to the properties owned by the founder/former executive director.

Summary of Payments - Facility Leasehold, Rent, and Other Payments, 2007-08 through 2012-13

Facility Lease Payments	$1,070,921
Advanced Rent	30,000
Rent and Other Unsubstantiated Payments	$115,550
Leasehold Improvements	341,710
Leasehold Improvements – E-Rate	35,483
Total	$1,593,664

Founder/Former Executive Director – Settlement Agreement

As a condition of approval for WAYS' charter school petition to LACOE in June 2011, the founder/former executive director was to terminate her employment with WAYS and be removed from any association with the school.

Approximately seven months later in a letter dated January 20, 2012, the founder/former executive director asserted claims totaling $700,000 for money owed including interest accrued and damages but said she would be "content with a settlement of $350,000 that will help me in the new project (Middle School) that I am currently working to establish."

In a separate letter dated May 21, 2012 three months later, the founder/former executive director revised her claim for $480,312.90 for unused vacation, sick and personal necessity leave for the entire time of her employment with WAYS commencing July 1, 2008 through June 30, 2011, claiming she took "zero" days off work during this period of time. The accompanying schedule of liabilities showed a calculation that included 150 days of vacation plus 50 days of "accrued time off due for five years" totaling $97,391.30. No time records or other documentation were supplied to substantiate this claim other than a single typed page identified as Attachment E by the founder/former executive director.

The founder/former executive director claims that she loaned the charter school money from personal savings, mortgaged her personal residence and loaned funds from her private preschool, Wisdom Pre-School.

A review of the QuickBooks records and audited financial statements show a short-term loan on December 18, 2007 from Los Angeles Unified School District and a line of credit from Wells Fargo Bank, both of which were fully repaid, but no mention of any other loans.

On October 26, 2012, the Merle Williamson Foundation, doing business as Wisdom Academy of Young Scientists, entered into a settlement agreement with the founder/former executive director. This agreement was signed by the current executive director and former board president in the amount of $228,665.38. The breakdown of the final payment is as follows:

Severance pay – one year.	$112,960.60
Contractual leave and vacation days accrued at the time of separation. Last three years.	$58,434.78
Lease of a 2004 Toyota Land Cruiser.	57,940.00
Total	$228,665.38

The employment contract for July 1, 2008 through June 30, 2011 states that the founder/former executive director shall be permitted to be paid upon termination. However, the contract provides that "written documentation of the Executive Director's earned and accrued vacation days" shall be maintained through a third-party vendor providing business services to the schools. According to the business services provider, no vacation or time records were ever provided to its office to support the founder/former executive director's claim for accrued vacation and other leave categories. The settlement agreement does not provide any documentation to support this claim; therefore, FCMAT cannot substantiate that the $58,434.78 paid for 90 days of vacation leave and 30 days of unused time off was substantiated with independent records by the business services provider in accordance with the employment contract.

The contract from July 1, 2005 through June 30, 2008 as well as the most current contract states that the executive director shall be provided an automobile vehicle and operating expenses for her use in conducting official business and reasonable personal use during the period of the contract. Attached to the settlement agreement is a closed end motor vehicle 60-month lease agreement identifying the founder/former executive director as the lessee for a new 2004 Toyota Land Cruiser dated December 20, 2004. The gross capitalized cost on the lease agreement is $57,940, which included extra add-ons:

- Maintenance agreement for $1,800
- Credit life insurance premium for $995

The employment contract states that a vehicle shall be provided to her, not that she could enter into a vehicle lease for a luxury vehicle paid by the school and be reimbursed for the lease and extra items prior to her contract. It is unclear if the school had available and/or provided a different vehicle during the contract period.

Professional Liability for Founder/Former Executive Director

Documents from a lawsuit settled against the Merle Williamson Foundation (MWF) for wrongful termination of a former teacher at WAYS against the school show that the founder/former executive director traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for purposes of making the brother-in-law a United States citizen. Although the teacher married the brother-in-law, she ultimately refused to complete the Department of Homeland Security form I-130, Petition for Alien Relative, and brought suit against MWF. On December 4, 2012, a jury found in favor of the teacher plaintiff and subsequent judgment was awarded of $566,803.

The contract dated July 1, 2008 through June 30, 2011 clearly states that the executive director shall be held harmless and be indemnified "from any and all demands, claims, suits, and legal proceedings brought against the Executive Director in her official capacity as agent and employee of the MWF, provided the incident arose while the Executive Director was acting within the scope of employment." (emphasis added) Clearly this action by the "Executive Director" was not within the scope of employment, was conducted during winter break in Nigeria, and yet the settlement was paid by WAYS charter school.

The Certificate of Marriage document from Federal Republic of Nigeria shows the founder/former executive director's signature as witness to the marriage between the teacher and Joseph Njor Enwezor (the founder/former executive director's brother-in-law) on January 4, 2010. According to staff at LACOE who conducted interviews, these interviews with former teachers and board members indicate many trips to Nigeria to visit a personal residence in that country by the founder/former executive director, yet she asserts that she took "zero" days off during the last five years.

OSE Business Services – Owner, Obiesie Enwezor

The analysis of large increases in purchases of books and supplies during the 2011-12 and 2012-13 fiscal years was attributed to one vendor, OSE Business Services (OSE). OSE is owned by Obiesie Enwezor, who is related to other WAYS vendors: Godfrey Okonkwo, Emeka Enwezor, and DeDe Dance Studio and bears the same last name as the founder/former executive director's brother-in-law, Joseph Njor Enwezor.

Godfrey Okonkwo is the husband of the founder/former executive director of WAYS and father of the owner of DeDe Dance Studio and vice principal of WAYS and director of operations. (These WAYS relationships are further described in detail later in this report.)

FCMAT compiled all OSE vendor invoices to review and analyze expenditure transactions and spending patterns. Purchases totaling $158,871 for 20 invoices lacked any supporting documentation for the receipt of materials, supplies and snack food items.

WAYS Back Office Service Provider Warned of Books and Supplies Expenditures Exceeding Budget

During FCMAT's interview of the WAYS back office business services provider on Monday, November 25, 2013, the back office provider stated to the team that the WAYS governing board and management had been advised during a board presentation and in the budget narratives that the books and supplies expenditures "... are expected to be over budget at the end of the year by about $70,000."

The back office provider presented for the team two samples of WAYS board and management reports for the periods ended January 31, 2013 and again on June 30, 2013 titled "Snap Shot Summary of Financial Condition of the School." These reports showed that the actual expenditures for books and supplies exceeded current budgeted amounts. Even though the WAYS back office provider warned of excessive expenditures, the management of WAYS continued to purchase from OSE.

WAYS Paid $158,871 to OSE Business Services Over Two Years

The books and supplies category consists of textbooks, books other than textbooks, instructional materials, custodial supplies, automobile expenses, fuel, office supplies, other supplies, classroom furniture and equipment, computers, and other non-capitalized equipment.

During the fiscal years 2011-12 and 2012-13, WAYS paid $57,533 and $101,338 respectively to OSE, totaling $158,871 for the two-year period. Of the combined 2011-2012 and 2012-13 payments to OSE, 98% was accounted for in WAYS' books and supplies expenditures category.

A total of 20 invoices were issued by OSE and paid by WAYS. All invoices were approved by the director of operations - the founder/former executive director's son, along with the current executive director/former board president. Ten of the payments to OSE were issued by cashier's checks and nine of the payments by check. During the interview conducted with both the executive director and director of operations, the director of operations stated that cashier's checks were used because WAYS "... bounced a check and OSE only wanted to be paid by cashier's check."

FCMAT requested copies of the OSE cashier's checks and regular checks, both front and back, from the director of operations and copied the executive director in an email dated Friday, December 13, 2013. One month later, on January 13, 2014, the team received nine of the 10 requested cashier's checks. The missing cashier's check was received on January 21, 2014. Repeated requests to management for the regular check copies were never received and no explanation was provided.

Of the nine copies of the cashier's checks provided to the team, it is not entirely clear that the copies came directly from the bank. The endorsement for OSE Business Services on the reverse side of the cashier's checks is by signature. No account number or other identifying information is provided on the back of these cashier's checks. The OSE cashier's check that was provided on

January 21, 2014 showed that the check was printed through an online account at https://oibservices.wellsfargo.com/OIB/PrintImage.jsp.

Because WAYS executive management failed to provide OSE's regular checks front and back copies as requested by the team, and because OSE cashier's checks did not contain account information identifying the account where funds were deposited, the team is unable to authenticate the OSE payments.

OSE Business Services Irregular Invoices

During the 2011-12 and 2012-13 fiscal years, WAYS received from OSE 20 invoices that were authorized for payment by both the director of operations and executive director and present the following irregularities:

1. Invoices fail to provide a contact phone number.
2. Invoices lack proper authorization to purchase and/or accept OSE merchandise that would authenticate the supplies shipped by OSE to WAYS.
3. Invoices are not accompanied by packing slips identifying the shipping contents and quantities.
4. Invoices fail to identify any "ship to" or delivery address.
5. Invoices fail to present a shipping cost line item, or indicate if there was a charge for shipping.
6. Invoices do not appear professional and consistent and appear to be produced on a spreadsheet.
7. Invoices fail to present consistent per-unit pricing calculating quantities of items purchased and extending the quantity multiplied by the per-unit pricing to the total amount for each inventory line item purchased.
8. Management could not provide an OSE product catalogue for review.
9. The OSE invoices fail to present consistent and clear descriptions of the supplies identified.
10. The OSE address of 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 is a postal service location and is not a warehouse or physical storefront.
11. The address is identical to that of Innovative WAYS Academy, which is owned and operated by the WAYS vice principal, the founder/former executive director's daughter.

The team interviewed the WAYS back office provider on Monday November 25, 2013. During the interview, the back office provider claimed there were repeated requests to WAYS management to provide OSE's approved purchase orders and packing slips in accordance with the back office provider's procedures manual. WAYS management failed to comply with these requests to follow procedures, and failed to provide the requested documentation.

OSE Business Services Address at 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 – Related Parties

The audit fieldwork visit on November 13-15, 2013 revealed large quantities of supplies purchased from OSE. During the team's joint interview with the executive director and director of operations, the team was told that none of the WAYS vendors were related. The team made further inquiries regarding any relationship between WAYS management team or family members and OSE. The director of operations said that OSE Business Services was a legitimate business with many customers and that no relationship existed between these two entities.

During the fieldwork, the team visited the OSE address printed on their invoices at 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045. This same address is identified as the mailing address of Innovative WAYS Academy.

The CEO of Innovative WAYS Academy is:

- The founder of DeDe Dance Studio and vice principal of WAYS,
- The daughter of the founder/former executive director of WAYS,
- The sister of WAYS' director of operations, and
- The CEO of DeDe Dance Studio that operates business at the WAYS school site.

The team interviewed the WAYS vice principal, Innovative WAYS Academy founder and CEO, and owner of DeDe Dance Studio on Friday, November 15, 2013 and discussed the 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 address. In her statement to the team, she provided the following information for business operations associated with that address:

1. The 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 address was the address used for Innovative WAYS Academy.
2. Stated that she "does not know much about the business side of Innovative WAYS" and said that her mother (founder of WAYS) operated Innovative WAYS Academy and is the most knowledge about its business operations.
3. She does not check the mail at the 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 address. Instead, her mother, the founder/former executive director, is the only person who checks the mail and has the only key to the mailbox at that location.

On December 11, 2013, FCMAT made an inquiry to the director of operations and copied the executive director to verify that 6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045 is the same address as Innovative WAYS Academy and OSE Business Services, and that the founder/former executive director is the only person that checks the mail and has a key. WAYS management did not provide requested supporting documentation other than to provide invoices from OSE. In an attempt to corroborate the $158,871 in materials and supplies purchased from OSE and concerns that OSE represented an undisclosed related-party, the team requested the following information to verify a legitimate business address and a warehouse facility with the ability to service numerous customers based on the statement from the director of operations:

- OSE business information documents IRS W9,
- IRS Form 1099 issued by WAYS to OSE,

- OSE's actual physical address and business phone number, and
- Notified the OSE business owner, Obiesie Enwezor, that FCMAT would like to review his supplier purchases to support the products OSE sold to WAYS.

On January 10, 2014, one month after the FCMAT's request for information, the director of operations provided the phone number and email address for OSE but failed to provide the actual physical address. The director of operations could not verify the WAYS vice principal's statements regarding access to the 6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045 address, and suggested that the team speak with the founder/former executive director regarding the relationship between OSE and WAYS. He stated during the interview, "I am not aware of any related party business relationships ... I have no expectations for the framework of OSE Business Services and infrastructure."

FCMAT attempted to contact the owner of OSE, Obiesie Enwezor, through a certified return receipt letter dated December 23, 2013 at the address on the invoices (6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045). This letter was returned on January 24, 2014, marked by the US Postal Service as Return to Sender, Unclaimed, and Unable to Forward.

WAYS Failed to Issue an IRS Form 1099 to OSE

FCMAT visited the back office provider to review records and conduct interviews. The team reviewed the IRS Federal Forms 1099 and W-9 files and was unable to locate either form in the back office provider files. Form 1099 is required for unincorporated vendors for payments in excess of $600 in a calendar year to report miscellaneous income to IRS.

IRS Form W-9 is used to certify that payments made to vendors meet the IRS guidelines. These guidelines are intended to ensure that the taxpayer identification number to report Form 1099 is correct and that the vendor is not subject to backup withholding. Once complete, the W-9 form is signed by the owner or designated person. According to the back office provider, several requests made by staff to WAYS management for OSE's W-9 were unsuccessful.

Subsequent to FCMAT's request on November 29, 2013 for a W-9 from OSE, the director of operations sent a copy of a W-9 prepared by OSE on December 9, 2013 to the back office provider, which was forwarded to the team. The document was dated November 11, 2011.

On December 11, 2013, FCMAT requested the director of operations to provide a copy of Form 1099 issued to OSE but did not receive a response. There is no evidence that Form 1099 was sent either to the OSE or to the IRS. Shortly after FCMAT's request on December 11, 2013 for these documents, the director of operations provided a email from OSE dated December 16, 2013, which stated, "I still have not received a 1099 from you." The team was not provided prior requests or concerns by OSE before December 16, 2013 regarding the issuance of a Form 1099 from the prior two calendar years.

Obiesie Enwezor, owner of OSE, refused to meet with FCMAT; therefore, the team cannot confirm that OSE is a legitimate business that properly reported income and sales taxes totaling $158,871 from WAYS to the taxing authorities, or that merchandise was actually delivered by OSE and received by WAYS.

OSE Business Services is Not a Resale Company or Store According to OSE

On January 10, 2014, the director of operations sent FCMAT the OSE Fictitious Business Name Statement dated November 2011 and OSE's W-9, Request for Taxpayer Identification Number and Certification, dated November 11, 2011. The OSE business address identified on both forms is 6709 La Tijera Blvd., Suite 274, Los Angeles, CA 90045, the same post office box service center address where the founder/former executive director has possession of the only key.

The first OSE transaction entered into QuickBooks is dated August 17, 2011 as OSE Invoice Number One; however, the team was provided a copy of Invoice Number One that is dated December 5, 2011, approximately four months later.

The 20 OSE invoices for the 2011-12 and 2012-13 fiscal years have 289 inventory items ranging from paper and office supply products to food items, stamps, and small equipment. A summary of the OSE invoice items and price per item calculated by the team is presented in Appendix A. WAYS management was unable to provide any supporting documentation that would attest to the authenticity of the OSE purchases approved by the director of operations and the current executive director.

Each invoice that OSE issued to WAYS includes a total charge at the bottom of each invoice for sales tax on the inventory items purchased, providing evidence that WAYS is purchasing directly from OSE. According to OSE's email dated December 16, 2013, the owner states that OSE does not buy or resell as follows:

> "Also, bear in mind that OSE Business Services is not a resale company or store, OSE is a service provider. We do not buy or resale. We provide and coordinate purchasing and delivery services to various agencies."

The owner's statement that OSE is a service provider and is "not in the resale business" is not supported by the presentation of the paid invoices to his company. First, the invoices include charges for California sales taxes. This would only occur if the business was reselling products. Second, none of the invoices state that the amount due is for consulting, service or coordination fees as described in the owner's statement to FCMAT.

FCMAT sent three emails and four voicemails during January 10-13, 2014 in an attempt to meet and clarify the OSE owner's assertion that the business was not a resale business, review records related to invoices sent to WAYS and ask general questions regarding suppliers that were utilized to provide merchandise.

Mr. Enwezor initially responded by saying, "I recognize the situation that you are facing, and I will do everything I can to help." However, on January 13, 2014, Mr. Enwezor sent the following statement declining to meet with the team:

> "I understand that you are auditing the school but are you attempting to audit my business also? Under what authorization? For what reason. I am unable to meet with you. Send me your questions and I will respond in the best interest of my company."

Because Mr. Enwezor rescinded his decision to cooperate with the audit and allow inspection of OSE's sales and customer support documents, the following information cannot be confirmed:

- Whether WAYS is OSE's only customer,
- Where OSE obtained the merchandise allegedly sold to WAYS,

- California State Board of Equalization report of sales tax payments that would assist in confirming the purchase and sale of merchandise,
- Quarterly sales tax reports,
- Documentation supporting OSE's supplier relationships from which OSE provided supplies to WAYS.

In addition, the team cannot audit and/or confirm if any of the alleged 288 OSE inventory items sold to WAYS representing payments of $158,871 are for actual books and supplies received by the school.

OSE Business Services Product Inventory Sales to WAYS

FCMAT prepared an analysis of the 20 OSE invoices representing 288 inventory items, focused on items that exhibited high volume, and compared those items with other charter schools located in the metropolitan area of Los Angeles of similar size. Pricing was compared to vendors that specialize in office and cleaning supplies as well as snack foods WAYS offered in the after school program.

There are 6,696 per-unit inventory items on the OSE invoices that include cases of copier paper, numerous miscellaneous office supplies, various cleaning supplies and snack foods. In total there are 288 uniquely defined inventory products.

One example of the volume of supplies WAYS purchased from OSE during the 2011-12 and 2012-13 fiscal years is 971 boxes of paper totaling $41,408.24 and representing 26.1% of the total purchases. Each box of paper contains 10 reams of paper, and each ream of paper contains 500 sheets representing a total of 4,855,000 sheets of paper. Based on the size of WAYS' schools and compared with other charter schools in the Los Angeles area, this is an excessive amount of paper purchased from one vendor over a two-year period of time.

Because this appeared excessive based on the average enrollment of 505 students over a two-year period from 2011-12 through 2012-13, the team compared copier paper purchases with a sample group of elementary charter schools.

The team received information from the seven comparable elementary charter schools listed in the table below. This analysis compares purchases of copier paper from all vendors in the selection group with the WAYS purchases from OSE (even though paper was also purchased from other vendors described later in this report) and based on student enrollment for 2011-12 through 2012-13.

Cases of Copier Paper Purchased per Student, 2011-12 through 2012-13

School	Average Enrollment	No. of Cases Purchased	Cases of Copier Paper per Student
Charter School #1	227	151	0.67
Charter School #2	304	186	0.61
Charter School #3	387	332	0.86
Charter School #4	416	332	0.80
Charter School #5	476	369	0.78
Charter School #6	601	551	0.92
Charter School #7	648	588	0.91
Averaged Totals – All Sample Schools	382	314	0.82
WAYS	505	971	1.92

On a per student enrollment basis, WAYS averaged 1.92 cases of copier paper purchased per student over the two-year period, which is 2.34 times greater than the .82 average of all seven similar elementary charter schools combined.

The quantity of 971 cases of copier paper allegedly sold to WAYS by OSE is even more significant considering that during FCMAT's fieldwork visit on November 15, 2013, the team attempted to use the WAYS copy machine, which did not contain any copy paper. When the team asked the director of operations' permission to use the copy machine, the director stated, "They use very little paper and it is tightly controlled." He returned with a ream of copy paper that was locked in his office.

The volume of paper purchased and the director of operations' statement that the school uses very little paper do not reconcile. FCMAT anticipated that since WAYS' use of copier paper was tightly controlled, the amount purchased would be significantly lower than that of the seven comparative elementary charter schools sampled, but found the opposite.

OSE Sales Tax Calculations

The OSE invoices each include a line item for sales tax. OSE invoice number three, dated February 25, 2012 in the amount of $6,172.39, is comprised of OSE inventory sales totaling $5,625.76 and sales tax stated of $546.63. The OSE invoice states that the sales tax rate is 8.75%; however, 8.75% of $5,625.76 is $492.25 rather than $546.63, which is a difference of an additional $54.38 that WAYS paid to OSE for sales tax.

FCMAT reverse calculated what percentage the $546.63 in sales tax is compared to the total supplies WAYS purchased from OSE and arrived at a rate of 9.72%. In February 2012, the city of Los Angeles sales tax rate was 8.75%, not 9.72%.

Because the OSE invoices present numerous irregularities including the extension of per unit pricing to total charges and the incorrect calculation of sales tax noted above, OSE does not present itself as a legitimate business.

WAYS Purchases Office Supplies from Other Vendors in Addition to OSE, and OSE Inventory Pricing Is Higher than Other Compared Vendors

During FCMAT's review of sampled WAYS American Express credit card statements, it was found that several statements were missing vendor receipts and other supporting documentation to support the purchases charged to that account. Without proper receipts, the team was unable to verify individual vendor purchases on the credit card statements.

The sampling showed several purchases for office supplies and other similar products from Staples, Office Max, and Smart & Final including copier paper, three-ring binders, and food snacks. It is apparent from these purchases that OSE was not the exclusive provider of office supplies to WAYS.

The following represent examples of purchases from other vendors with similar OSE merchandise discovered by FCMAT during the in-depth review of WAYS American Express credit card statement receipts compared with OSE's pricing:

Office Depot – Receipt dated April 30, 2013	Item 675041 - Paper, Copy, AST	$12.49
Office Depot – Receipt dated April 30, 2013	Item 348037 – Paper, Copy DD	$41.99
OSE	Case of Paper 8 X 11.5	Ranging from $35.00 - $48.99
OSE	Ofl COPY-20# 8.5 C/6-9	Ranging from $39.99 - $48.99
Office Depot – online	Store brand 8.5 X 11, 20#/500 sheets, case of 10 reams	$43.99
OSE	Office Impressions 92 Bright 20# 8.5 X 11 CASE	$45.00
Staples – online	Various 8.5 X 11 cases of paper, 92 Bright, 20#	$26.99 - $43.99

The OSE invoice items are vague in description; therefore, an absolute comparison of products purchased is impossible. Without clarification from either OSE or WAYS management, FCMAT is unable to determine a reasonable explanation for the large variance in pricing based on OSE's invoices and like kind vendors.

FCMAT identified several OSE invoices with similar inventory items to those of other vendors, such as the Smart & Final receipt dated 04/10/13, inventory description, "Austin Cracker Vrt" at $8.39, and "Rice Krisp Orig" at $8.99. When FCMAT calculated the price per unit of the OSE inventory items, the amounts that OSE charged WAYS were varied and much higher. In some cases, OSE charged WAYS more than double the price for the same inventory items that WAYS also purchased from other vendors. Examples include:

1. OSE invoices list "Austin Variety 45 ct," with pricing calculated by FCMAT from $7 per unit to $19.99 per unit depending on the month of purchase.
2. OSE invoices list "Rice Crispy," with pricing calculated by FCMAT from $11.99 to $19.99 per unit, depending on the month of purchase.
3. Staples store location at 3701 W. Santa Rosalia Dr., Los Angeles, California, dated 06/15/12, inventory description "1.5 In Better Binde" at $9.49 per unit. WAYS purchased four units of binders. The OSE invoices vaguely described binders that FCMAT calculated the per unit pricing for as follows: 3" binders at $30 per unit, 3.5" binders at $24 per unit, 5" binders at $24 per unit, Premium View Binders at $29.99 per unit, and Premium Binder at $46.00 per unit.

FCMAT searched prices at Staples online at www.staples.com and found 3" Avery Heavy-Duty View Binders with One Touch EZD Rings, item number 318402, Model 79-793 priced at $9.99 per unit. Because OSE invoice inventory descriptions are not specific and are not identified with an item number, FCMAT cannot determine how these same items are sold by OSE for three times the cost of other vendors.

FCMAT also examined the WAYS vice principal reimbursements, which included receipts from the Staples store location at 3701 W. Santa Rosalia Dr., Los Angeles, California. One Staples receipt dated 11/27/12 contained the inventory description "PENTEL LEAD REFIL" at $2.79 per unit, and the reimbursement identified a quantity of three. OSE invoices have an inventory item called "Pencil" listed as $12 per pencil.

OSE business sales documentation for products allegedly sold to WAYS cannot be confirmed because the documentation is limited to a one-sheet invoice from OSE similar to a spreadsheet, with no additional documentation to support the delivery of materials and supplies to WAYS. In addition, OSE has declined requests to meet and provide proof of its sales of merchandise to

WAYS. The irregularities described in this report attributable to alleged supplies purchased from OSE raise serious concerns about the OSE and WAYS business relationship and whether OSE actually sold any supplies to WAYS.

The following summarizes the inconsistencies regarding WAYS purchases from OSE identified in this report:

- WAYS purchased 2.34 times more cases of copier paper per student from OSE than the seven comparable elementary schools sampled. Additional purchases of copier paper from other vendors further increases the average of 2.34.
- OSE invoices and other authorization to purchase and accept OSE merchandise that should be used to authenticate the supplies shipped by OSE to WAYS are missing packing slips that identify the shipping contents.
- OSE invoices fail to identify any ship to address or contact phone number.
- OSE invoices fail to present a shipping cost line item or indicate that shipping is waived and not charged.
- OSE invoices do not present a professional and consistent look.
- OSE invoices fail to present any per unit pricing calculating quantities of items purchased and extending the quantity multiplied by the per unit pricing to the total amount for each inventory line item purchased.
- OSE product catalogue was not available for review.
- OSE invoices appear to have been prepared from a spreadsheet program.
- OSE invoices fail to present consistent and clear descriptions of the supplies identified in the invoices.
- OSE address of 6709 La Tijera Blvd., Suite 274, Los Angeles, California 90045 is not a warehouse or store location. This same address is used for other WAYS vendors, including the private middle school previously operated by the vice principal of WAYS. This is the same address where the only key belongs to the founder and former executive director.
- OSE will not allow inspection of its sales and customer documents that would verify if WAYS is the only customer and the location of the warehouse or suppliers.

FCMAT was unable to confirm that OSE has paid $12,926.35 in sales taxes collected from WAYS to the California State Board of Equalization, or that OSE has a valid California sales tax identification number, because the sales tax number is not printed on OSE's invoices or located on check requests that authorize payment to OSE by the director of operations. FCMAT is unable to audit and confirm that WAYS issued a IRS Form 1099 totaling $158,871 over the audit time period.

WAYS Audited Financial Statement Reports and Qualified June 30, 2013 Audit Report

FCMAT's findings are consistent with the independent auditor's reports for WAYS for the fiscal years ending June 30, 2012 and June 30, 2013. Both FCMAT and independent auditors find that WAYS has significant internal control conditions and has failed to ensure that adequate internal controls are in place.

The WAYS June 30, 2013 independent auditors report at Finding 2013-6, "Credit Card Supporting Documentation" states:

> "The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they are used."
>
> "Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets."

FCMAT has documented in this report that the necessary supporting documentation authenticating OSE Business Services payments was not available for the FCMAT audit. The team is unable to audit and confirm if any of the alleged inventory supplies purchased from OSE totaling $158,871 actually received, because WAYS and OSE have failed to present the necessary supporting documentation.

The WAYS independent auditor issued its report dated January 15, 2014 on the WAYS financial statements for the year ended June 20, 2013. An integral component of the audit is a report titled Independent Auditor's Report on Internal Controls Over Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.

This report describes various categories of deficiencies in internal controls that may exist. As reported by the independent auditors, a deficiency in internal control exists when a particular control does not allow management or employees in the normal course of business the ability to prevent, detect or correct misstatements in a timely manner. A material weakness presents a deficiency, or a combination of deficiencies, indicating a reasonable possibility that a material misstatement of the financial statements exists that cannot be detected, corrected or prevented in a timely manner. The auditors identified six findings and questioned costs to be classified as material weaknesses. A significant deficiency is a deficiency that is less severe yet represents enough merit to bring to the attention of those charged with governance. The auditors identified three findings that met this particular classification.

Depending on the number and severity of the audit findings, independent audit reports are either unqualified or qualified in accordance with auditing standards contained in the Government Auditing Standards issued by the Comptroller of the United States. These standards require that auditors obtain reasonable assurance about whether the financial statements are free from material misstatement.

When the independent auditors express an opinion regarding the reasonableness of the financial statements, the report is issued as either an unqualified or a qualified audit. A qualified audit report is issued when the auditors believe that the overall presentation of the financial statements does not represent a fair presentation that significant accounting estimates made by management and the overall presentation of the financial statements meet the auditing standards.

The independent auditor's report was qualified because the "audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion." Auditors cited the following in the June 30, 2013 annual audit report:

1. The WAYS Independent Auditor's Report was Qualified because WAYS failed to maintain a detail of capital assets or depreciation.
2. The WAYS Independent Auditor's Report on State Compliance was Qualified because WAYS failed to comply with requirements of the class size reduction program and after school education and safety program.
3. WAYS did not meet the state requirement for audits to be completed and sent to the State Controller's Office, California Department of Education, and Los Angeles County Office of Education by the deadline date of December 15, 2013.
4. The WAYS operating facilities lease with OCI Development Corporation (OCI Development Corporation is the holder of the WAYS facilities property on behalf of the founder of WAYS) was entered into in July 2013; however, as of January 15, 2014, the date of the audit report, the lease agreement has not been approved by the WAYS governing board.
5. The WAYS operating facilities lease with the Salvation Army was entered into in August 2013; however, as of January 15, 2014, the date of the audit report, the lease agreement has not been approved by the WAYS governing board.
6. In December 2013, WAYS sold a vehicle (Lexus RX350) for $26,000; however, as of January 15, 2014, the date of the audit report, the payoff of the vehicle and sale of the vehicle has not been approved by the WAYS governing board.
7. The auditors had to amend their audit report because the management of WAYS provided the auditor with incorrect board member names as of June 30, 2013, including the chairperson of the board.
8. The Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards cited six WAYS deficiencies in internal controls and three significant deficiencies in internal controls. The report also identified three instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
9. The Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 cited one deficiency in internal control over compliance to be a material weakness in internal control.

WAYS Irregular Van Lease – Vendors Godfrey Okonkwo & Emeka Enwezor

During FCMAT's review of the WAYS disbursement payments to various WAYS vendors, two vendors were identified as each receiving $4,800 for leasing a van to the charter school. The two

individuals are the husband of the founder of WAYS, Godfrey Okonkwo, and a vendor identified in the books and accounting records of WAYS as Emeka Enwezor.

Godfrey Okonkwo was paid $2,400 with WAYS check number 8339, dated January 7, 2011 and $2,400 with check number 8950, dated June 27, 2011, totaling $4,800 during the WAYS 2010-11 fiscal year.

Emeka Enwezor was paid $2,400 with WAYS check number 9513, dated December 9, 2011 and $2,400 with check number 9625, dated December 9, 2011, also totaling $4,800 during the WAYS 2011-12 fiscal year.

The WAYS leasing of a van totaling payments over two fiscal years of $9,600 paid to Godfrey Okonkwo and Emeka Enwezor presents numerous irregularities.

First, during FCMAT's fieldwork at the WAYS back office business provider, the payment documentation for the van payments to Emeka Enwezor was reviewed. Documentation for the van lease payments authorized by the WAYS director of operations show that the van lease agreement and additional back-up documentation for lease was missing even though the back office provider had requested these documents on previous occasions. At the time of the FCMAT fieldwork in November 2013, the WAYS back office service provider still had not received from the WAYS any van lease supporting documentation dating back to the first payment from December 9, 2011 approximately two years later.

According to the WAYS director of operations, the owner of the lease is Emeka Enwezor. The team requested the director, in an email dated November 29, 2013, to supply information to support the van lease agreement and board approval. In an email dated January 10, 2014, the WAYS director of operations replied to FCMAT stating:

> "I was able to locate the Van Lease Agreement from 2011-12. However I was unable to locate a signed copy of the agreement. During this year WAYS experienced significant turn-over in the Board of Directors and administration. Many official school documents were kept by those individuals who are no longer associated with WAYS, and have yet to be returned after several requests to do so. I suspect that the signed van lease and Board documentation, if any, may be within those lost documents."

The WAYS back office provider had been requesting van lease supporting documentation from various management personnel of WAYS since at least December 2011. Approximately two years later, the executive team of WAYS failed to provide signed copies of the van lease.

The fiduciary duty of the executive level management of WAYS, which includes the executive director and the director of operations is the safeguarding of assets and proper administration of the financial affairs of WAYS.

It is the fiduciary responsibility of the WAYS executive management team to ensure contracts receive proper authorization by the governing board prior to entering into agreements and to safeguard the school's assets. WAYS' executive management team failed in their fiduciary duty to obtain contracts, failed to have authorized signatures prior to entering into contracts, failed to obtain governing board approval for contracts, and failed to ensure that documents are safeguarded.

1. The van lease agreement provided by WAYS presents irregularities.
   a. The van lease agreement is not signed or dated by either WAYS executive management or Emeka Enwezor,
   b. The unsigned van lease agreement states, "Lessee may not sublease the vehicle under this contract without Emeka Enwezor prior consent." (sic)

      Godfrey Okonkwo, father of the director of operations and husband of the founder/former executive director of WAYS, was paid $4,800 for the use of Emeka Enwezor's van. This violated the sublease provision in the contract.
   c. The unsigned van lease is undated; therefore, language does not present any date that the lease is entered into; therefore, the team cannot determine when the unsigned van lease was created.
2. The WAYS documentation of the payments for the unsigned van lease is irregular.
   a. The Emeka Enwezor invoice approved by the director of operations failed to identify an address for the payee. The van invoice is titled "VAN LEASE/RENTAL" and states at the bottom of the invoice, "Make all checks payable to Emeka Enwezor."
   b. The WAYS check request the team examined approving payment of the unsigned van lease omits the invoice number and address of the payee.

WAYS Related Parties – WAYS Founder/Former Executive Director, Godfrey Okonkwo, WAYS Director of Operations, WAYS Vice Principal, Emeka Enwezor & Obiesie Enwezor

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-50 contains the disclosure requirements for related party relationships and transactions as follows:

- "Affiliates" of the entity.
- Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity.
- Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
- Principal owners of the entity and members of their immediate families.
- Management of the entity and members of their immediate families.
- Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

- Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. The FASB ASC glossary also defines the terms: affiliate, control, immediate family, management, and principal owners.

The executive management of nonprofit organizations such as WAYS have the responsibility to document in detail and fully disclose to the auditors, governing board, county oversight agencies, and the state for purposes of conflict of interest and full disclosure reporting requirements any and all potential related party transactions to comply with Generally Accepted Accounting Principles (GAAP). Failure to disclose related party transactions may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution.

The facts below demonstrate that several related party transactions exist between the founder/former executive director, her family members, vendors and associates.

The team discussed the WAYS van lease payments with the WAYS director of operations while on site at the WAYS offices located at 706 East Manchester Avenue, Los Angeles, California on Thursday, November 14, 2013. The director of operations is the son of Godfrey Okonkwo, and Godfrey Okonkwo is the vendor that received $4,800 representing van lease payments for a van owned by Emeka Enwezor, who also was paid $4,800 for the lease of the van.

During the Thursday, November 14, 2013 discussion with the WAYS director of operations, he stated that Godfrey Okonkwo was paid for the van lease in the first year of the lease for the van from Emeka Enwezor, and the second year Emeka Enwezor was paid directly for the van lease. The team inquired whether Emeka Enwezor was related and was told that, "She is a friend of the family and we rent her van … but she gave the van to the school this year."

The association of the van lease payments establishes that Godfrey Okonkwo, father of the director of operations and husband of the founder/former executive director of WAYS, received payments for the van owned by Emeka Enwezor. Emeka Enwezor, a related party, shares several similar characteristics with Obiesie Enwezor, owner of OSE Business Services, as follows:

1. Obiesie Enwezor and Emeka Enwezor share the same unusual last name of Enwezor.
2. A Social Security number is comprised of three segments: XXX-XX-XXXX. The first segment represents the first three digits known as the area number, the middle segment representing two digits is the group number and the last four digits is known as the serial number. Obiesie Enwezor and Emeka Enwezor share the same area numbers and group numbers. The serial numbers, which are 12 digits apart, indicates that the two Social Security numbers were issued at approximately the same time.
3. Obiesie Enwezor; Emeka Enwezor, the founder/former executive director; Godfrey Okonkwo, the director of operations and the vice principal, share common addresses located at: 4326 Enoro Dr., Los Angeles, CA and 117 W. 112th Street, Los Angeles, CA. Both properties are owned by Godfrey Okonkwo and the founder/former executive director.

Based on the team's analysis of possible relatives, transactions authorized by the director of operations do not represent an arm's-length transaction. An arm's-length transaction would be evidenced by signed agreements, board approvals, complete and detailed transaction documentation, and comparative contracts.

1. The director of operations is the individual authorizing the check requests and financial transactions for WAYS and the son of the founder/former executive director and son of Godfrey Okonkwo, who was paid $4,800 by WAYS for a van rented from Emeka Enwezor.

2. Emeka Enwezor is a friend of the Okonkwo family according to the director of operations. Based on the team's research, Emeka Enwezor is related to the Okonkwo family and Obiesie Enwezor, owner of OSE Business Services.

   a. Emeka Enwezor was paid $4,800 by WAYS for the van leased to WAYS. WAYS failed to obtain a signed contract and board authorization to lease the van.

   b. Emeka Enwezor shares addresses owned by Godfrey Okonkwo and the founder of WAYS. This same address is linked to the WAYS director of operations and the WAYS vice principal (brother and sister.)

   c. Emeka Enwezor also shares the same address as Obiesie Enwezor..

3. OSE Business Services owner Obiesie Enwezor received $158,871 from WAYS.

   a. Obiesie Enwezor shares two addresses owned by Godfrey Okonkwo and/or the founder/former executive director, who are related as family and/or address to Obiesie Enwezor, the founder/former executive director, Godfrey Okonkwo, the director of operations, and the WAYS vice principal.

   b. Obiesie Enwezor has refused to meet with FCMAT to assist the team in substantiating the $158,871 in alleged supplies sold to WAYS by OSE and the existence of OSE as a legitimate business with customers other than WAYS.

   c. WAYS failed to issue 1099s to OSE and is missing significant corroborating financial information that FCMAT considers necessary to substantiate the office and food supply items approved by the director of operations for payment to OSE.

   d. OSE Business Services owner Obiesie Enwezor shares the identical business address location at 6709 La Tijera Blvd, Suite 274, Los Angeles, California 90045 as the WAYS vice principal's own private middle school known as Innovative WAYS Academy.

   e. According to the WAYS vice principal, the founder/former executive director and mother of both the director of operations and vice principal is the individual who checks the mail and has the key to the OSE and

Innovative WAYS Academy address at 6709 La Tijera Blvd, Suite 274, Los Angeles, California 90045.

4. The director of operations and WAYS vice principal are brother and sister and are children of the founder/former executive director and Godfrey Okonkwo.

5. LACOE engaged the services of a private investigator following written and verbal complaints that the vice principal of WAYS was working at Innovative WAYS Academy, her private middle school of which she was the executive director. Direct surveillance and video on 16 separate occasions between March 5, 2013 and April 22, 2013 revealed that the WAYS vice principal spent 29.5 hours at her private middle school while employed full time at WAYS.

6. The WAYS vice principal is the owner of Innovative WAYS Academy private middle school, and a non-profit corporation known as DeDe Dance Studio.

   a. DeDe Dance Studio was paid a total of $73,800 by WAYS between April 2009 and April 2013.

   b. The address of DeDe Dance Studio is reported in the DeDe Dance Studio 2010 and 2011 nonprofit tax returns as 706 East Manchester Avenue, Los Angeles, CA, which is the same address as the WAYS primary school site and administrative offices location.

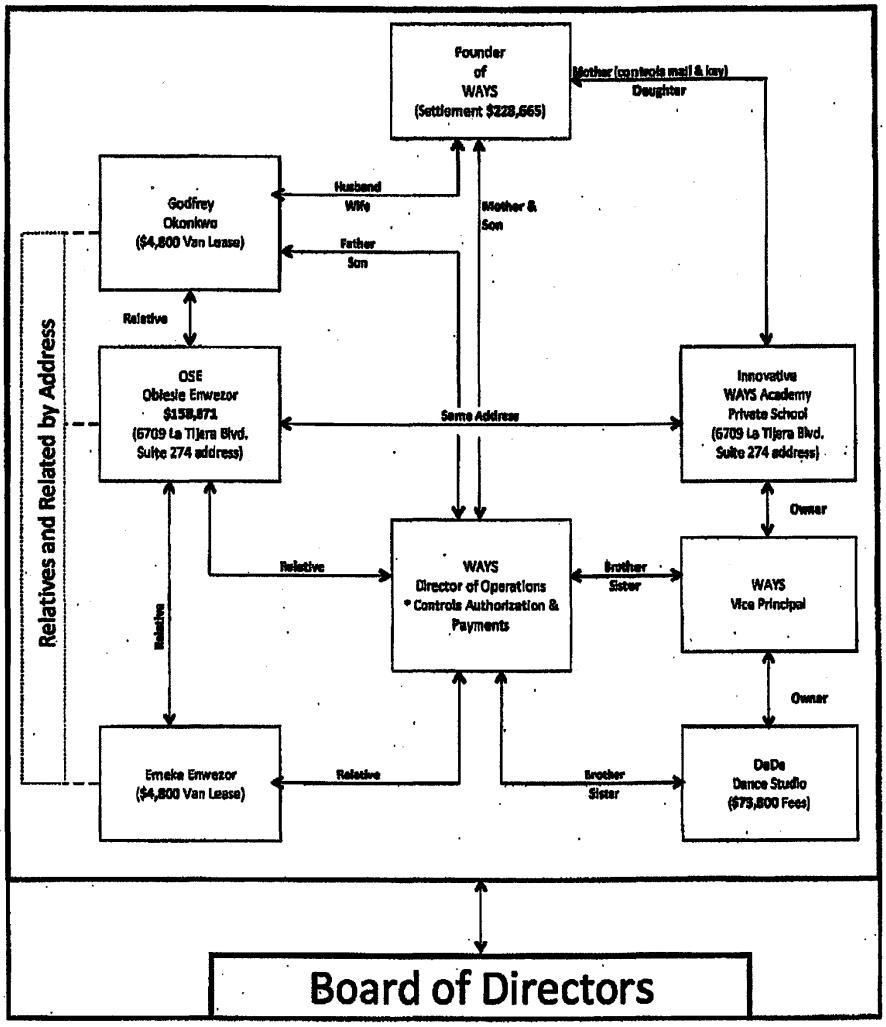
   c. The director of operations and brother of the WAYS vice principal and owner of DeDe Dance Studio authorized the checks from WAYS totaling $73,800 that were paid to DeDe Dance Studio.

   d. During the team interview of the WAYS vice principal on November 15, 2013, she stated that DeDe Dance Studio was paid from the ASES program funds for dance study during the after school program and that 10 volunteers are present for the dance activities. She further stated that there was also a manager present; however, the team did not observe students present in that facility during the fieldwork days. FCMAT also observed postings in the DeDe dance studio indicating that DeDe Dance studio has a check payment policy for payments and nonsufficient funds checks at the studio located at the WAYS property address.

   e. DeDe Dance Studio is operated at and identifies the business location as the WAYS school site. The team was unable to determine that any offsetting rent for the facility was paid by DeDe Dance Studio to WAYS.

   f. The DeDe Dance Studio nonprofit tax returns for 2010 and 2011 do not identify any rent paid expense activity, including rent for occupying the same facility as the WAYS school site or for facilities use as DeDe Dance Studio services where dance instruction allegedly occurred at the WAYS school site.

The relationships and related parties are presented in the following table:



WAYS Irregular Purchase and Sale of Lexus

During FCMAT's meetings and fieldwork in November 2013 at the WAYS back office provider, the team discussed WAYS Lexus payments of $891.94 per month identified in the WAYS accounting records. The WAYS back office service provider stated they had been requesting backup documentation for the Lexus transaction from the director of operations but never have received any.

The back office provider was unable to determine if the Lexus payments were for a leased vehicle or purchase that should be capitalized and depreciated.

In an email dated Friday, November 29, 2013, FCMAT requested information about the Lexus from the director of operations:

- The original board approval documentation and minutes authorizing the purchase of the Lexus,
- Original Lexus purchase/lease documents,
- The board approval documentation and minutes authorizing the sale of the Lexus,
- The analysis that would have provided the WAYS board establishing the financial profitability, viability, or reasoning for the purchase and subsequent sale of the Lexus,
- Copies of any Lexus payoff documentation,
- Copies of any Lexus proposed sale documentation.

The director of operations replied to the FCMAT November 29, 2013 request for Lexus information in an email dated Friday, January 10, 2014; however, the information provided was incomplete. Based on the information received from the director of operations, FCMAT has determined that the 2011 Lexus RX350 was purchased for $41,163.45 on August 19, 2012, to be used by the director of operations. The payments of $891.94 per month started October 3, 2012 for 47 months, at 1.90% annual percentage rate. The WAYS board approval for the purchase of the Lexus dated July 31, 2012 states, "Be it Resolved, that the Board of Directors of this corporation ... authorize the Executive Director or designee to enter into a lease or purchase agreement for a vehicle for school use behalf of said corporation." The current executive director of WAYS issued a letter dated August 6, 2012 authorizing the director of operations to "... lease or purchase a vehicle for school use ..."

The Lexus purchase analysis provided to the team by the director of operations is titled Capital Expense Analysis.

- The Capital Expense Analysis identifies two separate dates, July 2012 and August 2013, and is not attached to the WAYS board minutes or agenda as a document reviewed by the WAYS board.
- The Capital Expense Analysis fails to include any vehicle cost and/or terms of the Lexus and fails to identify that the vehicle is a Lexus only identifying the item as "SUV or Sedan (Vehicle)." Without any cost or terms of the Lexus purchase or specifically identifying the vehicle as a Lexus, the WAYS board may not have had sufficient information to make an informed decision regarding the purchase of the Lexus.
- The Capital Expense Analysis fails to identify if the vehicle will be capitalized as an asset or is a vehicle lease.
- The Capital Expense Analysis states, "Merle Williamson Foundation (MWF) may provide the Administrative Personnel an automobile vehicle and operating expenses for the use of conducting MWF business and reasonable personal use."
  - The WAYS July 31, 2012 minutes omit the authorization to use the Lexus for personal use and omit language in the minutes that MWF or WAYS has agreed to pay for the vehicle and operating expenses.

- Since the WAYS Board July 31, 2012 minutes and the Capital Expense Analysis wording differ, FCMAT cannot confirm that the Capital Expense Analysis was ever presented to the WAYS board.

The WAYS executive team failed to provide any information about the Lexus purchase to the WAYS back office provider so the back office service provider could properly account for the Lexus as a purchase, which would have resulted in capitalizing the Lexus in accordance with GAAP. The current executive director of WAYS and the director of operations failed to obtain WAYS governing board approval prior to selling the Lexus.

The sale of the Lexus as identified in the Capital Expense Analysis presents significant irregularities:

a. The vehicle identity is not disclosed as a Lexus.

b. Failure to disclose any Blue Book and/or fair market values of the Lexus.

c. Failure to disclose the beginning and ending Lexus odometer reading.

d. Failure to disclose if the Lexus had been in any accidents, if the maintenance was up to date, and what condition the Lexus was currently in such as excellent, good, fair, or poor condition, all of which are factors in avoiding any potential post sales liabilities.

   i. Based on the documents provided by WAYS, the team determined that the WAYS management team failed to disclose the Lexus Blue Book values as potentially excellent, $28,872; very good, $28,072; good, $27,172 and fair, $24,872.

   ii. The director of operations failed to provide any documentation explaining how the sales value of the Lexus was determined to be sold at $26,000 rather than at values of good, very good, or excellent.

e. Failure to disclose the estimated gains or loss on the sale of the Lexus.

f. Failure to present an amortization schedule showing the principal payments and remaining payoff on the Lexus as of the estimated date of the sale.

g. Failure to disclose if the sale of the Lexus would be confined to California or sold out of state.

Because the governing board was not provided any specific information as described above, FCMAT cannot determine how the governing board would be able to determine that the sale of the Lexus was a proper transaction for approval.

The WAYS board approval authorized the "vehicle for school use" but did not identify the type of vehicle or that the vehicle was for the explicit use of the director of operations. FCMAT had observed the director of operations using the Lexus as his own personal vehicle. The team's audit of WAYS' American Express credit card statements reveal that vehicle fuel receipts failed to list to which vehicle the fuel receipts were attributable; therefore, the team cannot determine if the fuel receipts were for WAYS vehicles or if WAYS was subsidizing personal fuel costs of WAYS employees and management.

The team has determined that the sale of the Lexus resulted in a ($4,187) loss to WAYS. The purchase price of the Lexus was $41,163 on August 19, 2012 and the Bill of Sale dated December 17, 2013 states that the Lexus was sold for $26,000 to an individual in Canada. The Lexus was owned by WAYS for approximately 16 months between August 19, 2012 and December 17, 2013. Depreciation of the vehicle is calculated over five years or 60 months at $686 per month, and accumulated depreciation over 16 months is calculated as $10,976.

The approximate net loss of $4,187 on the sale of the Lexus is calculated as:

- Purchase Price $41,163
- Less Accumulated Depreciation ($10,976)
- Book Value $30,187
- Less Selling Price of $26,000
- Net Loss on Sale of Lexus ($4,187)

The sale of the Lexus also resulted in a net loss of cash of $4,345 because the amount of principal paid down as calculated by FCMAT based on an amortization of 16 months, interest rate of 1.9% is $10,818. The original purchase price of the Lexus of $41,163 less the principal paid on the Lexus loan of $10,818 leaves an approximate payoff balance of $30,345. The payoff to Toyota Motor Corporation of $30,345 less the selling price of $26,000 results in an estimated cash loss of $4,345.

WAYS Failed to Obtain Governing Board Approved for Purchase of Computers and Issued an Irregular Payment

During FCMAT's meetings and fieldwork in November 2013 at the WAYS back office provider, the team discussed two payments to WAYS vendor Avatar Technology for a $37,986.51 purchase of computers dated January 23, 2012 and a $358.75 purchase dated February 10, 2012, totaling $38,345.26. The back office provider stated that the Avatar invoices received from the director of operations did not include governing board approval documents for this transaction.

The team examined the WAYS check request authorized by the director of operations and the vendor invoice documentation for the $37,986.51 paid to Avatar, and found several irregularities:

- The January 23, 2012 Avatar invoice stated that the purchase was for 85 "Legerro 13.3" items at $410 per item, with a total invoice price including sales tax of $37,540.63.
- The amount authorized by the director of operations to be paid to the computer vendor in the WAYS check request was $37,986.51.
- The difference between the computer vendor invoice of $37,540.63 and the amount WAYS paid to the computer vendor of $37,986.51 is $445.88.
- The check request authorized for payment by the director of operations identifies an additional amount of $445.88, which the team believes to be one additional computer.

In an email dated Friday, November 29, 2013, the team requested documentation from the director of operations of the governing board authorization, board agenda identifying the item for action on the agenda or any other documentation to support the purchase of the computers. His reply on Friday, January 10, 2014 states that:

"I was unable to locate any Board documentation regarding the purchase of the Avatar Computers. However, I can attest that the Board was fully aware of the purchase before it was executed and after they were purchased. I've attached the newsletter showing our students using the computers."

Based on the information the team received from the director of operations, the team has determined that there are several irregularities concerning the purchase of computers authorized by the director of operations:

1. The WAYS board was not properly notified by the director of operations' decision to purchase computers totaling $38,345.26.
2. There are no requests for quotes or for proposals.
3. There is no documentation of computers specifications.
4. The authorization for payment to Avatar by the director of operations in excess of the invoiced amount totaling $445.88 cannot be located.
5. The transaction lacks governing board approval and lacks supporting documentation for payment.
6. The team cannot confirm if the computers presented by the director of operations in a newsletter are in fact the computers purchased from Avatar.

WAYS Automobile Fuel Purchase Irregularities

The team examined WAYS fuel purchases, which consist of receipts for fuel from Costco Gas, Chevron, Shell Oil, Union 76, Exxon Mobil, and Valero gas stations. Over a two-year period from July 1, 2011 through June 30, 2013, according to the WAYS accounting records, the total paid for fuel and mileage reimbursements was approximately $18,261.

The team calculated that over the two-year period, the amount spent on mileage reimbursement and other non-fuel expenses was approximately $2,305. Removing the mileage reimbursement and other non-fuel expenses of $2,305 from the total fuel cost of $18,261 left a remaining net fuel cost of $15,956. The team calculated that $15,956 in fuel purchases during WAYS fiscal years 2011-12 and 2012-13 at an estimated $3.79 per gallon represents 3,989 gallons ($15,956 / $3.79 per gallon = 4,210 gallons) of fuel used or approximately 175 gallons of fuel per month (4,210 gallons / 24 months = 175 gallons per month).

The $3.79 per gallon price was calculated by the team based on fuel cost data from www.gasbuddy.com for the Los Angeles, California area. The price of fuel in Los Angeles at July 2011 was $3.79/gallon, June 2012 at $3.60/gallon, and June 2013 at $3.97/gallon. The average price per gallon between July 2011 and June 2013 was $3.79 per gallon (($3.79 + $3.60 + $3.97) / 3 = $3.79 per gallon).

The non-board approved and unsigned Emeka Enwezor van lease identifies the van as a 1995 Ford model E-350 van. The team researched the fuel economy of a 1995 Ford model E-350 van at www.motortrend.com and found that the van's fuel economy is 13 miles per gallon in the city, and 16 miles per gallon on the highway. Using the fuel economy of the van of 13 miles per gallon and 175 gallons of fuel per month represents that the WAYS vehicles traveled 2,275 miles per month for school business purposes. Students attending WAYS' three charter school sites reside

in the local neighborhoods and all three school sites are within a mile or two of each other. The mileage of 2,275 per month is excessive based on the location of the students and school sites.

The team was unable to determine if the fuel that WAYS management charged to the WAYS American Express credit cards was for official WAYS school business. Based on the examined fuel receipts, the team was unable to determine if any of the WAYS fuel purchases and fuel usage of an average 175 gallons per month were for personal vehicles or for personal trips because WAYS' accounting for fuel purchases fails to identify in the fuel receipts which vehicle and business purpose each receipt represents.

Failure by the management team of WAYS to document fuel purchases represents accounting irregularities, because the fuel purchases the team examined as reported by the executive management team and paid with the American Express credit card cannot be reconciled to any specific vehicle of WAYS.

WAYS Charter School Summary of Related and Irregular Transactions

The table below is a compilation of payments made through WAYS to the founder/former executive director, family members of the founder and close associates. Many of these payments were authorized by the director of operations and the current executive director (former board president.)

WAYS Charter School Summary of Related and Irregular Transactions	Time Period	Type	Accounting Records Amounts
Founder/Former Executive Director	2007-08 through 2012-13	Facility Leasehold Agreements	$1,100,921
Founder/Former Executive Director, Loraine Turner, Wisdom Pre-School, Preschool Rent	2007-08 through 2012-13	Rent and Other Unsubstantial Charges	115,550
Founder/Former Executive Director	2007-08 through 2012-13	Leasehold Improvements	341,710
Founder/Former Executive Director	2007-08 through 2012-13	Leasehold Improvements – E-Rate	35,483
Founder/Former Executive Director	2004-05	Professional Liability Wrongful Termination Lawsuit	566,803
Founder/Former Executive Director	2012-13	Settlement-Employment Contract	228,665
Director of Operations	2012-13	Avatar-Excess Payment Authorized	446
OSE Business Services	12/21/2011 - 06/27/2013	Alleged Supplies	158,871
DeDe Dance Studio	4/23/2009 - 4/12/2013	Alleged After School Dance	73,800
Godfrey Okonkwo	1/7/2011 - 6/27/2011	Alleged Van Lease	4,800
Emeka Enwezor	12/9/20111	Alleged Van Lease	4,800
Sale of Lexus	12/17/2013	Sale of Lexus	26,000
Fuel Purchases	7/1/2011 - 6/30/2013	Fuel	15,956
Total			$2,673,805

The above transactions represent significant influence that the WAYS founder/former executive director, family of the founder and close associates had over financial decisions that personally benefitted them. Several of these transactions were authorized for payment by the director of operations, who is the son of the founder/former executive director, and the current executive director (the former board president) and gave these individuals the ability to simultaneously control and benefit from these transactions. The lack of documentation to support transactions

through board approval and records creates the perception of fraud, misappropriation of assets and possible criminal activity.

There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.

Prevention and Detection

As previously mentioned, the internal control environment includes ethical values and integrity displayed by the governing board and management as well as the underlying tone set by the organization's site administrators. The tone of the organization set by management through its words and actions demonstrates to others that dishonest or unethical behavior will not be tolerated. An atmosphere in which employees feel safe to communicate concerns is a fundamental component of a strong and effective internal control environment.

The control environment is an essential element and provides the foundation for other internal controls to be effective in achieving the goals and objectives to prevent and/or deter fraud or illegal acts. Regular external audits are a strong deterrent to mismanagement and fraud, but they cannot serve as the only method of ensuring accountability. It is imperative for the county office and WAYS governing board to review the findings and recommendations of this audit to implement the appropriate internal controls and hold the responsible parties accountable for their actions.

Internal controls clearly are among the most important aspects of any fraud prevention program. Managers are in a position of authority and therefore have a higher standard of care to establish the ethical tone and serve as examples to other employees. Employees with administrative responsibility have a fiduciary duty to the organization in the course of their employment to ensure that those activities are conducted in compliance with all applicable board policies, laws, regulations, and standards of conduct. Management personnel are entrusted to safeguard the charter's assets and ensure that internal controls function as intended. Relatives of employees should not be employed on a permanent or part time basis by the charter where the relative reports directly to the employee or the employee exercises any direct influence with regard to the relative's hiring, salary placement, promotions, evaluations or pay increases.

While the governing board and all employees in the organization have some responsibility for internal controls, the founder/former executive director and family members and close associates holding key administrative positions had a fiduciary duty and responsibility to make certain that the assurances in the charter petition and the governing board fiscal policies and procedures were conducted responsibly and ethically.

Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred. There exists a significant material weakness in the charter school's internal control environment, which increases the probability of fraud and/or abuse. These findings should be of great concern to the WAYS governing board and the LACOE governing board and require immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.

In accordance with Education Code Section 42638(b), action by the county superintendent shall include the following:

If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the charter school, the State Controller, the Superintendent of Public Instruction and the local district attorney.

Recommendation

The county superintendent should:

1. Notify the governing board of WAYS charter school, LACOE's governing board, the State Controller, the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriation of assets or other illegal activities may have occurred.

Appendices

Appendix A - Summary of OSE Invoice Items

Appendix B – Study Agreement

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION			2011	2012	2013
Price Per	Type	Item	Quantity	Quantity	Quantity
$39.99	Book/Supplies	HP 72XL InkJet Cartridge	0	2	2
$17.99	Books/Supplies	HEAVY DUTY VIEW	5	0	0
$20.00	Books/Supplies	#10 SEC ENV	0	3	0
$18.99	Books/Supplies	3 Hole Punch	0	2	2
[redacted]			0	1	0
$9.99	Books/Supplies	3.18 M-M PATCH CABLE	1	0	0
[redacted]			0	4	4
			0	4	4
$60.00	Books/Supplies	8.5X11 GLOSS PREM	0	5	0
$14.58	Books/Supplies	Acco 72585 Jumbo Non-skid Paper Clips, 10/100 ct	0	0	2
$14.32	Books/Supplies	AVERY DURA VIEW	3	0	0
$16.00	Books/Supplies	AVI Cord	0	4	0
$5.78	Books/Supplies	Ball Pump and Needle	0	4	0
$24.99	Books/Supplies	BANDAID 185CT	0	3	0
$9.99	Books/Supplies	BD SWAG 300	0	1	0
$6.66	Books/Supplies	Bicycle Pokr	0	0	4
$16.00	Books/Supplies	Canon MX882 Ink Jet Cartridge	0	4	4
$48.00	Books/Supplies	Case of Paper 8x11.5	0	60	126
$36.00	Books/Supplies	Cases of Paper 8x11.5	0	47	0
$39.99	Books/Supplies	Cases of Paper 8x11.6	0	60	0
$10.29	Books/Supplies	CLIP, BNDR, 30PK	0	1	0
$11.18	Books/Supplies	CLP,PPR,NSKD,J	0	12	0
$10.98	Books/Supplies	CLPBRD, OD,3PK	0	3	0
$83.33	Books/Supplies	College Ruled 8.5 x 11 Case	0	6	0
$52.49	Books/Supplies	COLORSPLASH PENCILS PK/240	14	0	0
$40.00	Books/Supplies	Copies X 400PGS	0	4	0
$87.60	Books/Supplies	Crayola Broad Washable Marker Asst 256 ct - Item 958201	0	0	11
$10.00	Books/Supplies	Crayola Broad Washable Marker Asst 8 ct - Item# 285484	0	0	10
$9.99	Books/Supplies	Crayola Long Colored Pencils Assorted 12 ct - Item #626637	0	0	10
$59.99	Books/Supplies	CRAYOLA MARKER CLSSPACK 16CO	6	0	0
$5.00	Books/Supplies	Crayon	0	10	10
$25.99	Books/Supplies	CS PASS AROUND PACK CRAYONS	36	0	0
$15.29	Books/Supplies	CVR, RPT,GRPLCK	0	1	0
$30.99	Books/Supplies	Custom Address Stamp	0	1	1
$125.00	Books/Supplies	DA LITE LAPTOP CART CHARGER 2PK	0	2	0
$12.25	Books/Supplies	DIVIDER PLASTIC TABS	0	4	0
$4.65	Books/Supplies	DIVIDERS STAB	0	2	0
$1,222.68	Books/Supplies	DOUBLE-SIDED MAGNETIC MARKBOARD W/WOOD FRAME	1	1	0
$34.99	Books/Supplies	DTR, SLF-INKXT	0	1	0
$30.99	Books/Supplies	Easel Pad-Stickable	0	2	0
$1.19	Books/Supplies	ECONOMY COMPOSITION BOOK	80	0	0
$1.00	Books/Supplies	Economy Games Misc	0	0	180
$0.88	Books/Supplies	Economy Games Misc	0	180	0
$59.98	Books/Supplies	Envelope #9, 2W	0	0	1
$14.99	Books/Supplies	Envelopes 500ct	0	4	12
$19.99	Books/Supplies	Envelopes 500ct	0	2	2
$32.00	Books/Supplies	Exec Fabric Exp F1	0	2	0
$25.96	Books/Supplies	EXPO D80989 Asst Chisel Tip Low Odor Dry Erase Marker Kit	0	0	12
$22.70	Books/Supplies	EXPO DRY ERASE 16CT	24	24	0
$120.00	Books/Supplies	FILE FOLDER	0	2	0
$14.98	Books/Supplies	FILE FOLDER	0	0	2
$32.99	Books/Supplies	FILE, CASE, POLY	0	1	0
$19.99	Books/Supplies	FILE, O/D, 13 PK	0	1	0
$16.80	Books/Supplies	Flah Drive	0	0	1
$36.00	Books/Supplies	First Aid Kit + Refills	0	8	8
$1.00	Books/Supplies	Fun Dough	0	12	0
$5.98	Books/Supplies	Geographics Award Certificates Blue Border 25 ct	0	0	4
$5.98	Books/Supplies	Geographics Award Certificates Gold Border 12 ct	0	0	14
$5.98	Books/Supplies	Geographics Award Certificates Green Border 25 ct	0	0	4
$5.98	Books/Supplies	Geographics Award Certificates Red Border 25 ct	0	0	4
$23.17	Books/Supplies	Green Folder	0	6	6
$29.99	Books/Supplies	Guestures	0	0	1
$12.00	Books/Supplies	Hanging File Folder pk	0	2	2
$5.75	Books/Supplies	HEAVY DUTY VIEW	0	8	0
$99.97	Books/Supplies	HLPNCHR SWINGLN ELEC	0	1	0
$82.50	Books/Supplies	HP CB5XL4 Toner All Colors	0	4	4

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$30.00	Books/Supplies	Ink CO-226-cy 688852	0	5	0
$110.00	Books/Supplies	Ink Canon 4pk 687147	0	2	0
$30.00	Books/Supplies	Ink CI-226, bl	0	5	0
$30.00	Books/Supplies	Ink Cb-226-ye	0	4	0
$30.00	Books/Supplies	Ink C4-226-mg	0	1	0
$25.00	Books/Supplies	Jenga	0	0	2
$3.99	Books/Supplies	JUMBO PENCILS PK/12 NO ERAS	112	0	0
$3.20	Books/Supplies	JUMBO PENCILS NO ERAS	0	0	56
$153.98	Books/Supplies	Laser, Mono, TN3	0	0	2
$19.99	Books/Supplies	Legal Note Pad pk	0	1	1
$29.99	Books/Supplies	License Word	0	0	1
$40.00	Books/Supplies	MAGIC TAPE	0	2	0
$40.99	Books/Supplies	MAGIC TAPE	0	4	4
$12.99	Books/Supplies	Mancala	0	0	4
$13.00	Books/Supplies	Manilla Folder pk	0	4	4
$11.99	Books/Supplies	Mixed Highlighter pk	0	4	4
$6.00	Books/Supplies	Mixed Highlighter pk	0	4	4
$13.99	Books/Supplies	Number Divider	0	8	8
$39.99	Books/Supplies	O/T COPY-20#/8.5X11/76-9	60	186	280
$48.99	Books/Supplies	O/T COPY-20#/8.5X11/76-9	0	0	92
$46.99	Books/Supplies	O/T COPY-20#/8.5X11/76-9	0	0	10
$17.36	Books/Supplies	Office Impressions #90 Clasp Envelope 9 X 12 Kraft 100 ct	0	0	4
$45.00	Books/Supplies	Office Impressions 92 Bright 20# 8.5x11 Case	0	25	0
$45.00	Books/Supplies	Office Impressions 92 Bright 20# 8.5x11 Case #562633	0	23	0
$13.00	Books/Supplies	Office Scissor pk	0	6	6
$19.99	Books/Supplies	Paid Stamp	0	1	1
$25.26	Books/Supplies	Pendflex Lgl Top Tab Folder 3.74" Manila 150 ct	0	0	1
$12.00	Books/Supplies	Pencil	0	2	2
$18.79	Books/Supplies	Pencil Sharpener	0	2	2
$25.76	Books/Supplies	POST-IT 3X3	0	1	0
$16.00	Books/Supplies	Post-it pk	0	4	4
$45.96	Books/Supplies	POST-IT 559 White 25 X 30 Self-Stick Easel Pad	0	0	4
$16.99	Books/Supplies	Premium Specialty Paper - Blue	0	4	0
$16.99	Books/Supplies	Premium Specialty Paper - Gold	0	4	0
$16.99	Books/Supplies	Premium Specialty Paper - Tan	0	4	0
$29.99	Books/Supplies	PREMIUM VIEW BINDER	0	1	0
$46.00	Books/Supplies	Premium Binder	0	5	0
$15.98	Books/Supplies	RED BASELINE JUMBO NEWSPRINT	40	0	0
$10.58	Books/Supplies	RED BASELINE JUMBO NEWSPRINT-GR1	40	0	0
$10.58	Books/Supplies	RED BASELINE JUMBO NEWSPRINT-GR2	16	0	0
$10.58	Books/Supplies	RED BASELINE JUMBO NEWSPRINT-GR3	16	0	0
$20.00	Books/Supplies	Scholastic Workbooks K-5	0	100	0
$231.27	Books/Supplies	Spectrum Ball Pack & Mesh Bag	0	0	2
$3.39	Books/Supplies	SPLIT KEY RING PK/25	12	0	0
$40.00	Books/Supplies	SPLS 70 Crate Black	0	4	0
$25.00	Books/Supplies	STAPLER	0	2	0
$18.99	Books/Supplies	Stapler Pkg	0	6	6
$12.99	Books/Supplies	STICK PENS	0	6	0
$8.49	Books/Supplies	SUNWORKS GW CNSTR PAPER 9X1	98	0	0
$3.99	Books/Supplies	Swingline 1.4" Standard Staples 5000 ct	0	0	10
$10.58	Books/Supplies	Red Baseline Ruled Newsprint - Grade 1	0	40	0
$9.40	Books/Supplies	Red Baseline Ruled Newsprint - Grade 2	0	18	0
$9.40	Books/Supplies	Red Baseline Ruled Newsprint - Grade 3	0	18	0
$39.99	Custodial Supplies	SHIPLOCK PANELING 8'X4"X.8"	0	4	0
$25.00	Custodial Supplies	1/2 Fold Seat Cover	0	4	0
$49.99	Custodial Supplies	12"x10" 6PK TRAY -EATING TRAYS	0	10	10
$56.00	Custodial Supplies	12-16g Clear Bag	0	0	8
$23.00	Custodial Supplies	12-16g Clear Bag	0	18	6
$54.99	Custodial Supplies	16"X12" 6PK TRAY -EATING TRAYS	0	10	0
$25.00	Custodial Supplies	16g Bin Bag 500ct	0	8	0
$36.00	Custodial Supplies	55g Industrial Bag 500ct	0	0	12
$26.99	Custodial Supplies	55g Industrial Bag 500ct	0	24	8
$70.00	Custodial Supplies	55g Recycled Material Bag 500ct	0	4	0
$54.99	Custodial Supplies	Antibacterial Hand Soap CS	0	2	12
$13.99	Custodial Supplies	ALL PURPOSE DRYWALL PATCH ANTI-MOLD	0	1	0
$29.99	Custodial Supplies	BAR RINSE	0	4	0

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$19.98	Custodial Supplies	BarORinse Disinfectant	0	3	3
$10.00	Custodial Supplies	BarORinse Disinfectant	0	12	12
$31.12	Custodial Supplies	BAR TWL	0	6	0
$10.99	Custodial Supplies	BLACK PLUNGER 18" PLASTIC	1	0	0
$46.89	Custodial Supplies	Blu Hwk Roller Kit	0	0	1
$19.99	Custodial Supplies	Brooms 12"	0	0	7
$20.00	Custodial Supplies	Broom-Light Weight	0	2	0
$24.99	Custodial Supplies	Broom	0	1	1
$12.00	Custodial Supplies	Broom	0	4	4
$40.00	Custodial Supplies	CAN LINER 56G BLK	0	10	0
$4.00	Custodial Supplies	Clorox 1.5G	0	0	0
$49.99	Custodial Supplies	12" X 10" 6PK Tray	0	10	0
$10.00	Custodial Supplies	Clorox Bich 3PK	0	12	24
$16.99	Custodial Supplies	Clorox Bich 3PK	0	0	4
$29.99	Custodial Supplies	CLOROX ULTRA GERM	6	0	0
$38.99	Custodial Supplies	Clorox Wipes	0	0	12
$19.78	Custodial Supplies	Clorox Wipes	0	0	12
$19.99	Custodial Supplies	Clorox Wipes	0	6	6
$19.94	Custodial Supplies	CO CAULK GUN	0	1	0
$19.99	Custodial Supplies	Com Broom 10"	0	0	3
$6.89	Custodial Supplies	Doorstop Solid Brass	0	0	1
$40.00	Custodial Supplies	Drywall Package - 100SP Fil	0	1	0
$26.99	Custodial Supplies	Dust Pan w/Handle	0	0	5
$59.74	Custodial Supplies	Extra Soft BR 2000	0	4	12
$19.90	Custodial Supplies	Extra Soft BR 2000	0	10	10
$59.74	Custodial Supplies	Extra Soft BR 2001	0	0	4
$28.96	Custodial Supplies	Faucet Stem R	0	0	1
$17.98	Custodial Supplies	FEBREZELINE OCEANFRSH	0	3	0
$17.98	Custodial Supplies	FEBREZELINE TRPCL	0	3	0
$19.94	Custodial Supplies	GE ULT SL	0	1	0
$17.88	Custodial Supplies	Germ-X Original hand Sanitizer with Pump Top, 67.6 oz	0	0	24
$87.98	Custodial Supplies	Gloves Latex Large 100	0	0	1
$29.99	Custodial Supplies	H/D SPONGE 12PK	0	1	0
$44.99	Custodial Supplies	Hand Towel Single Fold	0	12	0
$20.00	Custodial Supplies	Hand Towel Single Fold	0	12	12
$19.78	Custodial Supplies	Hard Surface Wipes 4pk	0	0	48
$19.99	Custodial Supplies	Husky 9 PC SAE/MIRC Folding Hex Set	0	0	1
$15.67	Custodial Supplies	HVY DEG	1	0	0
$24.99	Custodial Supplies	Kleenex	0	36	42
$9.99	Custodial Supplies	KNOCKDOWN/SPATULA	0	1	0
$49.34	Custodial Supplies	KW TOILET SEAT HDC	0	2	0
$59.84	Custodial Supplies	KS Sig Lido Bed/Bath Satin Nickel	0	0	3
$10.00	Custodial Supplies	Lt Bulbs T18"	0	12	0
$33.50	Custodial Supplies	Lysol Disinfectant Spray 4/19 oz	0	0	1
$30.70	Custodial Supplies	Lysol Disinfecting Wipes, 4/80 ct	0	0	12
$39.67	Custodial Supplies	MICROFBR TOWEL	0	6	0
$27.96	Custodial Supplies	ML 2" BRASS RESET COMBINA	1	0	0
$25.00	Custodial Supplies	Mop Head	0	12	12
$22.50	Custodial Supplies	Mop Head	0	8	0
$9.35	Custodial Supplies	Mop Head (Single)	0	0	4
$49.99	Custodial Supplies	Natural 400 Single Fold	0	18	54
$26.67	Custodial Supplies	Natural 400 Single Fold	0	54	0
$45.00	Custodial Supplies	Natural 400 Single Fold	0	8	0
$17.97	Custodial Supplies	PAD LOCK	0	2	0
$96.00	Custodial Supplies	PALM LIQ ANTIBACT	4	0	0
$83.33	Custodial Supplies	PALM LIQ ANTIBACT	0	6	0
$10.00	Custodial Supplies	PAPER SEAT COVER	0	28	24
$20.00	Custodial Supplies	PineSol Lemon	0	12	24
$26.73	Custodial Supplies	PineSol Lemon	0	0	4
$39.99	Custodial Supplies	PineSol LEM CS	0	3	0
$5.69	Custodial Supplies	PLUNGER CADDY	1	0	0
$54.99	Custodial Supplies	Poly Gloves 6PK	0	12	18
$36.00	Custodial Supplies	Poly Gloves 6PK	0	18	6
$93.96	Custodial Supplies	Schlage Acc Keyed SN	0	0	1
$95.99	Custodial Supplies	Soap Hand Anti-Bac 4PK16	0	5	10
$39.99	Custodial Supplies	SOFT TOUCH 4000	0	40	20

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION			2011	2012	2013
Price Per	Type	Item	Quantity	Quantity	Quantity
$39.95	Custodial Supplies	SOFT TOUCH 4000	0	16	0
$14.11	Custodial Supplies	SOFTSOAP ANTIBACT	1	0	0
$39.98	Custodial Supplies	SPACKLNG	0	1	0
$25.00	Custodial Supplies	Tissue	0	0	12
$25.00	Custodial Supplies	Tissue	0	6	6
$30.00	Custodial Supplies	Tissue	0	6	0
$49.99	Custodial Supplies	Tissue Bath JJ 2PL 3.75"	0	0	6
$51.97	Custodial Supplies	TISSUE JUMBO	0	6	0
$29.24	Custodial Supplies	Tissue4000	0	6	0
$25.00	Custodial Supplies	Tissue4000	0	6	0
$30.00	Custodial Supplies	Toilet Paper Jumbo Dispenser	0	2	2
$39.99	Custodial Supplies	Towels	0	0	6
$15.67	Custodial Supplies	TOWEL ROLL WHITE	1	0	0
$35.88	Custodial Supplies	TP HLDR-PB	0	1	0
$24.99	Custodial Supplies	Tray Liner	0	3	11
$169.00	Custodial Supplies	Val Ext Masry Sto Wht Paint - 5G	0	0	1
$169.00	Custodial Supplies	Val Ext Masry Sto Tan Paint - 5G	0	0	1
$5.47	Custodial Supplies	Wall Protect 3-1/4" White	0	0	1
$29.99	Custodial Supplies	W/P H/E COMBI LCK	0	1	0
$4.00	Custodial Supplies	CLOROX 1.5G	0	24	0
$1.92	Custodial Supplies	Clorox Powder 32 oz	0	96	0
$5.00	Custodial Supplies	PineSol 2G	0	24	0
$19.99	Custodial Supplies	ANTIBac Hand Soap 1G	0	10	0
$10.00	Custodial Supplies	ANTIBac Hand Soap 1G	0	4	0
$434.98	F & E	Netgear R6300 AC Router 802.11AC Dual-Band	0	0	1
$830.25	F & E	Brother 8910DW Printer Dlux	0	0	1
$368.00	F & E	Brother TN350	0	1	1
$819.99	F & E	Sunroc SS Drinking Fountain	0	0	1
$725.87	F & E	Dellco Laptop Cart	0	3	0
$765.00	F & E	DOUBLE-SIDED MAGNETIC MARKBOARD W/WOOD FRAME (6' W X 4' H)	0	0	1
$849.00	F & E	Franklin Indoor Enclosed Bulletin Board W/Two Doors (5' X 3'H)	0	0	1
$469.00	F & E	ABC Magnetic Dry Erase Board (6'W X 4' H)	0	0	1
$50.19	F & E	Programable Micro Automatic Gate Remote (HomeLink Compatible)	0	0	10
$4,703.91	F & E	6' x 8" H Freestanding Portable Partition - Nine Panels (16' 9"L)	0	0	1
$8.85	F & E	Quality Tray 10 X 14	0	0	48
$125.24	F & E	Quality Cart Black	0	0	3
$599.99	F & E	Epson EX-51	0	1	1
$462.37	F & E	ACER Note Book	0	2	0
$961.25	F & E	Toshiba Laptop	0	1	0
$1,299.99	F & E	PA Sound System - 2 Wired Mics, 1 Wireless Mic, Mixer	0	1	0
$1,000.00	F & E	JBL PA System	0	2	0
$20.00	F & E	Projector Case	0	3	0
$800.00	F & E	Mackie Thump PA Speakers 15"	0	2	0
$10.00	Food Supplies	ANIMAL CRACKER	0	11	0
$7.00	Food Supplies	Austin Variety 45ct	0	10	0
$12.99	Food Supplies	Austin Variety 45ct	40	254	290
$16.99	Food Supplies	Austin Variety 45ct	0	24	0
$17.99	Food Supplies	Austin Variety 45ct	0	0	16
$19.99	Food Supplies	Austin Variety 45ct	0	24	24
$12.50	Food Supplies	Austin Zoo	20	0	0
$12.99	Food Supplies	Austin Zoo	0	18	0
$12.50	Food Supplies	Cheeze It	20	0	0
$11.99	Food Supplies	Cheeze It	0	8	0
$10.00	Food Supplies	CINNAMON TOAST BAR	0	15	0
$10.00	Food Supplies	COCOA PUFFS BAR	0	12	0
$12.99	Food Supplies	Disney Cracker	0	5	5
$17.99	Food Supplies	Dnr Napkins	0	0	1
$10.00	Food Supplies	GOLD FISH CRACKERS	0	11	0
$7.99	Food Supplies	Honey Maid	25	0	0
$7.99	Food Supplies	Honey Maid	0	25	0
$8.99	Food Supplies	Honey Maid	0	90	72
$13.99	Food Supplies	Honey Maid	0	10	0
$12.99	Food Supplies	Honey Maid	0	16	80
$12.98	Food Supplies	Honey Maid	0	0	36
$12.97	Food Supplies	Honey Maid	0	12	0
$17.99	Food Supplies	Honey Maid	0	0	16

SUMMARY OF OSE INVOICE ITEMS AND PRICE PER ITEM CALCULATION

Price Per	Type	Item	2011 Quantity	2012 Quantity	2013 Quantity
$19.99	Food Supplies	Honey Maid	0	24	16
$10.00	Food Supplies	MINI PRETZELS	0	11	0
$16.99	Food Supplies	Nature Valley - Oats n' Honey	0	0	14
$25.99	Food Supplies	Pepe Plates	0	0	2
$19.99	Food Supplies	Quaker Chewy	0	0	37
$11.99	Food Supplies	Rice Crispy	20	20	0
$12.23	Food Supplies	Rice Crispy	0	0	17
$12.97	Food Supplies	Rice Crispy	0	20	0
$12.99	Food Supplies	Rice Crispy	0	80	0
$12.98	Food Supplies	Rice Crispy	0	0	36
$12.99	Food Supplies	Rice Crispy	0	32	118
$16.99	Food Supplies	Rice Crispy	0	24	20
$19.99	Food Supplies	Rice Crispy	0	24	28
$65.71	Food Supplies	SAF - Snacks and Fruits Variety 12/15	0	1	0
$10.00	Food Supplies	SCOOBY CRACKERS	0	11	0
$10.00	Food Supplies	STRAWBERRY CHERRIOS	0	12	0
$19.98	Food Supplies	Veg Tray	0	0	6
$7.99	Food Supplies	Water 8oz 35PK	0	0	30
$8.00	Food Supplies	Water 8oz 35PK	0	4	0
$39.98	Other Supplies	68 SCHLAGEKEY	0	1	0
$163.00	Postage	Federal Exp	0	1	0
$0.44	Postage	USPS Stamps	0	1000	0
$182.07	Postage	USPS Stamps	0	1	0
$150.00	Postage	USPS Stamps	0	1	0
		NSF Charge	0	0	0
			0	0	0
Total			0	0	0
Sales Tax			0	0	0
Total With Tax			0	0	0
		Quantity Totals	703	3,551	2,442
		Grand Total 2011 - 2013 Quantities		6,696	

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
AB139 STUDY AGREEMENT
May 20, 2013

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Los Angeles County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to school districts and county offices of education upon request. Pursuant to the provisions of Education Code Section 1241.5 (b), a county superintendent of schools may review or audit the expenditures and internal controls of any school in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. The extraordinary audits conducted by the county superintendent shall be focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner.

All work shall be performed in accordance with the terms and conditions of this agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The COE has requested that the team assign professionals to conduct an AB 139 extraordinary audit of the Wisdom Academy for Young Scientists. Per Education Code Section 1241.5 (b), (c), the superintendent has reason to believe that fraud, misappropriation of funds, or other illegal practices may have occurred.

The Wisdom Academy for Young Scientists Charter School conducts business as a California nonprofit organization. In addition to the authority granted under Education Code sections 1241.5 (c) and 47604.3, the county superintendent may conduct an investigation of the charter school based on written complaints by parents or other information that justifies the review.

The primary focus of this review will be to provide the county office with reasonable assurances, based on the testing performed, that adequate management and internal controls are in place for the reporting and monitoring of financial transactions, and that fraud, misappropriation of funds or other illegal activities have not occurred.

Internal controls include the processes for planning, organizing, directing and controlling program operations, including systems for measuring, reporting and monitoring performance. The receipt of cash and/or cash transactions, payroll, purchasing, and accounts payable are high-risk areas in which potential fraud and issues such as nonexistent employees or vendors, or misappropriation of assets including cash, may be detected. This review's objectives will include evaluation of policies, procedures, internal controls and transactions performed by the charter school.

Testing for this review will be based on sample selections from the current and one prior fiscal year; it will not include all transactions and records for this period. Sample testing and review results are intended to provide reasonable but not absolute assurance regarding the accuracy of the charter school's financial transactions and activity to accomplish the following:

- Prevent internal controls from being overridden by management.
- Ensure ongoing state and federal compliance.
- Provide assurance to management that the internal control system is sound.
- Help identify and correct inefficient processes.
- Ensure that employees are aware of internal control expectations.

The team's review of the Wisdom Academy for Young Scientists will include, but not be limited to, the items below. The team will do the following:

1. Evaluate the charter school's internal control structure, policies and procedures to test transactions and reporting processes to determine if adequate procedures are in place to safeguard assets, including physical objects, charter school data, and intellectual property.

   Evaluation of policies and procedures will include the following:

   i. Review compliance with policies and procedures including, but not limited to, those related to human resources, finance, purchasing, granting agencies, and state and federal government programs and funding.

   ii. Review document and records retention procedures to determine whether the charter school provides reasonable assurance that asset records are safeguarded and transactions are correctly recorded.

2. Evaluate the reliability and integrity of information used for internal management decisions and external agency reports.

3. Determine if authorization procedures are appropriate and consistently followed. Review administrator and manager approvals and whether signature authority is delegated only to authorized employees.

4. Determine whether proper segregation of duties exists. The team will evaluate personnel, payroll, accounts payable and cash transactions, and will do the following:

   i. Review the authorization process for cash receipts

   ii. Determine if protective measures are in place for safeguarding assets, processes and data.

   iii. Determine whether safe combinations are changed periodically and anytime a staff member who knows the combination terminates employment.

5. Evaluate reporting processes. The team will do the following:

   i. Evaluate monitoring and verify that controls are operating properly.

   ii. Evaluate controls that prevent management from overriding internal controls and thus prevent the potential misappropriation of funds.

   iii. Evaluate whether clearly established lines of authority and responsibility exist within and between departments for proper review and reporting purposes, and if these are shown on organizational charts.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the charter to brief management and supervisory personnel on the team's procedures and the purpose and schedule of the study.

2. On-site Review - The team will conduct an on-site review at the charter office and at school sites if necessary; and will continue to review pertinent documents off-site.

3. Progress Reports - The team will inform the COE of material issues as the review is performed.

4. Draft Reports – When appropriate, electronic copies of a preliminary draft report will be delivered to the COE's administration for review and comment on a schedule determined by the team.

5. Final Report - Electronic copies of the final report will be delivered to the COE and/or charter following completion of the review. Printed copies are available from FCMAT upon request.

6. Follow-Up Support – If requested, the team will meet with the COE and/or charter to discuss the findings and recommendations of the report.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

A.	Julie Auvil, CPA, CMGA	FCMAT Fiscal Intervention Specialist
B.	Debi Deal, CFE	FCMAT Fiscal Intervention Specialist
C.	Marisa Ploog, CPA, CFE, CGMA	FCMAT Fiscal Intervention Specialist

Other equally qualified staff or consultants will be substituted in the event one of the above individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8 (d) (1) shall be:

A. $800 per day for each FCMAT staff member while on site, conducting fieldwork at other locations, presenting reports, or participating in meetings. The cost of independent consultants will be billed at their actual daily rate.

B. All out-of-pocket expenses, including travel, meals and lodging.

Based on the elements noted in Section 2A, the total estimated cost of the study will be $18,000.

C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services may be reimbursed from funds pursuant to EC 1241.5 set aside for this purpose. Other payments, when deemed necessary, are payable to Kern County Superintendent of Schools - Administrative Agent.

5. RESPONSIBILITIES OF THE COE AND/OR DISTRICT

A. The charter will provide office and conference room space during on-site reviews.

B. The charter will provide the following if requested:

1) A map of the local area
2) Existing policies, regulations and prior reports addressing the study request

3) Current or proposed organizational charts
4) Current and two prior years' audit reports
5) Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the charter and sent to FCMAT in an electronic format
6) Documents should be provided in advance of field work; any delay in the receipt of the requested documents may affect the start date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository to which the charter shall upload all requested documents.

C. The COE and/or charter's administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The charter shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for different phases of the study:

Orientation:	***To be determined***
Staff Interviews:	***To be determined***
Exit Interviews:	***To be determined***
Preliminary Report Submitted	***To be determined***
Final Report Submitted	***To be determined***
Board Presentation	***To be determined***

7. CONTACT PERSON

Contact person: Alex Cherniss, Assistant Superintendent, Business
Telephone: (562) 922-6124
FAX: (562) 922-6678
E-mail: Cherniss_alex@lacoe.edu

Arturo Delgado, Superintendent — Date 5-22-13
Los Angeles County Office of Education

Anthony L. Bridges, CFE — Date May 20, 2013
Deputy Executive Officer
Fiscal Crisis & Management Assistance Team

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EXHIBIT 17

Wisdom Academy for Young Scientists

FINANCIAL POLICIES and PROCEDURES HANDBOOK

REVISED: APRIL 30, 2014

FINANCIAL POLICIES AND PROCEDURES

POLICY NUMBER ONE: BUDGET PREPARATION AND IMPLEMENTATION

ANNUAL BUDGET

The school shall annually adopt a budget as a planning tool to implement its strategic plan. The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget through the Executive Director's Finance Committee and make necessary adjustments as needed. The Budget will be in compliance with Generally Accepted Accounting Principles (GAAP), board policy, and finance-related legal requirements. All expenditures will match budget expectations. Revenue from any Federal or State sources will be committed in accordance with all specific federal/state laws or requirements applicable.

BACKGROUND:

In order to manage the resources of the school, a budget has to be prepared to reflect the priorities of the school, and also be geared toward achieving the school goals and objectives.

PROCEDURES:

Financial Consultant:

1. Informs the school of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.
2. Review the budget and check the calculations and the basis for the calculations.
3. Make revenue estimates in coordination with the Executive Director, taking into consideration the state funding, fundraising, investment activities and other income sources.
4. Prepare a draft budget based on the requests by the Executive Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.
5. Meet with the Executive Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the Executive Director's Finance Committee the priorities of the school, revenue availability and fiscal responsibility must be considered.
6. Prepare the final recommended budget based on agreements reached from the meeting with the Executive Director for presentation to the Executive Director's Finance Committee and Board of Directors for approval.
7. Provide the approved budgets to the Principal and other Administrative Staff so they know the budgets they have to work with during the year.
8. Responsible for making sure the budgets are being implemented correctly. This includes working with the Staff to input the budgets into the accounting system to help monitor budgets to actual comparison. Also working with the Administrative

Assistant and Finance Committee Back-Office Provider to answer budget related questions and reporting any problems and proposed solutions to the Executive Director and Executive Director's Finance Committee.

9. Review budget to actual report prepared by Back-Office Provider and make necessary adjustments and narratives or comments before presenting to Executive Director, Executive Director's Finance Committee and Board.
10. Revise the budget for board consideration when there is a material change in the approved budget.

Executive Director:

1. Review the draft budget with the Financial Consultant, making sure that the priorities of the school are reflected in the final budget recommended to the Executive Director's Finance Committee and the Board.
2. Review the monthly budgets to actual comparisons prepared by the Financial Consultant and take any recommended actions as necessary.
3. Recommend any budget adjustments as necessary to the Executive Director's Finance Committee and the Board.
4. Help the Financial Consultant in preparing annual budgets.
5. Back-Office Provider Inform the Financial Consultant of any unbudgeted expenditures seen while reviewing purchase orders.
6. Input the approved budgets in the Accounting system so we can generate budget to actual reports.
7. Approve purchase orders before they are issued to vendors, after checking to make sure there are funds in the budget for cover the order.
8. Prepare monthly budget to actual report for Financial Consultant to review.

POLICY NUMBER TWO: TIME SHEET AND PAYROLL

PAYROLL
All employees on payroll must be hired by the Executive Director and must have worked for the hours being paid, those hours having been properly documented and approved by the Executive Director. The expense must be properly recorded in the accounting records to the correct account to facilitate availability of accurate and timely financial information for management's use in making decisions.

BACKGROUND:
The school hires employees to work on its operations, in order to achieve its objectives. The employees in turn get paid on a timely basis and the information on these costs is made available to school management for decision-making.

PROCEDURES:

Employee:

1. Punch in time card and fill in the time sheet on a daily basis when you come in for work, when you take lunch or any other absence, when you return back to on the same day and when you leave for the day. Any specific arrangements outside normal hours should be discussed and approved by the Executive Director prior to beginning of the assignment.
2. No overtime can be worked before obtaining approval from the Executive Director.
3. Salaried employees are required to sign a sign-in log on a daily basis.
4. At the end of each pay period each hourly employee is required to finish completing their time sheet that was being completed on each working day and give them to the Director of Operations for approval. The employee should make sure they complete the total regular hours, overtime hours, vacation, sick, and other hours worked each day and for the pay period. If you work on more than one job on a regular basis you should complete a time sheet for each job. Just state what hours you worked for each job on the same time sheet if you work more than one job on an irregular basis.
5. The properly completed and approved time sheet is put in the box of the Director of Operations no later than the date it is due for processing. Delay in submitting the time sheet can affect employee pay date.
6. If you are a new employee, make sure that you complete a personnel information package, including a W-4 form that gives us information on your tax status. We cannot give you all the money due you without knowing your tax information. Any information related to direct deposit, tax sheltered annuity or any other voluntary deductions should be given to the Financial Consultant no later than the deadline given to you by the business office. If you are hired after the start of a pay period, you will not be paid until the pay period following the period you started working.

Director of Operations:

1. Provide all staff with time sheet, sign-in sheet, time card, due date for time sheet, due date for voluntary deductions set up, time clock and other employee package items necessary to accurately complete information for payroll and benefit accrual.
2. Collect all the time sheets in your box and any others around the time clock area.
3. Verify that the time recorded on the time sheet corresponds with the time clock records. Any unexplained discrepancies should be reported to the Executive Director for correction or explanation. Any incomplete or unapproved time sheet should be referred to the Executive Director for completion and approval immediately in time to promptly prepare payroll.
4. Verify the time sheet to make sure the computations are accurate and that the information and approvals are made by the appropriate persons and write the account numbers where the salaries will be charged on the time sheets.
5. After verifying that everything is correct and that you have every employee's time sheet, prepare the payroll request for the Financial Consultant.
6. Print the request for the Executive Director to approve for transmission.
7. Forward to Financial Consultant new hire and any other employee change information as you get the information from the employee.
8. After the checks come back from Financial Consultant, verify all the checks to make sure that everything is correct and that the checks appear accurate. Additionally check the payroll reports sent to you to make sure everything balances both to the time reported and other relevant deductions. If there is anything that appears unusual, inform the Financial Consultant or the Executive Director. Put the checks in envelopes ready to be distributed to employees and leave with the receptionist together with a sign-in list. Instruct the receptionist that no one should pick-up another persons check without written authority to do so. Before the receptionist gives a check to an employee that employee must sign the list provided as evidence that they have received their check.
9. Maintain each Personnel file containing the following information at a minimum:
   a) Employment application or resume
   b) Credentials when applicable
   c) Date of Employment
   d) Employment Agreement
   e) Position, pay rates, and changes therein
   f) Authorization of payroll deductions
   g) Earning record for non active employees
   h) W-4 Form
   i) I-9 Form
   j) Termination data when applicable
10. All personnel records are to be kept locked in a locking file cabinet in the business office.
    a) Payroll deductions are to be recorded properly and paid to the appropriate third parties on a timely basis. Also, all payroll reports to the parties shall be submitted on a timely basis.

Responsibility of Executive Director:

1. Make sure that the new employee package is completed and accurately filled out prior to starting work, especially the I-9, Immigration and Naturalization Form and W-4, Employee Tax Information. The employee should also be given a copy of the employee handbook so they can be aware of the school policies and procedures that affect them.
2. Negotiations regarding pay and other benefits should take into consideration the budgetary constraints to make sure that we do not commit to what we cannot pay.
3. A personnel action form (PAF) must be completed and given to the Financial Consultant stating how much the employee will be paid, what the effective date is, and what account will be charged for this expense. The PAF and the completed package must be given to the Financial Consultant so that payroll arrangements can be made and personnel file opened for the new employee.
4. The Executive Director must make sure the employee follow the school policies and procedures that relate to them. Any infraction should be cured according to school policies and procedures related to employee discipline.
5. Make sure that all employees complete a time sheet and give it to them for their approval on a timely basis.
6. Ensure that the time sheet as completed by employees reflect their attendance, including breaks and lunch time, before approving the time sheet.
7. Make sure that employees are allowed to take breaks in the mornings and in the afternoons and a lunch break for those who work full-time. Generally, rest periods (breaks) are taken every four hours of work and meal periods (lunch) when someone works six or more hours a day.
8. Ensure that overtime worked by the employee is approved in advance and that there is enough funding available to cover the overtime and other related costs.

POLICY NUMBER THREE: PURCHASE AND OTHER PROCUREMENT

PURCHASES:

The school will purchase the materials needed to implement the plans and strategies set out by the board and the charter in order to achieve its objectives. In making these purchases the school must ensure that the materials being purchased are necessary for running the school. The school will also ensure that economy of resources is exercised in judging whether there is a need to purchase a certain item, as the school has limited resources for many competing priorities. The purchase must give the school the best deal (price, quality and other criteria considered), and also ensure that there are funds available to pay for the materials. The Executive Director must approve all purchases. The purchase must be documented and recorded in the accounting books.

PROCEDURES:

1. All purchases must be initiated by completing a purchase order. The Executive Director or Financial Consultant may grant exceptions for purchase of certain small items that are less than $1000 or in emergency situations.
2. Before completing the purchase order the purchaser must assure that there are unencumbered funds budgeted for this purpose and the purchase is being charged to the correct budget category. If there is any question regarding the availability of funds, the Back-Office Provider can be contacted for an answer.
3. The purchaser must demonstrate, by providing copies of three bids or estimates that the vendor picked provides us with the best deal for the service or product being purchased. (The lowest price may not always be the best deal for the school.)
4. For the purpose of getting bids, purchases of $2,999 or less can be done by phone bids; purchases of between $3,000 and $9,999 can be done by written bids on vendor's letterhead. Purchases and services of $10,000 or more need to be advertised in a more formal competitive bidding process. Specifications and bidding requirements should include:
   a) Specifications to be prepared by the administration
   b) Specifications to be approved by the board
   c) Specifications to be mailed to any identified potential bidders
   d) All bids to be submitted in sealed envelopes and plainly marked as indicated in the bid specifications
   e) Bids to be publicly opened at an announced time, and on a specific date
   f) The bidder to whom the award is made to be required to enter into a written contract and purchase order.
5. In cases where a particular vendor is known to give us the best deal, once a year research of prices and services is enough to satisfy this criterion. In such a case copies of the result of the research should be kept on file to be referred to when needed.
6. There may also be cases where a vendor is a sole source vendor, which means that the vendor is the only vendor that can supply this product or service. In such an instance it will be impossible to provide bids, but it must be demonstrated that the vendor is the sole source.

7. Director of Operations will issue purchase orders. The form must be originally filled out, including who to deliver the order to and the account number to which the expenditure is to be charged. The original is faxed to the Vendor with a return confirmation from the vendor after being approved by the Director of Operations, a copy for the Executive Director's file, copy to the Administrative Assistant (receiving). All originals and copies of purchase orders must have the signatures of the Executive Director and Director of Operations.
8. All purchase orders must be approved by the Executive Director and Director of Operations.
9. When the purchaser gets the order they will keep the items in a safe place for use, after making sure that the order received agrees with the purchase order. In certain instances the order may be tracked as to who is using them, so we can allocate them to various programs.

Procedures for Receipt of Order

When the order arrives the Administrative Assistant compares the quantity on the packing slip, the purchase order and the order received to make sure they agree. If they agree the packing slip will be initialed and sent to the Director of Operations with a copy to the Executive Director.

Administrative Assistant:

1. When the original purchase order is received from the Director of Operations, it is immediately faxed to the vendor. This will be done after checking to make sure the order is charged to the correct account, and funds are available signified by the approval of the Executive Director and Director of Operations, evidenced by the their signatures.
2. A copy of the purchase order is kept in an open purchase order file pending the time the order is filled. It is discarded when the invoice for the purchase is processed.
3. The Administrative Assistant will check incoming orders to make sure they are consistent with the packing slip and the purchase order. The orders will then be stamped or tagged as property of the Wisdom Academy depending on what kind of item it is. Books will be stamped and equipment will be tagged, while supplies will be inventoried issued as necessary.
4. The Administrative Assistant will check all the documentation and make sure they are complete, accurate, and consistent with one another. The Administrative Assistant will also make sure that the correct budget category is being charged and the amount of the bill is computed accurately.
5. As part of checking the documentation, the Administrative Assistant will ensure that the invoice being paid is an original invoice, not a copy, and that we are not paying from a statement of account. Please refer to commercial warrant processing for more details on bills processing.

POLICY NUMBER FOUR: CONTRACTING

1. All contracts must be approved by the Executive Director and Director of Operations. Contracts of up to $2,999 require at least three phone bids, between $3,000 and $9,999 requires three written bids on contractor's letterhead. Contracts of $10,000 and above require formal competitive bidding process. For more information, please see purchase procedures. All Contracts exceeding $25,000 should be signed and approved by the board.
2. Before approving a contract, it must be determined that funds are available for this purpose and the payment terms clearly and satisfactorily stated in the contract, considering cash flow needs of the school.
3. In the case of a construction contract, the contractor must be licensed by the state board and have the financial capability to execute the contract.
4. The contractor must have workers compensation and other general liability insurance that will name the school as additionally insured. The contractor must submit a bill based on the original approved contract. In the event of change orders, they must be pre-approved by the Executive Director.
5. The contractor must provide the school with a completed form W-9, taxpayer identification number, form DE542, Employment Development Department Report of Independent Contractor, at the time of signing the contract.
6. Before the payment is made for construction contracts, the contractor must provide the school with a lien release as to labor and materials to exempt the school from any legal action including mechanics lien related to non-payment of labor and material.
7. Before approving payment, the Executive Director will be certain that the construction was executed satisfactorily (in some cases an expert opinion might be sought to determine this).
8. It is customary to withhold 10% of the contract price until final determination is made on the successful completion of the contract. This will therefore be the practice of the school.
9. A copy of the contract should be filed in the business services office as soon as the contract is signed, to ensure that all documentation is complete and accurate.
10. All independent contractors must be persons that are in business for themselves, set their hours, and are responsible for results and not persons that are normally considered as employees. The school will evaluate criteria established by the IRS when assigning independent contractor status and issue IRS Form 1099 to independent contractors if compensation is $600 or more. The consultant contract will include description of services, deliverables, pay rate, time frame, and timeline of payments and reimbursements. All other part-time or one-time persons employed by the school should be put on the payroll system, as they are actually employees and not independent contractors. All independent contractors must have a written contract following the procedures outlined above.

POLICY NUMBER FIVE: CHECK REQUESTS

CHECK REQUESTS:
All disbursements, except for those made through the Revolving Cash Fund, Payroll System and Petty Cash, must be made through the Check Request.

BACKGROUND:
The school has a responsibility to process all payments in accordance with generally accepted accounting principles and other government accounting standards in order to discharge its fiduciary responsibilities as delegated by the board of directors.

PROCEDURES:
Administrative Assistant:

1. Pick-up mails from the bills mailbox and distribute to various departments where necessary for Check Requests and approval of the bill.
2. Checks the utilities and other general office bills for any error before giving to the Director of Operations for Check Request approval.
3. Double Check Requests and bills to make sure that all the information and documentation is correct. This information and documentation includes payee, account numbers, original invoice (payments cannot be made with a copy of the invoice or statement of account), relevant purchase order and receiving reports, amounts and appropriate approvals. If any information or documentation is inaccurate or incomplete, the Check Request must be returned to the responsible party so it can be corrected immediately, for timely processing of the Check Request. Check Requests must not be left with anyone for an unreasonably long period of time as to incur the school, credit problems.
4. After completing the Check Requests, they must be kept on file pending the time the check or warrant comes back from the Financial Consultant.
5. After all the Check Requests are completed, they should be given to the Director of Operations or Executive Director for approval. A copy of the approved Check Requests should be filed for future reference.
6. Pick up the checks from the Financial Consultant and verify that all the checks were generated and everything related to the check is correct. Then attach a copy of the check to the Check Request, staple them together and complete the payment information on the Check Request. Stamp the documentation as paid and file the whole package in the paid bills folder, after the Executive Director approves the checks.
7. Put the checks in an envelope for mailing. If someone has to pick up a check in the office they must sign a log. If it is an unknown person picture identification or drivers license should be reviewed to make sure that it is the right person.

Director of Operations

1. Make sure that the bill being approved is a bill the school incurred and that those who incurred them are authorized to incur the bill, and that sufficient amounts are available in the budget to pay for the bill.

2. Must be sure that services or goods were actually delivered as ordered and the amounts billed are agreed to and the bill was not previously paid and the invoice is not a duplicate or copy.
3. Must be sure that the invoice is being charged to the right budget line item (account number and object code). This information must be provided by completing a Check Request form, attaching the invoice, and copy of the purchase order and a receiving advice or report noted on the purchase order, when applicable. Any discrepancy between the invoice and the purchase order must be noted on the bill and reported to the Administrative Assistant and Executive Director.
4. The Check Request must be processed in a timely manner for payment to prevent incurring collection and other credit problems.

Financial Consultant:

1. The Check Requests are filed in a folder until the scheduled day for input, when they are inputted into the computer system to generate warrants the following day. All the warrant document numbers must be serially numbered, taking time to make sure the first warrant of each batch or day follows the last number as specified in the commercial warrant register. A serial number log must be kept to ensure the numbering system is being adhered to. Each time a number is used it is crossed out to prevent the reuse of the number a second time.

Executive Director:

1. Make sure that there is enough cash flow to pay the check being requested before approving the bills. This can be accomplished by reviewing the cash balance on the report provided by Financial Consultant.
2. Check to see that the checks were written to the same payee as stated on the Check Request and bill.
3. Keep the budget managers or persons who incur expenditures informed about cash flow in case they have to defer incurring certain expenditures, pending improvement in cash flow.
4. Before signing any check, make sure the documentation is attached and that the Check Request information is completely filled out with prior approvals attached.
5. Checks in excess of $10,000 of non-recurring items require two signatures, from authorized check signers.

POLICY NUMBER SIX: EMPLOYEE ADVANCE PAYMENTS

EMPLOYEE ADVANCES:
All employee advances must be properly documented and recorded in the school accounting books for the correct amounts, to help facilitate prompt collection of the advance from the employee.

BACKGROUND:
From time to time the school may make advances to its employees for various reasons including payroll checks not received on time, vacation advance, emergency and other extenuating circumstances.

PROCEDURES:
Employee:

- Request in writing to be submitted to the Executive Director for approval.
- Make sure that the emergencies are limited to unusual health bills, death or serious illness in the staff member's immediate family requiring unusual financial outlay, or unusual automobile repairs.
- Substantiating documentation must be provided with the request.
- The amount being requested must not be more than one third of the employee regular or average paycheck for a pay period.
- Repayment must be made over a period not to exceed three months, through payroll deductions beginning with the pay period subsequent to the date of the advance.
- Authentication of the advance, by signing an agreement detailing the terms of the advance, to remain on file.
- Advance is immediately due and payable in full upon the separation or termination of employment.
- The employee must be a regular full time staff member who has served for at least six months.

Executive Director:

1. Determine if there is enough cash flow to accommodate this request considering all the other priorities of the school.
2. Consider the circumstance and the history of this employee as it relates to requests for advance in deciding whether or not to approve the request.
3. Approve or disapprove the request after considering the guidelines for approval of the request.
4. Give a copy of the approval to the Financial Consultant for filing or processing and the Executive Director for communication to the employee.
5. Give a copy of any termination or separation notice to the Financial Consultant to compute final check and complete the separation notice form.
6. To ensure that the employee is qualified for approval for the advance, appropriate required documentation is attached to the request and all other guidelines are followed.
7. Determine if the circumstances surrounding the request are appropriate.
8. Recommend Principal's approval.

Financial Consultant:

- Generate the check from the Revolving Cash Fund for the Executive Director to sign and charging the advance to an employee advance account.
- Complete an agreement between the school and the employee to be signed by the employee and the Executive Director.
- Set up payroll deduction for the advance, beginning the pay period following the date the check was given to the employee.
- File a copy of the check, approved request and agreement in the employee advance file, and employee personnel file.
- Reconcile the Employee Advance account, to make sure that the amount on the account reflects the agreement currently on file.
- Deduct any amount outstanding from the final check to the employee in case of separation or termination.

POLICY NUMBER SEVEN: CORPORATE CREDIT CARDS

Credit Cards secured for the school through our bankers will allow key staff members the flexibility of charging purchases on the account, therefore saving staff the trouble of using their funds to purchase needed materials. Furthermore, it will save the school from cutting many checks for reimbursements. Instead one check will be cut to our bankers. The School will use standard procurement procedures whenever possible.

1) The Board will authorize Credit Card uses as follows:
   a) Travel related expenses
   b) Meeting/conference expenses
   c) Online purchases where purchase orders are not accepted
   d) Emergency spending
   e) Pre authorized expenditures
2) The Credit Card holders will be responsible for documenting and justifying all expenditures (school related purpose) and held personally liable if the Credit Card charge is deemed personal or unauthorized.
3) Each Credit Card transaction must be supported by an actual receipt containing detail of the item(s) purchased.
9. The cash advance feature CANNOT be activated or used for any reason.
10. The card can be used only for business purchases. No personal use. Personal use includes paying for fuel for a non-company or personal vehicle.
11. The original receipt must always be turned in to Administrative Assistant, after purchase is made to allow for easy processing of the bills. The account number to be charged must be stated on the receipt.
12. Before charging anything to the card, the purchaser must determine what budget line items should be charged for this expenditure and whether the budget item has enough funds in the account to accommodate the charges, considering all other charges previously made to this account. If in doubt about the availability of the funds, please consult the responsible budget manager.
13. Any missing or lost Credit Card must be immediately reported to the Executive Director, and in some cases the bank so that security measures regarding cancellation and reissue can be accomplished in time to prevent illegal charges to the account.
14. In the unusual instance that a receipt is lost. The cardholder responsible for the lost receipt must complete a Lost Receipt Form, to be approved by the Executive Director.
15. The card can be used to charge things for other staff as long as verification is made as to the availability of funds for the purchase. The card can be used for small purchases that normally require payment before order, it should not be used for items that can be put on purchase orders and billed to us in the normal way. Do not use the Credit Card in such a way as to circumvent our normal purchase order or billing system. Examples of things that can be charged include airline tickets for training and seminars, books and instructional supplies.
16. The Financial Consultant and the Executive Director are responsible for ensuring that the Credit Card holders follow these procedures. Any abuse of the Credit Card policies should be reported to the Financial Consultant or the Executive Director.

The school reserves the right to terminate any Credit Card due to abuses including lack of following Credit Card policies and procedures.

17. The Executive Director must approve any expenditure related to any direct benefit of the Credit Card user. No one can approve an expenditure that is for his or her own benefit.
18. The Administrative Assistant must turn in all Credit Card statements to the Financial Consultant. The Administrative Assistant will give each Credit Card holder his or her statements.
19. Credit Card holders will prepare a Check Request for each Credit Card statement with all attached documentation, including original receipts and account numbers. This will ensure orderly and efficient processing of the bills to avoid the charging of interest.

Pre-authorized Credit Card Charges

The card holders may use the credit card for the following pre-authorized categorical expenses, but not limited to:

4200	Books Other Than Text Books	$900
4300	Materials and Supplies	$900
4700	Food Supplies	$900
5600	Repairs	$900
5900	Communication	$900

POLICY NUMBER EIGHT: PETTY CASH

The school will maintain a petty cash fund to make it expedient to disburse small purchases that are needed to operate the school business. The items to be disbursed out of these funds are limited to small items of $25 or less.

PROCEDURES:

Director of Operations:

1. The Executive Director has oversight over the implementation of the petty cash policies and procedures.
2. Processes requests for issuance of petty cash after being approved by the Executive Director.
3. Processes replenishment of petty cash on a regular basis.
4. Ensures that the replenishment expenditures are supported by authentic purchase receipts approved by the Executive Director.
5. Monitors all the petty cash given to holders to make sure they are replenishing them on a regular basis and remind the holders of the need to replenish the fund so that expenditures can be recorded. If the holder does not have expenditures for several months, this may indicate that the petty cash might not be necessary.
6. When a petty cash is originally issued to a holder, it must be logged in a petty cash log; any increases to the petty cash amount must be recorded in the log.
7. Petty cash is reimbursed in the same manner as any other reimbursement or bill. In urgent situations, reimbursements can be done from the revolving cash fund.

Petty Cash Holders (Director of Operations):

1. Request for issuance of petty cash from the Executive Director based on a compelling need supported by convincing reasons.
2. The recipient of the petty cash funds must sign the petty cash disbursements log to indicate the receipt of the funds. The paid receipt should be attached to the log. Petty cash box should be locked and secured safely until it is time to replenish the fund. The Petty Cash Fund reconciliation and associated receipts should be attached to the Check Request for replenishment.
3. The Petty Cash account should be reconciled monthly. When the petty cash account is reconciled, the appropriate expense account should be charged in the school's general ledger. Once reconciled, request for replenishment can be processed.
4. Director of Operations should review petty cash transactions and make periodic counts of petty cash fund.
5. The petty cash account may not be used to cash payroll checks or other personal checks.
6. Makes sure that the petty cash fund in their possession is securely locked in a cabinet at all times, making sure that nobody else has access to the fund.
7. The petty cash holder has a personal responsibility for the funds in their possession.
8. Issuance of funds to staff who need them must be evidenced by a receipt signed by staff and petty cash issuer.

9. Before issuing the funds to the staff the holder must ascertain that the staff is going to spend the money on a budgeted expenditure approved by the Executive Director.
10. Must ensure those given petty cash bring back an authentic receipt approved by the Administrative Assistant with the appropriate account number where the expenditure will be charged.
11. The Executive Director's signature on the purchase receipt is evidence that the expenditure is approved by the Executive Director and it is for an expenditure that has been budgeted by the school for this purpose and the goods or services is to be used for a specific school business purpose. The signature also means that there is available balance in the line item to accommodate the expenditure.
12. When the staff gives the petty cash holder an authentic purchase receipts approved by the Executive Director, the issuance receipt should be endorsed by the holder as paid and copy of the paid issuance receipt given to the Administrative Assistant. If there is a cash balance returned by the staff it should be reflected on the issuance receipt. The paid issuance receipt should be attached to the purchase receipt.
13. When the petty cash is low the holder should fill out the petty cash replenishment form and request for replenishment of the petty cash fund equal to the amount of the purchase receipts in their possession. The total amount of the replenishment and the petty cash on hand should always be equal to the amount originally issued to the holder.

Staff Requesting the Use of Petty Cash:

1. Before requesting for petty cash fund staff must make sure that the expenditure is approved by the Executive Director.
2. Make sure that a purchase receipt is obtained for the goods or services purchased and the receipt is approved by the Executive Director with the appropriate account number written on the receipt before giving it to the petty cash holder.
3. Return any excess cash to the petty cash holder together with the receipt to relieve the staff of the responsibility of the cash originally received.
4. Once a staff receives funds from the petty cash holder, the staff is personally responsible for the funds, until they bring back an approved receipt with account numbers plus any left over cash in exchange for a release of liability. This is evidenced by a copy of a paid issuance receipt by the holder of the petty cash.

POLICY NUMBER NINE: ACCOUNT RECONCILIATION

As part of our internal control procedures, the school will reconcile and review the result of operations to make sure the transactions are charged to the appropriate accounts and that the operations are being executed as planned. The School's accounting system will be in conformity with the California School Accounting Manual. Accounting methods will follow Generally Accepted Accounting Principles (GAAP) guidelines for nonprofit reporting. All budgets and financial reports will be presented using full accrual accounting in alignment with annual audited financial statements. The school will follow the financial reporting guidelines required by Education Code section 47604.33,47605(m) and 47604(3).
The school shall make timely deposits of all cash and check receipts on a timely basis, and ensure that supporting documentation is provided for all transactions associated with the bank accounts.
The school will review on a monthly basis all documentation of approval for expenditures and deposits.

Financial Consultant:

1. At mid month and the final week before the close of a month the transactions posted to accounts will be reviewed to ensure that they are posted to the right accounts. Month end adjusting entries must be made at this time (final week) to make sure the financial statements reflect correctly the activities of the month. These reconciliations will be done by the Financial Consultant.
2. On the 5th day following the end of the month, revenue and other balance sheet accounts will be reviewed and reconciled for the final time, by the Executive Director and appropriate adjustments made in the following month's financial report.
3. The reports will be provided to the Executive Director for review and comments on the 7th day following the end of the month.
4. On the 11th day following the end of the month, there will be a meeting between the Executive Director, and the Financial Consultant to review the budget reports for the previous month.
5. On the 14th day following the end of the month complete financial reports will be given to the Executive Director for comments and mailing to Executive Director's Finance Committee to review before their meeting (if necessary). At this point any recommendations will be given by the Financial Consultant for the Principal and the Executive Director's Finance Committee to consider.
6. For year-end closing, which includes reconciliation of revenue and expense items sufficient to record accruals for accounts receivable, accounts payable, prepaid expenses and capital assets.
7. The school will review year-end financial statements to ensure accuracy of reporting. Establish a timeline for closing to ensure no changes are made after submission of financial statements to oversight agencies.

8. Record all adjusting audit entries to reflect audited ending net assets. Reconcile beginning net assets with audited ending net assets from the previous year.
9. After month-end or year-end close, record all adjusting entries in the following month or year.
10. The school will submit the following financial reports to LACOE per Education Code Section 47604.33 and 47604(3):
    a) On or before June 15, submit a preliminary budget
    b) On or before December 1, submit the first interim financial report
    c) On or before March 1, submit the second interim financial report
    d) On or before August 15, submit a financial unaudited report for the full prior year.
    e) Respond to all reasonable inquiries, including, but not limited to, inquiries regarding its financial records.
11. The school will transmit a copy of its annual independent financial audit report for the preceding fiscal year to LACOE, the State Controller's Office, and the California Department of Education by December 15 of each year per Education Code Section 47605(m).

POLICY NUMBER TEN: PROGRAM CASH RECEIPTS AND DEPOSIT

PROGRAM CASH RECEIPTS:
All programs and other pass through payments will be paid to the Administrative Assistant and given to the Director of Operations periodically for deposit to the bank.

BACKGROUND:
The school will run various programs and fundraisers. Checks and cash are usually received at the reception desk for registration for these events.

PROCEDURES:
Administrative Assistant:

1. Each parent is issued a receipt (original) when payment is made for any of these programs. Parents who have a history of insufficient funds checks (as provided by Financial Consultant) will be required to pay cash.
2. Satellite site receipts will be brought to the main office on a daily basis for safekeeping. The Administrative Assistant will include the amounts received from the satellite site (if any) in their balancing of the total receipts for the school.
3. Checks and cash are kept in a secured cabinet locked in a box until deposit is made to the bank.
4. The checks must be stamped "for deposit only", using the appropriate stamp for the program bank account, to reduce any risk of loss.
5. The reception desk for each site should record the cash and checks received on a cash/check receipts log which should include the date of check/cash receipts log which should include the date of check/cash was received, name of the payer, amount, check number and program/department.
6. Make two copies of the checks with one copy to be filed in the program deposits file and another copy in the deposited checks/cash folder.
7. In addition to the program deposits file, set up a separate "deposited checks/cash folder and place all copies of the deposit documents in the file.
8. A copy of cash/check receipts log should be given to the Executive Director on a weekly basis.
9. Three staff persons (Administrative Assistant, Director of Operations, Executive Director) have access to the key so they can retrieve funds for deposit or store funds collected from parents (under no circumstances should this amount be used for any reason except as approved by the Director of Operations or Executive Director). This amount is not petty cash and therefore should not be used for that purpose. Please use petty cash fund to pay for small emergency items.
10. The office prepares deposit tickets on Tuesdays and Fridays, making sure the total amounts on the deposit tickets agree with the total receipts attached (duplicate). $100 from petty cash fund will be left in the cash box for the purpose of making change when payments are received from parents.

11. Any discrepancy between the deposit tickets and the attached receipts should be noted and reported to the Director of Operations so that further investigation can be conducted to resolve the problem.
12. The income log must be compared with the incoming attendance and participation log from the program department, to make sure they agree and explain any discrepancies between them.
13. The program to be credited with these funds should be noted on the deposit ticket or receipt.
14. The receipts and deposit tickets will be given to the Director of Operations by 12 noon for deposit to the bank. A copy of the deposit ticket should be made and kept with the office, showing the signature of the Administrative Assistant as evidence that they have received the amounts listed on the ticket.

Director of Operations:

1. The Director of Operations will review the whole packet to make sure that everything is completed accurately.
2. A copy of the deposit ticket and duplicate receipts are filed in the program deposits file and the original deposit ticket and the funds are deposited at the bank.
3. The deposit receipt from the bank must be attached to the duplicate deposit ticket in the program account file.
4. Attendance log or report is compared with duplicate receipts for the respective programs to make sure everything agrees, any discrepancy must be investigated and when necessary reported to Financial Consultant or Executive Director.
5. By the middle of the month following the end of a month, bank reconciliation is prepared and any "non sufficient funds" checks identified in a separate report. Letters will be written to the issuers of the checks so they can pay the amounts, plus service charge of $15 per bounced check.
6. Each month after the bank reconciliation or when the program is complete, depending on the program, a check will be generated from the program account to our county account or outside vendor depending on the program requirements.
7. Adjusting journal entries will be made to reverse the revenue account, replacing it with fees receivable account pending the time the amount is collected from the issuer of the bounced check.
8. Prepare a list of insufficient funds check and provide the office and program staff with copies.
9. Make timely deposits of all cash and check receipts on a timely basis, and ensure that supporting documentation is provided for all transactions associated with the bank accounts.
10. Review on a monthly basis all documentation of approval for expenditures and deposits.

POLICY NUMBER ELEVEN: REVOLVING CASH FUND

The School will maintain a Revolving Cash Fund to accommodate immediate cash needs that will normally not be met by the commercial warrant system. The school will make all efforts to make all payments through the commercial warrants system. Only Check Requests that are needed immediately due to circumstances beyond our control will be disbursed through this system. The bank statements for the revolving cash funds will be reconciled on a monthly basis by the Back Office service provider.

PROCEDURES:

All requests must be made by a Check Request, with all the supporting documents for the approval of the Executive Director. The request will follow the normal procedures for commercial warrant Check Requests. Poor planning will not qualify as a reason for approving this request. Receipts are required immediately after an event for requests of advance deposits.

Executive Director:

- Approval will be made based on the documentation provided and the compelling reasons why the request must be approved.
- No requests should be approved for convenience as these requests create additional burden and work for the school and circumvents the accounting process and may understate our expenditures.
- No approvals should be made without the request coming from Director of Operations, who checks the budget availability and the urgency for this request.
- The approved request will be given to the Administrative Assistant for processing.

Financial Consultant:

- All approved requests must be disbursed from the Revolving Cash Fund bank account the same day.
- Any request for an Revolving Cash Fund check must be directed to the Executive Director.
- Requests should only be entertained from the Executive Director.
- All requests must be checked to make sure all required information is complete before issuing the check. The Executive Director should be alerted if all the necessary information is not complete.
- Make sure there is available balance in the Revolving Cash Fund account before issuing any check. This will be accomplished by keeping a running balance after issue of checks and deposit of check to the Revolving Cash Fund account.
- Reimburse the Revolving Cash Fund no later than the 25th of every month to make certain that the expenditures are recorded in the correct month to void understanding our financial statements.

- Reimbursement of Revolving Cash Fund including petty cash must be made to the Executive Director and charged to the respective account numbers already provided before the Revolving Cash Fund checks were generated.
- Do not reimburse any Revolving Cash Fund check or petty cash without the required receipts, account number and other required documentation.
- At any given time the bank balance, plus un-reimbursed expenditures, plus petty cash given out must be equal to the Revolving Cash Fund amount.

POLICY NUMBER TWELVE: REIMBURSEMENTS

All employee reimbursements must be accompanied by filling out a reimbursement form with attached documentation including receipts and invoices of the reimbursements. Mileage reimbursements must be accompanied by a form detailing the mileage description with a starting point and ending point. The description will also include the date of the travel and the miles travel for each entry or date. Mileage will be reimbursed at the IRS rate that is applicable at that particular time. NO REIMBURSEMENTS FOR GAS PURCHASED FOR PERSONAL CAR. All expenses made by personal payment methods must be pre-approved by the Executive Director of Director of Operations. All reimbursement forms must be singed by the requester, Administrative Assistant, and approved by the Executive Director.

POLICY NUMBER THIRTEEN: FIXED ASSETS

The purpose of this policy is to establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting, and safeguarding the school's assets in compliance with generally accepted accounting principles, and financial reporting requirements.

1. The current capitalization threshold is $1000 or more.
2. The management must maintain a permanent property log and depreciation schedule for all fixed assets purchased by the school
   a) The property log will contain the following information:
   b) Date of purchase
   c) Description of the item purchased
   d) Received by donation or purchase
   e) Cost or fair market value on the date of receipt
   f) Donor or funding source
   g) Funding source restrictions on use or disposition
   h) Identification/serial number
   i) Depreciation method
   j) Vendor name and address
   k) Warranty period
   l) Inventory Tag number
   m) Number of check used to pay for the equipment
3. At least annually, a physical inspection and inventory should be taken of all fixed assets and reconciled to the general ledger. Adjustments for dispositions will be made annually.
4. Fixed assets purchases with federal funds should be disposed of according to federal guidelines
5. Material changes in the status of property and equipment such as changes in location, sale of items, and any purchase or sale of the real estate should be recorded for the management information.

POLICY NUMBER FOURTEEN: RISK MANAGEMENT

The school should maintain an insurance program to protect the school against any losses that may occur due to the many normal and unusual hazards. Insurance policy and coverage should be approved by the Board of Directors, and comply with LACOE's MOU requirements. Insurance certificates should be kept on file in the school's administrative office at all times and available for inspection.

POLICY NUMBER FIFTEEN: DEBT MANGEMENT

The purpose of this policy is to enhance the school's ability to manage its debts in a fiscally conservative and prudent manner. The effects of decisions regarding types of borrowing, covenants and terms, interest rates, and payment structure directly impact the school's ability to continue operation.

1. The Executive Director is responsible for administering and maintaining the school's current obligations under direction of the Board. The Executive Director's Finance Committee should meet with the Executive Director and Board regarding the status of the school's existing debt and to make specific recommendations.
2. No new debt should be incurred without approval of the Board.
3. Advance written notification of all borrowings should be provided to LACOE as per the current MOU requirements.
4. All approved annual budgets should include timely repayments of all outstanding debt, or include a reasonable repayment plan for such debt if timely repayment is not possible.
5. Prior to incurring any borrowing, the Executive Director should prepare a financial analysis showing the effect of the borrowing on current and future operations for the Board to make an informed decision.
6. The school should take all practical precautions and proactive measures to avoid borrowing decisions that can negatively impact current or future operations.

POLICY NUMBER SIXTEEN: CONFLICT OF INTERESTS

Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall excuse him/herself from the discussion and voting on the matter.

All school officials mentioned in this handbook shall adhere to and maintain compliance with all requirements set forth in the Merle Williamson Foundation Conflict of Interest Policy and the County's Conflict of Interest Policy.

All school officials mentioned in this handbook shall adhere to and maintain compliance with all requirements set forth in Government Code 1090 et. Seq. and the Political Reform Act of 1974.

Signed, this 30th day April 2014.

Board President, Merle Williamson Foundation

Board Secretary, Merle Williamson Foundation

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Wednesday, April 30, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Wednesday, April 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:22pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook
Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil,

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports/ Oral Communication**
   a. None

VII. **Open Session**
   a. WAYS Financial Policies and Revisions (4/25/14)
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. WAYS Response to LACOE Superintendent's notice of the FCMAT AB139 recommendation pursuant Ed. Code 1241.5
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   c. WAYS 2014-15 School Year Operating Budget – Discussion
   d. WAYS 2014-15 School Year Special Education Budget - Discussion
   e. WAYS 2014-15 Title I Budget - Discussion
   f. 2013-14 School Year Employment Agreements
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None

VIII. **Closed Session**
   a. Public Employee Performance Evaluation/Employment Title: Executive Director – Discussion, Moved to future board meeting
   b. Public Employee Performance Evaluation/Employment Title: Director of Operations - Discussion, Moved to future board meeting
   c. Public Employee Dismissal/Release 1 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item – Discussion, Moved to future board meeting
   d. Public Employee Dismissal/Release 2 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item - Discussion, Moved to future board meeting

IX. **Future Agenda Items**
   a. Public Employee Performance Evaluation/Employment Title: Executive Director
   b. Public Employee Performance Evaluation/Employment Title: Director of Operations
   c. Public Employee Dismissal/Release 1 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item
   d. Public Employee Dismissal/Release 2 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item

X. The board meeting of WAYS was officially adjourned at 7:30PM.

Board Member Date 6-12-14 Board Chairperson Date 6/12/14

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Wednesday, April 30, 2014
5:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 29, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 25, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
- a. WAYS Financial Policies and Revisions (4/25/14) – Action
- b. WAYS Response to LACOE Superintendent's notice of the FCMAT AB139 recommendation pursuant Ed. Code 1241.5 – Discussion and Potential Action
- c. WAYS 2014-15 School Year Operating Budget – Discussion and Potential Action
- d. WAYS 2014-15 School Year Special Education Budget – Discussion and Potential Action
- e. WAYS 2014-15 Title I Budget – Discussion and Potential Action
- f. 2013-14 School Year Employment Agreements – Discussion and Potential Action
- g. Recruitment of Additional Board Members – Discussion

VIII. **Closed Session**
- a. Public Employee Performance Evaluation (Employment Title: Executive Director)
  - i. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b)
- b. Public Employee Appointment (Executive Director)
- c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations)
- d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)

IX. **Closed Session Report**

X. **Meeting Adjourned**

EXHIBIT 18

Los Angeles County Office of Education

Leading Educators • Supporting Students • Serving Communities

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rudell S. Freer
President

Rebecca J. Turrentine
Vice President

Douglas R. Boyd

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

April 18, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 537-8209
E-Mail: edcabil@sbcglobal.net

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil:

WAYS Fiscal Policy Recommendations

Thank you for submitting the fiscal policy for Wisdom Academy for Young Scientists (WAYS) to our office. We appreciate the school's effort to improve its fiscal management. After thorough review of fiscal policies and procedures, we recommend inclusion of additional measures to strengthen internal control and safeguard assets of WAYS charter school. Please see attachment.

If you have any questions, please contact the Controller's Office at (562) 803-8351.

Sincerely,

Patricia Smith, Executive Director
Business and Finance

PS/ZM: clc
Attachment

Cc: Zak Memon, Assistant Controller, Controller's Office, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE
Judy Higelin, Interim Project Director III, Charter School Office, LACOE

Wisdom Academy for Young Scientists (WAYS)
Recommendations for Inclusion in Fiscal Policy

After reviewing the fiscal policy for WAYS, we recommend the addition and revision of the following procedures:

1. **Policy Number One: Budget Preparation and Implementation Policy**-Ensure the budget is in compliance with Generally Accepted Accounting Principles (GAAP), board policy, and finance-related legal requirements. All expenditures will match budget expectations. Revenue from any Federal or State sources will be committed in accordance with all specific federal/state laws or requirements applicable.
2. **Policy Number Two: Time Sheet and Payroll Procedures**-Designate an employee to maintain personnel files.
    - Each personnel file should contain the following information, at minimum:
        - Employment application or resume
        - A record of background investigation results
        - Date of employment
        - Employment agreement
        - Position, pay rates, and changes therein
        - Authorization of payroll deductions
        - Earning records for non-active employees
        - W-4 Form
        - I-9 Form
        - Termination data, when applicable
    - All personnel files are to be kept locked in a locking file cabinet in the business office.
    - Payroll deductions are to be recorded properly and paid to the appropriate third parties on a timely basis. Also, all payroll reports to third parties shall be submitted on a timely basis.
3. **Policy Number Three: Purchase and Other Procurement Procedures**-Formal bidding procedures will be used for service and other contracts anticipated to cost more than $10,000 (ten thousand dollars). Specification and bidding requirements should include:
    - Specifications to be prepared by the administration
    - Specifications to be approved by the Board
    - Specifications to be mailed to any identified potential bidders
    - All bids to be submitted in sealed envelopes and plainly marked as indicated in the bid specifications
    - Bids to be publicly opened at an announced time, and on a specific date
    - The bidder to whom the award is made to be required to enter into written contract and purchase order.

4. **Policy Number Four: Contracting Policies and Procedures**
   - The contractor must provide the school with a completed form DE542, Employment Development Department Report of Independent Contractor, at the time of signing the contract
   - All contracts that exceed $25,000 should be signed and approved by the Board
   - Line item no.3-Delete: *"except in cases where an exception is allowed by a Principal"*
   - Line item no. 4-Delete: *"except in cases where the school agrees to cover the contractor as part of terms of the contract"*
   - The school will evaluate criteria established by the IRS when assigning independent contractor status and issue IRS Form 1099 to independent contractors if compensation is $600 or more. The consultant contract will include description of services, deliverables, pay rate, timeframe, and timeline of payments and reimbursements.
5. **Policy Number Five: Check Requests Procedures**
   - Duties of check requester and approver should be segregated.
   - P. 7 Bullet no. 2 - *"Check in excess of $10,000 of non recurring item require two signatures"* – Signatories should be identified.
   - Incoming invoices will be logged in by the Administrative Assistant before distributing for approval. Once monthly, the Director of Operations should check the invoice log to determine if there are any outstanding invoices which have not yet been paid. If so, then reasons for the nonpayment of these invoices should be discussed with the responsible staff member.
6. **Policy Number Six: Reimbursements**
   - Reimbursement forms must be approved by the Executive Director, the supervisor, and signed by the recipient.
7. **Policy Number Seven: Use of Corporate Credit Cards and Procedures**
   - The purpose of issuing a corporate credit card is to increase flexibility for key staff members, and not for the *"convenience"* as stated in the fiscal policy page 7. The school will use the standard procurement procedures whenever possible.
   - The Board will authorize the credit card uses as follows:
     - Travel related expenses
     - Meeting/conference expenses
     - Online purchases where purchase orders are not accepted
     - Emergency spending
     - Pre authorized expenditures
   - The credit card holders will be responsible for documenting and justifying all expenditures (school-related purpose) and held personally liable if the credit card charge is deemed personal or unauthorized.
   - Each credit card transaction must be supported by an actual receipt containing detail of the item(s) purchased.

8. **Policy Number Eight: Petty Cash Policies and Procedures**
   - Petty Cash Holders – Position needs to be identified.
   - The recipient of the petty cash funds must sign the petty cash disbursements log to indicate the receipt of the funds. The paid receipt should be attached to the log. Petty cash box should be locked and secured safely until it is time to replenish the fund. The Petty Cash Fund reconciliation and associated receipts should be attached to the check request for replenishment.
   - The petty cash account should be reconciled monthly. When the petty cash account is reconciled, the appropriate expense account should be charged in the school's general ledger. Once reconciled, request for replenishment can be processed.
   - The Director of Operations should review petty cash transactions and make periodic counts of petty cash fund
   - The petty cash account may not be used to cash payroll checks or other personal checks.
9. **Policy Number Nine: Financial Reporting Review Procedures** – The school's accounting system will be in conformity with the California School Accounting Manual. Accounting method will follow Generally Accepted Accounting Principles (GAAP) guidelines for nonprofit reporting. All budgets and financial reports will be presented using full accrual accounting in alignment with annual audited financial statements. The school will follow the financial reporting guidelines required by Education Code section 47604.33, 47605(m) and 47604(3).
   - P.9 Bullet no. 2 – Executive *"Consultant"* – should be Executive *"Director"*
   - The school will submit the following financial reports to LACOE per Education Code Section 47604.33 and 47604(3):
     - On or before June 15, submit a preliminary budget
     - On or before December 1, submit the first interim financial report
     - On or before March 1, submit the second interim financial report
     - On or before August 15, submit a final unaudited report for the full prior year
     - Respond to all reasonable inquiries, including, but not limited to, inquiries regarding its financial records.
   - The school will transmit a copy of its annual independent financial audit report for the preceding fiscal year to LACOE, the State Controller's Office, and the California Department of Education by December 15 of each year per Education Code Section 47605(m).
10. **Policy Number Ten: Program Cash Receipts and Deposit Procedures**
    - P.10 Bullet no. 3 Three staff persons – Positions need to be identified.
    - The reception desk for each school site should record the cash and checks received on a cash/check receipts log which should include the date of check/cash was received, name of the payer, amount, check number and program/department
    - Make two copies of the checks with one copy to be filed in the program deposits file and another copy in the deposited checks/cash folder

- In addition to the program deposits file, set up a separate "deposited checks/cash" folder and place all copies of deposit documents in the file
- A copy of cash/check receipts log should be given to the Executive Director on a weekly basis

11. Policy Number Eleven: Revolving Cash Procedures

- The bank statements for the revolving cash funds will be reconciled on a monthly basis by the Back Office services provider.

12. Recommended New Policy: Policy Number Twelve: Fixed Asset Procedures – The purpose of this policy is to establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting, and safeguarding the school's assets in compliance with generally accepted accounting principles, and financial reporting requirements.

- The management must maintain a permanent property log and depreciation schedule for all fixed assets purchased by the school
- The property log will contain the following information:
  - Date of purchase
  - Description of item purchased
  - Received by donation or purchased
  - Cost or fair market value on the date of receipt
  - Donor or funding source
  - Funding source restrictions on use or disposition
  - Identification/serial number
  - Depreciation Method
  - Vendor name and address
  - Warranty period
  - Inventory tag number
  - Number of check used to pay for the equipment
- At least annually, a physical inspection and inventory should be taken of all fixed assets and reconciled to the general ledger balance. Adjustments for dispositions will be made annually.
- Fixed assets purchased with federal funds should be disposed of according to federal guidelines.
- Material changes in the status of property and equipment such as changes in location, sale of items, and any purchase or sale of the real estate should be recorded for management information.

13. Recommended New Policy: Policy Number Thirteen: Risk Management – The school should maintain an insurance program to protect the school against any losses that may occur due to the many normal and unusual hazards.

- Insurance policy and coverage should be approved by the Board of Directors, and comply with LACOE's MOU requirements

- Insurance certificates should be kept on file in the school's administrative office at all times and available for inspection.

14. **Recommended New Policy: Policy Number Fourteen: Debt Management Policy** – The purpose of this policy is to enhance the school's ability to manage its debt in a fiscally conservative and prudent manner. The effects of decisions regarding types of borrowing, covenants and terms, interest rates, and payment structure directly impact the school's ability to continue operation.
    - The Executive Director is responsible for administering and maintaining the school's current obligations under direction of the Board. The finance committee should meet with the Executive Director and Board regarding the status of the school's existing debt and to make specific recommendations.
    - No new debt should be incurred without approval of the Board.
    - Advance written notification of all borrowings should be provided to LACOE as per the current MOU requirements.
    - All approved annual budgets should include timely repayment of all outstanding debt, or include a reasonable repayment plan for such debt if timely repayment is not possible.
    - Prior to incurring any new borrowing, the Executive Director should prepare a financial analysis showing the effect of the borrowing on current and future operations for the Board to make an informed decision.
    - The school should take all practical precautions and proactive measures to avoid borrowing decisions that can negatively impact current or future operations.
15. **Recommended New Policy: Policy Number Fifteen: Conflict of Interest Policy** – Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall excuse him /her from the discussion and voting on the matter. The Board shall develop a more comprehensive policy on conflict of interest to be complied with Government Code 1090 *et seq.* and the Political Reform Act of 1974.

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EXHIBIT 19

FISCAL POLICY

POLICY NUMBER ONE: BUDGET PREPARATION AND IMPLEMENTATION

ANNUAL BUDGET

The school shall annually adopt a budget as a planning tool to implement its strategic plan. The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget through the Finance Committee and make necessary adjustments as needed.

BACKGROUND:

In order to manage the resources of the school, a budget has to be prepared to reflect the priorities of the school, and also help achieve its goals and objectives.

PROCEDURES:

Executive Consultant:

- Informs the School Director of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.
- Review the budget and check the calculations and the basis for the calculations.
- Make revenues estimates in coordination with the School Director, taking into consideration the state funding, fundraising, investment activities and other income sources.
- Prepare a draft budget based on the requests by the School Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.
- Meet with the School Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the finance committee the priorities of the school, revenue availability and fiscal responsibility must be considered.
- Prepare the final recommended budget based on agreements reached from the meeting with the School Director for presentation to the Finance Committee and Board of for approval.

POLICY NUMBER TWO: TIME SHEET AND PAYROLL POLICIES AND PROCEDURES

PAYROLL

All employees on payroll must be hired by the School Director and must have worked for the hours being paid, those hours having been properly documented and approved by the School Director. The expense must be properly recorded in the accounting records to the correct account to facilitate availability of accurate and timely financial information for management's use in making decisions.

BACKGROUND:

The school hires employees to work on its operations, in order to achieve its objectives. The employees in turn get paid on a timely basis and the information on these costs is made available to school management for decision making.

PROCEDURES:

Responsibility of the employee:

- Punch in time card and fill in the time sheet on a daily basis when you come in for work, when you take lunch or any other absence, when you return back to on the same day and when you leave for the day. Any specific arrangements outside normal hours should be discussed and approved by the Principal prior to beginning of the assignment.
- No overtime can be worked before obtaining approval from the Principal.
- Salaried employees are required to sign a sign-in log on a daily basis.
- At the end of each pay period each hourly employee is required to finish completing their time sheet that was being completed on each working day and give them to the Administrative Assistant for approval. The employee should make sure they complete the total regular hours, overtime hours, vacation, sick, and other hours worked each day and for the pay period. If you work on more than one job on a regular basis you should complete a time sheet for each job. Just state what hours you worked for each job on the same time sheet if you work more than one job on an irregular basis.
- The properly completed and approved time sheet is put in the box of the Administrative Assistant no later than the date it is due for processing. Delay in submitting the time sheet can affect employee pay date.

- If you are a new employee, make sure that you complete a personnel information package, including a W-4 form that gives us information on your tax status. We cannot give you all the money due you without knowing your tax information. Any information related to direct deposit, tax sheltered annuity or any other voluntary deductions should be given to the Financial Consultant no later than the deadline given to you by the business office. If you are hired after the start of a pay period, you will not be paid until the pay period following the period you started working.

Responsibility of the Administrative Assistant:

- Provide all staff with time sheet, sign-in sheet, time card, due date for time sheet, due date for voluntary deductions set up, time clock and other employee package items necessary to accurately complete information for payroll and benefit accrual.
- Collect all the time sheets in your box and any others around the time clock area.
- Verify that the time recorded on the time sheet corresponds with the time clock records. Any unexplained discrepancies should be reported to the Principal for correction or explanation. Any incomplete or unapproved time sheet should be referred to the School Director for completion and approval immediately in time to promptly prepare payroll.
- Verify the time sheet to make sure the computations are accurate and that the information and approvals are made by the appropriate persons and write the account numbers where the salaries will be charged on the time sheets.
- After verifying that everything is correct and that you have every employee's time sheet, sort out using the previous period time report and input into the HRS (see HRS system procedures). Also process the E4 payroll for the pay period, ESA for the 25th and regular monthly payroll for the 10th.
- Print the input information for the School Director to approve for transmission.
- Input new hire and any other employee change information as you get the information from the employee.
- After the checks come back from BBM, verify all the checks to make sure that everything are correct and that the checks appear accurate. Additionally check the payroll reports sent to you to make sure everything balances both to the time reported and other relevant

deductions. If there is anything that appears unusual, inform the Financial Consultant or a School Director. Put the checks in envelopes ready to be distributed to employees and leave with the receptionist together with a sign-in list. Instruct the receptionist that nobody should pick-up another persons check without written authority to do so. Before the receptionist gives a check to an employee that employee must sign the list provided as evidence that they have received their check.

Responsibility of School Director:

- Make sure that the new employee package is completed and accurately filled out prior to starting work, especially the I-9, Immigration and Naturalization Form and W-4, Employee Tax Information. The employee should also be given a copy of the employee handbook so they can be aware of the school policies and procedures that affect them.
- Negotiations regarding pay and other benefits should take into consideration the budgetary constraints to make sure that we do not commit to what we cannot pay.
- A personnel action form (PAF) must be completed and given to the Financial Consultant stating how much the employee will be paid, what the effective date is, and what account will be charged for this expense. The PAF and the completed package must be given to the Financial Consultant so that payroll arrangements can be made and personnel file opened for the new employee.
- The School Director must make sure the employee follow the school policies and procedures that relate to them. Any infraction should be cured according to school policies and procedures related to employee discipline.
- Make sure that all employees complete a time sheet and give it to them for their approval on a timely basis.
- Ensure that the time sheet as completed by employees reflect their attendance, including breaks and lunch time, before approving the time sheet.
- Make sure that employees are allowed to take breaks in the mornings and in the afternoons and a lunch break for those who work full-time. Generally, rest periods (breaks) are taken every four hours of work and meal periods (lunch) when someone works six or more hours a day.

- Ensure that overtime worked by the employee is approved in advance and that there is enough funding available to cover the overtime and other related costs.

POLICY NUMBER THREE: PURCHASE AND OTHER PROCUREMENT POLICIES AND PROCEDURES

PURCHASES:

The school will purchase the materials needed to implement the plans and strategies set out by the board and the charter in order to achieve its objectives. In making these purchases the school must ensure that the materials being purchased are necessary for running the school. The school will also ensure that economy of resources is exercised in judging whether there is a need to purchase a certain item, as the school has limited resources for many competing priorities. The purchase must give the school the best deal (price, quality and other criteria considered), and also ensure that there are funds available to pay for the materials. All purchases must be approved by the School Director. The purchase must be documented and recorded in the accounting books.

PROCEDURES:

- All purchases must be initiated by completing a purchase order. Exceptions may be granted by the School Director or Executive Consultant for purchase of certain small items that are less than $100 or in emergency situations.
- Before completing the purchase order the purchaser must assure that there are unencumbered funds budgeted for this purpose and the purchase is being charged to the correct budget category. If there is any question regarding the availability of funds, the Staff Consultant can be contacted for an answer.
- The purchaser must demonstrate, by providing copies of three bids or estimates that the vendor picked provides us with the best deal for the service or product being purchased. (The lowest price may not always be the best deal for the school.)
- For the purpose of getting bids, purchases of $2,999 or less can be done by phone bids, purchases of between $3,000 and $9,999 can be done by written bids on vendor's letterhead. Purchases of $10,000 or more need to be advertised in a more formal competitive bidding process.
- In cases where a particular vendor is known to give us the best deal, once a year research of prices and services is enough to satisfy this criterion.

In such a case copies of the result of the research should be kept on file to be referred to when needed.

- There may also be cases where a vendor is a sole source vendor, which means that the vendor is the only vendor that can supply this product or service. In such an instance it will be impossible to provide bids, but it must be demonstrated that the vendor is the sole source.
- Purchase orders will be issued by Administrative Assistant. The form must be originally filled out, including who to deliver the order to and the account number to which the expenditure is to be charged. The original is given to the Administrative Assistant to fax to the vendor with a return confirmation from the vendor after being approved by the Staff Consultant and the School Director, a copy for the School Director's file, Staff Consultant's file and a copy to the Administrative Assistant (receiving). All originals and copies of purchase orders must have the signatures of the Principal and Staff Consultant.
- All purchase orders must be approved by the Principal and Staff Consultant.
- When the purchaser gets the order they will keep the items in a safe place for use, after making sure that the order received agrees with the purchase order. In certain instances the order might be tracked as to who is using them, so we can allocate them to various programs.

Procedures for Receipt of Order (Administrative Assistant)

- When the order arrives the Administrative Assistant compares the quantity on the packing slip, the purchase order and the order received to make sure they agree. If they agree the packing slip will be initialed and sent to the Staff Consultant with a copy to the School Director.

Administrative Assistant:

- When the original purchase order is received from the Staff Consultant, it is immediately faxed to the vendor. This will be done after checking to make sure the order is charged to the correct account, and funds are available signified by the approval of the School Director and Staff Consultant, evidenced by the their signatures.
- A copy of the purchase order is kept in an open purchase order file pending the time the order is filled. It is discarded when the invoice for the purchase is processed. The purchase order is encumbered in the

Accounting system to set aside the funds so it will be available to pay for the bill. The purchase order is unencumbered when we pay the bill.

- The Administrative Assistant will check incoming orders to make sure they are consistent with the packing slip and the purchase order. The orders will then be stamped or tagged as property of the Wisdom Academy depending on what kind of item it is. Books will be stamped and equipment will be tagged, while supplies will be inventoried issued as necessary.
- The Administrative Assistant will check all the documentation and make sure they are complete, accurate, and consistent with one another. The Administrative Assistant will also make sure that the correct budget category is being charged and the amount of the bill is computed accurately.
- As part of checking the documentation, the Administrative Assistant will ensure that the invoice being paid is an original invoice, not a copy, and that we are not paying from a statement of account. Please refer to commercial warrant processing for more details on bills processing.

POLICY NUMBER FOUR: CONTRACTING POLICIES AND PROCEDURES

1. All contracts must be approved by the School Director and Staff Consultant. Contracts of up to $2,999 require at least three phone bids, between $3,000 and $9,999 requires three written bids on contractor's letterhead. Contracts of $10,000 and above require formal competitive bidding process. For more information, please see purchase procedures.
2. Before approving a contract, it must be determined that funds are available for this purpose and the payment terms clearly and satisfactorily stated in the contract, considering cash flow needs of the school.
3. In the case of a construction contract, the contractor must be licensed by the state board and have the financial capability to execute the contract, except in cases where an exception is allowed by a Principal.
4. The contractor must have workers compensation and other general liability insurance that will name the school as additionally insured, except in cases where the school agrees to cover the contractor as part of terms of the contract.
5. The contractor must submit a bill based on the original approved contract for the Principal to approve for payment. In the event of change orders, they must be pre-approved by a Principal or their designee and Staff Consultant.
6. The contractor must provide the school with a completed form W-9, taxpayer identification number, at the time of signing the contract.
7. Before the payment is made for construction contracts, the contractor must provide the school with a lien release as to labor and materials to exempt the school from any legal action including mechanics lien related to non payment of labor and material.
8. Before approving payment, the School Director will be certain that the construction was executed satisfactorily (in some cases an expert opinion might be sought to determine this).
9. It is customary to withhold 10% of the contract price until final determination is made on the successful completion of the contract. This will therefore be the practice of the school.
10. A copy of the contract should be filed in the business services office as soon as the contract is signed, to ensure that all documentation is complete and accurate.

11. All independent contractors must be persons that are in business for themselves, set their hours, and are responsible for results and not persons that are normally considered as employees. All other part-time or one-time persons employed by the school should be put on the payroll system, as they are actually employees and not independent contractors. All independent contractors must have a written contract following the procedures outlined above.

POLICY NUMBER FIVE: COMMERCIAL WARRANT POLICIES AND PROCEDURES

COMMERCIAL WARRANTS:

All disbursements, except for those made through the Revolving Cash Fund, Payroll System and Petty Cash, must be made through the Commercial Warrant.

BACKGROUND:

The school has a responsibility to process all payments in accordance with generally accepted accounting principles and other government accounting standards in order to discharge its fiduciary responsibilities as delegated by the board of directors.

PROCEDURES:

Administrative Assistant:

- Picks up mails from the bills mailbox and distribute to various departments where neccesary for check requests and approval of the bill.
- Checks the utilities and other general office bills for any error before giving to the School Director for check request approval.
- Double check requests and bills to make sure that all the information and documentation is correct. This information and documentation includes payee, account numbers, original invoice (payments cannot be made with a copy of the invoice or statement of account), relevant purchase order and receiving reports, amounts and appropriate approvals. If any information or documentation is inaccurate or incomplete, the check request must be returned to the responsible party so it can be corrected immediately, for timely processing of the check request. Check requests must not be left with anyone for an unreasonably long period of time as to incur the school, credit problems.
- The check requests are filed in a folder until the scheduled day for input, when they are inputted into the computer system to generate warrants the following day. All the warrant document numbers must be serially numbered, taking time to make sure the first warrant of each batch or day follows the last number as specified in the commercial warrant register. A serial number log must be kept to ensure the numbering system is being adhered to. Each time a number is used it is crossed out to prevent the reuse of the number a second time.

- After inputting each warrant it must be printed and kept on file pending the time the check or warrant comes back from the county.
- After all the check requests are entered in the system a copy of the payments pending district approval report should be printed. This report together with all the check requests and a copy of the appropriation control report should be given to the School Director for approval. A copy of the approved payments should be put on file for future reference.
- Pick up the mail from Bali Business Management the following day and verify that all the warrants were generated and everything related to the warrant is correct. Then attach a copy of the warrant to the check request together with the warrant request earlier printed from the system, staple them together and complete the payment information on the check request. Stamp the documentation as paid and file the whole package in the paid bills folder, after the checks are approved by the check signer.
- Put the checks in an envelope for mailing. If someone has to pick up a check in the office they must sign a log, and if it is an unknown person picture identification or drivers license should be reviewed to make sure that it is the right person.

The Administrative Assistant:

- Make sure that the bill being approved is a bill the school incurred and that those who incurred them are authorized to incur the bill, and that sufficient amounts are available in the budget to pay for the bill.
- Must be sure that services or goods were actually delivered as ordered and the amounts billed are agreed to and the bill was not previously paid and the invoice is not a duplicate or copy.
- Must be sure that the invoice is being charged to the right budget line item (account number and object code). This information must be provided by completing a check request form, and attaching the invoice, copy of the purchase order and a receiving advice or report noted on the purchase order. Any discrepancy between the invoice and the purchase order must be noted on the bill and reported to the Financial Consultant or School Director.
- The check request must be made in a timely manner for payment to prevent incurring collection and other credit problems.

School Director:

- Make sure that there is enough cash flow to pay the warrants being requested before approving the bills. This can be accomplished by reviewing the cash balance on the report provided by Financial Consultant.
- Check to see that the checks were written to the same payee as stated on the check request and bill.
- Keep the budget managers or persons who incur expenditures informed about cash flow in case they have to defer incurring certain expenditures, pending improvement in cash flow.
- Before signing any check, make sure the documentation is attached and that the check request information is completely filled out with prior approvals attached.
- Checks in excess of $2,500 require two signatures.

POLICY NUMBER SIX: EMPLOYEE ADVANCE POLICIES AND PROCEDURES

EMPLOYEE ADVANCES:
All employee advances must be properly documented and recorded in the school accounting books for the correct amounts, to help facilitate prompt collection of the advance from the employee.

BACKGROUND:
From time to time the school may make advances to its employees for various reasons including payroll checks not received on time, vacation advance, emergency and other extenuating circumstances.

PROCEDURES:
Responsibility of requesting employee:

- Request in writing to be submitted to the School Director for approval.
- Make sure that the emergencies are limited to unusual health bills, death or serious illness in the staff member's immediate family requiring unusual financial outlay, or unusual automobile repairs.
- Substantiating documentation must be provided with the request.
- The amount being requested must not be more than one third of the employee regular or average paycheck for a pay period.
- Repayment must be made over a period not to exceed three months, through payroll deductions beginning with the pay period subsequent to the date of the advance.
- Authentication of the advance, by signing an agreement detailing the terms of the advance, to remain on file.
- Advance is immediately due and payable in full upon the separation or termination of employment.
- The employee must be a regular full time staff member who has served for at least six months.

Responsibility of the Administrative Assistant:

- To ensure that the employee is qualified for approval for the advance, appropriate required documentation is attached to the request and all other guidelines are followed.
- Determine if the circumstances surrounding the request are appropriate and recommend Principal's approval.

Responsibility of School Director:

- Determine if there is enough cash flow to accommodate this request considering all the other priorities of the school.
- Consider the circumstance and the history of this employee as it relates to requests for advance in deciding whether or not to approve the request.
- Approve or disapprove the request after considering the guidelines for approval of the request.
- Give a copy of the approval to the Financial Consultant for filing or processing and the School Director for communication to the employee.
- Give a copy of any termination or separation notice to the Financial Consultant to compute final check and complete the separation notice form.

Responsibility of the Administrative Assistant:

- Generate the check from the Revolving Cash Fund for the School Director to sign and charging the advance to an employee advance account.
- Complete an agreement between the school and the employee to be signed by the employee and the School Director.
- Set up payroll deduction for the advance, beginning the pay period following the date the check was given to the employee.
- File a copy of the check, approved request and agreement in the employee advance file, and employee personnel file.
- Reconcile the Employee Advance account, to make sure that the amount on the account reflects the agreement currently on file.
- Deduct any amount outstanding from the final check to the employee in case of separation or termination.

POLICY NUMBER SEVEN: USE OF CORPORATE CREDIT CARDS AND PROCEDURES

Credit cards secured for the school through our bankers will allow us the convenience of charging purchases on the account, therefore saving staff the trouble of using their funds to purchase needed materials. Furthermore, it will save the school from cutting many checks for reimbursements. Instead one check will be cut to our bankers.

- The cash advance feature CANNOT be activated or used for any reason.
- The card can be used only for business purchases. NO PERSONAL USE.
- The duplicate receipt must always be turned in to Administrative Assistant, after purchase is made to allow for easy processing of the bills. The account number to be charged must be stated on the receipt.
- Before charging anything to the card, the purchaser must determine what budget line items should be charged for this expenditure and whether the budget item has enough funds in the account to accommodate the charges, considering all other charges previously made to this account. If in doubt about the availability of the funds, please consult the responsible budget manager.
- Any missing or lost credit card must be immediately reported to the Financial Consultant and the Bank, so that security measures regarding cancellation and reissue can be accomplished in time to prevent illegal charges to the account.
- The card can be used to charge things for other staff as long as verification is made as to the availability of funds for the purchase. The card can be used for small purchases that normally require payment before order, it should not be used for items that can be put on purchase orders and billed to us in the normal way. Do not use the credit card in such a way as to circumvent our normal purchase order or billing system. Examples of things that can be charged include airline tickets for training and seminars, books and instructional supplies.
- The Financial Consultant and the School Director are responsible for ensuring that the credit card holders follow these procedures. Any abuse of the credit card policies should be reported to the Financial Consultant or the School Director. The school reserves the right to

terminate any credit card due to abuses including lack of following credit card policies and procedures.

- The School Director must approve any expenditure related to any direct benefit of the credit card user. No one can approve an expenditure that is for his or her own benefit.
- The Administrative Assistant must turn in all credit card statements to the Financial Consultant. The Administrative Assistant will give each credit card holder his or her statements.
- Credit card holders will prepare a check request for each credit card statement with all attached documentation, including receipts and account numbers. This will ensure orderly and efficient processing of the bills to avoid the charging of interest.

POLICY NUMBER EIGHT: PETTY CASH POLICIES AND PROCEDURES

The school will maintain a petty cash fund to make it expedient to disburse small purchases that are needed to operate the school business. The items to be disbursed out of these funds are limited to small items of $25 or less.

PROCEDURES:

Administrative Assistant:

- The Administrative Assistant has oversight over the implementation of the petty cash policies and procedures.
- Processes requests for issuance of petty cash after being approved by the School Director.
- Processes replenishment of petty cash on a regular basis.
- Ensures that the replenishment expenditures are supported by authentic purchase receipts approved by the School Director.
- Monitors all the petty cash given to holders to make sure they are replenishing them on a regular basis and remind the holders of the need to replenish the fund so that expenditures can be recorded. If the holder does not have expenditures for several months, this may indicate that the petty cash might not be necessary.
- When a petty cash is originally issued to a holder, it must be logged in a petty cash log; any increases to the petty cash amount must be recorded in the log.
- Petty cash is reimbursed in the same manner as any other reimbursement or bill. In urgent situations, reimbursements can be done from the revolving cash fund.

Petty Cash Holders

- Request for issuance of petty cash from the School Director based on a compelling need supported by convincing reasons.
- Makes sure that the petty cash fund in their possession is securely locked in a cabinet at all times, making sure that nobody else has access to the fund.
- The petty cash holder has a personal responsibility for the funds in their possession.
- Issuance of funds to staff who need them must be evidenced by a receipt signed by staff and petty cash issuer.

- Before issuing the funds to the staff the holder must ascertain that the staff is going to spend the money on a budgeted expenditure approved by the School Director.
- Must ensure those given petty cash bring back an authentic receipt approved by the Administrative Assistant with the appropriate account number where the expenditure will be charged.
- The School Director's signature on the purchase receipt is evidence that the expenditure is approved by the School Director and it is for an expenditure that has been budgeted by the school for this purpose and the goods or services is to be used for a specific school business purpose. The signature also means that there is available balance in the line item to accommodate the expenditure.
- When the staff gives the petty cash holder an authentic purchase receipts approved by the School Director, the issuance receipt should be endorsed by the holder as paid and copy of the paid issuance receipt given to the Administrative Assistant. If there is a cash balance returned by the staff it should be reflected on the issuance receipt. The paid issuance receipt should be attached to the purchase receipt.
- When the petty cash is low the holder should fill out the petty cash replenishment form and request for replenishment of the petty cash fund equal to the amount of the purchase receipts in their possession. The total amount of the replenishment and the petty cash on hand should always be equal to the amount originally issued to the holder.

Staff Requesting the Use of Petty Cash:

- Before requesting for petty cash fund staff must make sure that the expenditure is approved by the School Director and there is available funds for that expenditure.
- Make sure that a purchase receipt is obtained for the goods or services purchased and the receipt is approved by the School Director with the appropriate account number written on the receipt before giving it to the petty cash holder.
- Return any excess cash to the petty cash holder together with the receipt to relieve the staff of the responsibility of the cash originally received.
- Once a staff receives funds from the petty cash holder, the staff is personally responsible for the funds, until they bring back an approved receipt with account numbers plus any left over cash in exchange for a

release of liability. This is evidenced by a copy of a paid issuance receipt by the holder of the petty cash.

POLICY NUMBER NINE: ACCOUNT RECONCILIATION POLICIES AND PROCEDURES

As part of our internal control procedures, the school will reconcile and review the result of operations to make sure the transactions are charged to the appropriate accounts and that the operations are being executed as planned.

Financial Operations Review-Procedures:

- At mid month and the final week before the close of a month the transactions posted to accounts will be reviewed to ensure that they are posted to the right accounts. Month end adjusting entries must be made at this time (final week) to make sure the financial statements reflect correctly the activities of the month. These reconciliations will be done by the Financial Consultant.
- On the 5th day following the end of the month, revenue and other balance sheet accounts will be reviewed and reconciled for the final time, by the Financial Consultant and appropriate adjustments made in the following month's financial report.
- The reports will be provided to the School Director for review and comments on the 7th day following the end of the month.
- On the 11th day following the end of the month, there will be a meeting between the School Director, and the Financial Consultant to review the budget reports for the previous month.
- On the 14th day following the end of the month complete financial reports will be given to the School Director for comments and mailing to Finance Committee to review before their meeting (if necessary). At this point any recommendations will be given by the Financial Consultant for the Principal and the Finance Committee to consider.

POLICY NUMBER TEN: PROGRAM CASH RECEIPTS AND DEPOSIT POLICIES AND PROCEDURES

PROGRAM CASH RECEIPTS:
All programs and other pass through payments will be paid to the office and given to the Administrative Assistant periodically for deposit to the bank.

BACKGROUND:
The school will run various programs including meals, after school programs and pass through programs. Checks and cash are usually received at the reception desk for registration for these events.

PROCEDURES:
Responsibilities of the Office:

- Each parent is issued a receipt (original) when payment is made for any of these programs. Parents who have a history of insufficient funds checks (as provided by Financial Consultant) will be required to pay cash.
- Satellite site receipts will be brought to the main office on a daily basis for safekeeping. The Administrative Assistant will include the amounts received from the satellite site (if any) in their balancing of the total receipts for the school.
- Checks and cash are kept in a secured cabinet locked in a box until deposit is made to the bank.
- The checks must be stamped "for deposit only", using the appropriate stamp for the program bank account, to reduce any risk of loss.
- Three staff persons have access to the key so they can retrieve funds for deposit or store funds collected from parents (under no circumstances should this amount be used for any reason except as approved by the Finance Consultant or School Director). This amount is not petty cash and therefore should not be used for that purpose. Please use petty cash fund to pay for small emergency items.
- The office prepares deposit tickets on Tuesdays and Fridays, making sure the total amounts on the deposit tickets agree with the total receipts attached (duplicate). $100 from petty cash fund will be left in the cash box for the purpose of making change when payments are received from parents.

- Any discrepancy between the deposit tickets and the attached receipts should be noted and reported to the Financial Consultant and the School Director so that further investigation can be conducted to resolve the problem.
- The income log must be compared with the incoming attendance and participation log from the program department, to make sure they agree and explain any discrepancies between them.
- The program to be credited with these funds should be noted on the deposit ticket or receipt.
- The receipts and deposit tickets will be given to the Administrative Assistant by 12 noon for deposit to the bank. A copy of the deposit ticket should be made and kept with the office, showing the signature of the Administrative Assistant as evidence that they have received the amounts listed on the ticket.

Responsibilities of the Administrative Assistant:

- The Administrative Assistant will review the whole packet to make sure that everything is completed accurately.
- A copy of the deposit ticket and duplicate receipts are filed in the program deposits file and the original deposit ticket and the funds are deposited at the bank.
- The deposit receipt from the bank must be attached to the duplicate deposit ticket in the program account file.
- Attendance log or report is compared with duplicate receipts for the respective programs to make sure everything agrees, any discrepancy must be investigated and when necessary reported to Financial Consultant or School Director.
- By the middle of the month following the end of a month, bank reconciliation is prepared and any "non sufficient funds" checks identified in a separate report. Letters will be written to the issuers of the checks so they can pay the amounts, plus service charge of $15 per bounced check.
- Each month after the bank reconciliation or when the program is complete, depending on the program, a check will be generated from the program account to our county account or outside vendor depending on the program requirements.

POLICY NUMBER ELEVEN: COUNTY DEPOSIT POLICIES AND PROCEDURES

LACOE Deposit Procedures

1. Review checks for deposit and appropriate deposit accounts.
2. Prepare deposit forms for approval, copy checks, copy deposit permit.
3. Endorse back of check by writing:

   For Deposit Only
   The New Design Charter School
4. Transmit PCODE 031, Print page.
5. File copied deposit permit, copied checks, printed PCODE031 transaction, in the Deposits file.
6. Prepare an envelope to send original deposit forms and checks to

   Moses Tanwanseng
   School Financial services
   LACOE

   ATTN: PCODE031

7. Place the envelope with the deposit into the green mail bag.
8. Verify approval of deposit on PBAS report.
9. File blue deposit slip when returned.
10. Notify Financial Consultant if the deposit was not registered on PBAS report within 2 business days of sending deposit.
11. Notify Financial Consultant if the blue deposit slip is not returned within 10 business days of sending deposit.

POLICY NUMBER 12. REVOLVING CASH FUND POLICY AND PROCEDURES

The School will maintain a Revolving Cash Fund to accommodate immediate cash needs that will normally not be met by the commercial warrant system. The school will make all efforts to make all payments through the commercial warrants system. Only check requests that are needed immediately due to circumstances beyond our control will be disbursed through this system.

PROCEDURES:

- All requests must be made by a check request, with all the supporting documents for the approval of the School Director.
- The request will follow the normal procedures for commercial warrant check requests.
- Poor planning will not qualify as a reason for approving this request.
- Receipts are required immediately after an event for requests of advance deposits.

School Director:

- Approval will be made based on the documentation provided and the compelling reasons why the request must be approved.
- No requests should be approved for convenience as these requests create additional burden and work for the school and circumvents the accounting process and may understate our expenditures.
- No approvals should be made without the request coming from budget manager, who checks the budget availability and the urgency for this request.
- The approved request will be given to the Administrative Assistant for processing.

Financial Consultant:

- All approved requests must be disbursed from the Revolving Cash Fund bank account the same day.
- Any request for an RCF check must be directed to the School Director.
- Requests should only be entertained from the School Director.

- All requests must be checked to make sure all required information is complete before issuing the check. The School Director should be alerted if all the necessary information is not complete.
- Make sure there is available balance in the RCF account before issuing any check. This will be accomplished by keeping a running balance after issue of checks and deposit of check to the RCF account.
- Reimburse the RCF no later than the 25th of every month to make certain that the expenditures are recorded in the correct month to void understanding our financial statements.
- Reimbursement of RCF including petty cash must be made to the School Director and charged to the respective account numbers already provided before the RCF checks were generated.
- Do not reimburse any RCF check or petty cash without the required receipts, account number and other required documentation.
- At any given time the bank balance, plus un-reimbursed expenditures, plus petty cash given out must be equal to the RCF amount.

Signed, this 18th November 2006.

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Board President, Merle Williamson Foundations

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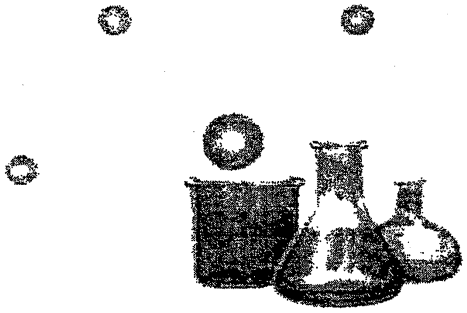
Board Secretary, Merle Williamson Foundation

EXHIBIT 20



FISCAL POLICIES AND PROCEDURES HANDBOOK

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FISCAL POLICY

POLICY NUMBER ONE: BUDGET PREPARATION AND IMPLEMENTATION

ANNUAL BUDGET
The school shall annually adopt a budget as a planning tool to implement its strategic plan. The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget through the Finance Committee and make necessary adjustments as needed.

BACKGROUND:
In order to manage the resources of the school, a budget has to be prepared to reflect the priorities of the school, and also help achieve its goals and objectives.

PROCEDURES:
Executive Consultant:

- Informs the Executive Director of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.
- Review the budget and check the calculations and the basis for the calculations.
- Make revenues estimates in coordination with the Executive Director, taking into consideration the state funding, fundraising, investment activities and other income sources.
- Prepare a draft budget based on the requests by the Executive Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.
- Meet with the Executive Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the finance committee the priorities of the school, revenue availability and fiscal responsibility must be considered.
- Prepare the final recommended budget based on agreements reached from the meeting with the Executive Director for presentation to the Finance Committee and Board of for approval.
- Provide the approved budgets to the Director of Operations and other Administrative Staff so they know the budgets they have to work with during the year.
- Responsible for making sure the budgets are being implemented correctly. This includes working with the Consultant Accounting Staff to input the budgets into the accounting system to help monitor budgets to actual comparison. Also working with the Director of Operations and Staff Consultant to answer budget related questions and reporting any problems and proposed solutions to the Executive Director and Finance Committee.
- Review budget to actual report prepared by Staff Consultant and make necessary adjustments and narratives or comments before presenting to Executive Director, Finance Committee and Board.
- Revise the budget for board consideration when there is a material change in the approved budget.

Executive Director:

- Review the draft budget with the Executive Consultant, making sure that the priorities of the school are reflected in the final budget recommended to the Finance Committee and the Board.
- Review the monthly budgets to actual comparisons prepared by the Executive Consultant and take any recommended actions as necessary.
- Recommend any budget adjustments as necessary to the Finance Committee and the Board.
- Help the Executive Consultant in preparing annual budgets.

Consultant Bookkeeper:

- Inform the Executive Consultant of any unbudgeted expenditures seen while reviewing purchase orders.
- Input the approved budgets in the Accounting system so we can generate budget to actual reports.
- Approve purchase orders before they are issued to vendors, after checking to make sure there are funds in the budget for cover the order.
- Prepare monthly budget to actual report for Executive Consultant to review.

POLICY NUMBER TWO: TIME SHEET AND PAYROLL POLICIES AND PROCEDURES

PAYROLL

All employees on payroll must be hired by the Executive Director and must have worked for the hours being paid, those hours having been properly documented and approved by the Executive Director. The expense must be properly recorded in the accounting records to the correct account to facilitate availability of accurate and timely financial information for management's use in making decisions.

BACKGROUND:

The school hires employees to work on its operations, in order to achieve its objectives. The employees in turn get paid on a timely basis and the information on these costs is made available to school management for decision making.

PROCEDURES:

Responsibility of the employee:

- Punch in time card on a daily basis when you come in for work, when you take lunch or any other absence, when you return back to work on the same day and when you leave for the day. Any specific arrangements outside normal hours should be discussed and approved by the Executive Director prior to beginning of the assignment.
- No overtime can be worked before obtaining approval from the Executive Director.
- Salaried employees are required to sign a sign-in log on a daily basis.
- At the end of each pay period each hourly employee is required to finish completing their time sheet that was generated by the computer system and give them to Administrative Assistant for approval. The employee should make sure they complete the total regular hours, overtime hours, vacation, sick, and other hours worked each day and for the pay period. If you work on more than one job on a regular basis you should complete a time sheet for each job. Just state what hours you worked for each job on the same time sheet if you work more than one job on an irregular basis.
- The properly completed and approved time sheet is put in the box of the Administrative Assistant no later than the date it is due for processing. Delay in submitting the time sheet can affect employee pay date.
- If you are a new employee, make sure that you complete a personnel information package, including a W-4 form that gives us information on your tax status. We cannot give you all the money due you without knowing your tax information. Any information related to direct deposit, tax sheltered annuity or any other voluntary deductions should be given to the Financial Consultant no later than the deadline given to you by the business office. If you are hired after the start of a pay period, you will not be paid until the pay period following the period you started working.

Responsibility of the Administrative Assistant:

- Provide all staff with time sheet, sign-in sheet, time card, due date for time sheet, due date for voluntary deductions set up, time clock and other employee package items necessary to accurately complete information for payroll and benefit accrual.
- Collect all the time sheets in your box and any others around the time clock area.
- Verify that the time recorded on the time sheet corresponds with the time clock records. Any unexplained discrepancies should be reported to the Executive Director for correction or explanation. Any incomplete or unapproved time sheet should be referred to the Executive Director for completion and approval immediately in time to promptly prepare payroll.

- Verify the time sheet to make sure the computations are accurate and that the information and approvals are made by the appropriate persons and write the account numbers where the salaries will be charged on the time sheets.
- After verifying that everything is correct and that you have every employee's time sheet, sort out using the previous period time report and give to the Executive Director for approval and transmittal to the Executive Consultant. Also process the Salaried payroll for the pay period, ESA for the 15th and regular monthly payroll for the 30th.
- Print the input information for the School Director to approve for transmission to Executive Consultant.
- Send new hire and any other employee change information to the
- Executive Consultant as you get the information from the employee.
- After the checks come back from BBM, verify all the checks to make sure that everything is correct and that the checks appear accurate. Additionally check the payroll reports sent to you to make sure everything balances both to the time reported and other relevant deductions. If there is anything that appears unusual, inform the Financial Consultant or a Executive Director. Put the checks in envelopes ready to be distributed to employees and leave with the receptionist together with a sign-in list. Instruct the receptionist that nobody should pick-up another persons check without written authority to do so. Before the receptionist gives a check to an employee that employee must sign the list provided as evidence that they have received their check.

Responsibility of Executive Director:

- Make sure that the new employee package is completed and accurately filled out prior to starting work, especially the I-9, Immigration and Naturalization Form and W-4, Employee Tax Information. The employee should also be given a copy of the employee handbook so they can be aware of the school policies and procedures that affect them.
- Negotiations regarding pay and other benefits should take into consideration the budgetary constraints to make sure that we do not commit to what we cannot pay.
- A personnel action form (PAF) must be completed and given to the Financial Consultant stating how much the employee will be paid, what the effective date is, and what account will be charged for this expense. The PAF and the completed package must be given to the Financial Consultant so that payroll arrangements can be made and personnel file opened for the new employee.
- The Executive Director must make sure the employee follow the school policies and procedures that relate to them. Any infraction should be cured according to school policies and procedures related to employee discipline.
- Make sure that all employees complete a time sheet and give it to them for their approval on a timely basis.
- Ensure that the time sheet as completed by employees reflect their attendance, including breaks and lunch time, before approving the time sheet.
- Make sure that employees are allowed to take breaks in the mornings and in the afternoons and a lunch break for those who work full-time. Generally, rest periods (breaks) are taken every four hours of work and meal periods (lunch) when someone works six or more hours a day.
- Ensure that overtime worked by the employee is approved in advance and that there is enough funding available to cover the overtime and other related costs.

POLICY NUMBER THREE: PURCHASE AND OTHER PROCUREMENT POLICIES AND PROCEDURES

PURCHASES:

The school will purchase the materials needed to implement the plans and strategies set out by the board and the charter in order to achieve its objectives. In making these purchases the school must ensure that the materials being purchased are necessary for running the school. The school will also ensure that economy of resources is exercised in judging whether there is a need to purchase a certain item, as the school has limited resources for many competing

priorities. The purchase must give the school the best deal (price, quality and other criteria considered), and also ensure that there are funds available to pay for the materials. All purchases must be approved by the Executive Director. The purchase must be documented and recorded in the accounting books.

PROCEDURES:

- All purchases must be initiated by completing a purchase order. Exceptions may be granted by the Executive Director or Executive Consultant for purchase of certain small items that are less than $100 or in emergency situations.
- Before completing the purchase order the purchaser must assure that there are unencumbered funds budgeted for this purpose and the purchase is being charged to the correct budget category. If there is any question regarding the availability of funds, the Staff Consultant can be contacted for an answer.
- The purchaser must demonstrate, by providing copies of three bids or estimates that the vendor picked provides us with the best deal for the service or product being purchased. (The lowest price may not always be the best deal for the school.)
- For the purpose of getting bids, purchases of $2,999 or less can be done by phone bids, purchases of between $3,000 and $9,999 can be done by written bids on vendor's letterhead. Purchases of $10,000 or more need to be advertised in a more formal competitive bidding process.
- In cases where a particular vendor is known to give us the best deal, once a year research of prices and services is enough to satisfy this criterion. In such a case copies of the result of the research should be kept on file to be referred to when needed.
- There may also be cases where a vendor is a sole source vendor, which means that the vendor is the only vendor that can supply this product or service. In such an instance it will be impossible to provide bids, but it must be demonstrated that the vendor is the sole source.
- Purchase orders will be issued by Administrative Assistant. The form must be originally filled out, including who to deliver the order to and the account number to which the expenditure is to be charged. The original is given to the Administrative Assistant to fax to the vendor with a return confirmation from the vendor after being approved by the Director of Operations, a copy for the Director of Operations's file, Staff Consultant's file and a copy to the Office Assistant (receiving). All originals and copies of purchase orders must have the signatures of the Director of Operations.
- All purchase orders must be approved by the Director of Operations.
- When the purchaser gets the order they will keep the items in a safe place for use, after making sure that the order received agrees with the purchase order. In certain instances the order might be tracked as to who is using them, so we can allocate them to various programs.

Procedures for Receipt of Order (Office Assistant)

- When the order arrives the Office Assistant compares the quantity on the packing slip, the purchase order and the order received to make sure they agree. If they agree the packing slip will be initialed and sent to the Staff Consultant with a copy to the Director of Operations.

Administrative Assistant:

- When the original purchase order is received from the Director of Opeations, it is immediately faxed to the vendor. This will be done after checking to make sure the order is charged to the correct account, and funds are available signified by the approval of the Director of Operations, evidenced by the his signatures.
- A copy of the purchase order is kept in an open purchase order file pending the time the order is filled. It is discarded when the invoice for the purchase is processed. The purchase order is encumbered in the Accounting system to set aside the funds so it will be available to pay for the bill. The purchase order is unencumbered when we pay the bill.
- The Administrative Assistant will check incoming orders to make sure they are consistent with the packing slip and the purchase order. The orders will then be stamped or tagged as property of the Wisdom Academy depending on what kind of item it is. Books will be

stamped and equipment will be tagged, while supplies will be inventoried issued as necessary.

- The Administrative Assistant will check all the documentation and make sure they are complete, accurate, and consistent with one another. The Administrative Assistant will also make sure that the correct budget category is being charged and the amount of the bill is computed accurately.
- As part of checking the documentation, the Administrative Assistant will ensure that the invoice being paid is an original invoice, not a copy, and that we are not paying from a statement of account. Please refer to commercial warrant processing for more details on bills processing.

POLICY NUMBER FOUR: CONTRACTING POLICIES AND PROCEDURES

1. All contracts must be approved by the School Director and Staff Consultant. Contracts of up to $4,999 may require at least three phone bids, between $5,000 and $9,999 may requires three written bids on contractor's letterhead. Contracts of $10,000 and above require formal competitive bidding process. For more information, please see purchase procedures.
2. Before approving a contract, it must be determined that funds are available for this purpose and the payment terms clearly and satisfactorily stated in the contract, considering cash flow needs of the school.
3. In the case of a construction contract, the contractor must be licensed by the state board and have the financial capability to execute the contract, except in cases where an exception is allowed by a Principal.
4. The contractor must have workers compensation and other general liability insurance that will name the school as additionally insured, except in cases where the school agrees to cover the contractor as part of terms of the contract.
5. The contractor must submit a bill based on the original approved contract for the Principal to approve for payment. In the event of change orders, they must be pre-approved by a Executive Director or designee.
6. The contractor must provide the school with a completed form W-9, taxpayer identification number, at the time of signing the contract.
7. Before the payment is made for construction contracts, the contractor must provide the school with a lien release as to labor and materials to exempt the school from any legal action including mechanics lien related to non payment of labor and material.
8. Before approving payment, the Executive Director will be certain that the construction was executed satisfactorily (in some cases an expert opinion might be sought to determine this).
9. It is customary to withhold 10% of the contract price until final determination is made on the successful completion of the contract. This will therefore be the practice of the school.
10. A copy of the contract should be filed in the business services office as soon as the contract is signed, to ensure that all documentation is complete and accurate.
11. All independent contractors must be persons that are in business for themselves, set their hours, and are responsible for results and not persons that are normally considered as employees. All other part-time or one-time persons employed by the school should be put on the payroll system, as they are actually employees and not independent contractors. All independent contractors must have a written contract following the procedures outlined above.

POLICY NUMBER FIVE: CHECK REQUESTS POLICIES AND PROCEDURES

CHECK REQUESTS:
All disbursements, except for those made through the Revolving Cash Fund, Payroll System and Petty Cash, must be made through the Check Request.

BACKGROUND:

The school has a responsibility to process all payments in accordance with generally accepted accounting principles and other government accounting standards in order to discharge its fiduciary responsibilities as delegated by the board of directors.

PROCEDURES:

Administrative Assistant:

- Picks up mails from the bills mailbox and distribute to various departments where necessary for check requests and approval of the bill.
- Checks the utilities and other general office bills for any error before giving to the Director of Operations for check request approval.
- Double check requests and bills to make sure that all the information and documentations are correct. This information and documentation includes payee, account numbers, original invoice (payments cannot be made with a copy of the invoice or statement of account), relevant purchase order and receiving reports, amounts and appropriate approvals. If any information or documentation is inaccurate or incomplete, the check request must be returned to the responsible party so it can be corrected immediately, for timely processing of the check request. Check requests must not be left with anyone for an unreasonably long period of time as to incur the school, credit problems.
- The check requests are sent to Executive Consultant for input into the computer system for payment. All the check numbers must be serially numbered, taking time to make sure the first check of each batch or day follows the last number as specified in the check register. A serial number log must be kept to ensure the numbering system is being adhered to. Each time a number is used it is crossed out to prevent the reuse of the number a second time.
- Pick up the mail from Bali Business Management the following day and verify that all the checks were generated and everything related to the check is correct. Then attach a copy of the check to the check request, staple them together and complete the payment information on the check request. Stamp the documentation as paid and file the whole package in the paid bills folder, after the checks are approved by the check signer.
- Put the checks in an envelope for mailing. If someone has to pick up a check in the office they must sign a log, and if it is an unknown person picture identification or drivers license should be reviewed to make sure that it is the right person.

The Administrative Assistant:

- Make sure that the bill being approved is a bill the school incurred and that those who incurred them are authorized to incur the bill, and that sufficient amounts are available in the budget to pay for the bill.
- Must be sure that services or goods were actually delivered as ordered and the amounts billed are agreed to and the bill was not previously paid and the invoice is not a duplicate or copy.
- Must be sure that the invoice is being charged to the right budget line item (account number and object code). This information must be provided by completing a check request form, and attaching the invoice, copy of the purchase order and a receiving advice or report noted on the purchase order. Any discrepancy between the invoice and the purchase order must be noted on the bill and reported to the Financial Consultant or Director of Operations.
- The check request must be made in a timely manner for payment to prevent incurring collection and other credit problems.

Director of Operations:

- Make sure that there is enough cash flow to pay the checks being requested before approving the bills. This can be accomplished by reviewing the cash balance on the report provided by Financial Consultant.
- Check to see that the checks were written to the same payee as stated on the check request and bill.
- Keep the budget managers or persons who incur expenditures informed about cash flow in case they have to defer incurring certain expenditures, pending improvement in cash flow.

- Before signing any check, make sure the documentation is attached and that the check request information is completely filled out with prior approvals attached.
- Checks in excess of $10,000 of non recurring item require two signatures.

POLICY NUMBER SIX: REIMBURSEMENTS

All employee reimbursement check requests must be accompanied by filling out a reimbursement form with attached documentation including receipts and invoices of the reimbursements. Mileage reimbursement check requests must be accompanied by a form detailing the mileage description with a starting point and ending point. The description will also include the date of the travel and the number of miles travelled for each entry or date. Mileage will be reimbursed at the IRS rate that is applicable at that particular time.

POLICY NUMBER SEVEN: USE OF CORPORATE CREDIT CARDS AND PROCEDURES

Credit cards secured for the school through our bankers will allow us the convenience of charging purchases on the account, therefore saving staff the trouble of using their funds to purchase needed materials. Furthermore, it will save the school from cutting many checks for reimbursements. Instead one check will be cut to our bankers.

- The cash advance feature CANNOT be activated or used for any reason.
- The card can be used only for business purchases. NO PERSONAL USE.
- The duplicate receipt must always be turned in to Administrative Assistant, after purchase is made to allow for easy processing of the bills. The account number to be charged must be stated on the receipt.
- Before charging anything to the card, the purchaser must determine what budget line items should be charged for this expenditure and whether the budget item has enough funds in the account to accommodate the charges, considering all other charges previously made to this account. If in doubt about the availability of the funds, please consult the responsible budget manager.
- Any missing or lost credit card must be immediately reported to the Financial Consultant and the Bank, so that security measures regarding cancellation and reissue can be accomplished in time to prevent illegal charges to the account.
- The card can be used to charge things for other staff as long as verification is made as to the availability of funds for the purchase. The card can be used for small purchases that normally require payment before order, it should not be used for items that can be put on purchase orders and billed to us in the normal way. Do not use the credit card in such a way as to circumvent our normal purchase order or billing system. Examples of things that can be charged include airline tickets for training and seminars, books and instructional supplies.
- The Financial Consultant and the Executive Director are responsible for ensuring that the credit card holders follow these procedures. Any abuse of the credit card policies should be reported to the Financial Consultant or the Executove Director. The school reserves the right to terminate any credit card due to abuses including lack of following credit card policies and procedures.
- The Executive Director must approve any expenditure related to any direct benefit of the credit card user. No one can approve an expenditure that is for his or her own benefit.
- The Administrative Assistant must turn in all credit card statements to the Financial Consultant. The Administrative Assistant will give each credit card holder his or her statements.
- Credit card holders will prepare a check request for each credit card statement with all attached documentation, including receipts and account numbers. This will ensure orderly and efficient processing of the bills to avoid the charging of interest.

POLICY NUMBER EIGHT: PETTY CASH POLICIES AND PROCEDURES

The school will maintain a petty cash fund to make it expedient to disburse small purchases that are needed to operate the school business. The items to be disbursed out of these funds are limited to small items of $25 or less.

PROCEDURES:

Administrative Assistant:

- The Administrative Assistant has oversight over the implementation of the petty cash policies and procedures.
- Processes requests for issuance of petty cash after being approved by the School Director.
- Processes replenishment of petty cash on a regular basis.
- Ensures that the replenishment expenditures are supported by authentic purchase receipts approved by the School Director.
- Monitors all the petty cash given to holders to make sure they are replenishing them on a regular basis and remind the holders of the need to replenish the fund so that expenditures can be recorded. If the holder does not have expenditures for several months, this may indicate that the petty cash might not be necessary.
- When a petty cash is originally issued to a holder, it must be logged in a petty cash log; any increases to the petty cash amount must be recorded in the log.
- Petty cash is reimbursed in the same manner as any other reimbursement or bill. In urgent situations, reimbursements can be done from the revolving cash fund.

Petty Cash Holders

- Request for issuance of petty cash from the Executive Director based on a compelling need supported by convincing reasons.
- Makes sure that the petty cash fund in their possession is securely locked in a cabinet at all times, making sure that nobody else has access to the fund.
- The petty cash holder has a personal responsibility for the funds in their possession.
- Issuance of funds to staff who need them must be evidenced by a receipt signed by staff and petty cash issuer.
- Before issuing the funds to the staff the holder must ascertain that the staff is going to spend the money on a budgeted expenditure approved by the School Director.
- Must ensure those given petty cash bring back an authentic receipt approved by the Administrative Assistant with the appropriate account number where the expenditure will be charged.
- The Executive Director's signature on the purchase receipt is evidence that the expenditure is approved by the Executive Director and it is for an expenditure that has been budgeted by the school for this purpose and the goods or services is to be used for a specific school business purpose. The signature also means that there is available balance in the line item to accommodate the expenditure.
- When the staff gives the petty cash holder an authentic purchase receipts approved by the Executive Director, the issuance receipt should be endorsed by the holder as paid and copy of the paid issuance receipt given to the Administrative Assistant. If there is a cash balance returned by the staff it should be reflected on the issuance receipt. The paid issuance receipt should be attached to the purchase receipt.
- When the petty cash is low the holder should fill out the petty cash replenishment form and request for replenishment of the petty cash fund equal to the amount of the purchase receipts in their possession. The total amount of the replenishment and the petty cash on hand should always be equal to the amount originally issued to the holder.

Staff Requesting the Use of Petty Cash:

- Before requesting for petty cash fund staff must make sure that the expenditure is approved by the Executive Director and there is available funds for that expenditure.
- Make sure that a purchase receipt is obtained for the goods or services purchased and the receipt is approved by the Executive Director with the appropriate account number written on the receipt before giving it to the petty cash holder.

- Return any excess cash to the petty cash holder together with the receipt to relieve the staff of the responsibility of the cash originally received.
- Once a staff receives funds from the petty cash holder, the staff is personally responsible for the funds, until they bring back an approved receipt with account numbers plus any left over cash in exchange for a release of liability. This is evidenced by a copy of a paid issuance receipt by the holder of the petty cash.

POLICY NUMBER NINE: FINANCIAL REPORTING REVIEW POLICIES AND PROCEDURES

As part of our internal control procedures, the school will reconcile and review the result of operations to make sure the transactions are charged to the appropriate accounts and that the operations are being executed as planned.

Financial Operations Review-Procedures:

- About the first week of the month through the second week of the month following the end of each month the back office company will reconcile all accounts of the school. In order to do that all deposit and other non disbursement information has to be provide to the company prior to the end of the previous month.
- After reconciling all the accounts include bank reconciliation the Consultant Accountant will prepare all financial reports (Statement of Financial Position or Balance Sheet, Budget report or budget variance report, Statement of Activities and Cash flow actual and projections) for review by the Executive Consultant. After reviewing the report it will be sent to the School for review and transmission to LACOE in time to meet their 15th of the month dateline.
- On the third week following the end of the month the School Management will meet with the Financial Consultant to review the Financial reports including any narrative and analysis reports and recommendations.
- On the day of the board meeting the Finance Committee will meet to review the financial performance of the school and make recommendation to the board for their adoption or approval.
- It is recommended that the school maintain a reserve equal to at least 10% of its previous years expenditures.

POLICY NUMBER TEN: PROGRAM CASH RECEIPTS AND DEPOSIT POLICIES AND PROCEDURES

PROGRAM CASH RECEIPTS:
All programs and other pass through payments will be paid to the office and given to the Administrative Assistant periodically for deposit to the bank.

BACKGROUND:
The school will run various programs including meals, after school programs and pass through programs. Checks and cash are usually received at the reception desk for registration for these events.

PROCEDURES:
Responsibilities of the Office:

- Each parent is issued a receipt (original) when payment is made for any of these programs. Parents who have a history of insufficient funds checks (as provided by Financial Consultant) will be required to pay cash.
- Satellite site receipts will be brought to the main office on a daily basis for safekeeping. The Administrative Assistant will include the amounts received from the satellite site (if any) in their balancing of the total receipts for the school.

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Notice of Intent to Revoke

- Checks and cash are kept in a secured cabinet locked in a box until deposit is made to the bank.
- The checks must be stamped "for deposit only", using the appropriate stamp for the program bank account, to reduce any risk of loss.
- Three staff persons have access to the key so they can retrieve funds for deposit or store funds collected from parents (under no circumstances should this amount be used for any reason except as approved by the Finance Consultant). This amount is not petty cash and therefore should not be used for that purpose. Please use petty cash fund to pay for small emergency items.
- The office prepares deposit tickets on Tuesdays and Fridays, making sure the total amounts on the deposit tickets agree with the total receipts attached (duplicate) and receipts log book. $100 from petty cash fund will be left in the cash box for the purpose of making change when payments are received from parents.
- Any discrepancy between the deposit tickets and the attached receipts should be noted and reported to the Financial Consultant and the Executive Director so that further investigation can be conducted to resolve the problem.
- The income log must be compared with the incoming attendance and participation log from the program department, to make sure they agree and explain any discrepancies between them.
- The program to be credited with these funds should be noted on the deposit ticket or receipt.
- The receipts and deposit tickets will be given to the Administrative Assistant by 12 noon for deposit to the bank. A copy of the deposit ticket should be made and kept with the office, showing the signature of the Administrative Assistant as evidence that they have received the amounts listed on the ticket.

Responsibilities of the Administrative Assistant:

- The Administrative Assistant will review the whole packet to make sure that everything is completed accurately.
- A copy of the deposit ticket and duplicate receipts are filed in the program deposits file and the original deposit ticket and the funds are deposited at the bank.
- The deposit receipt from the bank must be attached to the duplicate deposit ticket in the program account file.
- Attendance log or report is compared with duplicate receipts for the respective programs to make sure everything agrees, any discrepancy must be investigated and when necessary reported to Financial Consultant or Executive Director.
- By the middle of the month following the end of a month, bank reconciliation is prepared and any "non sufficient funds" checks identified in a separate report. Letters will be written to the issuers of the checks so they can pay the amounts, plus service charge of $15 per bounced check.
- Each month after the bank reconciliation or when the program is complete, depending on the program, a check will be generated from the program account to our county account or outside vendor depending on the program requirements.
- Adjusting journal entries will be made to reverse the revenue account, replacing it with fees receivable account pending the time the amount is collected from the issuer of the bounced check.
- Prepare a list of insufficient funds check and provide the office and program staff with copies.

Responsibilities of the Program Staff and Office:

- To make sure that all participants of the program have paid their fees.
- Make sure that a report of attendance or participation log is prepared and a copy given to the Office daily, additionally monthly reports should be prepared and a copy given to the Administrative Assistant (all reports and cash counting will be done by two people).
- Any parent who has insufficient funds for more than twice or does not pay previous insufficient funds check will be required to pay cash in subsequent events or programs.

POLICY NUMBER 11. REVOLVING CASH FUND POLICY AND PROCEDURES

The School will maintain a Revolving Cash Fund to accommodate immediate cash needs that will normally not be met by the commercial warrant system. The school will make all efforts to make all payments through the commercial warrants system. Only check requests that are needed immediately due to circumstances beyond our control will be disbursed through this system.

PROCEDURES:

- All requests must be made by a check request, with all the supporting documents for the approval of the School Director.
- The request will follow the normal procedures for commercial warrant check requests.
- Poor planning will not qualify as a reason for approving this request.
- Receipts are required immediately after an event for requests of advance deposits.

Executive Director:

- Approval will be made based on the documentation provided and the compelling reasons why the request must be approved.
- No requests should be approved for convenience as these requests create additional burden and work for the school and circumvents the accounting process and may understate our expenditures.
- No approvals should be made without the request coming from budget manager, who checks the budget availability and the urgency for this request.
- The approved request will be given to the Administrative Assistant for processing.

Financial Consultant:

- All approved requests must be disbursed from the Revolving Cash Fund bank account the same day.
- Any request for an RCF check must be directed to the Executive Director.
- Requests should only be entertained from the Executive Director.
- All requests must be checked to make sure all required information is complete before issuing the check. The Executive Director should be alerted if all the necessary information is not complete.
- Make sure there is available balance in the RCF account before issuing any check. This will be accomplished by keeping a running balance after issue of checks and deposit of check to the RCF account.
- Reimburse the RCF no later than the 25th of every month to make certain that the expenditures are recorded in the correct month to void understanding our financial statements.
- Reimbursement of RCF including petty cash must be made to the Executive Director and charged to the respective account numbers already provided before the RCF checks were generated.
- Do not reimburse any RCF check or petty cash without the required receipts, account number and other required documentation.
- At any given time the bank balance, plus un-reimbursed expenditures, plus petty cash given out must be equal to the RCF amount.

[redacted]

EXHIBIT 21

STANDARD AGREEMENT TO PROVIDE FOOD SERVICE

BETWEEN A SPONSOR AND A FOOD SERVICE VENDOR

This agreement ("Agreement") is entered into on 7/18/2012 by and between Wisdom Academy of Young Scientist ("Sponsor") and **ROYAL DINING CATERING** ("Vendor") for school breakfast and/or lunches.

BACKGROUND

Whereas, it is not within the capability of the Sponsor to prepare specified meals under the National School Lunch Program (NSLP); School Breakfast Program (SBP) and After School Care Snack (ASCS).

Whereas, the facilities and capabilities of the Vendor are adequate to prepare and deliver specified meals to the Sponsor's facility (ies); and

Whereas, the Vendor is willing to provide such services to the Sponsor on a Fixed-Fee contract reimbursement basis.

Therefore, both parties agree as follows:

AGREEMENT

1. **Vendor Responsibilities**

1.1. Food Services: The Vendor agrees to prepare specified meals for delivery inclusive of milk to the site specified in Paragraph 1.2 per the agreed upon menu planning option specified in Paragraph 1.6. The Sponsor has approved the menu, which is incorporated into this Agreement by this reference.

1.2. Service Site(s): For the purpose of this Agreement, the Vendor shall make and deliver meals that comply with the NSLP/SBP/ASCS and this Agreement to the food service site at the following location(s):

Wisdom Academy for Young Scientists – Manchester Site
706 East Manchester Avenue Los Angeles, California 90001
Enrollment: 235

Wisdom Academy for Young Scientists – Salvation Army Site
7651 South Central Avenue Los Angeles, California 90002
Enrollment: 245

Wisdom Academy for Young Scientists – Kinder School Site
8778 South Central Avenue Los Angeles, California 90002
Enrollment: 40

1.3. Delivery Requirements: The Vendor shall make deliveries of the meals within the hours and on the days designated below. The Vendor shall make deliveries only to the authorized Site(s) at the following day(s) and time(s):

Deliver 30 minutes prior to Lunch and Breakfast

1.4. Price:
Vendor's price for each NSLP **(Lunch)** meal is **$2.85**
For each SBP **(Breakfast)** meal is **$1.75**
For each ASCS **(Snack)** meal is **$0.75**
Prices are based on the written estimate of meals needed that the Sponsor provides, except as provided in Paragraph 1.8. The Price shall be firm for the term of the contract.

1.5. Menu Preparation and Approval: Menu items may be adjusted in writing by the mutual consent of both parties. Vendor shall provide the Sponsor, for approval, a proposed 21-days cycle menu for the operational period, at least thirty (**30**) business days prior to the beginning of the period to which the menu applies. Menu changes by the Sponsor shall be returned to the Vendor no later than two weeks (**10**) business days prior to the beginning of the month. Any unrevised menu not received two weeks (**10**) business days prior to the month will be acknowledgement by the Sponsor that they will use the regular menu offering with no changes.

1.6. Food Preparation: Vendor shall assure that each meal provided to the Sponsor under this Agreement meets the minimum requirements as to the nutritional content as specified by the approved NSLP Meal Planning Option. This includes the Nutrition Standards set forth in Title 7 Code of Federal Regulations (CFR) Section 210.10. The menu planning option being used is Food-Based Menu Planning.

1.7. Recordkeeping: Vendor shall maintain full and accurate records/production worksheets that document: (1) the menus provided to the Sponsor during the term of this Agreement, (2) a listing of all components of each meal, and (3) an itemization of the quantities and portion sizes of each component used to prepare each meal. The Vendor agrees to provide lunch preparation documentation by using yield factors for each food item as listed in the United States Department of Agriculture ("USDA") Food Buying Guide when calculating and recording the quantity of food prepared for each meal. Vendor shall also maintain and make available:

1.7.1. Recipes, Nutrition Facts labels, and any necessary Child Nutrition (CN) labels or product specification sheets related to the menus served;

1.7.2. Such cost records as invoices, receipts or other documentation that exhibit the purchase, or otherwise availability to the Vendor, of the meal components and quantities itemized in the meal production records;

1.7.3. On a daily basis, an accurate count of the number of meals, by meal type, should be prepared for and delivered to the Sponsor. Meal count

documentation must include the number of meals requested by the Sponsor in writing.

1.8. Invoicing: Vendor shall present to the Sponsor an invoice accompanied by reports no later than the 5th day of each month which itemizes the previous month's delivery. The Vendor agrees to forfeit payment for meals which are not ready within one (1) hour of the agreed upon delivery time, are spoiled or unwholesome at the time of delivery, or do not otherwise meet the meal requirements contained in this Agreement. In cases of nonperformance or noncompliance on the part of the Vendor, the Vendor shall pay the Sponsor for any excess costs the Sponsor incurs by obtaining meals from another source.

1.9. Certifications: Vendor shall provide the Sponsor with a copy of current health certifications for the food service facility in which it prepares meals for NSLP/SBP/ASCS. The Vendor also agrees to notify the Sponsor of the results of any health inspection that is made during the duration of this Agreement. The Vendor shall maintain proper sanitation practices and health standards in conformance with all applicable State and local laws and regulations. The Vendor shall assure that wholesome ingredients are used and that all food is properly stored, prepared, packaged, and transported. In addition, any substance that the food contacts or which is used in conjunction with the food shall be so handled as to assure that it does not become contaminated.

1.10. Record Retention: Vendor shall retain all records related to this Agreement in its possession for five (5) years after the expiration of the Agreement. Upon request make all accounts and records pertaining to the Agreement available to the certified public accountant hired by the Sponsor, representatives of the Department of Education, USDA, the US General Accounting Office, and the USDA Office of Inspector General ("OIG") for audits or administrative reviews at a reasonable time and place.

1.11. Subcontracting: Vendor shall not subcontract any portion of this Agreement.

1.12. Service Quality Control Inspections: Vendor will conduct random service inspections by authorized Vendor representative to ensure meal servers, delivery drivers and meal program adherence to guidelines and contract specification. Vendor retains the right to replace any and all of its employees, if said employee(s) is not conforming to standards set forth by Vendor.

1.13. Offer Free and Reduced Meals: Vendor will not offer a la carte food service unless free, reduced price and full price reimbursable meals are offered to all eligible children.

1.14. Buy American: Vendor will Buy American domestic commodities and products for school meals to the maximum extent practicable. Domestic products are those that are produced in the United States and those that are processed in the United States substantially (51 percent or more) using agricultural commodities produced in the United States.

1.15. Commodities: Vendor agrees to accept commodities from the Sponsor to be used in the preparation of meals prepared for the NSLP/SBP/ASCS. The Vendor will credit the sponsor the fair market value of the commodities used in the meals less any expenses directly associated with the commodities outside of the vendor's normal course of business. Possible expenses are, but not limited to, pick up, handling, storage and processing. Price reductions will be itemized on the invoice. Until used, all commodities are the property of the agency.

1.16. Energy Policy and Conservation Act: Vendor shall meet the mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act. (Pub. L. 94–163, 89 Stat. 871.3016.36)(i)(13)

1.17. HACCP: Vendor will provide the Sponsor, upon request, evidence of daily worksheets that detail Hazard Analysis and Critical Control Point (HACCP) compliance from receipt to delivery of the finished product.

1.18. Servers and Cleaning: If "meal serving" services are provided as per the agreement, Servers will work together with delivery personnel to prepare for meal time and/or to gather all meal delivery tools and items for pick up. Servers shall only be responsible for cleaning serving area on a daily basis. Sponsor shall be responsible for cleaning the eating areas. Due to conflict of interest, Servers will no longer be assigned to schools where the following conditions occur:

1. Their child or relative attend the school where they are assigned
2. If they also work for the school organization
3. Two family members cannot be assigned to the same school
4. Servers meeting these conditions will be given 30 day notice of transfer to another school

1.19. Pick Up of Equipment: Vendor request availability on the part of the sponsor to hand over equipment or to allow access to facility in order for vendor to pick daily food service equipment. Estimated time of pick up will be between **12pm** and **3pm** daily.

2. **Sponsor Responsibilities**

2.1. Retain Control of Food Service Program: Sponsor will retain control of the quality, extent, and general nature of the food service, including counting and claiming meals, and ordering and accounting for USDA commodities.

2.2. Food Service Operation Conformance: Sponsor will ensure that the food service operation is in conformance with the School's Agreement with the Department of education to participate in Child Nutrition Programs. Sponsor shall be aware of dietary and nutrition guidelines set forth by the USDA before requesting alternate meals such as vegan and vegetarian. Meals that do not comply with federal USDA dietary and nutrition

guidelines may still be ordered by the Sponsor, however the Sponsor is aware these meals will not be reimbursed by the USDA reimbursement programs. Should the Sponsor decide to order these meals, Sponsor is aware that all responsibility for payment of noncompliant meals, in accordance with the terms of this agreement, falls solely on the Sponsor. Due to lack of clinical supervision at meal site, therapeutic meals such as gluten-free, peanut-free, lactose-free and others will not be offered without Dr. notice and review by our Dietitian.

2.3. Financial Responsibility: Sponsor will retain control of the nonprofit school food service account and overall financial responsibility for the nonprofit food service operation.

2.4. Signature Authority: Sponsor will retain signature authority on the Child Nutrition Programs agreement. Retain signature authority for the annual Child Nutrition Programs application and by electronically submitting required information to the Department of Education.

2.5. Price Control: Sponsor will retain control of the establishment of all prices, including price adjustments, for meals served under the school food service account.

2.6. Household Application: Sponsor will review, approve or deny, and verify applications for free and reduced-price school meals in accordance with 7 CFR 245. Provide hearings related to eligibility determinations in accordance with 7 CFR 245.7. Provide hearings related to adverse actions resulting from verification in accordance with 7 CFR 245.6a(e).

2.7. Contract Document: Sponsor will prepare all Vendor contract documents.

2.8. Program Monitoring: Sponsor will monitor all meals to ensure the food service is in conformance with program regulations.

2.9. Unacceptable Meal: Sponsor shall be responsible for informing the Vendor of its reasons for determining that a meal is unacceptable in writing within forty-eight (48) hours of when the meal is delivered to the site. However, the Vendor shall adjust the menus at the request of the Sponsor whenever the Sponsor determines certain items to be unacceptable. Such items can be determined to be unacceptable because of (1) a monotonous diet resulting from items served frequently or the similarity to other items; (2) the nutritional needs of the students; (3) susceptibility to spoilage; and (4) excessive waste resulting from unpopularity of items with students. Except that in the case of spoilage, an adjustment shall be made in such a manner that the children in attendance on the day spoilage is discovered shall receive acceptable meals meeting meal requirements.

2.10. Meal Count - Orders and Estimates: Meals are to be ordered no later than 3pm the prior day of service. Errors in meal order counts made by the Sponsor shall be the sole responsibility of the Sponsor. Sponsor will not be able to reduce Sponsor's ordered

number of meals written on the transportation/production record upon receipt of the delivery if all the meals are complete and wholesome. In Addition, any meals subtracted for faculty or administration shall be the responsibility of the sponsor. No adjustments from vendors invoice shall be made for any reason pertaining to school faculty and administration. Meal order cancelations are to be made 2 days (48 hours) before scheduled delivery. Cancelations made after the 48 hour deadline are subject to full invoice amount. **Daily meals order counts shall not drop below n/a for breakfast and n/a for lunch. Any drop below this number is subject to postponement of service.**

2.11. Sponsor Representative Duties: Sponsor shall ensure that a Sponsor representative is available at each delivery site, at the specified time on each specified delivery day to receive, inspect, and sign for the requested number of meals. This individual will verify the temperature, quality, and quantity of each meal delivery. The Sponsor assures the Vendor that this individual will be trained and knowledgeable in the record keeping and meal requirements of the NSLP/SBP/ASCS and with local health and safety codes.

2.13. NSLP Compliance: Sponsor shall assure that the Vendor has a copy of 7 CFR Part 210.10, the Meal Planning Option that is to be followed; and the USDA Team Nutrition Menu Planner and Food Buying Guide; and all other technical assistance materials pertaining to the food service requirements of the NSLP/SBP/ASCS. The Sponsor will, within 24 hours of receipt from the Department of Education/Health & Nutrition, advise the Vendor of any changes in the food service requirements.

2.14. Payment: Terms are Net 30 for the full amount as presented on the monthly itemized invoice. The Sponsor shall notify the Vendor within 48 hours of receipt of any discrepancy in the invoice. The Sponsor shall pay the Vendor for all meals delivered in accordance with the agreement. Neither the Department of Education nor USDA will assume any liability for payment of the difference between the number of meals prepared and delivered by the Vendor and the number of meals served by the Sponsor that are eligible for reimbursement. In addition, neither the Department of Education nor USDA will be responsible for resolving issues of partial or non-payment per the terms of this agreement. Delays in payment by the Sponsor to the Vendor will be subject to a late fees of 1.5%, to be incurred for every month past due.

2.15. Taxes: Meals ordered are subject to all applicable taxes.

3. **General Terms**

3.1. Employment: Vendor shall comply with all applicable Federal, State, and local laws and regulations pertaining to wages, hours, conditions of employment, and nondiscrimination in employment, 7 CFR Section 3016.36 (i)(3). USDA is an Equal Opportunity Provider and Employer.

3.2. Payroll Taxes and Costs: Vendor shall pay its employees directly and shall withhold and pay all applicable federal and state employment taxes and payroll insurance with respect to its employees, including an applicable income, social security, Medicare and employment taxes, and workers compensation costs.

3.3. Indemnity:

3.3.1. Vendor shall indemnify, defend and hold the Sponsor harmless against any loss of damage (including attorney's fees and costs of litigation) caused by the Vendor's negligent act or omission, theft by the Vendor's employees, or the negligent or intentional acts or omissions of the Vendor's agents or employees. The Vendor shall defend any suit against the Sponsor alleging personal injury or property damage arising out of the transportation of meals or other items to the Site(s) or out of the acts of the Vendor's employees, and any suit alleging bodily injury, sickness, or disease arising out of the consumption of the meals delivered by the Vendor to the Food Service Site(s), and shall be liable for any damages agreed to by the parties or awarded as a result of such litigation.

3.3.2. Sponsor shall promptly notify the Vendor in writing of any claims against the Vendor or the Sponsor and, in the event a suit is filed, shall promptly forward to the Vendor all papers in connection therewith. The Vendor shall not incur any expense or make any settlement without the Sponsor's consent. However, if the Vendor refuses or neglects to defend any such suit, the Sponsor may defend, adjust, or settle any such claim, and the costs of such defense, adjustment, or settlement, including reasonable attorney's fees, shall be charged to the Vendor.

3.4. Agreement Modification, Nonperformance or Default:

3.4.1. This Agreement constitutes the entire understanding between the Vendor and the Sponsor with respect to the subject matter hereof and there is no other written or oral understandings or agreements with respect hereto. No variation or modification of the Agreement and no waiver of its provisions shall be valid unless in writing and signed by the duly authorized officers of the Sponsor and the Vendor. No assignment or transfer of this Agreement may be made, in whole or in part, without the prior written consent of the Sponsor.

3.4.2. The Sponsor may, upon written notice of default to the Vendor, terminate the whole or any part of this Agreement in any one of the following circumstances:

3.4.2.1. If the Vendor fails to make delivery of meals, other agreed upon items (i.e. Eating utensils, supplies, storage equipment), or to perform the services within the time specified herein.

3.4.2.2. If the Vendor fails to perform any of the other provisions of this Agreement in accordance with its terms and does not correct such failure within 48 hours after requested to do so.

3.5. Duration and Termination:

3.5.1. This Agreement shall become effective 08/14/2012 after both parties sign it and the Department of Education approves it. The Vendor shall provide meals during the period starting on the Effective Date and ending on 05/31/2013. However, either party may, at any time during the life of this Agreement, may terminate this Agreement by giving thirty (30) days notice in writing to the other party of its intention to do so. The Sponsor may terminate this Agreement upon written notice if Vendor fails to fully comply with the terms and conditions. All notices to the Sponsor shall be addressed to the Sponsor at the address listed on the signature page, and all notices to the Vendor shall be addressed to the Vendor at the address listed on the signature page.

3.5.2. The Agreement is subject to two (2) one year renewals upon consent of both parties, unless terminated earlier as provided in the paragraph 3.5.1 concerning termination.

3.6. Audit: Sponsor shall have the right, at its expense, to inspect the books and records of Vendor to verify its performance and expenses submitted under this Agreement. Inspection shall take place during normal business hours at Vendor's place of business.

3.7. Applicable Law: The law of the presiding state shall govern this Agreement.

3.8. Unavailability of Funds: The Sponsor may terminate this Agreement, without penalty, if its Governing Board fails to appropriate funds in subsequent fiscal years to support the program that is the subject of this Agreement. The Sponsor shall give the Vendor prompt written notice after it knows that funding will not be available.

3.9. Non-Discrimination: Vendor shall not discriminate in either the provision of services, or in employment, against any person because of sex, race, disability, marital or family status, national origin, veteran's status, sexual preference, or religion. Vendor agrees to comply with all applicable federal and state laws, rules, regulations, and executive orders relating to non-discrimination, affirmative action and equal employment opportunity.

3.10. Workers Compensation: Vendor shall maintain a system of coverage for workers compensation in conformance with applicable state law covering all of its employees who may be employed in connection with food service provided to the Sponsor.

3.11. Insurance: During the term of this Agreement, the Vendor shall maintain insurance policies described below issued by companies licensed in presiding state with a current A.M. Best rating of A: VIII or better. The Vendor shall also name the Sponsor as additionally insured under the liability policy for the duration of the contract. And upon request, the Vendor will provide the Sponsor with a certificate evidencing such insurance coverage.

3.11.1. Commercial General Liability insurance with a limit of not less than $1,000,000 per occurrence for bodily injury, property damage, personal injury, products and completed operations, and blanket contractual coverage, including but not

limited to, the liability assumed under the indemnification provisions of this Agreement; and

3.11.2. Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to the Vendor's owned, hired, and non-owned vehicles.

3.12. Assignment: This Agreement may not be assigned by either party without the prior written consent of the other party.

3.13. Construction and Effect: A waiver of any failure under this Agreement shall neither be construed as, nor constitute a waiver of, any subsequent failure. This Agreement supersedes all prior negotiations, representations, or Agreements. The Article and Paragraph headings are used solely for convenience and shall not be deemed to limit the subject of the Articles and Paragraphs or be considered in their interpretation. The appendixes referred to herein are made part of this Agreement by the respective references to them. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

3.14. Amendments to the Agreement: The parties cannot alter any provision in this Agreement that is required by any law, rule or regulation. The parties cannot otherwise amend or alter this Agreement, except as to minor, non-substantive provisions or issues that do not materially affect the scope of work or the cost of the Agreement. The parties must mutually agree, in a written document signed by both parties and attached to this Agreement, amend, add, or delete an Article or Appendix. Any amendment to this Agreement shall become effective at the time specified in the amendment.

4. **Vendor Certification Statements**

4.1. Certificate of Independent Price Determination: Vendor admits that all prices in this Offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other Vendor or with any competitor certification regarding non-collusion.

4.2. Debarment, Suspension, Ineligibly and Voluntary Exclusion: The Vendor shall sign and submit the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion from participating in Federal contracts/grants/awards.

4.3. Certification Regarding Lobbying: The Vendor must submit and sign a certification regarding lobbying. The Vendor states that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative Agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions.

4.4. Clean Air Act: The Vendor shall follow all applicable standards, orders, and requirements issued under Section 306 of the Clean Air Act which the United States Congress passed rules to curb pollution. Contractor shall report all violations to the grantor agency and to the USEPA Administrator for Enforcement (EN-329).

4.5. Conflict of Interest: Vendor's signature on this Agreement indicates there is no conflict of interest associated with the award of this Agreement. No one employed by the Sponsor is related to or has any other personal or professional relationship with the Vendor and/or his/her family.

Signature Page

Contract for Wisdom Academy of Young Scientist

Please print, sign, scan and email back.

For the Sponsor:	For the Vendor:
Edward J. Cabil - Executive Director	Juan Carlos Saucedo – CEO
Name and Title of Representative	**Name and Title of Representative**
Edward J. Cabil	
Signature	**Signature**
706 East Manchester Ave.	9525 Cozycroft
Mailing Address, Street/PO Box	**Mailing Address, Street/PO Box**
L.A. CA 90001	Chatsworth CA, 91311
Mailing Address, City, State, Zip Code	**Mailing Address, City, State, Zip Code**
(323) 752-6655	818-341-8682
Telephone	**Telephone**
edcabil@sbcglobal.net	econdes@royaldiningfoods.com gboccato@royaldiningfoods.com
Email	**Email**
August 03, 2012	7/18/2012
Date	**Date**

Initials Sponsor EJC Initials Vendor_____ Page 10

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
SPECIAL MEETING OF
BOARD OF DIRECTORS
Tuesday, July 31, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, September 27, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Dorothy Valenti, called this meeting to order at 5:32pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson, Karen Hanyes, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden,
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil, Karen Horowitz

IV. **Additions to the Agenda**
   a. Discussion: Travel Reimbursement for Board Members

V. **Approval of Minutes**
   a. June 28, 2012 – Amended contract period for Bali Business Management Contract to include period "2011-12 - **Approved 5/0**

VI. **Reports**
   a. Board Members – Discussion on changes in staff and new staff
   b. Executive Director – Oral Report
   c. Vice Principal(s) – Oral Report
   d. Director of Operations – Oral Report
   e. Bali Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
   a. Approval of Early Entrance Evaluation for Kindergarten Policy – **Approved 5/0**
   b. Approval of Royal Dining Contract – **Approved 5/0**
   c. Approval of Medina's Proposal for Central Air and Heat System – **Approved 5/0**
   d. Approval of OCI Development 2012-13 FY Property Lease – **Approved 5/0**
   e. Approval of Salvation Army 2012-13 FY Property Lease – **Approved 5/0**
   f. Approval of Amended Executive Director Contract – **Approved 5/0**
   g. Approval of Revised Fiscal Policy – **Approved 5/0**
   h. Approval of Resolution to Purchase/Lease a Vehicle for School Business – **Approved 5/0**
   i. Discussion: Travel Reimbursement for Board Members

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – **No Action Taken**

IX. **Future Agenda Items**
   a. Amended Fiscal Policy
   b. Travel Reimbursement for Board Members

X. The board meeting of WAYS was officially adjourned at 7:12 PM

Secretary of Board Date 10-21-12 President of Board 10-20-12 Date

EXHIBIT 22

MEDINA'S

Air Conditioning • Heating • Refrigeration

№ 0081

1324 Strozier Ave.
South El Monte, CA 91733
(626) 672-5183

Date: 7 30 12

Contractor's License # 879847

Insured & Bonded

PROPOSAL SUBMITTED TO:

NAME Wisdom Academy For Young Scientists	ADDRESS
ADDRESS 706 E. Manchester Ave	
L.A	
PHONE NUMBER: (323) 253-8907	

We herby propose to furnish the materials and perform the labor necessary for the completion of H.V.A.C (Bwd A)

WE WILL Instale (1) 5 TON GAS/ELETRICAL A/C PACK-UNT
ALL NEW DUCKWORK, VENTS, T-STAT, NEW GAS-LINE
FOR A/C PACK-UNT. WE WILL provide Factory ROOF-CURB
FOR A/C UNT.
NOTE: IF ANY PERMITS OR test needed Extra to
PROPOSE ALL ELETRICAL WILL BE DONE BY ELETRIAN.

WARNTY 10yr A/C COMPRESSOR 5yr PARTS
20yrs HEATEXANGER 1yr LABER

All material is guaranteed to be a specified, and the above work to be performed in accordance with the drawing and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of

Dollars ($ 10,600.00)

with payments to be made as follows.

4000.00 TO START JOB
10,600.00 ON 100% OF JOB

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted Medina A/C

Per

Note—This proposal may be withdrawn by us if not accepted within ____ days

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are herby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date August 03, 2012

Signature

Signature

C

MEDINA'S

Air Conditioning • Heating • Refrigeration

№ 0082

1324 Strozier Ave.
South El Monte, CA 91733
(626) 672-5183

Date: 7-3E-12

Contractor's License # 879847

Insured & Bonded

PROPOSAL SUBMITTED TO:

NAME WISDOM ACADEMY FOR YOUNG SCIENTS	ADDRESS
ADDRESS 706 E. MANCHESTER AVE.	
L.A	
PHONE NUMBER: (323) 253-8907	

We herby propose to furnish the materials and perform the labor necessary for the completion of H.V.A.C (Buddy ID)

WE will Install (1) 5 ton GAS/ELETRIC A/C PACK-unit
ALL NEW DUCK-WORK, VENTS, T-STAT, NEW GAS-LINE
FOR A/C PACK-unit. WE will provide Factory ROOF curb
FOR A/C PACK-unit.
NOTE- IF ANY permits OR TEST needed Extra TO
PROPOSAL. ALL ELETRIC WILL BE DONE BY ELETRIC

WARRANTY 10YRS ON A/C COMPRESSOR 5YR PARTS
20YR HEATEXANGER 1YR LABOR

All material is guaranteed to be a specified, and the above work to be performed in accordance with the drawing and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of

Dollars ($ 10,600.00)

with payments to be made as follows.

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6600.00 ON 100% OF JOB

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted MEDINA'S A/C

Per

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Date August 03, 2012

Signature

Signature

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706 E. Manchester Avenue
Los Angeles, CA 90001
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BOARD OF DIRECTORS
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   b. Travel Reimbursement for Board Members

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Secretary of Board Date 10-26-12 President of Board Date 10-26-12

EXHIBIT 23

ORIGINAL

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 22nd day of March, 2013, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve Edward Cabil to propose entering an agreement with Total Educational Solutions (Exhibit A) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

Eleanor L. Jones (acting)
(Signature of Board President)

Total Education Solutions

Total Education Solutions
CONSULTING AND SERVICES AGREEMENT

This Consulting and Services Agreement ("Agreement") is entered into as of the Commencement Date set forth in Section 1 below by and between Total Education Solutions, Inc. ("TES"), a California corporation, and Wisdom Academy for Young Scientists ("Client").

RECITALS

A. TES engages in the business of providing education and consulting services to nonprofit and for profit education and social services agencies.

B. Client is a Public Charter School that offers educational programs to California students at locations identified on Appendix A hereto (the "Service Locations").

C. Client wishes to engage TES to provide certain services with respect to Client's education and/or social service program (the "Program") and TES wishes to provide such services, pursuant to the terms and conditions set forth below.

AGREEMENT

In consideration of the promises and covenants contained herein, the parties agree as follows:

1. COMMENCEMENT DATE AND TERM

This Agreement shall commence at 12:01 a.m. on March 15, 2013 (the "Commencement Date"), and shall continue until 11:59 p.m. on June 30, 2015 (the "Term").

2. SERVICES TO BE PROVIDED BY TES

During the Term of this Agreement, TES shall provide the services described on Appendix B hereto in connection with the Program (the "Services") to students assigned by Client to the Program and TES shall provide personnel as may be reasonably necessary to provide the Services (the "TES Personnel"), according to the Client's written or electronic Request for Service.

3. ADDITIONAL SERVICES

If Client requests any services from TES in addition to the Services, such additional services will be provided by TES only if the parties have mutually agreed in writing or by electronic request upon the specific additional services, the scope of such additional services, and the additional compensation to TES for such additional services.

4. CALENDAR

Services will not be provided by TES on Client holidays, Client breaks, or TES holidays. Client must provide a copy of school calendar to TES prior to the start of commencement of this Agreement and provide at least 10 business days notice of other school closures to avoid paying TES for missed sessions.

TES observes the following legal holidays: Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Cesar Chavez Day, and Memorial Day. If TES holidays do not coincide with Client holidays, make-up services will be offered to Client's students.

5. RECORDS

TES agrees that all files, documents, records, and materials created by TES in the course of providing the Services during the Term of this Agreement, other than TES' internal and business documents, shall be the property of Client. TES agrees that upon expiration or termination of this Agreement for any reason, TES shall deliver such property of Client to Client, subject to Sections 11(e) and 12(e)(ii) below. Both during and after the Term of this Agreement, TES shall be permitted to inspect and/or duplicate, at its own expense, any individual student file or record regarding the Program to the extent necessary to assure proper provision of Services, to meet professional responsibilities to students, to assist in the defense of any claim or threatened claim against TES or TES Personnel, and for the resolution of billing disputes, provided that such inspection or duplication is permitted and conducted in accordance with then applicable legal requirements and then prevailing standards for the confidentiality of student and/or patient records. TES Personnel shall not disclose pupil records to any unauthorized person or entity without the consent required by the Family Educational and Privacy Act (20 U.S.C. §1232g) and any other applicable laws, unless the disclosure is otherwise permitted by law.

6. RESPONSIBILITIES OF CLIENT

(a) Student Records. During the term of this Agreement, Client shall provide TES with such student records, including Individualized Education Programs ("IEP"), as may be reasonably necessary for the proper provision of the Services. In accordance with Federal laws, special education services, such as those provided by TES, cannot be delivered to special education students without IEPs. TES must verify an IEP prior to provision of Services to students. For other students, written or electronic request is required in order to provide non-IEP services.

(b) Notice of Meetings. Client shall provide TES with no less than ten (10) business days advance written notice of any and all meetings involving students in the Program provided by TES such as IEP meetings, etc. For purposes of this Agreement, the term "business days" shall not include Saturdays, Sundays, or holidays.

(c) Compliance with Laws. During the Term of this Agreement, Client shall comply in all respects with all applicable federal and state statutes, laws, regulations, ordinances, and rules relating to its business in general and the provision of special education services in particular.

(d) Compliance with TES Policies. During the Term of this Agreement, Client shall comply in all respects with TES policies and procedures relating to student absences, difficulty contracting/serving students, and service refusal as described on appendix C. TES may modify appendix C from time to time on no less than thirty (30) business days advance written notice to Client.

(e) Facilities. TES will provide Services to Client at Client's facility, and Client shall provide a facility (including space, facilities, furniture and furnishings) reasonably necessary for TES to provide the Services. TES utilizes a web-based database to document services, including student attendance and progress notes. Client shall provide all TES employees assigned to serve Client's students access to an on-site computer with connection to the Internet. The on-site computer does not need to be for the exclusive use of TES employees, and use of Client's computer(s) by TES employees will be solely for documentation purposes. There shall be no charge to TES to utilize Client owned, controlled, or leased sites or facilities and equipment arising from or related to the provision of Services. Additional Client sites or facilities may be added only if the parties have mutually agreed in writing.

(f) Payment. Client shall compensate TES for the Services as provided in Section 9 below.

7. ADDITIONAL RESPONSIBILITIES OF TES

(a) Qualifications, Credentials, Licenses. All TES Personnel will be qualified in all material respects to provide the Services they provide on behalf of TES hereunder. All instructors and therapists provided by TES under this Agreement will meet State of California requirements for providing the Services, such as holding a California credential, certification or license and/or TB test clearance appropriate for providing the requested service. Upon written request, TES shall provide Client with a list of all TES Personnel that will serve students enrolled in the Program. Such a list will identify the credentials/licenses held by each of the TES Personnel. TES shall notify Client within forty-five (45) business days of any change of TES Personnel that are providing Services directly to students under this Agreement. An officer of TES shall certify to Client that TES Personnel providing instruction or therapy services hereunder are trained and accept responsibility as mandated child abuse reporters pursuant to California law, which certification shall accompany the list described in this Section 7(a).

(b) Fingerprinting Requirements. TES shall conduct such criminal background checks of all TES Personnel through the Department of Justice ("DOJ") as required by applicable law and, upon receipt of DOJ clearance, certify to Client that no TES Personnel working with students of Client have been convicted of a violent or serious felony (as defined by applicable law) or are the subject of a criminal action pending upon charges of commission of a violent or serious felony (as defined by applicable law). The list of TES Personnel described in Section 7(a) above shall identify those TES Personnel who have been so cleared by DOJ.

(c) Commencement of Services. TES will contact students and/or the student's parent or guardian if requested to do so by the Client, for the purpose of commencing services to such students within ten (10) business days after written notification from the Client (in one of the manners permitted by Section 16(f) below, which include facsimile and electronic mail). TES shall have (5) business days following such notification to notify Client in writing if TES is unable to commence Services to a student due to type of service requested or because the service requested is not otherwise consistent with the obligations of TES set forth in this Agreement.

(d) Attendance Reporting. TES shall keep accurate records of student attendance and time spent by TES Personnel in providing Services to students in the Program. Copies of such records will be provided to Client on a monthly basis with the invoices described in Section 9 below.

(e) Service Logs. TES Personnel shall maintain auditable logs of Services provided. Such logs will be made available to Client, upon request, within five (5) business days. For purposes of this Agreement, the term "business days" shall not include Saturdays, Sundays or holidays. Should TES not be able to provide such requested Services, TES will notify Client in Writing, within ten (10) calendar days.

(f) Program Monitoring. TES shall comply with Client's reasonable requests for periodic monitoring of student progress. Client shall have access to observe students in the instructional setting, to interview the TES Personnel providing instruction or therapy to Client's students, and to review the progress of such students, provided that TES shall be compensated (in accordance with Section 9) for all time spent by TES Personnel in such interview and review processes.

(g) Progress Reports. For each student assigned to the Program by Client, TES shall provide Client and the applicable Parent(s) with a written progress report which shall identify current levels of performance and suggested goals of such student by agreed upon dates each school year.

(h) Annual Reviews. For each student assigned to the Program by Client, TES shall provide Client and the applicable parent(s) with a written progress report that shall identify current levels of performance and suggested goals of the student at least five (5) business days prior mutually agreed upon dates such as scheduled IEP meetings provided that TES has been

given no less than ten (10) business days advance written notice of such IEP meetings as required by Section 6(b) above.

(i) Compliance with Laws. During the term of this Agreement, TES shall comply in all respects with all applicable federal and state statutes, laws, regulations, ordinances and rules relating to the provision of special education services.

(j) Equal Treatment. TES and its employees shall not discriminate against any person in the provision of services on account of disability, race, color, religion, ethnic origin, age, gender or sexual orientation.

(k) Familiarity with Student Records. TES Personnel shall review and familiarize themselves with student records such as IEPs provided to TES pursuant to Section 6(a) above. TES Personnel shall review and become familiarized with documents provided to TES by Client or otherwise made available to TES relating to the individual needs of students in the Program, including but not limited to evaluations, reports, observations, and family history.

(l) TES Client Information. TES will provide access to specific client information through its online portal, Total View, and hereby grants to Client a non-exclusive license while this Agreement is in effect for the sole and exclusive purpose of fulfilling its obligations to TES and allowing TES to fulfill its obligations under this Agreement. Client acknowledges and agrees that Total View and its related services and information constitute the property of TES and TES Proprietary Information (as defined in Section 15(a) below) and that Client's use of the Total View is subject to Section 15(a) below. Without limiting the generality of the foregoing, Client agrees that (1) access to Total View will be terminated upon the expiration or earlier termination of this Agreement, and (2) Client may not copy or reproduce the information found in Total View, in whole or in part, without the prior written consent of TES (which TES may grant or deny in its sole and absolute discretion). Upon the expiration or termination of this Agreement, Client will cease any further use of Total View except for the information required to be part of official school and pupil records under Federal and State regulations, as allowed by this Section.

8. CORPORATE INFORMATION/CONFLICTS OF INTEREST

TES and Client agree to furnish each other copies of their respective current corporate bylaws and a current list of their respective Boards of Directors and corporate officers. TES and Client mutually agree to take such actions as may be reasonable and necessary to avoid any actual or potential conflicts of interest.

9. COMPENSATION AND METHOD OF PAYMENT

(a) Compensation. In consideration for the TES Services, Client shall compensate TES at the rates set forth on Appendix C, which rates shall be subject to adjustment as provided in Appendix C (the "Service Rates"). Compensation shall be payable by Client on a monthly basis as follows:

(i) Within fifteen (15) business days of the last day of each month during the Term of this Agreement, TES shall submit an invoice to Client for Services provided during such month at the rates described in Appendix C, showing a credit to Client for the amount of the Prepayment for that month, and accompanied by true and complete copies of the attendance and time records described in Section 7(d) above. Each undisputed invoice so delivered shall be due and payable in full by Client within thirty (30) calendar days, subject to paragraph (ii) below.

(ii) If Client has a bona fide, good faith dispute with respect to whether a particular Service identified in a TES invoice hereunder was actually provided in accordance with the terms of this Agreement, Client shall give written notice to TES describing such dispute in reasonable detail within thirty (30) calendar days of the date of such invoice, accompanied by payment in full of all amounts shown on such invoice that are not the subject of the dispute(s) described on such notice. TES and Client shall use their best reasonable good faith efforts to resolve such dispute within the thirty (30) calendar day period following such notice, and Client will provide to TES all student and other records relevant to the disputed charges. If such dispute cannot be resolved within such thirty (30) day period, either TES or Client may terminate this Agreement on not less than forty (40) business days written notice pursuant to Section 12(b) below, and either party, regardless of whether the Agreement is then terminated, shall have the right to submit the dispute to mediation and arbitration in accordance with Section 16(j) below. The failure of Client to notify TES as to any disputed invoice or portion thereof in writing within thirty days pursuant to this subsection shall be a stipulation by Client that the charges therein are accurate and a waiver of any objection to those charges.

(iii) For payments not received within thirty (30) calendar days as described in paragraph (i) above, Client shall pay a late charge of 1% interest on the outstanding balance, compounded monthly. Client also agrees to pay TES all costs incurred in collecting past due amounts, including actual attorney fees, court fees, and dispute resolution fees.

(b) Time for which Compensation is Payable. TES shall be compensated accordance with Appendix C for all time spent by TES Personnel providing Services which consist of instruction or therapy to students in the Program, completion of Progress Reports and Session Progress Notes, and consultation to Client, Client's staff and parents of Program students, and also for time scheduled for such instruction or therapy by Client or the parents of a student in the Program even if the student is not in attendance, unless TES or the affected TES Personnel has been given no less than 24 hours advance notice that the student will not attend or that the scheduled instruction or therapy has been cancelled.

(c) Payment Address. Client will make all payments payable to: Total Education Solutions at 625 Fair Oaks Avenue, Suite 200, South Pasadena, CA 91030, Attn: Accounting Department.

10. INSURANCE

(a) Insurance Obligations of TES. TES shall procure and maintain the following insurance while this Agreement is in effect:

(i) General Liability Insurance General Liability Insurance, including Professional Liability coverage, Sexual/Physical Abuse and Molestation, covering all activities of TES Personnel at Client's facilities in performance of TES' obligations under this Agreement with coverage of not less than One Million Dollars ($1,000,000) for any incident and Three Million Dollars ($3,000,000) general aggregate per incident, and Four Million Dollars ($4,000,000) excess liability policy for a maximum of Seven Million Dollars ($7,000,000) per total general aggregate limit. TES agrees to provide Client with a Certificate of Insurance.

(ii) Workers' Compensation And Employers' Liability Workers' disability compensation insurance covering each TES employee providing Services to Client hereunder, which insurance shall comply with all applicable legal requirements.

Part A. Statutory Limits
Part B. $1,000,000/$1,000,000/$1,000,000 Employers' Liability

(b) Insurance Obligations of Client. Client shall procure and maintain the following insurance while this Agreement is in effect:

(i) General Liability Insurance General Liability Insurance, including Professional Liability coverage, Sexual/Physical Abuse and Molestation with coverage of not less than One Million Dollars ($1,000,000) for any incident and Three Million Dollars ($3,000,000) general aggregate per incident, and Four Million Dollars ($4,000,000) excess liability policy for a maximum of Seven Million Dollars ($7,000,000) per aggregate limit.

(ii) Workers' Compensation And Employers' Liability Workers' disability compensation insurance which insurance shall comply with all applicable legal requirements.

Part A. Statutory Limits
Part B. $1,000,000/$1,000,000/$1,000,000 Employers' Liability

11. INDEMNIFICATION

(a) Indemnification by TES. TES shall defend, indemnify, and hold harmless Client and its officers, directors, agents and employees from all liabilities and claims for damages for death, illness, or injury to persons or damage to property (including without limitation, consequential damages) arising from the fulfillment of TES' obligations hereunder and resulting from the negligence or willful misconduct of TES or its agents, employees, or subcontractors.

(b) Indemnification by Client. Client shall defend, indemnify, and hold harmless TES and its officers, directors, agents, and employees from all liabilities and claims for death, illness, or injury arising to persons or damage to property (including, without limitation, consequential damages) arising from Client's operation of its business and resulting from the

negligence or willful misconduct of Client or its agents, employees, or subcontractors (other than TES).

(c) Notice, Cooperation, and Opportunity to Defend. The party entitled to be indemnified under this Section 11 (the "Indemnified Party") shall promptly notify in writing the party required to provide indemnification under this Section 11 (the "Indemnifying Party") of any matter giving rise to an obligation to indemnify and the Indemnifying Party shall defend such claim at its expense with counsel reasonably acceptable to the Indemnified Party, provided that the Indemnifying Party may not settle any such claim without the consent of the Indemnified Party, which consent will not be unreasonably withheld, conditioned, or delayed. The Indemnified Party agrees to cooperate with the Indemnifying Party and to make reasonably available to the Indemnifying Party any records or documents in the possession of the Indemnified Party that are relevant to or necessary to defend such claim. If the Indemnified Party desires to participate in the defense of a claim being defended by the Indemnifying Party, it may do so at its sole cost and expense, provided that the Indemnifying Party shall retain control over such defense. In the event the Indemnifying Party does not defend and resolve such claim, the Indemnified Party may do so without the indemnifying Party's participation, in which case the Indemnifying Party shall pay the expenses of such defense and any settlement, award, or judgment arising therefrom, and the Indemnified Party may settle or compromise such claim without the Indemnifying Party's consent. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is actually prejudiced by such failure to give notice.

(d) Without in any way limiting the foregoing, each party shall bear responsibility for receiving, replying to, and/or complying with any audit exceptions or compliance investigations made by any state or federal agencies that are the result of the acts, omissions or conduct of such party or its respective employees or agents.

(e) The provisions of this Section 11 shall expressly survive the expiration or termination for any reason of this Agreement.

12. TERMINATION

(a) Without Cause. Either party may terminate this Agreement, without cause, upon at least sixty (60) business days prior written notice.

(b) Dispute Over Charges. Either party may terminate this Agreement upon no less than forty (40) business days notice as provided in Section 9(a)(ii) above.

(c) For Nonpayment. TES may terminate this Agreement for Client's breach of its obligations to timely pay amounts due to TES under Section 9(a)(i) or 9(b) above, provided that TES gives written notice of such breach and Client does not pay TES the amount due (plus any interest due thereon under Section 9(a)(iii) above) within five (5) business days of such notice.

(d) With Cause. Either party may terminate this Agreement upon the other party's material breach of any term or condition of this Agreement (other than a breach described

in paragraphs (b) or (c) above) by giving not less than twenty (20) business days written notice of termination to the other party.

(e) Effect of Termination. Upon the expiration or termination for any reason of this Agreement,

(i) TES will, within twenty (20) business days of termination, present a final invoice for all TES Services provided through the effective date of termination, which shall be due and payable in full within twenty (20) business days of delivery to Client, subject to Section 9(a)(iii) above.

(ii) TES shall, upon receipt of the payment described in Section 12(e)(i) above, turn over to Client all records of Client maintained by or under the control of TES.

(f) All obligations of the parties, except for those described in this Section 12 and those that, by the express terms of this Agreement, expressly survive its expiration or termination, shall cease.

13. INDEPENDENT CONTRACTORS

The parties hereto acknowledge and agree that the relationship created between TES and Client as a result of this Agreement is strictly that of independent contractors. Nothing contained herein shall be construed as creating a partnership or joint venture relationship between the parties. Each party hereto shall be responsible for all compensation, salaries, taxes, withholdings, contributions, benefits, and worker's disability compensation insurance with respect to all personnel employed or contracted by such party and shall indemnify, defend, and hold harmless the other party and its officers, directors, agents, contractors, representatives and employees, from and against any and all liability, loss, damages, claims, causes of action, and expenses associated therewith (including without limitation attorneys' fees) caused or asserted to have been caused, directly or indirectly, by or as a result of same. The provisions of this Section shall survive the expiration or termination for any reason of this Agreement.

14. NO HIRE AGREEMENT

(a) No Hiring by TES.

(i) TES recognizes that Client's employees are unique and valuable resources of Client who have been trained by Client, that the Services to be provided hereunder are feasible only if TES has access to and interaction with Client's employees under the terms of this Agreement, and that, but for this Agreement, TES would not have access to Client's employees. TES further acknowledges that Client's employees may have certain legal obligations, arising in contract and otherwise, to Client, which may include obligations limiting Client's employees from going to work for a competitor and/or unfairly competing with Client. Accordingly, TES agrees that during the term of this Agreement and for a period of six (6) months following the expiration or termination of this Agreement for any reason (the "No Hire

Period"), neither TES nor any person who serves as an officer, director, employee, or agent of TES during the term of this Agreement ("TES-Affiliated Person") shall, without the advance written consent of Client (which Client may grant or deny in its sole and absolute discretion), hire, employ, or contract with any person(s) employed by Client at any time during the six (6) months preceding such hiring, employment, or contracting, or directly recruit or solicit any such person(s) to become employed by or to contract with TES or any other person or entity, unless TES pays to Client a Recruiting Fee (as defined in Section 14(a)(ii) below) for each such person TES or any TES-Affiliated person hires, employs, or contracts with, or agrees to hire, employ or contract with, during the No Hire Period (herein, a "Hired Client Worker").

(ii) The Recruiting Fee for each Hired Client Worker will be the greater of (A) seven-thousand dollars ($7,000.00), (B) 10% of the Hired Client Worker's annual salary at the time of termination of his or her employment or contract with Client, or (C) 10% of the total compensation paid by Client to the Hired Client Worker during the twelve (12) months immediately preceding termination of his or her employment or contract with Client. Any Recruiting Fee incurred under this sub-paragraph shall be payable in full by TES within ten (10) calendar days of TES' receipt of written notice from Client setting forth the basis for the imposition of the Recruiting Fee. The parties agree that the damages Client would suffer as a result of TES' hiring, employing, or contracting with any Hired Client Worker would be difficult or impossible to quantify and that the Recruiting Fee constitutes a reasonable, good-faith estimate of those damages, based on all information known and discoverable by the parties as of the date hereof. In the event TES challenges the enforceability of the Recruiting Fee and the Recruiting Fee is held to be unenforceable by a court or arbitrator, generally or with respect to a specific Hired Client Worker, Client shall be entitled to any and all damages or other relief provided in law or in equity, including attorney fees and costs.

(b) No Hiring by Client.

(i) Client recognizes that each of the TES Personnel are unique and valuable resources of TES who have been trained by TES, that the Services to be provided hereunder are feasible only if TES Personnel have access to and interaction with Client and its agents and representatives under the terms of this Agreement, and that, but for this Agreement, Client would not have access to TES' employees. Client further acknowledges that TES Personnel have certain legal obligations, arising in contract and otherwise, to TES, which include obligations not to accept positions with TES' clients without the prior written consent of TES, not to solicit any TES client for employment or a competing business, or otherwise take any action to interfere with the relationship between TES and its clients. Accordingly, Client agrees that during the No Hire Period, neither Client nor any person who serves as an officer, director, employee, or agent of Client at any time during the term of this Agreement ("Client-Affiliated Person") shall, without the prior written consent of TES (which TES may grant or deny in its sole and absolute discretion), hire, employ, or contract with any TES Personnel or any other person(s) employed by TES at any time during the six (6) months immediately preceding such hiring, employment, or contracting, or directly recruit or solicit any such person(s) to become employed by or to contract with Client or any other person or entity, unless Client pays to TES a Recruiting Fee (as defined in Section 14(b)(ii) below) for each such person Client or any Client-

Affiliated Person hires, employs, or contracts with, or agrees to hire, employ, or contract with during the No Hire Period (herein, a "Hired TES Worker").

(ii) The Recruiting Fee for each Hired TES Worker will be the greater of (A) seven-thousand dollars ($7,000.00), (B) 10% of the Hired TES Worker's annual salary at the time of termination of his or her employment or contract with TES, or (C) 10% of the total compensation paid by TES to the Hired TES Worker during the twelve (12) months immediately preceding termination of his or her employment or contract with TES. The Recruiting Fee shall be additional compensation due to TES under Section 9 herein, shall be invoiced to Client in accordance with Section 9, and shall be due and payable in full within ten (10) calendar days, notwithstanding the provisions of Section 9(a)(ii) and subject to the provisions for the payment of interest and collection costs in Section 9(a)(iii). TES shall be entitled to apply all payments received from Client to any unpaid Recruiting Fee prior to any other item of Compensation due to TES under Section 9 herein. The parties agree that the damages TES would suffer as a result of Client's or a Client-Affiliated Person's hiring, employment, or contracting with any Hired TES Worker would be difficult or impossible to quantify and that the Recruiting Fee constitutes a reasonable, good-faith estimate of those damages based on all information known and discoverable by the parties as of the date hereof. In the event Client challenges the enforceability of the Recruiting Fee and the Recruiting Fee is held to be unenforceable by a court or arbitrator, generally or with respect to a specific Hired TES Worker, TES shall be entitled to any and all damages or other relief provided in law or in equity, including attorney fees and costs.

(c) Notification, Costs. Upon a breach of any party's obligations under this Section 14, the non-breaching party shall be entitled to be indemnified by the breaching party from any loss or harm, including without limitation, attorney fees and collection costs, in connection with any breach or enforcement of the breaching party's obligations under this Section 14. Each party will notify the other party in writing immediately upon any breach of this Section 14 of which it is aware.

(d) Equitable Relief and Indemnification. Each party acknowledges that and agrees that due to the unique nature of TES Personnel and the employees of Client, respectively, and the competitively valuable nature of the trade secrets and confidential information of the other party to which its employees and contractors have access and knowledge, any breach of a party's obligations under this Section 14 may allow the breeching party or third parties to compete unfairly with the non-breaching party, resulting in irreparable harm to the non-breaching party that cannot be adequately compensated. Therefore, upon any such breach or any threat thereof, the non-breaching party shall be entitle to appropriate equitable relief in addition to whatever remedies it might have at law. In addition, upon any breach of any party's obligations under this Section 14, the non-breaching party shall be entitled to be indemnified by the breaching party from any loss or harm, including without limitation, attorney's fees, in connection with any breech or enforcement of the breaching party's obligations under this Section 14. Each party will notify the other party in writing immediately upon any breech of this Section 14 of which it is aware.

(e) Survival. The obligations of the parties under this Section 14 shall expressly survive the expiration or termination for any reason of this Agreement.

15. CONFIDENTIALITY

(a) TES Proprietary Information. Client acknowledges and agrees that TES owns all right, title and interest in and to the TES materials and TES systems used in the performance of the Services hereunder, including, without limitation, all trade secrets, policies, procedures, know how, protocols, policies, operating manuals (expressly including the TES Client Manual), specifications, software, forms, education materials, financial information, as well as additions and modifications thereto developed and/or used by TES in the furtherance of TES operations and in performance of TES' obligations under this Agreement (collectively the "TES Proprietary Information"). Client shall maintain the confidentiality of all such TES Proprietary Information and shall not divulge such information to any third parties both during the term of this Agreement and after its termination except (i) as may be necessary for the discharge of its obligations under this Agreement, and (ii) as required by law. Client shall take reasonable precautions against disclosure of any TES Propriety Information to unauthorized persons by any of its officers, directors, employees or agents. Client shall not directly or indirectly, without the express prior written permission of TES, use the TES Proprietary Information for any purpose except to the limited extent necessary for the provision of Services under this Agreement. Upon termination of this Agreement for any reason, Client shall cease all use of TES Proprietary Information and shall return to TES all manifestations and copies thereof in Client's possession or control except to the extent Client is allowed continued use of completed forms as set forth in Section 7(i).

(b) Client Proprietary Information. TES acknowledges and agrees that in the course of performance of its obligations under this Agreement, TES will have access to certain information proprietary to Client, which may include but is not limited to trade secrets, policies, procedures, operating manuals, specifications, software, business or strategic plans, budgets, salary information, contractual arrangements or negotiations, financial information, and employee information (collectively, the "Client Proprietary Information"). All of such Client Proprietary Information shall be and remain the property of Client at all times, and TES shall have no right, title or interest therein. TES shall maintain the confidentiality of all Client Proprietary Information and shall not divulge such information to any third parties, except (i) as may be necessary for the discharge of its obligations under this Agreement and (ii) as required by law. TES shall take reasonable precautions against disclosure of any Client Proprietary Information to unauthorized persons by any of its officers, directors, employees or agents. Upon termination of this Agreement for any reason, TES shall cease all use Client Proprietary Information and shall return to Client all manifestations and copies thereof in TES' possession or control except to the extent that the information is retained for TES' internal and business records.

(c) Equitable Relief and Indemnification. Each of the parties acknowledges and agrees that due to the unique nature of its proprietary information there can be no adequate remedy of law for any breach of its obligations hereunder, and that any such breach may allow the breaching party or third parties to unfairly compete with the non-breaching party resulting in irreparable harm to the non-breaching party that cannot be adequately compensated. Therefore, upon any

such breach or any threat thereof, the non-breaching party shall be entitled to temporary, preliminary, and permanent injunctive relief in addition to whatever other remedies it might have at law and equity and to be indemnified by the breaching party from any loss or harm, including without limitation, actual attorney fees, in connection with any breach or enforcement of the breaching party's obligations hereunder or the unauthorized use or release of any such proprietary information. Each party will notify the other party in writing immediately upon the occurrence of any unauthorized release or other breach of which it is aware.

(d) Survival. The obligations of the parties under this Section 15 shall expressly survive the expiration or termination for any reason of this Agreement.

16. MISCELLANEOUS

(a) No Third Party Beneficiaries. The parties intend that the benefits of this Agreement shall inure only to TES and Client and not to any third person.

(b) Entire Agreement. This Agreement, together with all appendices hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof, supersedes all other and prior agreements on the same subject, whether written or oral, and contains all of the covenants and agreements between the parties with respect to the subject matter hereof.

(c) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. No party may assign this Agreement or the rights, interests or obligations hereunder without the consent of the other party.

(d) Counterparts. This Agreement, and any amendments thereto, may be executed in counterparts, each of which shall constitute an original document, but which together shall constitute one and the same instrument.

(e) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not effect in any way the meaning or interpretation of this Agreement.

(f) Notices. Any notices required or permitted to be given hereunder by either party to the other shall be in writing and shall be deemed delivered: upon personal delivery or delivery by facsimile or electronic mail (provided that, in the case of facsimile the sender shall have obtained electronic or other confirmation of actual delivery, and in the case of electronic mail, the sender shall have delivered to both e-mail addresses identified below and shall not have received an electronic notice of non-delivery); twenty-four (24) hours following deposit with a courier for overnight delivery; or seventy-two (72) hours following deposit in the U.S. Mail via registered or certified mail, postage prepaid, return-receipt requested, addressed to the parties at the following addresses or to such other addresses as the parties may specify in writing:

If to TES: Total Education Solutions
625 Fair Oaks Avenue, Suite 200
South Pasadena, CA 91030
Attention: Julie Anne Hruby, Senior Program Director
Phone: (323) 404-1029 or Facsimile: (323) 622-0750
E-mail: jhruby@TESIDEA.com

If to Client: Wisdom Academy for Young Scientists
706 E Manchester Ave
Los Angeles, CA 90002
Attention: Jason Okonkwo
Director of Operations (Billing)
323-253-8907
mrjason7@gmail.com

Executive Director (Legal Signer)
Edward Cabil
Cell 323-947-8083 Office 323-537-8208
edcabil@sbcglobal.net

Vice Principal (Services and Curriculum)
Karen Horowitz
Office 323-537-8208
khorowitz@verizon.net

Vice Principal (Additional for Services and Curriculum)
Deara Okonkwo
323-253-8972
deara7@gmail.com

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(h) Waiver, Amendment. No waiver, amendment, or modification of this Agreement shall be effective unless the waiver, amendment, or modification is in writing and signed by the party against whom the waiver, amendment, or modification is to be enforced. Any waiver of any provision of this Agreement shall only be effective for the specific instance and circumstance for which the waiver is given, and the waiver shall not affect the continuing enforceability of that provision in any other instance or circumstance.

(i) Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions will nevertheless

continue in full force and effect, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

(j) Dispute Resolution.

(i) If any dispute, controversy, or claim arises out of or relates to this Agreement, or the breach, termination or validity thereof, the parties agree first to try in good faith to settle the dispute by mediation. If the parties are unsuccessful in their attempt to mediate the dispute, then such dispute will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of JAMS/Endispute. Arbitration shall take place in Los Angeles, California. The parties shall have full rights of discovery in any such arbitration, as set forth in the California Code of Civil Procedure, including Section 1283.05 thereof.

(ii) The parties further expressly agree that if a dispute arises regarding the applicability of arbitration under this clause, then the issue of whether this dispute is subject to arbitration will also be decided by arbitration in accordance with the Commercial Arbitration Rules of JAMS/Endispute, in Los Angeles, California.

(iii) The prevailing party in any arbitration arising out of this Agreement shall be entitled to recover reasonable attorney fees and costs.

(iv) The award of the arbitrator(s) shall be final and binding, and judgment upon the award may be entered in any court of competent jurisdiction. The prevailing party shall be entitled to recovery of reasonable attorney fees and costs in any court proceeding relating to this Agreement or the enforcement or collection of any award or judgment rendered under this Agreement.

(v) Notwithstanding this arbitration agreement, either party may seek and/or obtain injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter of the dispute (without reference to this arbitration agreement), and nothing in this Agreement shall be deemed or construed as preventing the same. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and reasonable attorney fees.

(k) Further Assurances. The parties shall take such actions and execute and deliver such further documentation as may reasonably be required in order to give effect to the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties have each caused their duly authorized representatives to execute this Agreement as of the Commencement Date.

Total Education Solutions (TES)

Signature: _____ Date: 3/18/13
Julie Anne Hruby
Senior Program Director

Wisdom Academy for Scientists (Client)

Legal Signature: _____ Date: 03/15/13
Edward Cabil
Executive Director

Total Education Solutions

Appendix A

Service Locations

TES will provide services to Client in the locations identified by Client as listed below, provided that Client shall provide the site (including space, facilities, furniture and furnishings) reasonably necessary for TES to provide the Services, except in cases where, due solely to student circumstances, TES Personnel must provide the Services at a student's residence or other location because it is expressly required by the student's IEP. There shall be no charge to TES to utilize Client owned, controlled or leased sites for provision of services to Client's students. Additional sites may be added only if the parties have mutually agreed in writing.

Locations:

Manchester Campus
706 East Manchester Avenue
Los Angeles, CA 90001

Kinder School
8778 South Central Avenue
Los Angeles, CA 90002

Salvation Army Campus
7651 South Central Avenue
Los Angeles, CA 90001

Total Education Solutions

Fulfilling All Your Special Education Needs

Appendix B

Services

I. Case Management and Administrative Services—Upon written or electronic request by Client, manage all special education administrative functions including oversight of the entire special education compliance and service delivery process: obtaining special education records; establishing and monitoring confidential student special education files; monitoring compliance time-lines for 30-day, initial, annual and triennial IEPs; scheduling, convening and running IEP meetings; coordinating with parents, administrators, service providers to ensure adherence to the child's IEP; assisting in the establishment of the Child Find and Student Study Team and Response to Intervention (RTI) process and monitoring compliance with ADA, Section 504, etc.

II. Professional Development and Training—Upon written or electronic request by Client, TES will develop and/or deliver training programs and/or materials for designated audience including but not limited to general education teachers, special education providers, administrators, and/or parents. Client recognizes that all trainings and related materials constitute property of TES and shall not be duplicated without written consent of TES.

III. Psychological-Education (PSY) and Assessment Services— Upon written or electronic request by Client, conduct initial assessments, re-evaluations, and triennial evaluations required by federal and state education codes in order to determine child's level of functioning for the development of an initial IEP or to evaluate the child's annual or three year progress on his or her IEP. All assessments conducted by licensed and/or credentialed personnel including School Psychologists, Speech and Language Specialists; Resource Specialists, etc. Written report included.

IV. Instruction– Upon written or electronic request by Client, provide all special education services, including Resource Specialist Program, Special Day Class and full-inclusion services, to eligible students assigned by Client to TES. TES will work with Client to develop a full continuum of services as appropriate. Services shall include the following:

- Pre-post testing to establish baseline and progress data.
- Establishment/monitoring of individual goals and objectives in keeping with the Charter school, the authorizing school district SELPA and California State Standards as necessary.
- Daily, weekly, quarterly and/or annual progress reports.

- Individual, small group services.
- Services model delivery based on IEP goals.

V. Designated Instructional Services– Upon written or electronic request by Client, provide all Related Services including Speech and Language Therapy, Occupational Therapy, Physical Therapy, Vision Therapy, services for the Deaf and Hard of Hearing, School Nursing Services to those students of Client eligible therefore and assigned by Client to TES. Services shall include the following:

- Pre-post testing to establish baseline and progress data.
- Establishment/monitoring of individual goals and objectives in keeping with the Charter school, the authorizing school district: SELPA and California State Standards as necessary.
- Daily, weekly, quarterly and/or annual progress reports.
- Individual, small group services.
- Service delivery model based on IEP goals.

VI. Behavioral Intervention Services– Upon written or electronic request by Client, provide an array of behavior intervention services including one to one classroom support as well as specific intervention strategies such as discrete trial training, floor time, play therapy, and sensory-motor therapy for eligible students assigned by Client to TES. Services shall include the following:

- Functional Analysis Assessments
- Pre/post testing to establish baseline and progress data.
- Establishment of Behavior Intervention Plans
- Establishment of individual goals and objectives in keeping with the charter school, the authorizing school district: SELPA and California State Standards as necessary.
- Daily, weekly, quarterly or annual progress reports as required.
- Individual, small group services
- Service delivery model based on IEP goals.

In addition, TES service providers provide the following IEP support services in their area of professional expertise, including:

VII. Compliance Review— Upon written or electronic request by Client, ensures that client meets Federal, state, county, SELPA and local regulations regarding the provision of special education as authorized on each child's IEP; provides an audit of Individual Plans such as Individualized Education Programs (IEP) including review and maintenance of files for all Special Education students in assigned caseload to determine current IEP status, eligibility and compliance needs; obtains missing Individual Plans and related records for Special Education students in assigned caseload; and obtains required parent authorization for assessment and services in assigned caseload.

VIII. Individual Plan Development— Upon written or electronic request by Client, provide administrative services to develop IEPs/ITPs for eligible students in assigned caseload to ensure compliance with state and federal requirements.

- Write quarterly and/or annual progress reports as required.
- Undertake other such Individual Plan development duties as determined by mutual agreement with the charter school.

IX. Individual Plan Meeting Attendance – Attendance by a TES representative at students ITP/IEP meetings for all students assigned to TES, including students assigned to TES for evaluations/assessments as described in above. Attendance by TES special education specialists may include writing of Individual Plans and establishment of individual goals and objectives if instructed in writing by Client.

X. Consultation – Consultation services include in-service training for your general education staff; developing a Child Find and/or Student Success Team model and Response to Intervention (RTI); behavior observation; electronic special education data input; consulting with general education teachers on accommodations in the general education program; consulting with parents or school administrators; consulting on compliance the Individuals with Disabilities Education Act; Parent's Due Process Rights under the Individuals with Disabilities Education Act; the Americans with Disabilities Act; and Section 504, etc.

Special Education Services shall also include Resource Specialist Program, Special Day Class Programs and Designated Instructional Services ("DIS") as necessary, in the reasonable judgment of TES, to meet student needs and legal requirements; provided that if TES, in its reasonable judgment, believes that any student(s) may require such services or other similar services which, in quantity or scope, are beyond the levels of service which are contemplated hereunder or are otherwise cost prohibitive in light of the rates set forth in Appendix D (collectively, "Extraordinary Services"), TES shall identify such student(s) to Client in writing, and Client and TES shall, within fifteen (15) business days of such notice, meet and negotiate in good faith regarding additional compensation to TES for such Extraordinary Services.

Total Education Solutions

Fulfilling All Your Special Education Needs

Appendix C

Rate Schedule for Wisdom Academy for Young Scientists

Administrative Services	**Hourly Rate**
IEP Development/Hour	$125.00
IEP Meeting Attendance/Hour	$125.00
Consulting	$125.00

Psych-Educ. Services (PSY) Services	**Hourly Rate**
Assessment/Hour	$90.00
IEP Meeting Attendance/Hour	$90.00
Consulting	$90.00

Instruction	**Hourly Rate**
Assessment/Hour	$55.00
Compliance Review	$55.00
Service/Hour*	$55.00
Individual/Hour	$55.00
IEP Development/Hour	$55.00
IEP Meeting Attendance/Hour	$55.00
Consulting	$55.00
Teacher Assistant/Paraprofessional (General Edu.)	$25.00
Special Education Aide	$32.00

Designated Instructional Services**	**Hourly Rate**
Assessment/Hour	$85.00
Compliance Review/Hour	$85.00
Service/Hour*	$85.00
Individual DIS/Hour	$85.00
Group DIS/Hour/Student (2-3 students)	$47.50
IEP Development/Hour	$85.00
IEP Meeting Attendance/Hour	$85.00
Consulting	$85.00

Behavior Intervention Services	**Hourly Rate**
Behavior Intervention Implementation (BII)/Hour	$47.00
Behavior Intervention Development/Supervision (BID)/Hour	$65.00
Board Certified Behavior Analyst (BCBA)/Hour	$75.00

Additional Services	
Functional Behavior/Analysis Assessment (FBA/FAA)/Hour	$125.00
Interpreter/Hour	$60.00
Translation/Hour	$60.00
Professional Development/Hour***	$65.00-$131.25
Project Based Assignments/Hour***	$65.00-$131.25

* **Services include but are not limited to: Direct Services, Progress Reports, Parent Communication, SST and/or Electronic Reporting, compliance review.**

** **Speech and Language Services, Adapted Physical Education, Occupational Therapy/Physical Therapy, School Nurse, Counseling, ERMS, Pupil Services & Attendance, Assistive Technology etc.**

***These rates are dependent upon professional conducting the assessment.

(These rates are fully loaded, including Workers Compensation Insurance, Unemployment/Disability Insurance, Professional Liability Insurance, Payroll Taxes and Benefits.)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Friday, March 22, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Friday, March 22, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **4:52**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Halilu Haruna/Bali Business, Mrs. Teresa Golden
IV. Additions to the Agenda
V. Approval of Minutes
    a. January 31, 2013 – Approved 4/0
    b. February 28, 2013 – Approved 4/0
VI. Reports
    a. Executive Director – Oral Report
    b. Vice Principal(s) – Oral Report
    c. Director of Operations – Oral Report
    d. Bali Business Management – Oral Report (see handout attached)
VII. Discussion/Action Items
    a. Action: Employment of Total Educational Solution – Special Education Services
    b. Action: Charter Revision to reflect the employment of an Resource Specialist (RSP) Teacher
    c. Discussion: WAYS Documentary
    d. Discussion: Resubmission of 6th Grade expansion – WAYS Charter
VIII. Closed Session
    a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
    a. None
X. Future Agenda Items
    a. Board Sponsored Fundraising

XI. The board meeting of WAYS was officially adjourned at **6:29**pm.

Secretary of Board Date

President of Board Date

EXHIBIT 24

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, February 27, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 27, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Cheryl Johnson, Dorothy Valenti, Armando Espinoza, Maria Garcia, Adraine Cook
Board Members Absent: Norman Golden, Saundra Davis,
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, and other Parents and Staff members of Wisdom Academy.

IV. Additions to the Agenda

V. Approval of Minutes
   a. None

VI. Reports
   a. Principals Report – See Handouts
   b. Finance Report – Bali Business Management

VII. Closed Session
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – No action was taken.

VIII. Open Session
   a. Board Member Recruitment – Discussion and Introductions from Prospective Board Members Maria Garcia and Adraine Cook
   b. Board Member Installations – Maria Garcia and Adraine Cook – Approved 3/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. Consideration of the WAYS School Site Council resolution regarding the Board Membership of Saundra Davis (the School Site Council has requested resignation or removal of Board Member Saundra Davis) – Approved 5/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      ii. Oppose – None
   d. Board Member Resignation – Norman Golden – Approved 5/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      ii. Oppose – None

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

e. Election of Officer: Armando Espinoza, Interim Board Chair – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
f. Performance Based Stipends 2013-14 Round One – Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
g. 2013-14 School Year Employment Agreements – Table to future Board Meeting
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
h. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
i. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
j. Gateway Business Properties - Buyer Representation Agreement – Tabled to future meeting.
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
k. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61) – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
l. Adoption of LACOE implemented SIRAS Special Education Information System – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
m. Federal IRS 990 Filing 2012 – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
n. Unaudited Actuals Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
o. First Interim Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
p. Wells Fargo Payroll Systems Agreement - Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
q. Response to Annual Audit findings – Discussion
   i. Discussion by Jason Okonkwo and Halilu of Bali Business Management regarding changes to WAYS Financial Policies in the future Board Meetings.
r. Fundraising: Student Store – Discussion
   i. Discussion by Mr. Cabil

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

s. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
    i. Moved to future meeting.
t. WAYS Board of Directors Training and Retreat – Discussion
    i. Moved to Future Meeting

IX. Oral Communication
    a. None

X. Future Agenda Items
    a. Single Plan for Student Achievement – Moved to future meeting.
    b. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
    c. WAYS Board of Directors Training and Retreat - Discussion

XI. The board meeting of WAYS was officially adjourned at 8: PM.

Secretary of Board Date 4/25/14

President of Board Date 4/25/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
g. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61)

Recommendation:
Approve the Payment to McGraw Hill ($163,030.61)
Motion: Johnson Second: Cook Approve: 5/0

Background:
On July 26, 2013, the WAYS Board approved the adoption on the new McGraw Hill textbooks. Currently, WAYS has $163,030.61 in accounts payable to McGraw-Hill for the textbooks. The approved WAYS budget allows for the payment to be made.

Implication:
By approving the payment to McGraw-Hill, WAYS will disburse and check payment of $163,030.61 to McGraw-Hill.

Fiscal Impact:
Supplies -Textbooks: $163,030.61

Prepared by:
Jason Okonkwo

Attachments:
~~-Gateway Business Properties - Buyer Representation Agreement~~

Notes:

Mc Graw Hill Education

Statement of Account
As of: 11/08/13
Please review and respond to
Credit Analyst: Upendrik Yadav
Phone Number 1-800-645-3045 Ext:83910
E-Mail: upendrik.yadav@mheducation.com

Name WISDOM ACAD FOR YOUNG SCIENTISTS
Account # 1786437

Invoice Date	Invoice #	P O Number	Due Date	Original Amt	Open Amt	Div	Days late	Class
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30-Sep-13	76729336001	MATH	30-Oct-13	$ 1,983.40	$ 1,983.40	McGraw-Hill School Education LLC	9	Invoice
16-Oct-13	77090916001	MATH	15-Nov-13	$ 1,322.26	$ 1,322.26	McGraw-Hill School Education LLC	-7	Invoice
				Total	$ 163,030.61			

EXHIBIT 25

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 25 day of April, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to authorize the Executive Director to enter the contract with Hill, Morgan, and Associates, LLP to audit year-end June 30, 2014, on behalf of Merle Williamson Foundation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board President)

Merle Williamson Foundation

Wisdom Academy for Young Scientists
2013-14 Fiscal Year
Audit Selection Process

Background

The Merle Williamson Foundation governing Board of Director shall adhere to the regulations set forth in the Merle Williamson Foundation Bylaws. One of the Board's primary responsibilities is to select an auditor who has the expertise and knowledge to perform an audit for Wisdom Academy for Young Scientists (WAYS). The Board has developed goals and objectives to help narrow the search to only those CPAs and/or audit firms that have the skills and experience to provide the essential services.

When evaluating a proposal for audit services, the Executive Director and Board will consider the following:

1. The responsiveness to the request for proposal
2. Licensing in the state of California
3. Relevant experience
4. Availability of staff with professional qualifications and technical abilities
5. The results of external quality control reviews (Peer Review)
6. References from other nonprofit clients, and
7. Fee

Request for Proposals

Request Date	Audit Firm Name	Response (Yes or No)	Response Date	Audit Fee(s)	Comments:
4/2/14	Vavrinek, Trine, Day & Co., LLP	Yes	4/2/14	$8500	Additional $850 for IRS 990 filing.
4/2/14	Green Hasson & Janks LLP	No			
3/26/14	Wilkinson Hadley King & Co., LLP	Yes	3/27/14	9500	Additional $900 for IRS 990 filing.
4/2/14	Hill, Morgan and Associates, LLP	Yes	4/3/14	3000	Additional $500 for IRS 990 filing.

PROPOSAL FROM
HILL, MORGAN AND ASSOCIATES, LLP
TO PROVIDE AUDITING SERVICES TO

WISDOM ACADEMY FOR YOUNG SCIENTIST
For the year ended June 30, 2014

HILL, MORGAN AND ASSOCIATES, LLP

Certified Public Accountants

19602 Fariman Drive Carson, CA 90746 Phone (310) 749-1014 Fax (310) 639-0498
9031 Krueger Street, Culver City, CA 90232 Phone (323) 377-4385 Fax (310) 836-5727

Partners
Jeffrey Hill, CPA
Raymond Morgan, CPA

April 3, 2014

To the Board of Directors
Wisdom Academy for Young Scientist
Los Angeles, California

Dear Board Members:

Thank you for your interest in our firm. We are excited about this opportunity to provide auditing services for Wisdom Academy for Young Scientist. In the pages that follow we will introduce the key members of our firm, discuss our background and give you some reasons why we believe that Hill, Morgan and Associates, LLP can be of great benefit to Wisdom Academy for Young Scientist.

Who is Hill, Morgan and Associates, LLP?

We are a firm of Certified Public Accountants licensed under the statute of the State of California with two offices in Los Angeles County. We began operations in February 2003 under the leadership of the firm's two partners Jeffrey Hill and Raymond Morgan. Each of the partners has over 20 years of experience in non-profit auditing and accounting, most of which came from their past employment with a prominent local CPA firm. As a result of this past experience, we are experts in regards to the rules and regulations with respect to generally accepted auditing standards and Government Auditing Standards. In addition, our firm is on the State Controller's list of firms eligible to conduct audits of California charter schools. One of our firm's goals is to provide quality hands-on auditing and accounting services too non-profit organizations.

Why should Hill, Morgan and Associates, LLP be selected as your auditors?

Below are several factors as to why we can be of great benefit to Wisdom Academy for Young Scientist.

- **Quality professional services**

The organizational design of Hill, Morgan and Associates, LLP is such that it allows our clients to receive quality professional services. It is not standard practice for CPA firms to utilize a person with over 20 years of experience to be involved with the day-to-day fieldwork of an audit. However, as mentioned above, one of our goals is to provide quality hands on services. As a result, your School receives the benefit of having an efficient audit because there is no learning curve with respect to having a first year or second year staff conducting your audit. In addition, your School will receive quality technical assistance when applicable because we can raise issues noted during the audit fieldwork, immediately discuss those issues with your management team and provide a resolution.

- **Prior experience with similar non-profit organizations**

The partners of Hill, Morgan and Associates, LLP have a significant amount of experience auditing charter schools. Please see the professional reference section on page three. This prior experience will benefit your School in that we can provide quality professional services.

- **Timely and dependable services**

Our firm's track record for providing timely quality services has already been established and can be verified through communication with the professional references included in this proposal. The Partner assigned to this engagement will be accessible to meet face-to-face with your School's Board of Directors and management to resolve audit issues on a year-around basis.

- **Audit fees**

The organizational design of Hill, Morgan and Associates, LLP results in your School receiving more direct audit services for your dollar. This is accomplished because our firm does not have any significant overhead cost. As a result our fees will be competitive or better than what you are currently paying because our fees will not include the overhead costs that are common to other CPA firms.

Professional references

Client name/Contact person	Services provided	Years of Experience
NON-PROFIT ORGANIZATIONS:		
Ivy Bound Charter School Kiumars Arzani, Exec. Dir. 818 808-0158	Financial statement audit of a charter school and tax return preparation.	7 years
New Designs Charter School Dr. Yaw Adutwum, Director 213 765-9084 or 323 418-0600	Financial statement audit of two charter schools.	8 years
Los Angeles Brotherhood Crusade, Inc. Charisse Bremond, CEO 323 846-1649	Financial statement audit and tax return preparation.	10 years
Shields for Families, Inc. Norma Mtume, CFO 323 242-5000	Financial statement audit.	9 years
Magnolia Science Academy Mekan Muhammedov, CFO 714 892-5066	Financial statement audit of a several charter schools and tax return preparation.	7 years
Center for Advanced Learning Halilu Haruna, Business Mgr. 310 386-2097	Financial statement audit of a charter school.	6 years

Proposed fee structure

Our annual fee to complete the audit and prepare the informational tax returns for Wisdom Academy for Young Scientist is as follows:

Description	Amount
Audit fee	$ 3,000
Informational tax returns	500
	$ 3,500

Future audit fees-It is the practice of Hill, Morgan and Associates, LLP to determine audit fees on an annual basis by communicating with the management of our clients. A fee increase or decrease will be directly associated with an increase or decrease in the financial activities of your School which requires us to increase or decrease our audit procedures. We will not change the above stated annual fee unless there is a specific event or activity to cause the change and the management of Wisdom Academy for Young Scientist agrees with the change.

Conclusion

Our firm has been in existence a short period of time; however the professionals that operate Hill, Morgan and Associates, LLP are highly qualified and excited about the possibility of working with Wisdom Academy for Young Scientist.

Please call Jeffrey Hill at (310) 749-1014 if you have any questions.

Sincerely,

Hill, Morgan and Associates, LLP

Hill, Morgan and Associates, LLP

RESUMES

JEFFREY HILL CPA
HILL, MORGAN AND ASSOCIATES, LLP
Certified Public Accountants

POSITION: Partner

QUALIFICATION: Jeff is the Co-founder of Hill, Morgan and Associates, LLP. He has over twenty years of experience in auditing and accounting for governmental and non-profit organizations. His past experience in the role of partner include financial and compliance audit engagements on local governments, school districts, HUD Projects, non-profit organizations including churches and pension plans. Jeff has supervised and reviewed the work performed on the above-mentioned engagements for compliance with generally accepted auditing standards and government auditing standards, and he has prepared financial statements in accordance with generally accepted accounting principles. He has also communicated the audit results to City Councils and Board of Directors.

EXPERIENCE:

Government Organizations
City of Compton and Compton Redevelopment School
Housing Authority for the City of Los Angeles
Los Angeles Unified School District
Los Angeles Homeless Services Authority

Non-Profit Organizations
Healthy Oakland, Inc.
King-Chavez Public Schools
Center for Advanced Learning
Magnolia Science Academy

REFERENCES: Available upon request.

EDUCATION: B.S. Degree in Accounting, Loyola Marymount University

PROFESSIONAL AFFILIATIONS: Member American Institute of Certified Public Accountants

RAYMOND MORGAN, CPA
HILL, MORGAN AND ASSOCIATES, LLP
Certified Public Accountants

POSITION: Partner

EXPERIENCE:

December 2004 to Present. Raymond is the Co-founder of Hill, Morgan and Associates, LLP. He has over twenty years of experience in auditing and accounting for governmental and non-profit organizations.

September 2000 to December 2004. Chief Financial Officer at People Coordinated Services. Communicate with all funding sources regarding contract amounts. Supervise the daily financial operations. Review all journal entries. Prepare all income tax returns. Supervise the implementation of new accounting policies and procedures.

October 1997 to August 2000. Senior Auditor at the CPA firm of Simpson and Simpson. Planned and performed audits of various large non-profit organizations including churches. Lead a three-member audit team that performed church audits in Maryland, Arizona and St. Louis. Analyzed the accounting operations and made recommendations to streamline the cash count and deposit process for several churches. Also, prepared monthly compiled financial statements for several churches.

August 1995 to September 1997. Worked as an accountant at American Custom Insurance. Reconciling all policies issued against payments made and investigating the differences. All reinsurance policies were maintained and reconciled on excel spreadsheets.

June 1994 to July 1995. Worked in the payroll department at World Cup USA 1994 processing payroll for the entire staff of 600 employees using ADP payroll system; Worked as an accountant at the Department of Mental Health. Worked specifically on the FEMA project. Helped to implement and refine the compliance procedures for claim submission, review and payment. Received a commendation from the Department for worked done on this project.

November 1989 to August 1993. Client Accountant at the Big Six CPA firm of Ernst & Young. Was responsible for the preparation and payment of all client bills. Prepared weekly payrolls and filed quarterly and annual payroll tax returns. Performed quarterly general ledger reviews and prepared quarterly and annual financial statements on both the cash and accrual basis. Worked closely with Partners and Senior Accounting Managers of both the Tax and Audit departments in order to accomplish these tasks.

REFERENCES: Available upon request.

EDUCATION:
B.S. Degree in Accounting, California State University at Northridge.

Wisdom Academy for Young Scientists

Response to Request for Proposal Independent Audit Services Cost Proposal

July 1, 2013 – June 30, 2014 (With Option for the Subsequent Year Ending June 30, 2015)

Vavrinek, Trine, Day & Co., LLP
8270 Aspen Street
Rancho Cucamonga, CA 91730

Partner Contact – Matthew S. Miller (909) 466-4410
Fax (909) 466-4431 E-mail: mmiller@vtdcpa.com

April 2, 2014

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

April 2, 2014

Jason Okonkwo
Merle Williamson Foundation
dba **Wisdom Academy for Young Scientists**
706 E. Manchester Avenue
Los Angeles, California 90002

Dear Jason,

We are pleased to respond to the Request for Bid Proposal to provide auditing services for the Wisdom Academy for Young Scientists. We feel that Vavrinek, Trine, Day & Co., LLP is the best selection for the Wisdom Academy for Young Scientists. This proposal demonstrates our capability and commitment to serve.

Vavrinek, Trine, Day & Co., LLP provides governmental auditing and specialized accounting services to over 300 governmental agencies. We currently provide auditing services to school districts, charter schools, and community colleges throughout Los Angeles. We understand the requirements, as described in the Request for Bid Proposal, and understand that the Wisdom Academy for Young Scientists desires a timely audit conducted in a professional manner. We are committed to perform our audit work within your specified time frame.

Partner involvement is also key to the audit's success. Your partner in charge of the engagement will spend time at the Wisdom Academy for Young Scientists and will meet with management, the audit committee and the Board as necessary to ensure communication lines remain open, that any outstanding issues are resolved timely, and that the Wisdom Academy for Young Scientists' needs are met.

The proposed estimate of the Request for Bid Proposal to cover the one year period beginning July 1, 2013 and ending June 30, 2014, with an option to extend one more year at the same price. Our proposed fees for auditing services are $7,500 (or $8,500 if a single audit is required) for the year ended June 30, 2014 inclusive, including required time to complete said audit. Federal and State tax returns proposed fee of $950 for the year ending June 30, 2014.

Should you have any questions, please feel free to contact Matthew S. Miller at (909) 466-4410.

Very truly yours,

Matthew S. Miller, Partner
Vavrinek, Trine, Day & Co., LLP

8270 Aspen Street Rancho Cucamonga, CA 91730 Tel: 909.466.4410 Fax: 909.466.4431 www.vtdcpa.com

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Friday, April 25, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Friday, April 25, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. The Director of Operations requested that anyone bearing weapons or arms display evidence of authorization to do so. An Oxnard Police Officer accompanied LACOE staff at this meeting and provided his badge. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook
Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil, April Mitchell (LACOE), Zak Memon (LACOE), Oxnard Police Officer (Private Security for LACOE Staff)

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. February 27, 2014, March 13, 2014

VI. **Reports/ Oral Communication**
   a. Bali Business Management – Monthly Financial Report (Hand-outs)
   b. Vice-Principal's Report (Hand-outs)

VII. **Open Session**
   a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit – LACOE staff
   Ed. Code section 1241.5 requires that the LACOE superintendent reports findings and recommendations to the governing board of the school – Discussion
   b. Selection of Hill, Morgan, and [illegible] Audit Firm for year-end June [illegible]14
      i. In favor – Cheryl John[illegible] Dorothy Valenti, Adraine Co[illegible]
      ii. Oppose – None

VIII. **Closed Session**
   a. Conference with Real Property [illegible] Code 54956.8 Negotiator: Cushman & Wakefield; Negoti[illegible] Foundation, 401 East Manchester Ave LA Ca 90001; [illegible] Manchester Building [illegible] Negotiation: Updates regardin[illegible]
   b. Conference with Legal Counsel: One Item – Discussi[illegible]

IX. **Future Agenda Items**

X. The board meeting of WAYS was officially adjourned at 7:31 PM.

Board Member Date 6-12-14 Board Chairperson Date 6/12/14

EXHIBIT 26

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, June 12, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted June 10, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** April 25, 2014, April 30, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Public Employee Appointment (Executive Director)
b. Public Employee Evaluation (Executive Director)
c. Conference with Legal Counsel – Notice of Violation (one matter, Gov. Code § 54956.9(d)(2)
d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.

VIII. **Closed Session Report**

IX. **Open Session**
a. Local Control Funding Formula Spending (LCFF) and Local Control and Accountability Plan (LCAP) - Action
b. 2014-15 School Year Operating Budget - Action
c. Board Member Elections - Discussion
d. 2014-15 Board Roster and Calendar - Discussion
e. Donation awarded by Food 4 Less - Action

X. **Meeting Adjourned**

WAYS000307

Local Control and Accountability Plan

Los Angeles County Office of Education
Wisdom Academy for Young Scientists

July 1, 2014 - June 30, 2017

06/10/2014
revision in progress

WAYS000308

§ 15497. Local Control and Accountability Plan and Annual Update Template.

Introduction:

LEA: Los Angeles County Office of Education **Contact (Name, Title, Email, Phone Number):** Deara Okonkwo, Ed.D, Vice Principal, waysCharter@gmail.com, (323) 752-6655 **LCAP Year:** 2014

Local Control and Accountability Plan and Annual Update Template

The Local Control and Accountability Plan (LCAP) and annual update template shall be used to provide details regarding local educational agencies' (LEAs) actions and expenditures to support pupil outcomes and overall performance pursuant to Education Code sections 52060, 52066, 47605, 47605.5, and 47606.5.

For school districts, pursuant to Education Code section 52060, the LCAP must describe, for the school district and each school within the district, goals and specific actions to achieve those goals for all pupils and each subgroup of pupils identified in Education Code section 52052, including pupils with disabilities, for each of the state priorities and any locally identified priorities.

For county offices of education, pursuant to Education Code section 52066, the LCAP must describe, for each county office of education-operated school and program, goals and specific actions to achieve those goals for all pupils and each subgroup of pupils identified in Education Code section 52052, including pupils with disabilities, who are funded through the county office of education Local Control Funding Formula as identified in Education Code section 2574 (pupils attending juvenile court schools, on probation or parole, or mandatorily expelled) for each of the state priorities and any locally identified priorities. School districts and county offices of education may additionally coordinate and describe in their LCAPs services provided to pupils funded by a school district but attending county-operated schools and programs, including special education programs.

Charter schools, pursuant to Education Code sections 47605, 47605.5, and 47606.5, must describe goals and specific actions to achieve those goals for all pupils and each subgroup of pupils identified in Education Code section 52052, including pupils with disabilities, for each of the state priorities as applicable and any locally identified priorities. For charter schools, the inclusion and description of goals for state priorities in the LCAP may be modified to meet the grade levels served and the nature of the programs provided, including modifications to reflect only the statutory requirements explicitly applicable to charter schools in the Education Code.

The LCAP is intended to be a comprehensive planning tool. LEAs may reference and describe actions and expenditures in other plans and funded by a variety of other fund sources when detailing goals, actions, and expenditures related to the state and local priorities. LCAPs must be consistent with school plans submitted pursuant to Education Code section 64001. The information contained in the LCAP, or annual update, may be supplemented by information contained in other plans (including the LEA plan pursuant to Section 1112 of Subpart 1 of Part A of Title I of Public Law 107-110) that are incorporated or referenced as relevant in this document.

For each section of the template, LEAs should comply with instructions and use the guiding questions as prompts (but not limits) for completing the information as required by statute. Guiding questions do not require separate narrative responses. Data referenced in the LCAP must be consistent with the school accountability report card where appropriate. LEAs may resize pages or attach additional pages as necessary to facilitate completion of the LCAP.

State Priorities

The state priorities listed in Education Code sections 52060 and 52066 can be categorized as specified below for planning purposes, however, school districts and county offices of education must address each of the state priorities in their LCAP. Charter schools must address the priorities in Education Code section 52060(d) that apply to the grade levels served, or the nature of the program operated, by the charter school.

A. Conditions of Learning:

Basic: *degree to which teachers are appropriately assigned pursuant to Education Code section 44258.9, and fully credentialed in the subject areas and for the pupils they are teaching; pupils have access to standards-aligned instructional materials pursuant to Education Code section 60119; and school facilities are maintained in good repair pursuant to Education Code section 17002(d). (Priority 1)*

Implementation of State Standards: *implementation of academic content and performance standards adopted by the state board for all pupils, including English learners. (Priority 2)*

Course access: *pupil enrollment in a broad course of study that includes all of the subject areas described in Education Code section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable. (Priority 7)*

Expelled pupils (for county offices of education only): *coordination of instruction of expelled pupils pursuant to Education Code section 48926. (Priority 9)*

Foster youth (for county offices of education only): *coordination of services, including working with the county child welfare agency to share information, responding to the needs of the juvenile court system, and ensuring transfer of health and education records. (Priority 10)*

B. Pupil Outcomes:

Pupil achievement: *performance on standardized tests, score on Academic Performance Index, share of pupils that are college and career ready, share of English learners that become English proficient, English learner reclassification rate, share of pupils that pass Advanced Placement exams with 3 or higher, share of pupils determined prepared for college by the Early Assessment Program. (Priority 4)*

Other pupil outcomes: *pupil outcomes in the subject areas described in Education Code section 51210 and subdivisions (a) to (i), inclusive, of Education Code section 51220, as applicable. (Priority 8)*

C. Engagement:

Parent involvement: *efforts to seek parent input in decision making, promotion of parent participation in programs for unduplicated pupils and special need subgroups. (Priority 3)*

Pupil engagement: *school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout rates, high school graduation rates. (Priority 5)*

School climate: *pupil suspension rates, pupil expulsion rates, other local measures including surveys of pupils, parents and teachers on the sense of safety and school connectedness. (Priority 6)*

Section 1: Stakeholder Engagement

Meaningful engagement of parents, pupils, and other stakeholders, including those representing the subgroups identified in Education Code section 52052, is critical to the LCAP and budget process. Education Code sections 52062 and 52063 specify the minimum requirements for school districts; Education Code sections 52068 and 52069 specify the minimum requirements for county offices of education, and Education Code section 47606.5 specifies the minimum requirements for charter schools. In addition, Education Code section 48985 specifies the requirements for translation of documents.

Instructions: Describe the process used to engage parents, pupils, and the community and how this engagement contributed to development of the LCAP or annual update. Note that the LEA's goals related to the state priority of parental involvement are to be described separately in Section 2, and the related actions and expenditures are to be described in Section 3.

Guiding Questions:

1) How have parents, community members, pupils, local bargaining units, and other stakeholders (e.g., LEA personnel, county child welfare agencies, county office of education foster youth services programs, court-appointed special advocates, foster youth, foster parents, education rights holders and other foster youth stakeholders, English learner parents, community organizations representing English learners, and others as appropriate) been engaged and involved in developing, reviewing, and supporting implementation of the LCAP?
2) How have stakeholders been included in the LEA's process in a timely manner to allow for engagement in the development of the LCAP?
3) What information (e.g., quantitative and qualitative data/metrics) was made available to stakeholders related to the state priorities and used by the LEA to inform the LCAP goal setting process?
4) What changes, if any, were made in the LCAP prior to adoption as a result of written comments or other feedback received by the LEA through any of the LEA's engagement processes?
5) What specific actions were taken to meet statutory requirements for stakeholder engagement pursuant to Education Code sections 52062, 52068, and 47606.5, including engagement with representative parents of pupils identified in Education Code section 42238.01?
6) In the annual update, how has the involvement of these stakeholders supported improved outcomes for pupils related to the state priorities?

Involvement Process	Impact on LCAP
Section I Wisdom Academy for Young Scientists (Wisdom Academy) is a public charter school of 520 students under Merle Williamson Foundation, a 501(c)(3) non-profit. Wisdom Academy is located in South, Los Angeles and serves Kindergarten through fifth grade students. Opened in 2006, Wisdom Academy has quickly gained a strong reputation as an academically high-performing school successfully serving a population of students traditionally labeled as underperforming. As a charter school, Wisdom Academy for Young Scientists is authorized by the Los Angeles County Office of Education and the California State Board of Education, and receives public	Section II All stakeholders were noticed of the Local Control Accountability Plan and were given an opportunity to participate in the development, review and implementation of the LCAP. Committee concerns about overall student achievement and attendance lead to a commitment to strengthen the following: · Full implementation of CCSS as grade span PD and instructional materials and resources · Early intervention for students working at basic, below basic and far below basic such as after school

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per pupil funding to support its operations. The Local Control and Accountability Plan (LCAP) is a three year plan that must be developed by school districts and submitted along with the budget by July 1 of each year due to the passage of the Local Control Funding Formula (LCFF), part of the State Budget Act (AB 97 and SB 91). The LCAP is a description of the annual goals of each school district, charter school, and county office of education, and describes how each entity will expend its budget to support the district's goals. LCFF replaces the revenue limit funding model and categorical funding, and emphasizes a local determination of how the funds are used, with input by school community stakeholders. The LCAP outlines how the eight state priorities will be addressed, and how the identified student subgroups will be served. The development of our Local Control Accountability Plan consisted of a collaborative effort amongst diverse stakeholders of the school community. In an effort to engage the school community, Wisdom Academy began by holding four LCAP/LCFF introductory meetings for all stakeholders WAYS community. (Agendas and attendees available upon request.) The meetings were offered at varied times and alternate dates to provide several options for the WAYS community. During the meetings, essential components of LCFF and LCAP were addressed and the school formed a LCAP Committee to begin developing the Plan. Attendees reviewed the State Board of Education approved LCAP template and requirements, and were given copies of the regulations. Supportive resources were viewed (West Ed LCFF/LCAP video). Upon draft development, a survey was conducted along with focus group interviews to review critical areas of the LCAP. The Board of Directors, School Site Council, District English Learner Advisory Council, Certificated and Classified Staff were also involved in reviewing and supporting the implementation of the LCAP. WAYS used the following quantitative data for the goal setting process: attendance rate, suspension/expulsion rates, data on teacher miss-assignment, instructional materials use rate, facility inspection data, CST ELA proficiency rate, CST math proficiency rate, English Learner reclassification rate, Long Term English Learner rate, and parent survey data.	supports · Increased emphasis on student attendance and increased opportunities for parent engagement LCAP Committee synthesized input to include three major goal areas in the LCAP over the next three years. 1. Increase opportunities for academic support to enable all students to achieve proficiency in English Language Arts and Mathematics [result of student achievement data and input from students, parents and teachers] 2. Engage parents and families to support student success in school [result of parent involvement data, and school climate data] 3. Create safe and welcoming learning environments where students attend and are connected to their school [result of stakeholder surveys and school climate data]

Section 2: Goals and Progress Indicators

*For school districts, Education Code sections 52060 and 52061, for county offices of education, Education Code sections 52066 and 52067, and for charter schools, Education Code section 47606.5 require(s) the LCAP to include a description of the annual goals, for all pupils and each subgroup of pupils, for **each** state priority and any local priorities and require the annual update to include a review of progress towards the goals and describe any changes to the goals.*

Instructions: Describe annual goals and expected and actual progress toward meeting goals. This section must include specifics projected for the applicable term of the LCAP, and in each annual update year, a review of progress made in the past fiscal year based on an identified metric. Charter schools may adjust the chart below to align with the term of the charter school's budget that is submitted to the school's authorizer pursuant to Education Code section 47604.33. The metrics may be quantitative or qualitative, although LEAs must, at minimum, use the specific metrics that statute explicitly references as required elements for measuring progress within a particular state priority area. Goals must address each of the state priorities and any additional local priorities; however, one goal may address multiple priorities. The LEA may identify which school sites and subgroups have the same goals, and group and describe those goals together. The LEA may also indicate those goals that are not applicable to a specific subgroup or school site. The goals must reflect outcomes for all pupils and include specific goals for school sites and specific subgroups, including pupils with disabilities, both at the LEA level and, where applicable, at the school site level. To facilitate alignment between the LCAP and school plans, the LCAP shall identify and incorporate school-specific goals related to the state and local priorities from the school plans submitted pursuant to Education Code section 64001. Furthermore, the LCAP should be shared with, and input requested from, school site-level advisory groups (e.g., school site councils, English Learner Advisory Councils, pupil advisory groups, etc.) to facilitate alignment between school-site and district-level goals and actions. An LEA may incorporate or reference actions described in other plans that are being undertaken to meet the goal.

Guiding Questions:

1) What are the LEA's goal(s) to address state priorities related to "Conditions of Learning"?
2) What are the LEA's goal(s) to address state priorities related to "Pupil Outcomes"?
3) What are the LEA's goal(s) to address state priorities related to "Engagement"(e.g., pupil and parent)?
4) What are the LEA's goal(s) to address locally-identified priorities?
5) How have the unique needs of individual school sites been evaluated to inform the development of meaningful district and/or individual school site goals (e.g., input from site level advisory groups, staff, parents, community, pupils; review of school level plans; in-depth school level data analysis, etc.)?
6) What are the unique goals for subgroups as defined in Education Code sections 42238.01 and 52052 that are different from the LEA's goals for all pupils?
7) What are the specific predicted outcomes/metrics/noticeable changes associated with each of the goals annually and over the term of the LCAP?
8) What information (e.g., quantitative and qualitative data/metrics) was considered/reviewed to develop goals to address each state or local priority and/or to review progress toward goals in the annual update?
9) What information was considered/reviewed for individual school sites?
10) What information was considered/reviewed for subgroups identified in Education Code section 52052?
11) In the annual update, what changes/progress have been realized and how do these compare to changes/progress predicted? What modifications are being made to the LCAP as a result of this comparison?

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Identified Need and Metric (What needs have been identified and what metrics are used to measure progress?)	Goals			Annual Update: Analysis of Progress	What will be different/improved for students? (based on idenfitied metric)			Related State and Local Priorities
	Description of Goal	Applicable Pupil Subgroup(s) (Identify applicable subgroups (as defined in EC 52052) or indicate "all" for all pupils.)	School(s) Affected (Indicate "all" if the goal applies to all schools in the LEA, or alternatively, all high schools, for example.)		LCAP YEAR Year 1: 2014-15	Year 2: 2015-16	Year 3: 2016-17	
Need: To provide and maintain basic services for students and schools (School Climate Data - All teachers Credentialed) Metric: Teacher assignments (Williams).	Maintain the appropriate assignment of highly qualified teachers.	All	All		100% Compliant	100% Compliant	100% Compliant	Basic
Need: To provide and maintain basic services for students and school (Survey - 100% Compliant) Metric: Standards aligned instructional materials (Williams)	Provide pupil access to standards-aligned instructional materials.	All	All		100% Compliant	100% Compliant	100% Compliant	Basic
Need: To provide and maintain basic services for	Maintain school facilities in good repair	All	All		99% in good or exemplary repair	99% in good or exemplary repair	99% in good or exemplary repair	Basic

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students and schools (Survey - 99% in good or exemplary repair). **Metric** • SARC Report • Facilities that are safe, clean and in good repair (Williams)								
Need: To implement CCSS (Student achievement scores - 79% of students school-wide performed proficient or above in ELA - Benchmarks, 83% of students school-wide performed proficient or above in Math - Benchmarks) **Metric** • Lesson Plans • Syllabi/Pacing Plans • Curriculum Maps • Student Work Samples	Implement the academic content and performance standards adopted by SBE and provide services that will enable English learners to access Common Core academic content standards and the English Language Development Standards.	All	All		All lesson plans, syllabi, curriculum maps and student work samples include reference to CCSS.	All lesson plans, syllabi, curriculum maps and student work samples include reference to CCSS.	All lesson plans, syllabi, curriculum maps and student work samples include reference to CCSS.	Implementation of State Standards
Need: To train parents on how to support learning at home and at school (Parent Surveys - 80% of the responses identified the need for increased parent training). **Metric**	Increase percentage of parents trained on academic initiatives by providing a minimum of three workshops annually.	All	All		50% Participation	55% Participation	60% Participation	Parent Involvement

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• Delivery of modules.								
Need: To increase the number of students who score Proficient or above in English Language Arts and Mathematics on the SBAC assessment (Student achievement scores - 79% of students school-wide performed proficient or above in ELA - Benchmarks; 83% of students school wide performed proficient or above in Math - Benchmarks.) Metric: • Student Achievement on Benchmarks • Statewide Assessments • Student work • Art (other local assessments until next iteration is available) • English Learners making yearly progress (AMAO 1) • English Learners achieving proficiency in English (AMAO 2) • Reclassification Rate	Increase students scoring Proficient and above on the CCSS/SBAC benchmark English language arts and Mathematics scores established in 2014-15	All	All		The percentage of students who demonstrate grade-level proficiency in ELA (literacy and writing) and Math will increase by 5% The percentage of students who demonstrate grade-level proficiency in ELA (literacy and writing) and Math will increase by 5% The percentage of students who will advance one language proficiency level per year, as measured by the CELDT will increase by 5%. The percentage of students reclassified will increase by 5% each year.	The percentage of students who demonstrate grade-level proficiency in ELA (literacy and writing) and Math will increase by 5% The percentage of students who demonstrate grade-level proficiency in ELA (literacy and writing) and Math will increase by 5% The percentage of students who will advance one language proficiency level per year, as measured by the CELDT will increase by 5%. The percentage of students reclassified will increase by 5% each year.	The percentage of students who demonstrate grade-level proficiency in ELA (literacy and writing) and Math will increase by 5% The percentage of students who demonstrate grade-level proficiency in ELA (literacy and writing) and Math will increase by 5% The percentage of students who will advance one language proficiency level per year, as measured by the CELDT will increase by 5%. The percentage of students reclassified will increase by 5% each year.	Pupil achievement
Need: To achieve or maintain school attendance rates that support student learning (Student attendance rate).	Increase annually the percent of students attending 173 - 180 days.	All; Socioeconomically disadvantaged	All		Attendance Daily Average rate of at least 95% Chronic Absenteeism will decrease by 5%	Attendance Daily Average rate of at least 95% Chronic Absenteeism will decrease by 5%	Attendance Daily Average rate of at least 95% Chronic Absenteeism will decrease by 5%	Pupil engagement

Month 11 - 93.49%) Metric: • Attendance Rate • Chronic Absenteeism Rate								
Need: To decrease number of suspensions and expulsions each year (School Climate Data - 5% decrease) Metric: • Suspension/Expulsion Rates	Number of suspensions/expulsions will decrease each year.	All	All		Suspensions/expulsions will decrease by 5% each year.	Suspensions/expulsions will decrease by 5% each year.	Suspensions/expulsions will decrease by 5% each year.	School climate
Need: To provide a broad course of study (survey data - 95% of Parent Responses indicated need for a broad course of study) Metric: • Student participation in enrichment programs offered during the school day and/or after school program • Survey Data	Provide enrichment opportunities to foster the holistic well-being of the child as well as expanding interdisciplinary learning for students.	All	All		100% of students participate in 1 enrichment program, at minimum.	100% of students participate in 1 enrichment program, at minimum.	100% of students participate in 1 enrichment program, at minimum.	Course access

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Section 3: Actions, Services, and Expenditures

For school districts, Education Code sections 52060 and 52061, for county offices of education, Education Code sections 52066 and 52067, and for charter schools, Education Code section 47606.5 require the LCAP to include a description of the specific actions an LEA will take to meet the goals identified. Additionally Education Code section 52064 requires a listing and description of the expenditures required to implement the specific actions.

Instructions: Identify annual actions to be performed to meet the goals described in Section 2, and describe expenditures to implement each action, and where these expenditures can be found in the LEA's budget. Actions may describe a group of services that are implemented to achieve identified goals. The actions and expenditures must reflect details within a goal for the specific subgroups identified in Education Code section 52052, including pupils with disabilities, and for specific school sites as applicable. In describing the actions and expenditures that will serve low-income, English learner, and/or foster youth pupils as defined in Education Code section 42238.01, the LEA must identify whether supplemental and concentration funds are used in a districtwide, schoolwide, countywide, or charterwide manner. In the annual update, the LEA must describe any changes to actions as a result of a review of progress. The LEA must reference all fund sources used to support actions and services. Expenditures must be classified using the California School Accounting Manual as required by Education Code sections 52061, 52067, and 47606.5.

Guiding Questions:

1) What actions/services will be provided to all pupils, to subgroups of pupils identified pursuant to Education Code section 52052, to specific school sites, to English learners, to low-income pupils, and/or to foster youth to achieve goals identified in the LCAP?
2) How do these actions/services link to identified goals and performance indicators?
3) What expenditures support changes to actions/services as a result of the goal identified? Where can these expenditures be found in the LEA's budget?
4) In the annual update, how have the actions/services addressed the needs of all pupils and did the provisions of those services result in the desired outcomes?
5) In the annual update, how have the actions/services addressed the needs of all subgroups of pupils identified pursuant to Education Code section 52052, including, but not limited to, English learners, low-income pupils, and foster youth; and did the provision of those actions/services result in the desired outcomes?
6) In the annual update, how have the actions/services addressed the identified needs and goals of specific school sites and did the provision of those actions/services result in the desired outcomes?
7) In the annual update, what changes in actions, services, and expenditures have been made as a result of reviewing past progress and/or changes to goals?

A. What annual actions, and the LEA may include any services that support these actions, are to be performed to meet the goals described in Section 2 for ALL pupils and the goals specifically for subgroups of pupils identified in Education Code section 52052 but not listed in Table 3B below (e.g., Ethnic subgroups and pupils with disabilities)? List and describe expenditures for each fiscal year implementing these actions, including where these expenditures can be found in the LEA's budget.

Goal	Related State and Local Priorities (Identify specific state priority. For districts and COEs, all priorities in statute must be included and identified; each goal may be linked to more than one priority if appropriate.)	Actions and Services	Level of Service	Annual Update: Review of actions/ services	What actions are performed or services provided in each year (and are projected to be provided in years 2 and 3)? What are the anticipated expenditures for each action (including funding source)?		
					LCAP Year Year 1: 2014-15	Year 2: 2015-16	Year 3: 2016-17
Maintain the appropriate assignment of highly qualified teachers.	Basic	Provide highly qualified teachers and instructional staff. - Fully credentialed staff - New teachers participate in BTSA	School-Wide		Teachers and Instructional Staff: $1,150,000 **Funding Source:** LCFF	Teachers and Instructional Staff: $1,150,000 **Funding Source:** LCFF	Teachers and Instructional Staff: $1,150,000 **Funding Source:** LCFF
Provide pupil access to standards aligned instructional materials.	Basic	Textbooks and Instructional Materials	School-Wide		Textbooks: $100,000 **Funding Source:** LCFF	Textbooks: $100,000 **Funding Source:** LCFF	Textbooks: $100,000 **Funding Source:** LCFF
Maintain school facilities in good repair	Basic	Rent, Maintenance, Building and Safety	School-Wide		Facilities: $500,000 **Funding Source:** LCFF	Facilities: $500,000 **Funding Source:** LCFF	Facilities: $500,000 **Funding Source:** LCFF
Implement the academic content and performance standards adopted by SBE and provide services that will enable English learners to access Common Core academic content standards and the English Language	Implementation of State Standards	Access to Common Core aligned curriculum and materials, Access to Technology, Field Trips, Arts Integration, Accelerated Reader, Professional	School-Wide		Technology, Professional Development to Teachers and Instructional Staff: $200,000 **Funding Source:**	Technology, Professional Development to Teachers and Instructional Staff: $200,000 **Funding Source:**	Technology, Professional Development to Teachers and Instructional Staff: $200,000 **Funding Source:**

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Development Standards.		Development to Teachers and Instructional Staff Students with disabilities participate in general education to the maximum extent possible. Educational needs in ELA are driven by IEP goals for each student. Centralized programs are available for placement of students with severe special needs who require specialized services.			LCFF	LCFF	LCFF
Increase percentage of parents trained on academic initiatives by providing a minimum of three workshops annually	Parent Involvement	Services for All Students: Provide parent training, learning opportunities and workshops; topics may include: Supporting Common Core State Standards, literacy at home, positive discipline, homework help, EL Master Plan, requirements and monitoring, and provide parents notification of student ELD placement, progress and reclassification 10% of Common Core State Standards funds for parent involvement in the implementation of Common Core State	School-Wide		$12,000 **Funding Source:** LCFF	: $12,000 **Funding Source:** LCFF	: $12,000 **Funding Source:** LCFF

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		Standards.					
Increase students scoring Proficient and above on the CCSS/SBAC benchmark English language arts and mathematics scores established in 2014-15	Pupil achievement	Purchasing of Local Assessments, Data Management & Assessment Software	School-Wide		Local Assessments, Data Management & Assessment Software: $40,000 **Funding Source:** LCFF	Local Assessments, Data Management & Assessment Software: $40,000 **Funding Source:** LCFF	Local Assessments, Data Management & Assessment Software: $40,000 **Funding Source:** LCFF
Increase annually the percent of students attending 175 - 180 days.	Pupil engagement	Attendance Awards & Recognition Assemblies, Ceremonies, School Spirit Events	School-Wide		: $15,000 **Funding Source:** LCFF	: $15,000 **Funding Source:** LCFF	: $15,000 **Funding Source:** LCFF
Number of suspensions/expulsions will decrease each year.	School climate	Professional Development on topics including: Positive Discipline, Student Engagement, Alternatives to Suspension	School-Wide		: $10,000 **Funding Source:** LCFF	: $10,000 **Funding Source:** LCFF	: $10,000 **Funding Source:** LCFF
Provide enrichment opportunities to foster the holistic well being of the child as well as expanding interdisciplinary learning for students	Course access	Summer School, Foreign Language Classes, Access to Science Technology Engineering Arts and Mathematics (STEAM) Programs, Character Enrichment Programs which may include: Book Clubs, Doctors' Club, Grammar Club, Mock Trial, Student Council	School-Wide		Summer School Staff, Summer School Teachers, Foreign Language Teacher, Science Teacher, Technology Teacher, Arts Teacher: $200,000 **Funding Source:** LCFF	Summer School Staff, Summer School Teachers, Foreign Language Teacher, Science Teacher, Technology Teacher, Arts Teacher: $200,000 **Funding Source:** LCFF	Summer School Staff, Summer School Teachers, Foreign Language Teacher, Science Teacher, Technology Teacher, Arts Teacher: $200,000 **Funding Source:** LCFF

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B. Identify additional annual actions, and the LEA may include any services that support these actions, above what is provided for all pupils that will serve low income, English learner, and/or foster youth pupils as defined in Education Code section 42238.01 and pupils redesignated as fluent English proficient. The identified actions must include, but are not limited to, those actions that are to be performed to meet the targeted goals described in Section 2 for low-income pupils, English learners, foster youth and/or pupils redesignated as fluent English proficient (e.g., not listed in Table 3A above). List and describe expenditures for each fiscal year implementing these actions, including where those expenditures can be found in the LEA's budget.

Goal (Include and identify all goals from Section 2)	Related State and Local Priorities (from Section 2)	Actions and Services	Level of Service (Indicate if school-wide or LEA-wide)	Annual Update: Review of actions/ services	What actions are performed or services provided in each year (and are projected to be provided in years 2 and 3)? What are the anticipated expenditures for each action (including funding source)?		
					LCAP Year Year 1: 2014-15	Year 2: 2015-16	Year 3: 2016-17
Maintain the appropriate assignment of highly qualified teachers.	Basic	Low income pupils; Foster youth; English learners; Redesignated fluent English proficient pupils: Provide and maintain highly qualified teachers	School-Wide		Teachers and Instructional Staff: $1,150,000 **Funding Source:** LCFF	Teachers and Instructional Staff: $1,150,000 **Funding Source:** LCFF	Teachers and Instructional Staff: $1,150,000 **Funding Source:** LCFF
Provide pupil access to standards-aligned instructional materials.	Basic	Low income pupils; Foster youth; English learners; Redesignated fluent English proficient pupils: Provide pupil access to standards-aligned instructional materials.	School-Wide		Textbooks: $100,000 **Funding Source:** LCFF	Textbooks: $100,000 **Funding Source:** LCFF	Textbooks: $100,000 **Funding Source:** LCFF
Maintain school facilities in good repair	Basic	Low income pupils; Foster youth; English learners; Redesignated fluent English proficient pupils: Provide adequate space for instruction and services.	School-Wide		Textbooks: $100,000 **Funding Source:** LCFF	Textbooks: $100,000 **Funding Source:** LCFF	Textbooks: $100,000 **Funding Source:** LCFF

Implement the academic content and performance standards adopted by CDE and provide services that will enable English learners to access Common Core academic content standards and the English Language Development Standards.	Implementation of State Standards	Low income pupils: Provide additional supports to increase student achievement. Supports include staffing, professional development augmentations and recruitment and retention enhancements. Also includes new teacher support and assistance (BTSA).	School-Wide		Staffing, PD: $20,000 **Funding Source:** LCFF	Staffing, PD: $20,000 **Funding Source:** LCFF	Staffing, PD: $20,000 **Funding Source:** LCFF
Implement the academic content and performance standards adopted by CDE and provide services that will enable English learners to access Common Core academic content standards and the English Language Development Standards.	Implementation of State Standards	English learners: Implementation of the Elementary English Learner Master Plan	School-Wide		ELD Program: $70,000 **Funding Source:** LCFF	ELD Program: $70,000 **Funding Source:** LCFF	ELD Program: $70,000 **Funding Source:** LCFF
Implement the academic content and performance standards adopted by CDE and provide services that will enable English learners to access Common Core academic content standards and the English Language Development Standards.	Implementation of State Standards	Foster youth: Foster Youth Support Plan including augmentations to counselors, psychiatric social workers, psychologists, and pupil services & attendance counselors specifically supporting foster youth. Individualized Learning Plan for each foster	School-Wide		Counselors, Social Workers, Psychologists: $25,000 **Funding Source:** LCFF	Counselors, Social Workers, Psychologists: $25,000 **Funding Source:** LCFF	Counselors, Social Workers, Psychologists: $25,000 **Funding Source:** LCFF

		student.					
Implement the academic content and performance standards adopted by SBE and provide services that will enable English learners to access Common Core academic content standards and the English Language Development Standards.	Implementation of State Standards	Redesignated fluent English proficient pupils: See English Learner: Actions and Services are located in the English Learner section above and services provide a multi-tiered system of supports for English Learners and struggling readers, inclusive of redesignated fluent English proficient students (RFEPS)	School-Wide		ELD Program: $70,000 **Funding Source:** LCFF	ELD Program: $70,000 **Funding Source:** LCFF	ELD Program: $70,000 **Funding Source:** LCFF
Implement the academic content and performance standards adopted by SBE and provide services that will enable English learners to access Common Core academic content standards and the English Language Development Standards	Implementation of State Standards	Low income pupils; Foster youth; English learners; Redesignated fluent English proficient pupils; Services serving All unduplicated populations above: Ensuring the Success of Students with Disabilities: General Fund Support for Special Education services serving all students, inclusive of unduplicated students	School-Wide		Technology, Professional Development to Teachers and Instructional Staff: $200,000 **Funding Source:** LCFF	Technology, Professional Development to Teachers and Instructional Staff: $200,000 **Funding Source:** LCFF	Technology, Professional Development to Teachers and Instructional Staff: $200,000 **Funding Source:** LCFF
Increase percentage of parents trained on academic initiatives by	Parent Involvement	Low income pupils; Foster youth; English learners;	School-Wide		Allocation of funding to school sites, leveraged	Allocation of funding to school sites, leveraged	Allocation of funding to school sites, leveraged

providing a minimum of three workshops annually.		Redesignated fluent English proficient pupils: Provide more resources to support parent engagement at the local level: Increase parental engagement, training, and workshops			with other funding sources to improve engagement, training and workshops : $100,000 **Funding Source:** LCFF	with other funding sources to improve engagement, training and workshops.: $100,000 **Funding Source:** LCFF	with other funding sources to improve engagement, training and workshops.: $100,000 **Funding Source:** LCFF
Increase students scoring Proficient and above on the CCSS/SBAC benchmark English language arts and Mathematics scores established in 2014-15	Pupil achievement	Low income pupils; Foster youth: For low SES pupils: -Resource employee to assist in social/emotional development and provide additional counseling - Additional tutoring, Instructional Assistant - Provide necessary school supplies	School-Wide		Staffing and Materials: $30,000 **Funding Source:** LCFF	Staffing and Materials: $30,000 **Funding Source:** LCFF	Staffing and Materials: $30,000 **Funding Source:** LCFF
Increase students scoring Proficient and above on the CCSS/SBAC benchmark English language arts and Mathematics scores established in 2014-15	Pupil achievement	English learners; Redesignated fluent English proficient pupils: For English learners: - Provide additional tutoring as needed to increase student achievement in ELA and math. - ELD Curriculum - Technology and software support	School-Wide		For English learners: - Provide additional tutoring as needed to increase student achievement in ELA and math. - ELD Curriculum - Technology and software support: $35,000 **Funding Source:** General Funds	For English learners: - Provide additional tutoring as needed to increase student achievement in ELA and math. - ELD Curriculum - Technology and software support: $35,000 **Funding Source:** General Funds	For English learners: - Provide additional tutoring as needed to increase student achievement in ELA and math. - ELD Curriculum - Technology and software support: $35,000 **Funding Source:** General Funds
Number of suspensions/expulsions will decrease each year.	School climate	Low income pupils; Foster youth; English learners;	School-Wide		Providing socio-behavioral, psychiatric,	Providing socio-behavioral, psychiatric,	Providing socio-behavioral, psychiatric,

		Redesignated fluent English proficient pupils: Focus on School Climate at campuses of highest need, based on unduplicated student concentrations.			behavioral and other supports. Staffing augmentations include Psychiatric Social Workers Psychologists Nurses Restorative Justice Counselors Occupational and Physical Therapists Speech & Language Therapists Admin: $250,000 **Funding Source:** LCFF	behavioral and other supports. Staffing augmentations include Psychiatric Social Workers Psychologists Nurses Restorative Justice Counselors Occupational and Physical Therapists Speech & Language Therapists Admin: $250,000 **Funding Source:** LCFF	behavioral and other supports. Staffing augmentations include Psychiatric Social Workers Psychologists Nurses Restorative Justice Counselors Occupational and Physical Therapists Speech & Language Therapists Admin: $250,000 **Funding Source:** LCFF
Provide enrichment opportunities to foster the holistic well being of the child as well as expanding interdisciplinary learning for students.	Course access	Low income pupils: Provide access to character education programs	School-Wide		Character Education Programs: $80,000 **Funding Source:** LCFF	Character Education Programs: $80,000 **Funding Source:** LCFF	Character Education Programs: $80,000 **Funding Source:** LCFF
Provide enrichment opportunities to foster the holistic well being of the child as well as expanding interdisciplinary learning for students.	Course access	English learners: Provide additional English Language Development Classes	School-Wide		English Language Development Classes: $12,000 **Funding Source:** LCFF	English Language Development Classes: $12,000 **Funding Source:** LCFF	English Language Development Classes: $12,000 **Funding Source:** LCFF
Provide enrichment opportunities to foster the holistic well-being of the child as well as expanding interdisciplinary learning for students.	Course access	Foster youth: Provide workshops for building socials skills and self-esteem	School-Wide		Social Skills and Self-Esteem Building Programs: $12,000 **Funding Source:** LCFF	Social Skills and Self-Esteem Building Programs: $12,000 **Funding Source:** LCFF	Social Skills and Self-Esteem Building Programs: $12,000 **Funding Source:** LCFF
Provide enrichment opportunities to foster the holistic well being of the child as well as expanding	Course access	Redesignated fluent English proficient pupils: Provide Literacy	School-Wide		Literacy and Grammar Classes: $12,000	Literacy and Grammar Classes: $12,000	Literacy and Grammar Classes: $12,000

...ntensive disciplinary learning for students.	and Grammar Classes		Funding Source: LCFF	Funding Source: LCFF	Funding Source: LCFF	

C. Describe the LEA's increase in funds in the LCAP year calculated on the basis of the number and concentration of low income, foster youth, and English learner pupils as determined pursuant to 5 CCR 15496(a)(5). Describe how the LEA is expending these funds in the LCAP year. Include a description of, and justification for, the use of any funds in a districtwide, schoolwide, countywide, or charterwide manner as specified in 5 CCR 15496. For school districts with below 55 percent of enrollment of unduplicated pupils in the district or below 40 percent of enrollment of unduplicated pupils at a school site in the LCAP year, when using supplemental and concentration funds in a districtwide or schoolwide manner, the school district must additionally describe how the services provided are the most effective use of funds to meet the district's goals for unduplicated pupils in the state priority areas. (See 5 CCR 15496(b) for guidance.)

For the 2014-15 LCAP year Wisdom Academy for Young Scientists is receiving approximately $3,575,405 in Supplemental and Concentration funds. The increased funds have been allocated to school sites to support the actions and services identified in the LCAP. For each school-wide action or service a description and justification of the use has been provided. Due to the nature of our personalized learning program, an intervention specialist will enhance our ability to individualize the intervention process. Further, we have established funds for low-income students to provide additional academic tutoring or other supports as needed. We believe that this approach will have the greatest impact on our low-income population. These funds will directly support our SES population through ELA and Math. Ensure high quality teachers for all students - A portion of the funding is allocated to provide increased compensation to teachers. Providing competitive salaries ensures Wisdom Academy for Young Scientists' ability to attract and retain high quality teachers. This also includes providing comprehensive professional development for teachers.

WAYS000328

D. Consistent with the requirements of 5 CCR 15496, demonstrate how the services provided in the LCAP year for low income pupils, foster youth, and English learners provide for increased or improved services for these pupils in proportion to the increase in funding provided for such pupils in that year as calculated pursuant to 5 CCR 15496(a)(7). Identify the percentage by which services for unduplicated pupils must be increased or improved as compared to the services provided to all pupils in the LCAP year as calculated pursuant to 5 CCR 15496(a). An LEA shall describe how the proportionality percentage is met using a quantitative and/or qualitative description of the increased and/or improved services for unduplicated pupils as compared to the services provided to all pupils.

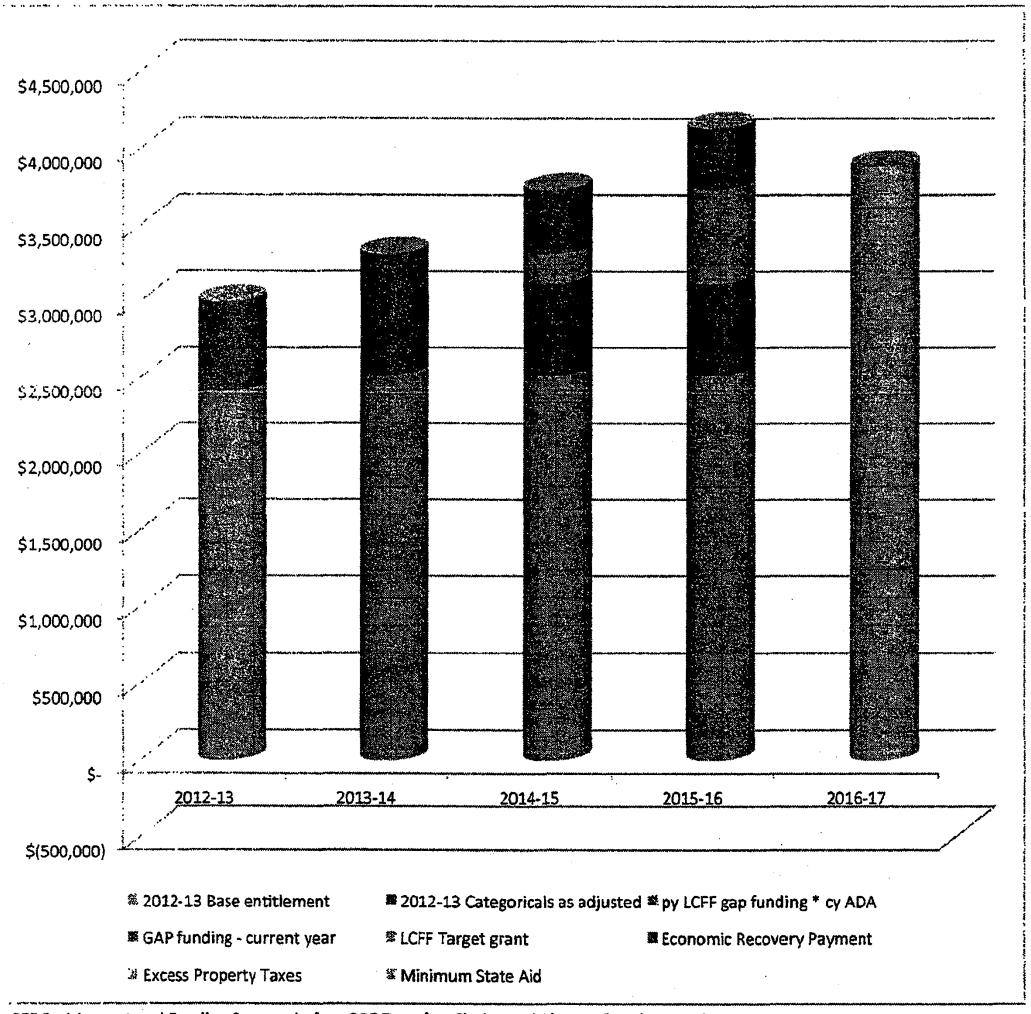
NOTE: Authority cited: Sections 42238.07 and 52064, Education Code. Reference: Sections 2574, 2575, 42238.01, 42238.02, 42238.03, 42238.07, 47605, 47605.5, 47606.5, 48926, 52052, 52060-52077, and 64001, Education Code; 20 U.S.C. Section 6312.

Wisdom Academy for Young Scientists

5/1/14

LOCAL CONTROL FUNDING FORMULA

	2012-13	2013-14	2014-15	2015-16	2016-17
Excess Property Taxes	$ -	$ (0)	$ 0	$ (0)	$ 0
Minimum State Aid	$ -	$ -	$ -	$ -	$ -
Economic Recovery Payment	$ -	$ -	$ -	$ -	$ -
LCFF Target grant	$ -	$ -	$ -	$ -	$ 3,881,012
GAP funding - current year	$ -	$ 194,409	$ 419,924	$ 400,394	$ -
py LCFF gap funding * cy ADA	$ -	$ -	$ 194,409	$ 614,333	$ -
2012-13 Categoricals as adjusted	$ 584,922	$ 602,958	$ 602,958	$ 602,958	$ -
2012-13 Base entitlement	$ 2,410,489	$ 2,515,614	$ 2,515,614	$ 2,515,614	$ -
Total General Purpose Funding	$ 2,995,411	$ 3,312,982	$ 3,732,906	$ 4,133,300	$ 3,881,012
Calculator tab: Recap total LCFF	$ 2,995,411	$ 3,312,982	$ 3,732,906	$ 4,133,300	$ 3,881,012
Proof	TRUE	TRUE	TRUE	TRUE	TRUE
P2 ADA	469.82	490.31	490.31	490.31	490.31

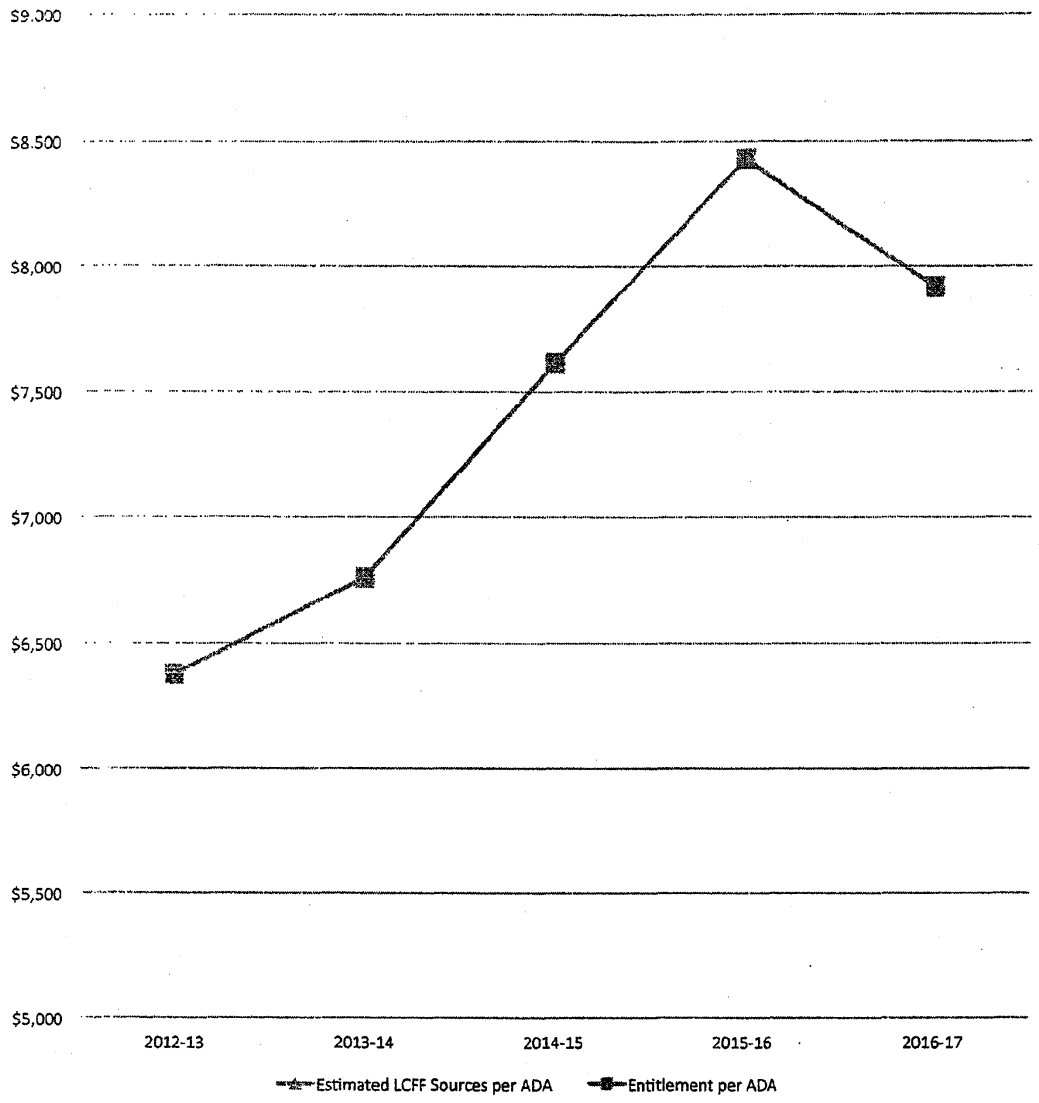


LCFF Entitlement and Funding Sources before COE Transfer, Choice and Charter Supplemental

LCFF Entitlement per ADA

	2012-13	2013-14	2014-15	2015-16	2016-17
ADA	469.82	490.31	490.31	490.31	490.31
Estimated LCFF Sources per ADA	$ 6,375.66	$ 6,756.91	$ 7,613.36	$ 8,429.97	$ 7,915.42
Net Change per ADA		$ 381.26	$ 856.45	$ 816.61	$ (514.55)
Net Percent Change		5.98%	12.68%	10.72%	-6.10%

Wisdom Academy for Young Scientists					5/1/14
LOCAL CONTROL FUNDING FORMULA					
Estimated LCFF Entitlement per ADA	$ 6,375.66	$ 6,756.91	$ 7,613.36	$ 8,429.97	$ 7,915.42
Net Change per ADA		$ 381.26	$ 856.45	$ 816.61	$ (514.55)
Net Percent Change		5.98%	12.68%	10.73%	-6.10%

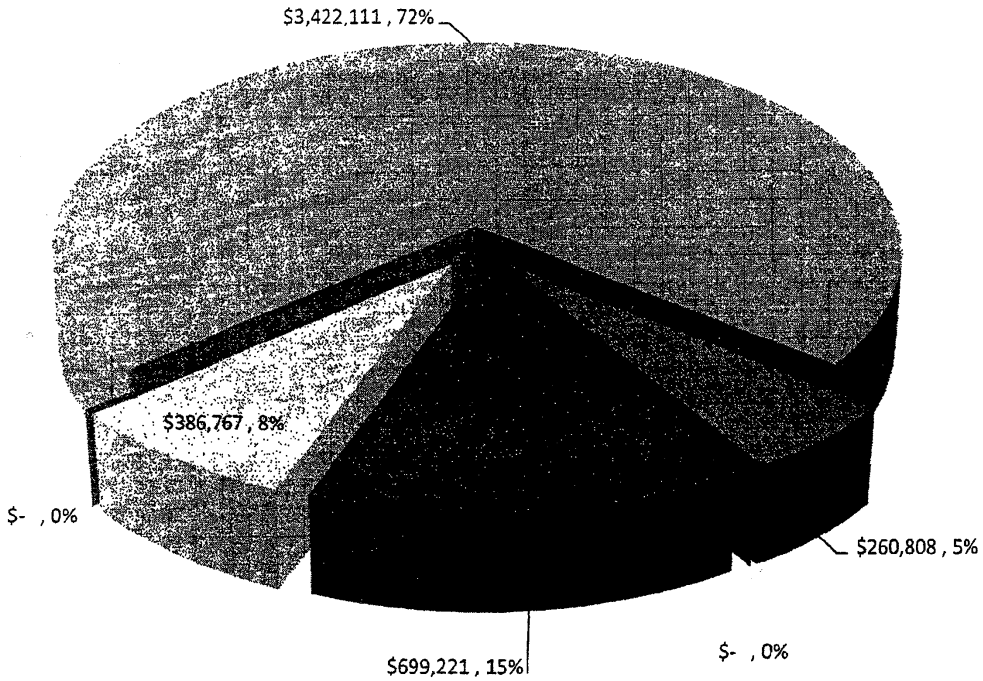


Components of LCFF Target Entitlement

Base Grant	$	3,422,111
K-3 Grade Span Adjustment	$	260,808
9-12 Grade Span Adjustment	$	-
Supplemental Grant	$	699,221
Concentration Grant	$	386,767
Add-ons (TIIBG & Transportation)	$	-
Total	$	4,768,907

d February 10, 2014

Wisdom Academy for Young Scientists	5/1/14
LOCAL CONTROL FUNDING FORMULA	



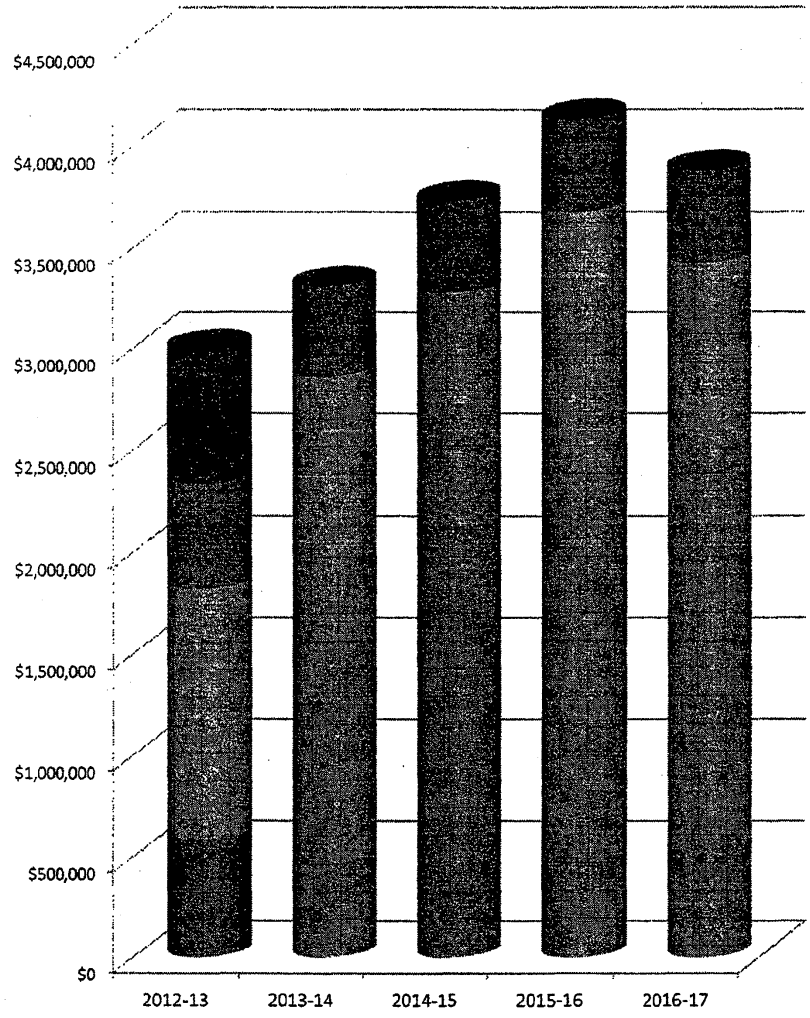
- Base Grant
- K-3 Grade Span Adjustment
- 9-12 Grade Span Adjustment
- Supplemental Grant
- Concentration Grant
- Add-ons (TIIBG & Transportation)

Summary of Funding	2013-14	2014-15	2015-16	2016-17
Target	$ 4,768,907	$ 4,810,037	$ 4,912,270	$ 3,881,012
Floor	3,118,572	3,312,981	3,732,905	4,133,299
CY Gap Funding	194,409	419,924	400,394	-
ERT	-	-	-	-
Minimum State Aid	-	-	-	-
otal Phase-In Entitlement	**$ 3,312,982**	**$ 3,732,906**	**$ 4,133,300**	**$ 3,881,012**

Components of LCFF By Object Code	2012-13	2013-14	2014-15	2015-16	2016-17
8011 - State Aid	$ 1,236,110	$ 2,860,635	$ 3,280,559	$ 3,680,953	$ 3,428,665
8011 - Fair Share	-	-	-	-	-
8311 & 8590 - Categoricals	284,925				

Graphs

Wisdom Academy for Young Scientists					5/1/14
LOCAL CONTROL FUNDING FORMULA					
8012 - EPA	315,579	450,795	450,795	450,795	450,795
Local Revenue Sources					
8021 to 8048 - Property Taxes net of in-lieu	-	-	-	-	-
8096 - Charter's In-Lieu Taxes	658,800	1,552	1,552	1,552	1,552
TOTAL FUNDING	**$ 2,995,411**	**$ 3,312,982**	**$ 3,732,906**	**$ 4,133,300**	**$ 3,881,012**
Excess Taxes	$ -	$ (0)	$ 0	$ (0)	$ 0
EPA in excess to LCFF Funding	$ -	$ 0	$ (0)	$ 0	$ (0)



LCFF Entitlement	$ 2,995,411	$ 3,312,982	$ 3,732,906	$ 4,133,300	$ 3,881,012
Excess Taxes	-	(0)	0	(0)	0
Minimum EPA	-	0	-	0	-
Proof Total all Sources	$ 2,995,411	$ 3,312,982	$ 3,732,906	$ 4,133,300	$ 3,881,012
Graphs	TRUE	TRUE	TRUE	TRUE	TRUE

Wisdom Academy for Young Scientists	5/1/24
LOCAL CONTROL FUNDING FORMULA	

EXHIBIT 27

Meeting Date	Agenda	Minutes
4/30/2011	x	
6/30/2011	x	
8/1/2011	x	
8/10/2011	x	x
8/19/2011	x	
9/16/2011	x	
9/22/2011	x	
10/5/2011	x	(cancelled)
10/8/2011	x	x
10/14/2011	x	x
10/29/2011	x	x
11/3/2011	x	x
11/30/2011	x	x
12/15/2011	x	x
1/20/2012	x	x
2/29/2012	x	x
4/25/2012	x	x
5/24/2012	x	x
6/28/2012	x	x
7/31/2012		x
9/5/2012	x	
9/27/2012	x	x
10/26/2012		x
11/30/2012	x	(cancelled)
1/31/2013	x	x
2/28/2013	x	x
3/22/2013	x	x
4/25/2013	x	x
6/6/2013	x	x
7/26/2013	x	x
8/9/2013	x	(lack of quorum)
8/29/2013	x	x
9/26/2013	x	x
10/9/2013	x	(lack of quorum)
10/24/2013		x
1/30/2014	x	x
2/3/2014	x	x
2/27/2014	x	x
3/13/2014	x	x
3/27/2014	x	(lack of quorum)
4/3/2014	x	x
4/25/2014	x	
4/30/2014	x	
5/20/2014	x	
6/12/2014	x	
6/27/2014	x	(lack of quorum)

7/9/2014	x	
7/30/2014	x	

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Board of Directors Meeting ("Board")

Saturday, April 30, 2011
10:00 AM

I. Introductions to Board of Governance by community members present

A. **Call to Order:** The general board meeting of the governing board of Wisdom Academy for Young Scientists was called to order by President, Ms Loretta at10:30 am

B. **Roll Call:**

Present-Karen Haynes, Loretta McDonald, Adell Walker, Cathy Roby, Oliver Ortega, Parent Representative

Absent-Edward Cabil, Tamara Smith, Charletha Washington

Others in Attendance- Kewndra Okonkwo, Aleka Watson, Liby Eduarte, Helen Sellers, Jonathan Fields, Kandee Lewis, Dorothy Valenti, Alexandra Love, Cristina Santander, Parent, Daniel Santander, student, Ahmad McDaniel, Parent

II. **Adoption of Agenda:** Evaluation of Executive Director, Board of Directors, Administrative Staff approved at April 11 meeting added to agenda

III. **Reading of Minutes:** Minutes of the last meeting were read silently; motion to accept by Karen Haynes, seconded by Cathy Roby, motion carried to accept minutes as presented

A. **Communications:**

LACOE (Los Angeles County Office of Education)- WAYS' April 14th meeting with Charter Division took place at the County office. This was a "Question and Answer" Capacity session. Attendees included Alake Watson, Principal, Adell Walker, Board member, Kendra Okonkwo, Executive Director, Mr. Halilu, Bali Business Management, Loretta McDonald, Board President, Mr. Edward Cabil, Board member. Questions re: conflict of interest, assessment/evaluation, special education, and governance were the order of the day. Meeting lasted approximately 2 hours with Jan Isenberg and staff. Questions re: COI, curriculum, special education, governance and the charter petition were addressed.

Notice received from Innovations Charter Division (LAUSD, t.r. Porter) Oversight Team will visit the school during the week. Notice did not indicated for what purpose. School will be closed for spring break. Will notify Ms Porter of school being closed during proposed visit.

Notice to resign from the WAYS Board due to personal challenges at this time received from Ms Charletha Washington effective immediately.

Members of the WAYS Board, Executive Director and Principal visited Marcus Garvey Charter School to inspect as possible site for New Charter

B. Information Items:

Board Report: Ms Walker, board member, gave report on LACOE's capacity meeting with Jan Isenberg and team. The meeting was held at the county office and lasted approximately 2 hrs. Ms Walker felt the meeting was positive-many questions were asked as stated above. Board members present participated in answering the questions.

New Board Members: In attendance at the meeting are the following persons to join the WAYS governing board: Mr. Jonathan Fields, Ms Dorothy Valenti, Ms Kandee Lewis, and Ms Alexandria Love -- the future WAYS board members addressed the board and audience giving a brief synopsis of education, skill sets, expertise, experience and why they want to become apart of the WAYS family. Each potential member brings a wealth of educational experience, community knowledge, boardroom knowledge and experience, and fundraising acumen. The WAYS BOD and members present welcomed each individual with open arms.

Executive Director's Report: State of the organization –school is still operating well, going through the appeal process at LACOE. Tried one last time to appeal to LAUSD to continue the relationship (Authorizer)—met with new superintendent, Dr. Deasy ; was given information to proceed with appeal process at LACOE. Visit to Marcus Garvey School to inspect for possible site for new charter. School was visited previously by ED and board members. It is felt the Marcus Garvey School site is a good fit for WAYS' new charter. More information and meetings needed to confirm moving forward.

Principal's Report: Ms Alake stated state of the school is solid. Testing will begin soon and she feels the students are ready. Teachers have been working diligently to prepare students all year long. She feels confident the students will do their best on the STAR test. Parent Advocacy is where the school needs help. Parents come to school to see their kids perform—need to become more involved and engaged in their children's work at school and at home. The New Charter Petition is being written by principal and ED and will be submitted to LAUSD the following week,

IV. **Closed Session:** Closed session was called to order by President, Loretta McDonald at 12:47pm
The following items were discussed in closed session:

- Interim Executive Director
- Leadership Training (New Board Members)
- Corrective Action Plan of Executive Director

Closed session ended at 1:45 PM

V. The WAYS general board meeting called to regular session at 1: 55 PM by president, Loretta McDonald. The following actions were voted upon during the return to general session:

- Board approved Interviewing/Fingerprinting/Hiring of Mr. Michael Cureton as the Interim Executive Director
- Board Approved the Corrective Action Plan and Release of Executive Director
- Board Approved Leadership/Governance Training for new and returning Board members effective immediately

Wisdom Academy for Young Scientist
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Thursday, June 30, 2011
6:00pm

Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientist ("Charter School") welcomes your participation at the School's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the School in public. We are pleased that you are in attendance and hope that you will visit these meetings often. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided.

1. Agendas are available to all community members.
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communications".
3. "Oral communications" is set aside for members of the community to raise issues that are not specifically on the agenda. However, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.
4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak for up to (3) minutes when the Board discusses that item.
5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

I. Preliminary

A. Call to order
Meeting called to order by the Board President at _____

B. Salute the Flag

C. Roll Call **Present/Absent**

Edward Cabil	_____/_____
Jonathan Fields	_____/_____
Karen Haynes	_____/_____
Kandee Lewis	_____/_____
Alex Love	_____/_____
Loretta McDonald	_____/_____
Oliver Ortega	_____/_____
Cathy Roby	_____/_____
Tamara Smith	_____/_____
Adell Walker	_____/_____
Dorothy Valenti	_____/_____

Others in Attendance

Bali Business Management _____/_____
Michael Cureton _____/_____
Jason Okonkwo _____/_____
Alake Watson _____/_____

II. **Additions to the Agenda (Provisions of Emergency/Urgency)**

III. **Approval of Minutes**

Approval of the **June 16, 2011** board minutes. Board Secretary to provide one copy to each Board Member for Review

IV. **Communications**

A. Oral Communications: Non-Agenda items: individuals who have submitted a request to speak form will be allowed a three (3) minute presentation regarding non-agenda items. The Oral communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the board will not respond or take action regarding public presentations. However, the Board may give direction to staff members following a presentation.

V. **Information Items**

1. Board Report
   - Board Structure (# of members)
   - Board Schedule for 2011/2012 School Year
     - Day for Meeting
     - Time of Meeting
   - Contract with Executive Director

2. Parent/Teacher/Student Report

3. Executive Director's Report
   - LACOE Monitoring and Oversight Memorandum of Understanding
   - Salvation Army Property
   - Charter School National Conference
   - Line of Credit

4. Principal's Report
   - State of the School
   - Charter School National Conference
   - Payment for preparation of Charter Petition

5. Director of Operation's Report
   - Contract with Bali Business
   - New Property Lease Agreements for 2011/2012

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Monday, August 1, 2011
3:00 PM

I. **Instructions for Presentations to the Board by Members of the Community**

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.
5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call**

	Present/Absent
Edward Cabil	____/____
Karen Haynes	____/____
Loretta McDonald	____/____
Tamara Smith	____/____
Adell Walker	____/____
Alex Love	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Cathy Roby	____/____
Dorothy Velinti	____/____
Oliver Ortega	____/____

Others in Attendance

Michael Cureton	____/____
Alake Watson	____/____
Jason Okonkwo	____/____
Ball Business Management	____/____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the June 30, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- Board
- Parent/Teacher
- Executive Director
- Principal
- Director of Operations
- Business & Finance

VI. Closed Session

1. Bell Business Management Contract
2. Public Employment
   a. Principal
   b. School Administrative Secretary

VII. Action Items

1. Release of Current Board Secretary
2. Reinstatement of Previous Board Secretary
3. Approval of School Administrative Secretary Position
4. Approval of Principal Position and Hiring Process
5. Approval of Board Sergeant at Arms Position
6. Approval of Contract with Charter School Management Corporation
7. Approval of New Property Lease Agreement with The Salvation Army Slemon Family Youth and Community Center

VIII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IX. Meeting Adjourned at _____

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Tuesday, August 10, 2011
3:00 PM

I. **Instructions for Presentations to the Board by Members of the Community**

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. **Call to Order**
Meeting called to order by the Board President at _____

B. **Roll Call** **Present/Absent**

Edward Cabil	____/____
Karen Haynes	____/____
Loretta McDonald	____/____
Tamara Smith	____/____
Adell Walker	____/____
Alex Love	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Cathy Roby	____/____
Dorothy Velinti	____/____
Oliver Ortega	____/____

Others in Attendance

Michael Cureton	____/____
Alake Watson	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. **Additions to the Agenda (Provisions of emergency/Urgency)**

III. **Approval of Minutes**

Approval of the August 1, 2011, board minutes. Board Secretary to provide one copy to each Board Member to review

IV. **Oral Communications:** Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. **Information Item (All Reports)**

- Board
- Parent/Teacher
- Executive Director
- Principal
- Director of Operations
- Business & Finance

VI. **Closed Session**

- Approval of RPM Construction Contract
- Approve of Properties Lease Agreements with OCI for 706 E. Manchester Ave., Los Angeles, CA 90001 and 8778 S. Central Ave., Los Angeles, CA 90001
- Discuss Possible Move to New School Locations

Action Items

1. Approval of New Property Lease Agreement with Salvation Army Siemon Family Youth Center
2. Discussion of New Food Service Vendor and a New Auditor
3. Interview Top Four (4) Principal Candidates
4. Approval of Tamara Smith's Resignation
5. Evaluations of the Staff/Staff Credentials, Resumes and Job Descriptions
6. Board Notification Letter
7. Clarity Board Attendance Procedures

VII. **Future Agenda Items**

The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

RECEIVED
NOV 01 2011
LAUSD
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, August 18, 2011
3:00 PM

The Special Meeting of the WAYS Governing Board was held on Wednesday, August 10, 2011 at the school of Wisdom Academy for Young Scientists. This meeting was called to order by the President, Ms Alex Love, at 3:15 pm. In her seat was the President, Love and also seated was the Secretary, Walker.

Board members present: Ed Cabil, Adell Walker, Loretta McDonald, Alex Love, Cathy Roby, Oscar Ortega. **Board members absent**: Karen Haynes, Tamara Smith, Jonathan Fields, Kandee Lewis (excused absence) Dorothy Valenti

Approval of minutes: Minutes were read silently and pushed back for a quorum to approval. A quorum was reached at 3:35 PM. Minutes were moved with addition, seconded and motion carried.

Interview Process: moved up on agenda
Board interviewed Top four (4) Candidates (as ranked by administration) for Principal of new site—location - Salvation Army – prior to going into closed session. All four candidates were given equal time to address the board, and answer open-ended questions of the evaluation process. A multi comprehensive performance evaluation process– consisting of, "evaluation of written exercise, oral delivery, open-ended questions, and answers session took place. After each candidate interview a discussion relative to criteria and performance indicators were reviewed. A democratic process of voting on each candidate was conducted and the candidate receiving the highest number of votes in ranking order was submitted to administration as first, second, third, and fourth choice. Interviewing process ended.

Closed Session was called to order by the President, Love, at 4:14 PM. At 5:20 PM closed session ended.

Returned to Open Session at 5:30 PM

Oral Communication
Toyer McBride, guest, commented on one of the Candidates for Principal of the new school and why she should be elected. Victoria Hankins, Brenda Peaches, and Brian Sawyers, guests commented on the school being kept in the area. Armando Espinoza, guest, addressed the board relative to becoming a member.

Information Items (Reports)
Board: None
Parent/Teacher: Parent Orientation scheduled for August 22, 2011 at the new site on Central. Information to all parents will be posted on several mediums (website, flyers, etc)
Executive Director: LACOE approved Material Revision Request to expand to Salvation Army 2011-2012 school year. ED recommended approval of RPM Construction Management, Inc proposal made April 2011, at cost $57,900. Building and Improvement funds available $76,730. Additionally, recommended the board approve the final lease agreement with Salvation Army and consider approving the draft Property Lease Agreement for Manchester and Central Avenues with OCI. ED introduced top four Candidates for the Principal's position at the new site. A rating of the candidates was based on multi-screening criteria (written, oral performance, open-ended questioning, and interview).
Principal: Recruitment is top priority to achieve numbers at both sites. WAYS has an enrollment (based upon applications accepted) of 325 and at new site enrollment stands at 157. Currently seeking strong, credentialed teachers experienced working with children in an urban setting. Presently, offered two teachers positions for Kinder and expect to offer a third teacher position. Interview process will commence until all teachers are hired. Curriculum & Instruction materials—appointments made with two reps from textbook companies for review. The board was thanked for being willing to recommend new instructional materials for the school.
Director of Operations: Copy of the RPM construction Management Contract Proposal was submitted total cost $53,100. Requesting the board make a decision to commence project (ADA Upgrades) to be completed prior to school opening. We must comply with the orders to provide adequate disabled persons access to the facility to remain ADA compliant. A written report was submitted and further information can be viewed upon request.
Business & Finance: Budget status report given by Bali Business Management. A pupil estimate for new or significantly expanding charters (PENSEC) for 2011-2012 fiscal year was submitted. A statement of financial position of WAYS was presented by Bali Business Management giving a total assets accounting of $1,196,664. A statement of revenue and expenditures was submitted along with 2011-2012 budget. Applied for state facility grant to solve cash flow concerns. School can receive approx $500,000 in Oct. A Cash Flow Forecast was submitted showing income for 2011-2012 at $4,085,907. All written reports are available upon request.

Report Out
RPM Construction Contract – not approved at this meeting - moved to next board meeting pending further review
Property Lease Agreement with OCI for 706 E. Manchester and 8778 S. Central moved to next board meeting pending review
New school location moved to future agenda item pending research and evaluation and adoption of fundraising proposal

Action Items
New Property Lease Agreement with Salvation Army---**Approved**
Interview Top Four Principal Candidates -- **Approved**
Resignation of Tamara Smith -- **Approved**
Board Notification Letter -- **Approved Pending Bylaws amendments**
Clarify Board Attendance -- **Approved Pending Bylaws amendments**
Food Vendor -- **Approved**
New Auditor --

The board meeting of WAYS was adjourned at 6:30 PM.

_____ _____
Secretary of Board Date

_____ _____
President of Board Date

BoardAgenda-August192011

Wisdom Academy for Young Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors

Friday, August 19, 2011

3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1.
Agendas are available to all community members
2.
"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."
3.
"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.
4.
With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.
5.
Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.

A.
Call to Order
Meeting called to order by the Board President at _____

B.
Roll Call Present/Absent
Edward Cabil _____/_____
Karen Haynes _____/_____
Loretta McDonald _____/_____
Adell Walker _____/_____
Alex Love _____/_____
Kandee Lewis _____/_____
Jonathan Fields _____/_____
Cathy Roby _____/_____
Dorothy Velinti _____/_____
Oliver Ortega _____/_____

BoardAgenda-August192011

Others in Attendance

Michael Cureton _____/_____
Alake Watson _____/_____
Lawrence Wynder _____/_____
Jason Okonkwo _____/_____
Bali Business Management _____/_____

Page 1

II. Approval of Minutes
Approval of the August 10, 2011 board minutes. Board Secretary to provide one copy to each Board Member for
Review

III.
Oral Communications: Non-Agenda items-individuals who have submitted a request to speak form will be allowed
up to three (3) minutes presentation regarding non-agenda items. The Oral Communications segment of the meeting
will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or
take action regarding public presentations; however, the Board may give direction to staff members following a
presentation.
IV. Reports (All Reports submitted to Board in writing)
1. Board 2 min
2. Parent/Teacher 2 min
3. Executive Director 2 min
4. Principal 3 min
5. Director of Operations 3 min
6. Business & Finance 3 min
V. The Board will consider the appointment of Michael Cureton as real property negotiator
VI. The meeting will now convene to closed session to discuss th4e following matters described in Section VII.
VII. Closed Session
1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property:

706 Manchester Avenue
8778 S Central Avenue
Agency Negotiator: Michael Cureton

Negotiating Parties: Wisdom Academy for Young Scientists (WAYS)

Under Negotiation: price, terms of the agreement

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9:1:
1 CASE

VIII. PUBLIC SESSION
RECONVENE TO OPEN SESSION: The meeting was reconvened to open session at _____.

PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION (includes the vote or abstention of every member present)

Page 2

BoardAgenda-August192011

IX. Action Items
1. Approval of Lease Agreement for Salvation Army
2. Approval of New Curriculum (Language Arts-Science K-2)
3. Approval of Teacher Work Assignment Payment at Salvation Army
4. Approval of Volunteers Stipend for Salvation Army
5. Approval of RPM Contraction Contract
6. Approval of Board Policy & Procedures Manual
7. Approval of Board Committees--Fundraising & Board Development
8. Letter from Board member

VII. Future Agenda Items
The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

Page 2

Page 3

Wisdom Academy for Young Scientists
7651 S. Central Avenue
Los Angeles, CA 90001
General Meeting
Board of Directors
Friday, September 16, 2011
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at_____

B. Roll Call	**Present/Absent**
Edward Cabil	____/____
Karen Haynes	____/____
Loretta McDonald	____/____
Tamara Smith	____/____
Adell Walker	____/____
Alex Love	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Cathy Roby	____/____
Dorothy Velinti	____/____
Oliver Ortega	____/____
Others in Attendance	
Michael Cureton	____/____
Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the August 19, 2011 board minutes. Board Secretary to provide one copy to each Board Member for Review

IV. Information Item (All Reports)

1. Board
   a. Fundraising
   b. Letter from Board Member
   c. Annual CA Charter School Conference (February 27 – March 2, 2012)
   d. Facilities Grant Status – updates applications available on-line
   e. Annual Information Survey – due to CDE
   f. Class Size Reduction Application – Due September 28, 2012
2. Parent/Teacher
3. Executive Director
   a. LACOE Updates
   b. School Openings
   c. Curriculum and Instruction
4. Principal
   a. Professional Development
   b. Start of New School Year
5. Director of Operations
   a. Los Angeles Department of Building and Safety (LADBS) – Orders to Comply (OTC)
   b. Facilities Grant
   c. National School Lunch Program
   d. After-School Program
6. Business & Finance
   a. LACOE Monthly Report
   b. Status of WAYS Finance

V. Oral Communications: Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Closed Session

No Items

VII. Discussion Items/Action Items
1. Approval of Corporate Name Change
2. By-Laws – Term Limits/Amendments
3. Appointment of Two Board Committees (Fundraising and Board Development)
4. WAYS Board Policy and Procedures Manual
5. (Revised) Lease for 706 Manchester
6. STEM (How are these fields addressed in the curriculum moving forward)?

VII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Thursday, September 22, 2011
6:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at_____

B. Roll Call **Present/Absent**

Edward Cabil	____/____
Karen Haynes	____/____
Adell Walker	____/____
Alex Love	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Cathy Roby	____/____
Dorothy Velinti	____/____
Oliver Ortega	____/____

Others in Attendance

Michael Cureton	____/____
Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the August 16, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- **Board**
- **Executive Director**
- **Parent/Teacher**
- **Principals**
- **Director of Operations**
- **Business & Finance**

VI. Closed Session

1. Investigation of possible corruption/fraud amongst certain board members
2. Investigation of possible misuse of public funds amongst certain board members
3. Excessive exposure to litigation
4. Accusation of Discrimination against employee of WAYS
5. Settlement of previous Executive Director

VII. Discussion/Action Items

1. Release of Current Board Secretary
2. Restructuring of the board
3. Approval of Innovative Ways Academy
4. Approval of Change of the Legal Counsel Services as Retainer
5. Approval of Audit Account Charges by our previous legal counsel
6. Approval of ED resignation
7. Review of Daily Schedule

VIII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IX. Meeting Adjourned at _____

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Wednesday, October 5, 2011
5:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Edward Cabil	____/____
Karen Haynes	____/____
Adell Walker	____/____
Alex Love	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Cathy Roby	____/____
Dorothy Velinti	____/____
Oliver Ortega	____/____

Others in Attendance

Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the August 16, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- **Board**
- **Executive Director**
- **Parent/Teacher**
- **Principals**
- **Director of Operations**
- **Business & Finance**

VI. Closed Session

1. Investigation of possible corruption/fraud amongst certain board members
2. Investigation of possible misuse of public funds amongst certain board members
3. Excessive exposure to litigation
4. Accusation of Discrimination against employee of WAYS
5. Settlement of previous Executive Director

VII. Discussion/Action Items

1. Restructuring of the board
2. Approval of Board Members' Resignations
3. Approval of Innovative Ways Academy
4. Approval of Change of the Legal Counsel Services as Retainer
5. Approval of Audit Account Charges by our previous legal counsel
6. Approval of ED resignation

VIII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IX. Meeting Adjourned at _____

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Saturday, October 8, 2011
4:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by Board Member at _____

B. Roll Call **Present/Absent**

Edward Cabil	____/____
Karen Haynes	____/____
Adell Walker	____/____
Alex Love	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Cathy Roby	____/____
Dorothy Velinti	____/____
Oliver Ortega	____/____

Others in Attendance

Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. Discussion/Action Items

1. Approval of Board Members' Resignations
2. Restructuring of the board
3. Approval of ED resignation

III. Meeting Adjourned at _____

RECEIVED
OCT 0 1 2011
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Saturday, October 8, 2011 3:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Saturday, October 8, 2011 at the school of Wisdom Academy for Young Scientists. Board Member, Mr. Edward Cabil, seated in the place of Board Chair in the absence of the Board President and Vice President, called this meeting to order at 5:05pm.

II. All members and guest stood and saluted the flag.

III. Board Members Present : Edward Cabil, Karen Haynes, Dorothy Valenti.
Board Members Absent: Jonathan Fields and Kandee Lewis
Others in Attendance: Jason Okonkwo/Director of Operations, Hailu Haruna/Bali Business Management, and twelve (12) members of the community including parents of WAYS.

IV. There were no additions to the agenda.

V. Information Items (Reports)
Board:
   a. Board Members' Resignations – Several Board Members - including Cathy Roby, Adell Walker, Alex Love, and Oliver Ortega – submitted letters of resignation prior to the Board Meeting held on October 8, 2011 for various reasons. Therefore, there are now five (5) remaining active board members, and three (3) of the (5) active board members present constituted a quorum. Edward Cabil moved to accept the Board Members' resignation letters, Dorothy Valenti second the motion; 3/0 unanimous vote in favor accepting Board Members Resignations.
   b. Restructuring of the Board – Upon the resignation of the Board President, Treasurer, and Secretary, these offices become vacant and open for nominations. Edward Cabil moved to nominate Dorothy Valenti for Board President, Karen Haynes second the motion; 3/0 unanimous vote in favor electing Dorothy Valenti as Board President. Chairmanship then turned to Dorothy Valenti. Dorothy Valenti motioned to Nominate Karen Haynes for Board Secretary, Edward Cabil second the motion; 3/0 vote in favor of electing Karen Haynes as Board Secretary.
   c. Executive Director – Executive Director resignation as of September 30, 2011. Dorothy Valenti moved to accept the Executive Director's resignation, Karen Haynes second the motion; 3/0 unanimous vote in favor to accept the Executive Directors resignation.
   d. Dorothy Valenti made a recommendation that Edward Cabil resign as Board Member and serve as Interim Executive Director. Edward Cabil accepted the recommendation and vote of confidence for the position and proposed further discussion in a later Board Meeting.

VI. Action Items
   a. Acceptance of Board Members' Resignations – Approved
   b. Office Nomination and Election – Unanimous 3/0 favorable vote for Dorothy Valenti as Board President.
   c. Office Nomination and Election – Unanimous 3/0 favorable vote for Karen Haynes as Board Secretary.
   d. Executive Director Resignation - Approved

VII. **Installation of New Board Officers/Members**
   a. Board Officers were given the Oath of Office, in addition each Officer, President – Dorothy Valenti, Karen Haynes – Secretary, Cheryl Johnson – Board Member, Armando Espinoza – Board Member, and Norman Golden – Board Member, each accepted duties and responsibilities of the office held by raising right hand and swearing to abide.
   Transition of leadership took place immediately.

VIII. **Oral Communication**
   a. Prospective Board Members, Norman Golden, Cheryl Johnson, and Armando Espinoza addressed the Board stating their objectives and background.
   b. Parent of WAYS and community member stated that she as well as other parents are pleased with the actions and discussions that took place at the Board Meeting.

IX. The board meeting of WAYS was officially adjourned at 5:25 PM.

Secretary of Board — Date: 10-10-11

President of Board — Date: 10-14-11

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Friday, October 14, 2011
6:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and ADA compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Edward Cabil	____/____
Karen Haynes	____/____
Cheryl Johnson	____/____
Norman Golden	____/____
Kandee Lewis	____/____
Jonathan Fields	____/____
Armando Espinoza	____/____
Dorothy Velinti	____/____

Others in Attendance

Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the October 8, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Discussion/Action Items

1. Elect Board Treasurer
2. Procopio, Cory, Hargreaves & Savitch LLP – Assign Procopio to review and resolve conflicts of interest issues
3. Approval of Change of the Legal Counsel Services as Retainer
4. Approval of Legal Services Contact Persons
5. Board Training Schedule

6. Approval of Check Request Policy and Procedures
7. Approval of Board Member Resignation

VI. **Closed Session**

8. Approval of Interim Executive Director
9. Middleton, Young & Minney LLP (MYM) - Review legal charges and ethical violations.

VII. **Future Agenda Items**

The Board will consider items for future Board Meeting Agendas

VIII. **Meeting Adjourned at** _____

RECEIVED
NOV 04 2011
LAUSD
CHARTER SCHOOLS DIVISION

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, October 14, 2011 6:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Friday, October 14, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 6:23pm.
II. All members and guest stood and saluted the flag.
III. Board Members Present : Dorothy Valenti, Armando Espinoza, Norman Golden, Cheryl Johnson
Board Members Absent: Jonathan Fields, Karen Haynes, Kandee Lewis, Edward Cabil
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management. There were no additions to the agenda.
IV. Discussion/Action Items
Board:
   a. The Meeting Minutes for the October 8, 2011 Board Meeting, approved with no corrections.
   b. Elect Board Treasurer – Upon the resignation of the Board Treasurer this office became vacant and open for nomination. Dorothy Valenti moved to nominate Armando Espinoza for Board Treasurer, Cheryl Johnson second the motion; 4/0 unanimous Approval
   c. Procopio LLP to review and resolve the conflicts of interest issues. Moved to Closed Session.
   d. Cheryl Johnson moved to approve the change in legal services counsel as retainer. Norman Golden second the motion; 4/0 unanimous Approval.
   e. Approved Legal Services Contacts – Board President, Executive Director, and School Administrator upon authorization from ED. Norman Golden moved to approve the legal services contacts, Cheryl Johnson second the motion; 4/0 unanimous vote in favor of authorized legal services contact persons.
   f. Board Training Schedule moved to closed session
   g. Director of Operations informed the Board of a temporary solution to the check request procedure concern. Dorothy Valenti moved to approve the temporary check request procedure, Norman Golden second the motion; 4/0 unanimous Approval
   h. Board Member resignation – Board Member Edward Cabil submitted his resignation to the Board President, Dorothy Valenti moved to accept his resignation, Norman Golden second the motion; 4/0 unanimous Approval
V. Closed Session
   a. Called to Order at 6:45pm; Adjourned at 6:56pm
   b. Edward Cabil as Interim Executive Director – Unanimous 4/0 Approval.
   c. Review of MYM LLP charges and ethical violations. - Unanimous 4/0 Approval
   d. Procopio LLP to review and resolve the conflicts of interest issues. Unanimous 4/0 Approval
VI. Installation of New Board Officers/Members
VII. Oral Communication
VIII. Future Agenda Items
   a. No items presented at this time.
IX. The board meeting of WAYS was officially adjourned at 6:57 PM.

(Acting) Secretary of Board — Date 10/29/11

President of Board — Date 10/29/11

000716

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Saturday, October 29, 2011
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and ADA compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Karen Haynes	____/____
Cheryl Johnson	____/____
Norman Golden	____/____
Jonathan Fields	____/____
Armando Espinoza	____/____
Dorothy Valenti	____/____

Others in Attendance

Edward Cabil	____/____
Alake Watson	____/____
Lawrence Wynder	____/____
Jason Okonkwo	____/____
Bali Business Management	____/____

II. Additions to the Agenda (Provisions of emergency/Urgency)

III. Approval of Minutes

Approval of the October 14, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Discussion/Action Items

1. Approval of October 14, 2011 Board Meeting Minutes
2. Removal of previous Executive Director from all accounts associated with Wisdom Academy for Young Scientists
3. Approve new authorized bank account signatories.
4. Approval persons authorized to retrieve checks from LACOE
5. Approval of Board Member Resignation

VI. Closed Session

VII. Future agenda items
The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

NOV 09 2011

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Saturday, October 29, 2011 4:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Friday, October 14, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:52pm.
II. All members and guest stood and saluted the flag.
III. Board Members Present : Dorothy Valenti, Armando Espinoza, Norman Golden, Karen Haynes
Board Members Absent: Jonathan Fields, Cheryl Johnson
Others in Attendance: Jason Okonkwo, Edward Cabil
IV. Discussion/Action Items
Board:
   a. The Meeting Minutes for the October 14, 2011 Board Meeting, approved with no corrections.
   b. Removal of the previous Executive Director, from all accounts associated with Wisdom Academy for Young Scientists. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
   c. New authorized bank account signatories – Jason Okonkwo, Edward Cabil, Karen Haynes. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
   d. Persons authorized to retrieve checks from LACOE – Jason Okonkwo and Edward Cabil. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
   e. Acceptance of Board Member, Kandee Lewis, resignation. Karen Haynes moved to take a vote, Armando Espinoza second the motion 4/0 unanimous approval.
V. Closed Session
VI. Installation of New Board Officers/Members
VII. Oral Communication
VIII. Future Agenda Items
   a. No items presented at this time.
IX. The board meeting of WAYS was officially adjourned at 4:58 PM.

Secretary of Board — Date 11-3-2011

President of Board — Date 11-03-2011

Wisdom Academy for Young Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001

Board of Directors Meeting

Thursday, November 3, 2011
5:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and ADA compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Karen Haynes
Cheryl Johnson
Norman Golden
Jonathan Fields
Armando Espinoza
Dorothy Valenti

Others in Attendance
Edward Cabil
Alake Watson
Lawrence Wynder
Jason Okonkwo
Bali Business Management

II. **Additions to the Agenda (Provisions of emergency/Urgency)**

III. **Approval of Minutes**
Approval of the October 29, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. **Reports/Discussion**
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. **Oral Communications:** Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. **Discussion/Action Items**
1. Approval of Interim Executive Director's status to permanent.
2. Approval of 2010-11 SY Fiscal Audit

VII. **Closed Session**
1. Settlement of previous Executive Director.
2. Revisit Of Staff Contracts

VII. **Future agenda items**
The Board will consider items for future Board Meeting Agendas

VIII. **Meeting Adjourned at** _____

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, November 3, 2011 5:00 PM

I. The WAYS Governing Board Meeting was held on Thursday, November 3, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 5:30pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present**: Dorothy Valenti, Armando Espinoza, Norman Golden, Karen Haynes, Cheryl Johnson
Board Members Absent: Jonathan Fields
Others in Attendance: Jason Okonkwo, Edward Cabil, Alake Watson, Lawrence Wynder
IV. **Oral Communication/Reports**
a. Executive Director
i. Pleased with the student potential and teachers skills.
ii. Goal – to the school back to a 800+ API
iii. Achievement Plan – Innovative WAYS program introduced to help boost student achievement, Focus on grammar, reading, and writing.
Emphasis on integrating technology into the curriculum, and high levels of intellectual exposure.
b. Parent/Teacher
i. Request to be informed about Board Meetings.
ii. LACOE/MOU Compliance
iii. Supplies Requisition
iv. Request for "status" of Pay Structure/Scale
c. Principals Report
i. (Attached)
d. Director of Operations
i. (Attached)
e. Bell Business Management – Finance
i. (Attached)
V. **Discussion/Action Items**
Board:
a. Approval of the October 29, 2011, board minutes. - 5/0 unanimous approval.
b. Approval of Interim Executive Director to become permanent. - 5/0 unanimous approval.
c. Approval to embark on the 2010-11 SY Fiscal Audit. - 5/0 unanimous approval.
VI. **Closed Session**
a. Investigation of the settlement of the previous Executive Director - 5/0 unanimous approval.
VII. **Future Agenda Items**
a. Fundraising.
b. Facility Upgrade – HVAC System.
c. Possible Salary Schedule for Employees.
d. Hiring additional staff.
VIII. The board meeting of WAYS was officially adjourned at 7:30PM.

Secretary of Board — Date 11-30-11

President of Board — Date 11-30-11

000723

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Board of Directors Meeting
Cheesecake Factory
4142 Via Marina - Marina Del Rey, CA 90292
Wednesday, November 30, 2011
6:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Karen Haynes	_____/_____
Cheryl Johnson	_____/_____
Norman Golden	_____/_____
Jonathan Fields	_____/_____
Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____

Others in Attendance

Edward Cabil	_____/_____
Alake Watson	_____/_____
Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____
Ball Business Management	_____/_____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the November 3, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Ball Business Management - Finance**

V. Oral Communications: Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items
1. Fundraising
2. Recruitment and approval of additional Board Members
3. Submission and approval of Wells Fargo Loan Application

VII. Closed Session
1. Updates Regarding Settlement of Previous Executive Director
2. LACOE's request for Capacity Hearing

VII. Future agenda Items
The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

RECEIVED
DEC 27 2011
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
BOARD OF DIRECTORS MEETING
Thursday, November 30, 2011 6:00 PM

I. The WAYS Governing Board Meeting was held on Wednesday, November 30, 2011 at the Cheesecake Factory in Marina Del Ray, California. Board President, Dorothy Valenti, called this meeting to order at 7:05pm.

II. All members and guest stood and saluted the flag.

III. Board Members Present : Dorothy Valenti, Norman Golden, Karen Haynes, Cheryl Johnson
Board Members Absent: Jonathan Fields, Armando Espinoza
Others in Attendance: Haliiu Haruna, Jason Okonkwo, Edward Cabil, Eleanor Jones, Alake Watson, and Lawrence Wynder, WAYS Teachers

IV. Oral Communication/Reports
- a. Executive Director
  - i. Academics: Pleased to announce that after thorough observations, the innovative WAYS Program will guarantee that WAYS will be one of the leading schools in the nation.
  - ii. Finance: Talks with investors regarding loans to fund expansion and strengthening of our educational program.
  - iii. Fundraising: ESPN Fundraiser will help fund the purchase and implementation of the Reader Rabbit Program
  - iv. Achievement Plan: Innovative WAYS program introduced to help boost student achievement. Focus on grammar, reading, and writing.
    Emphasis on integrating technology into the curriculum, and high levels of intellectual exposure.
- b. Parent/Teacher
  - i. Academics: Introduction and description of strategies and techniques to boost student achievement.
  - ii. Requests: Salary Scale, Technology – Elmo Cameras, Computers, Updated Libraries.
  - iii. Fundraising: Willing to assist in any way.
- c. Principals Report
  - i. Academics: Evidence of learning amongst the students.
  - ii. Concerns: Technology – Acquisition of computers, and equipment to strengthen our technology component.
  - iii. Request: Response to the request made in the November 3, 2011 Board Meeting.
- d. Director of Operations
  - i. NSLP: Reimbursements – September - $28,658.07 , October – $35,313.89
- e. Bell Business Management – Finance
  - i. The school is in superb financial condition.
  - ii. Audit: The audit is proceeding flawlessly. It is due on December 15, 2011. I will present it to the Board for review and approval in the next Board Meeting.

V. Installation of New Board Officers/Members

VI. Discussion/Action Items
Board:
- a. Fundraising – moved to future Board Meeting
- b. Recruitment and approval of additional Board Members Submission and approval of Wells Fargo Loan Application – Eleanor Jones and Kweli Umojo, New Board Members– Approved 4/0 Decision

VII. Closed Session
- a. Updates Regarding Settlement of Previous Executive Director – moved to future Board Meeting
- b. LACOE's request for Capacity Hearing – moved to future Board Meeting

VIII. Future Agenda Items
- a. Response to teacher and principals report/request
- b. Submission and Approval of WF Loan Application

IX. The board meeting of WAYS was officially adjourned at 7:30PM.

Secretary of Board — 12/15/11 Date

President of Board — 12-15-11 Date

000727

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Thursday, December 15, 2011
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call

			Present/Absent
Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Jonathan Fields	_____/_____
Armando Espinoza	_____/_____	Dorothy Valenti	_____/_____
Eleanor Jones	_____/_____	Kweli Umojo	_____/_____

Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Ball Business Mgmt.	_____/_____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the November 30, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Ball Business Management - Finance**

V. Oral Communications: Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items
1. Submission and Approval of 2010 – 2011 School Year Fiscal Audit
2. Fundraising

VII. Closed Session
1. Updates Regarding Settlement of Previous Executive Director
2. Discussion and Denial of LACOE's request for Capacity Hearing
3. Discussion and Approval of Executive Director Contract
4. Discussion and Approval of Custodian Contract
5. Discussion about the response to teachers and principals requests made in the 11/3/11 Board Meeting.

VII. Future agenda items
The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
BOARD OF DIRECTORS MEETING
Thursday, December 15, 2011 4:00 PM

I. The WAYS Governing Board Meeting was held on Thursday, December 15, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:41pm.
II. All members and guest stood and saluted the flag.
III. Board Members Present: Dorothy Valenti, Armando Espinoza, Norman Golden, Cheryl Johnson, Eleanor Jones
Board Members Absent: Jonathan Fields, Kweli Umojo, Karen Haynes
Others in Attendance: Halilu Haruna, Jason Okonkwo, Edward Cabil, Alake Watson.
IV. Additions to the Agenda
   a. Discussion Response to Letter Date 11/28/11 from LACOE – Closed Session
   b. Discussion Regarding Employee Retro Salary– Closed Session.
V. Approval of 11/30/11 Minutes – Approved 5/0
VI. Oral Communication/Reports
   a. Executive Director
      i. Discussion regarding ESPN Fundraising.
      ii. Discussion regarding future land acquisition and development.
   b. Principals
      i. WAYS received a donation consisting of instructional materials from Crescendo Charter Schools. – WAYS Board will officially accept the donation from Crescendo in a future Board Meeting.
      ii. WAYS Board will officially add the approval of the LEA Plan to the agenda in a future Board Meeting.
   c. Director of Operations
   d. Bali Business Management – Finance
      i. Discussion regarding monthly fiscal reports submitted to LACOE
      ii. WAYS is superb fiscal health despite the series of State Funding deferrals.
      iii. Discussion regarding Wells Fargo Line of Credit
         1. WAYS Board considers the official approval of the Line of Credit from Wells Fargo in Future Board Meeting.
   e. Community Representative
      i. Thankful and supportive to the WAYS Board of Directors and staff for their commitment and service in the community.
VII. Installation of New Board Officers/Members
VIII. Discussion/Action Items
Board:
   a. Fundraising – moved to future Board Meeting
   b. Submission and Approval of 2010 – 2011 School Year Fiscal Audit – moved to future Board Meeting
IX. Closed Session
   a. Updates Regarding Settlement of Previous Executive Director – moved to future Board Meeting
   b. Discussion and Denial of LACOE's request for Capacity Hearing – Denied 5/0
   c. Discussion and Approval of Executive Director Contract – Approved 5/0
   d. Discussion and Approval of Custodian Contract – Approved 5/0
   e. Discussion about the response to teachers and principals requests made in the 11/3/11 Board Meeting. – Approved 5/0
X. Future Agenda Items
XI. The board meeting of WAYS was officially adjourned at 6:32PM.

Secretary of Board 1/20/12 Date

President of Board 1/20/12 Date

000729

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Friday, January 20, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call

			Present/Absent
Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Jonathan Fields	_____/_____
Armando Espinoza	_____/_____	Dorothy Valenti	_____/_____
Eleanor Jones	_____/_____	Kwell Umojo	_____/_____

Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Ball Business Mgmt.	_____/_____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the December 15, 2011, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Ball Business Management - Finance**

V. Oral Communications: Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items

VII. Closed Session
1. Real Estate – 100 E 49th Street, Los Angeles, Ca
2. Updates Regarding Settlement of Previous Executive Director
3. Updates Regarding Employee Compensation
4. Release of Employee Contract

VI. Future agenda items
The Board will consider items for future Board Meeting Agendas

VII. Meeting Adjourned at _____

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
BOARD OF DIRECTORS MEETING
Friday, January 20, 2012 4:00 PM

I. The WAYS Governing Board Meeting was held on Thursday, December 15, 2011 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:55pm.
II. All members and guest stood and saluted the flag.
III. Board Members Present: Dorothy Valenti, Armando Espinoza, Norman Golden, Cheryl Johnson, Eleanor Jones
Board Members Absent: Jonathan Fields, Kwell Umojo, Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Lawrence Wynder.
IV. Additions to the Agenda
V. Approval of 12/15/11 Minutes – Approved 5/0
VI. Oral Communication/Reports
  a. Executive Director
  b. Instructional Coach
  c. Principals
  d. Director of Operations
VII. Installation of New Board Officers/Members
VIII. Discussion/Action Items
Board:
IX. Closed Session
  a. Updates Regarding Settlement of Previous Executive Director – Updates in future Board Meeting
  b. Updates Regarding Employee Compensation – Updates future Board Meeting
  c. Real Estate – 100 E 49th Street, Los Angeles Ca – Updates in future Board Meetings
  d. Release of Employee Contract – Approved 5/0
X. Future Agenda Items
  a. Updates Regarding Settlement of Previous Executive Director – Updates in future Board Meeting
  b. Updates Regarding Employee Compensation – Updates future Board Meeting
  c. Updates Regarding Real Estate – 100 E 49th Street, Los Angeles Ca – Updates in future Board Meetings
XI. The board meeting of WAYS was officially adjourned at 6:20PM.

RECEIVED
MAR 07 2012
LACOE
CHARTER SCHOOLS OFFICE

Secretary of Board — Date 2/29/12
President of Board — Date 2-29-12

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Wednesday, February 29, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call

			Present/Absent
Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Jonathan Fields	_____/_____
Armando Espinoza	_____/_____	Dorothy Valenti	_____/_____
Eleanor Jones	_____/_____	Kweli Umojo	_____/_____

Others in Attendance

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Bali Business Mgmt.	_____/_____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the January 20, 2012, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

V. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items
a. Termination of Board Members: Jonathan Fields and Kweli Umojo.
b. Approval of Revised Employee Handbook
c. Approval of 2010-11SY Financial Audit

VII. Closed Session
a. Communication from LACOE
b. Real Estate – 100 E 49th Street, Los Angeles, Ca
c. Updates Regarding Settlement of Previous Executive Director
d. Updates Regarding Employee Compensation
e. Release of Employee Contract

VI. Future agenda items
The Board will consider items for future Board Meeting Agendas

VII. Meeting Adjourned at _____

RECEIVED
MAY X 4 2012
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Wednesday, February 29, 2012 4:00 PM

I. The Special Meeting of the WAYS Governing Board was held on Wednesday, February 29, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 6:31pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present**: Dorothy Valenti, Armando Espinoza, Eleanor Jones, Cheryl Johnson
Board Members Absent: Jonathan Fields, Karen Haynes, Kweli Umojo, Norman Golden,
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil
IV. **Additions to the Agenda**
    a. Approval of the Revised 2011-12 School Year Budget
V. **Discussion/Action Items**
    a. Revised 2011-12 School Year Budget – Approved
    b. Principal – Written Report Attached, narrated by Jason Okonkwo
    c. Halilu/Bali Business Management – Financial health and concerns. Request to add Revised Budget to Agenda, urgent.
    d. Revised 2011-12 School Year Budget – Approved 4/0 Unanimous.
    e. Termination of Board Members: Jonathan Fields and Kweli Umojo
    f. Approval of Revised Employee Handbook
    g. Approval of 2010-11SY Financial Audits.
VI. **Closed Session**
    a. Communication from LACOE – discussion only.
    b. Real Estate – 100 E 49th Street, Los Angeles, Ca – discussion only.
    c. Updates Regarding Settlement of Previous Executive Director – will be addressed as an action item in future board meeting.
    d. Updates Regarding Employee Compensation – will be addressed as an action item in future board meeting.
    e. Release of Employee Contract – Approved 4/0 Unanimous.
VII. **Oral Communication**
VIII. **Future Agenda Items**
    a. Bali Business Management Proposed Contract
IX. The board meeting of WAYS was officially adjourned at 8:57 PM.

Karen Haynes 4-25-12 Dorothy Valenti 4/25/12
Secretary of Board Date President of Board Date

000737

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Wednesday, April 25, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

RECEIVED
MAY 04 2012
LACOE
CHARTER SCHOOLS OFFICE

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call

	Present/Absent		Present/Absent
Karen Haynes	____/____	Cheryl Johnson	____/____
Norman Golden	____/____	Armando Espinoza	____/____
Dorothy Valenti	____/____	Eleanor Jones	____/____

Others in Attendance

Edward Cabil	____/____		
Alake Watson	____/____	Lawrence Wynder	____/____
Jason Okonkwo	____/____	Ball Business Mgmt.	____/____

II. Additions to the Agenda (Provisions of Emergency/Urgency)

III. Approval of Minutes
Approval of the February 29, 2012, board minutes. Board Secretary to provide one copy to each Board Member for review.

IV. Reports/Discussion
- Executive Director
- Principal
- Director of Operations
- Ball Business Management - Finance

V. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

VI. Discussion/Action Items
a. Resolution to issue Funds to and from WAYS to LACOE
b. Development of protocol for communications flow from parents – Board and Vice Versa
c. Ball Business Management Contract
d. Propose purchase of real estate and expansion
e. 2012-13 School Year Staffing and Growth
f. Resolution to submit material revision of WAYS Charter - to add 6th Grade - to LACOE Board for approval.

VII. Closed Session
a. Conference with Legal Counsel: Anticipated Litigation
(significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. Future agenda items
The Board will consider items for future Board Meeting Agendas

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Wednesday, April 25, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Wednesday, April 25, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:35pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Eleanor Jones, Cheryl Johnson, Karen Haynes, Norman Golden
Board Members Absent:
Others in Attendance: Jason Okonkwo, Hailiu Haruna/Bali Business Management, Edward Cabil, Alake Watson

IV. **Additions to the Agenda**
   a. Approval of the Revised 2011-12 School Year Budget

V. **Approval of Minutes**
   a. February, 29, 2012 – Approved 6/0 Unanimous

VI. **Reports**
   a. Executive Director – Oral Report, See Attachment
   b. Principal – Oral Report, See Attachment
   c. Director of Operations – Oral Report
   d. Bali Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
   a. Resolution to issue Funds to and from WAYS and LACOE, discussion by Jason Okonkwo – Approved 6/0 Unanimous
   b. Development of protocol for communication flow from parents and board and vice versa, discussion by WAYS Board of Directors
   c. Bali Business Management Contract - will be addressed as an action item in future board meeting.
   d. Propose purchase of real estate and expansion, discussion by Edward Cabil
   e. 2012-13 School Year Staffing and Growth, discussion by Edward Cabil and Board of Directors
   f. Resolution to submit material revision of WAYS Charter - to add 6th Grade - to LACOE Board for approval – Approved 6/0 Unanimous

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation
      (significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

IX. **Oral Communication**

X. **Future Agenda Items**
   a. Bali Business Management Proposed Contract

XI. The board meeting of WAYS was officially adjourned at 7:43 PM.

Secretary of Board — Date

President of Board — Date 05/24/12

000740

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Thursday, May 24, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

I. Preliminary Activities
a. Call to Order

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	____/____	Cheryl Johnson	____/____
Norman Golden	____/____	Armando Espinoza	____/____
Dorothy Valenti	____/____	Eleanor Jones	____/____

ii. **Others in Attendance**

Edward Cabil	____/____		
Alake Watson	____/____	Lawrence Wynder	____/____
Jason Okonkwo	____/____	Bali Business Mgmt.	____/____

d. **Approval of the Minutes**

i. **April 25, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**
- a. **Board Members**
- b. **Executive Director**
- c. **Principal**
- d. **Director of Operations**
- e. **Bali Business Management**

III. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Presentations**
- a. Mock Trial Club Demonstration
- b. Doctors Club Demonstration
- c. Science Club Demonstration
- d. Entrepreneurs' Clubs Product Display

V. **Discussion/Action Items**
- a. Discussion on the 2012-13 School Year Budget
- b. Discussion on the LACOE Board action regarding WAYS taken on May 1, 2012.
- c. Bali Business Management Contract

VI. **Closed Session**
- a. Conference with Legal Counsel: Anticipated Litigation
  (significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Recommendations of future agenda items**
The Board will consider items for future Board Meeting Agendas

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, May 24, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, May 24, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:00pm.
II. All members and guest stood and saluted the flag.
III. **Board Members Present** : Dorothy Valenti, Armando Espinoza, Eleanor Jones, Cheryl Johnson, Karen Haynes, Norman Golden
Board Members Absent:
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil, Lawrence Wynder, Parents and Teachers of WAYS.
IV. **Additions to the Agenda**
  a. Approval of the MOU between Heal the Bay and WAYS
  b. Approval of WAYS 2012-13 Calendar
V. **Approval of Minutes**
  a. April 25, 2012 – Approved 6/0 Unanimous
VI. **Reports**
  a. Executive Director – Oral Report
  b. Principal – Oral Report, See Attachment
  c. Director of Operations – Oral Report
  d. Bali Business Management – Oral Report, See Attachment
VII. **Discussion/Action Items**
  a. Discussion on the 2012-13 School Year Budget
  b. Discussion on the LACOE Board action regarding WAYS taken on May 1, 2012.
  c. Business Management Contract – Denied 6/0. Halilu to revise. Revision to be addressed as an action item in future board meeting. Directive given for WAYS Staff to solicit bids for Business Management Services. Directive given to staff to solicit bids for business management in the next school year.
  d. Approval of 2012-13 School Year Calendar – Approved 6/0
  e. Approval of MOU between Heal the Bay and WAYS – Denied 6/0, to be addressed as an action item in future board meeting.
VIII. **Closed Session**
  a. Conference with Legal Counsel: Anticipated Litigation
    (significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)
IX. **Oral Communication**
X. **Future Agenda Items**
  a. Bali Business Management Proposed Contract
  b. MOU between Heal the Bay and WAYS
XI. The board meeting of WAYS was officially adjourned at 6:55 PM.

Karen Haynes 5/24/12 — Secretary of Board — Date
Dorothy Valenti 5-24-12 — President of Board — Date

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Thursday, June 28, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Alake Watson	_____/_____	Lawrence Wynder	_____/_____
Jason Okonkwo	_____/_____	Ball Business Mgmt.	_____/_____

d. **Approval of the Minutes**

i. **May 24, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**

a. **Board Members**
b. **Executive Director**
c. **Principal**
d. **Director of Operations**
e. **Ball Business Management**

III. **Public Communication:** Non-Agenda Items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Presentations**

V. **Discussion/Action Items**

a. Approval to Implement the Teacher Salary Table for the 2012-13 School Year.
b. Approval of the 2012-13 School Year Budget
c. Approval of the 2012-13 School Year Calendar
d. Discussion on School Site Classroom Size
e. Discussion on Recruitment of Students
f. Approval of Memorandum of Understanding between Heal the Bay and WAYS
g. Approval of Ball Business Management Contract

VI. **Closed Session**

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, June 28, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, June 28, 2012 at the school of Wisdom Academy for Young Scientists. Board President, Dorothy Valenti, called this meeting to order at 4:00pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present**: Dorothy Valenti, Eleanor Jones, Cheryl Johnson, Norman Golden, Karen Haynes
Board Members Absent: Armando Espinoza,
Others in Attendance: Jason Okonkwo, Halilu Haruna/Bali Business Management, Edward Cabil, Lawrence Wynder, Parents and Teachers of WAYS.

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. May 24, 2012 – Approved 4/0 Unanimous

VI. **Reports**
   a. Executive Director – Oral Report
   b. Principal – Oral Report
   c. Director of Operations – Oral Report
   d. Bali Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
   a. Approval to implement the Teacher Salary Table for the 2012-13 School Year – Approved 5/0
   b. Approval of the 2012-13 School Year Budget – Approved 5/0
   c. Approval of 2012-13 School Year Calendar – Approved 5/0
   d. Approval of MOU between Heal the Bay and WAYS – Approved 5/0
   e. Business Management Contract – Approved 5/0. Directive given to staff to solicit bids for business management in the next school year.

Eleanor: include the contract so will know which is included

VIII. **Closed Session**
   a. None

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Lease Agreements

XI. The board meeting of WAYS was officially adjourned at 6:15 PM.

Secretary of Board — Date 7-28-12 — President of Board — Date

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Special Board of Directors Meeting
Tuesday, July 31, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____		
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **June 28, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**

a. **Board Members**
b. **Executive Director**
c. **Vice Principals**
d. **Director of Operations**
e. **Bali Business Management**

III. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Discussion/Action Items**

a. Approval of Early Entrance Evaluation for Kindergarten Policy ✓
b. Approval of Royal Dining Contract
c. Approval of Medina's Proposal for Central Air and Heat System
d. Approval of OCI Development 2012-13 FY Property Lease ✓
e. Approval of Salvation Army 2012-13 FY Property Lease ✓
f. Approval of Amended Executive Director Contract
g. Approval of Revised Fiscal Policy
h. Approval of Resolution to Purchase/Lease a Vehicle for School Business

V. **Closed Session**

a. Conference with Legal Counsel: Anticipated Litigation
(significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
SPECIAL MEETING OF
BOARD OF DIRECTORS
Tuesday, July 31, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, September 27, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Dorothy Valenti, called this meeting to order at 5:32pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present**: Eleanor Jones, Cheryl Johnson, Karen Hanyes, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden,
Others in Attendance: Jason Okonkwo, Hailu Haruna/Bali Business Management, Edward Cabil, Karen Horowitz

IV. **Additions to the Agenda**
a. Discussion: Travel Reimbursement for Board Members

V. **Approval of Minutes**
a. June 28, 2012 – Amended contract period for Bali Business Management Contract to include period 2011-12 - Approved 5/0

VI. **Reports**
a. Board Members – Discussion on changes in staff and new staff
b. Executive Director – Oral Report
c. Vice Principal(s) – Oral Report
d. Director of Operations – Oral Report
e. Bali Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
a. Approval of Early Entrance Evaluation for Kindergarten Policy – Approved 5/0
b. Approval of Royal Dining Contract – Approved 5/0
c. Approval of Medina's Proposal for Central Air and Heat System – Approved 5/0
d. Approval of OCI Development 2012-13 FY Property Lease – Approved 5/0
e. Approval of Salvation Army 2012-13 FY Property Lease – Approved 5/0
f. Approval of Amended Executive Director Contract – Approved 5/0
g. Approval of Revised Fiscal Policy – Approved 5/0
h. Approval of Resolution to Purchase/Lease a Vehicle for School Business – Approved 5/0
I. Discussion: Travel Reimbursement for Board Members

VIII. **Closed Session**
a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – No Action Taken

IX. **Future Agenda Items**
a. Amended Fiscal Policy
b. Travel Reimbursement for Board Members

X. The board meeting of WAYS was officially adjourned at 7:12 PM

Secretary of Board — Date 10-26-12 — President of Board — Date 10-20-12

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of Board of Directors Meeting
Wednesday, September 5, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	____/____	Cheryl Johnson	____/____
Norman Golden	____/____	Armando Espinoza	____/____
Dorothy Valenti	____/____	Eleanor Jones	____/____

ii. **Others in Attendance**

Edward Cabil	____/____		
Jason Okonkwo	____/____	Deara Okonkwo	____/____
Bali Business Mgmt.	____/____	Karen Horowitz	____/____

d. **Approval of the Minutes**

i. **July 31, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**

a. **Board Members**
b. **Executive Director**
c. **Vice Principals**
d. **Director of Operations**
e. **Bali Business Management**

III. **Public Communication:** Non-Agenda Items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Presentations**

V. **Discussion/Action Items**

a. Action: Amended Executive Director Contract
b. Discussion: Board Retreat
c. Discussion: Travel Reimbursement/Stipend for Board Members

VI. **Closed Session**

a. Conference with Legal Counsel: Anticipated Litigation
(significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case)

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting
Thursday, September 27, 2012
4:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, September 27, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, September 27, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 4:34pm.

II. All members and guest stood and saluted the flag.

III. Board Members Present: Eleanor Jones, Cheryl Johnson
Board Members Present at Teleconference Location: Karen Hanyas, Dorothy Valenti
Board Members Absent: Armando Espinoza, Norman Golden,
Others in Attendance: Jason Okonkwo, Hallie Haruna/Bell Business Management, Edward Cabil, Deara Okonkwo, Karen Horowitz

IV. Additions to the Agenda

V. Approval of Minutes
   a. July 31, 2012 – Moved to next board meeting.

VI. Reports
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report
   d. ~~Bell Business Management – Oral Report, See Attachment~~

VII. Discussion/Action Items
   a. Action: Amended Executive Director Contract – Approved 4/0
   b. Discussion: Board Retreat – Mrs. Jones will coordinate the Board Retreat and provide updates at next Board Meeting.
   c. Discussion: Travel Reimbursement/Stipend for Board Members – Board Members may submit travel reimbursement for Board activities including Board Meetings.

VIII. Closed Session
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – No Action Taken
   b. Real Property Negotiation: CONFERENCE WITH REAL PROPERTY NEGOTIATOR (pursuant to Gov. Code § 54956.8) – No Action Taken

IX. Oral Communication
   a. None

X. Future Agenda Items
   a. Amended Fiscal Policy

XI. The board meeting of WAYS was officially adjourned at 5:48 PM.

Secretary of Board — Date 10/1/12

President of Board — Date 10-24-12

000752

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting
Friday, October 26, 2012
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, October 26, 2012 3:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Friday, October 26, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 3:55pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Eleanor Jones, Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Norman Golden
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, Karen Horowitz, Larry Moore, Hallu Haruna

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. July 31, 2012 – Approved 5/0
   b. September 27, 2012 – Approved 5/0

VI. **Reports**
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report

VII. **Discussion/Action Items**
   a. Action: Amended Fiscal Policy – Moved to Next Board Meeting
   b. Discussion: Board Retreat – Mrs. Jones will coordinate the Board Retreat and provide updates at next Board Meeting.
   c. Discussion: Prospective Board Members – Prospective Board Members will be recruited and invited to join the Board.

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – In close session the Board considered a claim made against WAYS that presented significant exposure to litigation. With consultation with our legal counsel, the Board authorized the Executive Director to make a settlement offer to the claimant. Action Taken, See Board Resolution attached. – Approved 5/0

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Amended Fiscal Policy

XI. The board meeting of WAYS was officially adjourned at 5:32 PM.

Eleanor A. Jones 31 Jan 13 — Secretary of Board — Date
[signature] 1-31-13 — President of Board — Date

000754

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting
Friday, November 30, 2012
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

I. **Preliminary Activities**
   a. **Call to Order**

   b. **Pledge of Allegiance**

   c. **Roll Call - Present/Absent**

      i. **Board Members**

Karen Haynes	____/____	Cheryl Johnson	____/____
Norman Golden	____/____	Armando Espinoza	____/____
Dorothy Valenti	____/____	Eleanor Jones	____/____

      ii. **Others in Attendance**

Edward Cabil	____/____		
Jason Okonkwo	____/____	Deara Okonkwo	____/____
Bali Business Mgmt.	____/____	Karen Horowitz	____/____

   d. **Approval of the Minutes**

      i. **October 26, 2012**

   e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Communications:**
   a. **Board Members**
   b. **Executive Director**
   c. **Vice Principals**
   d. **Director of Operations**
   e. **Bali Business Management**

III. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

IV. **Discussion/Action Items**
   a. Action: Amended Fiscal Policy
   b. Action: 2011-12 Unaudited Actual Report – Fiscal Audit
   c. Discussion: Board Activities

V. **Closed Session**

VI. **Recommendations of future agenda items**
The Board will consider items for future Board Meeting Agendas

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting
Thursday, January 31, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	____/____	Cheryl Johnson	____/____
Norman Golden	____/____	Armando Espinoza	____/____
Dorothy Valenti	____/____	Eleanor Jones	____/____

ii. **Others in Attendance**

Edward Cabil	____/____		
Jason Okonkwo	____/____	Deara Okonkwo	____/____
Ball Business Mgmt.	____/____	Karen Horowitz	____/____

d. **Approval of the Minutes**

i. **October 26, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda Items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Discussion/Action Items**

a. Action: Amended Fiscal Policy
b. Action: 2011-12 Financial Audit Report
c. Discussion: Board Activities
d. Action: Donations Ella Fitzgerald Foundation – Field Trip Expenses; Heal the Bay - $350; Rotary Club of Korea Town - $250, Palos Verdes Peninsula - $500, and Malibu - $1600.
e. Action: LACOE Contract #C-13029

IV. **Closed Session**

a. Public Employee Release (pursuant to Gov. Code § 54957, subd. (b))(no additional information is required)
b. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price.

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, January 31, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, January 31, 2013 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 4:17pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present**: Eleanor Jones, Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Norman Golden
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, Karen Horowitz, Larry Moore, Hallu Haruna

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. October 26, 2012 – Approved 5/0

VI. **Reports**
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report (see handout attached)
   c. Director of Operations – Oral Report
   d. Bell Business Management – Oral Report (see handout attached)

VII. **Discussion/Action Items**
   a. Action: Amended Fiscal Policy – Approved 5/0
   b. 2011-12 Financial Audit Report – Approved 5/0
   c. Discussion: Board Activities – The Board will postpone retreat for now and pursue other avenues to attain training.
   d. Donations Ella Fitzgerald Foundation – Field Trip Expenses; Heal the Bay - $350; Rotary Club of Korea Town - $250, Palos Verdes Peninsula - $500, and Malibu - $1600. – Approved 5/0
   e. LACOE Contract #C-13029 – Approved 5/0

VIII. **Closed Session**
   a. Public Employee Release (pursuant to Gov. Code § 54957, subd. (b))(no additional information is required) – Approved 5/0
   b. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 6:27pm.

Secretary of Board — Date: 3/22/13

Eleanor H. Jones — President of Board — Date: 3/22/13

000763

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting
Thursday, February 28, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	___/___	Cheryl Johnson	___/___
Norman Golden	___/___	Armando Espinoza	___/___
Dorothy Valenti	___/___	Eleanor Jones	___/___

ii. **Others in Attendance**

Edward Cabil	___/___		
Jason Okonkwo	___/___	Deara Okonkwo	___/___
Ball Business Mgmt.	___/___	Karen Horowitz	___/___

d. **Approval of the Minutes**

i. **January 31, 2012**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Discussion/Action Items**

a. Discussion: Heal the Bay – Community Park Project
b. Discussion: 2011-12 Financial Audit Report

IV. **Closed Session**

a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price.

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

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CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, February 28, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, February 28, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at 4:21pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Armando Espinoza, Norman Golden, Dorothy Valenti
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Halilu Haruna/Ball Business, Samyr Codio/Clem Payne Jr., CPA, Stephen Mejia/Heal the Bay
IV. Additions to the Agenda
V. Approval of Minutes
   a. January 31, 2013 – Approved 5/0 (with corrections)
VI. Reports
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report
   d. Ball Business Management – Oral Report (see handout attached)
VII. Discussion/Action Items
   a. Discussion: Heal The Bay – Community Park Project (see handout attached)
   b. Discussion: 2011-12 Financial Audit Report (see handout attached)
   c. Discussion: Communication between LACOE and WAYS
VIII. Closed Session
   a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
   a. None
X. Future Agenda Items

XI. The board meeting of WAYS was officially adjourned at 6:26pm.

Secretary of Board 3/22/13 Date

Eleanor H Jones 3/22/13
President of Board Date

000766

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Friday, March 22, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____	Larry Moore	_____/_____
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **January 31, 2013**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Reports/Discussion**

- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

IV. **Discussion/Action Items**

a. Action: Employment of Total Educational Solution – Special Education Services 4/0 Approved
b. Action: Charter Revision to reflect the employment of an Resource Specialist (RSP) Teacher 4/0 Denied
c. Discussion: Resubmission of 6th Grade expansion – WAYS Charter
d. Discussion: WAYS Documentary

V. **Closed Session**

a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price.

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Friday, March 22, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Friday, March 22, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **4:52**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Halilu Haruna/Bali Business, Mrs. Teresa Golden
IV. Additions to the Agenda
V. Approval of Minutes
   a. January 31, 2013 – Approved 4/0
   b. February 28, 2013 – Approved 4/0
VI. Reports
   a. Executive Director – Oral Report
   b. Vice Principal(s) – Oral Report
   c. Director of Operations – Oral Report
   d. Bali Business Management – Oral Report (see handout attached)
VII. Discussion/Action Items
   a. Action: Employment of Total Educational Solution – Special Education Services
   b. Action: Charter Revision to reflect the employment of an Resource Specialist (RSP) Teacher
   c. Discussion: WAYS Documentary
   d. Discussion: Resubmission of 6th Grade expansion – WAYS Charter
VIII. Closed Session
   a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
   a. None
X. Future Agenda Items
   a. Board Sponsored Fundraising

XI. The board meeting of WAYS was officially adjourned at **6:29**pm.

Secretary of Board Date

President of Board Date

000768

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting

Thursday, April 25, 2013
3:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**

a. **Call to Order**

b. **Pledge of Allegiance**

c. **Roll Call - Present/Absent**

i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

ii. **Others in Attendance**

Edward Cabil	_____/_____	Larry Moore	_____/_____
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

d. **Approval of the Minutes**

i. **March 22, 2013**

e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Reports/Discussion**

- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management - Finance**

IV. **Discussion/Action Items**

a. Action: WAYS 2013-14 School Year Calendar
b. Action: Charter Revision to reflect LACOE MOU F and G requirements

V. **Closed Session**

a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price.

VI. **Recommendations of future agenda items**

The Board will consider items for future Board Meeting Agendas

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, April 25, 2013 3:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, April 25, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Eleanor Jones**, called this meeting to order at **3:45**pm.
II. All members and guests stood and saluted the flag.
III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil, Karen Horowitz, Alan Friedenberg
IV. Additions to the Agenda
V. Approval of Minutes
  a. March 25, 2013 – Approved 4/0
VI. Reports
  a. Executive Director – See Handouts
  b. Vice Principal(s) – See Handouts
  c. Director of Operations – See Handouts
VII. Discussion/Action Items
  a. Action: WAYS 2013-14 School Year Calendar
  b. Discussion: Charter Revision to reflect LACOE MOU F and G requirements
VIII. Closed Session
  a. Conference with real property negotiator.(pursuant to Gov. Code § 54956.8) Negotiator: (OCI Development) Negotiating parties: (Edward Cabil, Merle Williamson Foundation)Real Property: (706 East Manchester Buildings A-E, 8778 South Central Ave Los Angles, Ca 90001) Under Negotiation: Property negotiation, purchase price. – No action
IX. Oral Communication
  a. None
X. Future Agenda Items
  a. Board Sponsored Fundraising
  b. Possible New Executive Director

XI. The board meeting of WAYS was officially adjourned at **4:33**pm.

Secretary of Board Date 6/6/13

Eleanor Jones
A.V. President of Board Date 6/6/13

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting
Thursday, June 6, 2013
5:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting Location:
Manchester Campus, 706 East Manchester Ave. Los Angeles, Ca 90001

Teleconference Location, 44045 15th Street West Lancaster, Ca 93534

I. **Preliminary Activities**
   a. **Call to Order**
   b. **Pledge of Allegiance**

   c. **Roll Call - Present/Absent**
      i. **Board Members**

Karen Haynes	_____/_____	Cheryl Johnson	_____/_____
Norman Golden	_____/_____	Armando Espinoza	_____/_____
Dorothy Valenti	_____/_____	Eleanor Jones	_____/_____

      ii. **Others in Attendance**

Edward Cabil	_____/_____	Larry Moore	_____/_____
Jason Okonkwo	_____/_____	Deara Okonkwo	_____/_____
Bali Business Mgmt.	_____/_____	Karen Horowitz	_____/_____

   d. **Approval of the Minutes**
      i. **April 25, 2013**

   e. **Additions to the Agenda (Provisions of Emergency/Urgency)**

II. **Public Communication:** Non-Agenda items—Individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

III. **Reports/Discussion**
- **Executive Director**
- **Parent/Teacher**
- **Principal**
- **Director of Operations**
- **Bali Business Management**

IV. **Discussion/Action Items**
   a. Discussion: Board Sponsored Fundraising
   b. Action: Teacher Performance Based Stipends 2012-13 FY
   c. Discussion: LACOE Letter Dated May 2, 2013 Re: Board Meetings
   d. Discussion: LACOE Letter Dated May 17, 2013 Re: FCMAT Audit
   e. Discussion: Board Roster and Calendar 2013-14 FY
   f. Action: Food Service 2013-14 SY - Revolution Foods Proposal
   g. Discussion: WAYS Budget 2013-14 FY
   h. Discussion: Certificated Teacher Salary Table 2013-14 FY
   i. Discussion: School Site Classroom Size
   j. Action: Memorandum of Understanding between Kedren Community Pre-School Centers and WAYS

V. **Closed Session**

VI. **Recommendations of future agenda items**
The Board will consider items for future Board Meeting Agendas

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, June 6, 2013 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, June 6, 2013 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 6:33pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present ; Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa
Board Members Absent: Karen Haynes
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. Additions to the Agenda

V. Approval of Minutes
   a. April 25, 2013 – Approved 5/0

VI. Reports
   a. Executive Director – Oral Report
   b. Vice Principal(s) – See Handouts
   c. Director of Operations – Oral Report
   d. Ball Business Management – Oral Report/See Handouts

VII. Discussion/Action Items
   a. Discussion: Board Sponsored Fundraising – Mrs. Jones
   b. Action: Teacher Performance Based Stipends 2012-13 FY – Mr. Cabil – Approved 5/0
   c. Discussion: LACOE Letter Dated May 2, 2013 Re: Board Meetings – Mr. Cabil
   d. Discussion: LACOE Letter Dated May 17, 2013 Re: FCMAT Audit – Mr. Cabil
   e. Discussion: Board Roster and Calendar 2013-14 FY – Mr. Okonkwo
   f. Action: Food Service 2013-14 SY - Revolution Foods Proposal – Mr. Cabil – Approved 5/0
   g. Discussion: WAYS Budget 2013-14 FY – Ball Business Management
   h. Discussion: Certificated Teacher Salary Table 2013-14 FY – Mr. Okonkwo
   i. Discussion: School Site Classroom Size – Mr. Cabil, Mr. Okonkwo
   j. Action: Memorandum of Understanding between Kedren Community Pre-School Centers and WAYS – Mr. Cabil, Mr. Okonkwo -

VIII. Closed Session

IX. Oral Communication
   a. None

X. Future Agenda Items

XI. The board meeting of WAYS was officially adjourned at 7:38pm.

Carol Lee Jackson 9/26/2013

Secretary of Board Date President of Board Date

000772

Wisdom Academy for Young Scientists

Notice of Board of Directors Meeting (Revised)
Friday, July 26, 2013
4:30 PM - 5:30 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.
6. Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.

Meeting Location:
Radisson Hotel – LAX 6225 West Century Blvd. Los Angeles, CA 90045

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Regular Board Meeting
Friday, July 26, 2013
4:30 PM to 5:30 PM

(Posted July 23, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. Call to Order
II. Pledge of Allegiance
III. Board Member Roll Call - Present/Absent

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____

IV. Approval of the Board Meeting Minutes for June 26, 2013

V. Additions to the Agenda *(Provisions of Emergency/Urgency)*

VI. New Business

a. New Board Member Installations – Action Item
b. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – Action Item
c. Adoption of Certificated Teacher Salary Table for School Year 2013-14 – Action Item
d. Adoption of Textbooks for School Year 2013-14 – Action Item

II. Public Comments on Non-Agenda Items

Individuals who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

III. Recommendations For Future Agenda Items

The Board will consider items for future Board Meeting Agendas

IV. Recess To Board and Staff Retreat

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Friday, July 26, 2013 4:30 PM - 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Friday, July 26, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Dr. Dortothy Valenti**, called this meeting to order at **6:06pm.**

II. All members and guests stood and saluted the flag.

III. Board Members Present . Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa

IV. Additions to the Agenda
   a. Board Members Oath of Allegiance

V. Approval of Minutes
   a. June 6, 2013 – Tabled until next Board Meeting

VI. Reports
   a. Ball Business Management – Oral Report/See Handouts

VII. Discussion/Action Items
   a. New Board Member Installations – **Approved 5/0**
   b. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – **Discussion/Tabled until next Board Meeting**
   c. Adoption of Certificated Teacher Salary Table for School Year 2013-14 – **Discussion/Tabled until next Board Meeting**
   d. Adoption of Textbooks for School Year 2013-14 – **Approved 7/0**
   e. Board Members Oath of Allegiance

VIII. Closed Session

IX. Public Communication
   a. None

X. Future Agenda Items
   a. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – Action
   b. Adoption of Certificated Teacher Salary Table for School Year 2013-14 - Action

XI. The board meeting of WAYS was officially adjourned at 7:48pm.

Secretary of Board Date

Carol Lee Hall 9/26/2013
President of Board Date

000781

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Friday, August 9, 2013
4:00 PM – 5:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Meeting and Teleconference Location:
706 East Manchester Ave. Los Angeles, Ca 90001

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Regular Board Meeting
Friday, August 9, 2013
4:00 PM to 5:00 PM

(Posted August 8, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. Call to Order
II. Pledge of Allegiance
III. Board Member Roll Call - Present/Absent

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____
6. Carol Lee Tolbert _____/_____
7. Saundra Davis _____/_____
8. Kimberly Daniels, Esq. _____/_____

IV. Approval of the Board Meeting Minutes for June 6, 2013

V. Additions to the Agenda *(Provisions of Emergency/Urgency)*

VI. New Business

a. Adoption of the Wisdom Academy for Young Scientists' Budget for FY 2013-14 – Action Item
b. Adoption of Certificated Teacher Salary Table for School Year 2013-14 – Action Item
c. Discussion regarding lease and matters with The Salvation Army.

II. Public Comments on Non-Agenda items

Individuals who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

III. Recommendations For Future Agenda Items

The Board will consider items for future Board Meeting Agendas

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, August 29, 2013
706 East Manchester Avenue – L.A. CA 9001
5:00 PM – 6:00 P.M.

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Regular Board Meeting
Thursday, August 29, 2013
5:00 PM to 6:00 PM

(Posted August 23, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Norman Golden _____/_____
3. Dr. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Eleanor Jones _____/_____
6. Hon. Saundra Davis _____/_____
7. Hon. Carol Lee Tolbert _____/_____
8. Kimberly Daniels, Esq. _____/_____

IV. **Approval of the Board Meeting Minutes for June 6, 2013 & July 26, 2013**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **New Business**
a. Wisdom Academy for Young Scientists' Budget for 2013-14 Fiscal Year – Action Item
b. Certificated Teacher Salary Table for School Year 2013-14 Fiscal Year – Action Item
c. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave. & 8778 South Central Ave. Los Angeles, CA Negotiator – Mr. Edward Cabil – Action Item
d. Commercial Property Lease 2013-12 Fiscal Year – 7651 South Central Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
f. Updates Regarding LACOE Initiated FCMAT Audit – Discussion Item
g. Election of Officers
h. Formation of the Board's Finance & Development Committee

VIII. **Recommendations**
a. Approval of the Wisdom Academy for Young Scientists' Budget for 2013-14
b. Approval of the Certificated Teacher Salary Table for School Year 2013-14
c. Approval of the Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca.
d. Approval of the Commercial Property Lease 2013-12 Fiscal Year – 7651 South Central Ave Los Angeles, Ca.
e. Approval of the 2013-14 Executive Director Contract

IX. **Recommendations For Future Agenda Items**

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, August 29, 2013 5:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, August 29, 2013 at the school of Wisdom Academy for Young Scientists. Board Member, Dr. Dortothy Valenti, called this meeting to order at 5:31pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa, Carol Tolbert, Kimberly Daniels, Saundra Davis

IV. Additions to the Agenda

V. Approval of Minutes
   a. June 6, 2013 – A motion to approve by Eleanor Jones, second by Saundra Davis, a vote was taken. Approved 7/0
   b. June 26, 2013 – A motion to approve by Carol Tolbert, second by Norman Golden, a vote was taken. Approved 7/0

VI. Reports
   a. Bali Business Management – Oral Report/See Handouts
   b. Principals Report – Oral Report/See Handouts

VII. Discussion/Action Items
   a. Wisdom Academy for Young Scientists' Budget for 2013-14 Fiscal Year – A motion to approve by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0 (Bali Business management to explain line item _____)
   b. Certificated Teacher Salary Table for 2013-14 Fiscal Year – A motion to approve by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
   c. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. - A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
   d. Commercial Property Lease 2012-13 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0

Secretary of Board — Date 2-3-14 — President of Board (Vice-Chair) — Date 2-3-14

000787

e. 2013-14 Fiscal Year Executive Director Contract 2013-14 – A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
f. Updates Regarding LACOE Initiated FCMAT Audit – A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
g. Election of Officers – Carol Tolbert was nominated for Board Chair by Eleanor Jones, a vote was taken. Approved 7/0
h. Formation of the Board's Finance & Development Committee - A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0

VIII. Public Communication
a. None

IX. Future Agenda Items

X. The board meeting of WAYS was officially adjourned at 9:09pm.

Secretary of Board Date President of Board Date

2-3-14

2-3-14 Vice-Chair

000669

WISDOM Academy for Young Scientists Public Charter School

Los Angeles, California

Our mission is to create a transformational learning climate, in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Regular Meeting of the Governing Board

Thursday, September 26, ***2013***

(*Open Session Begins at 5:00pm - Closed Session Begins at 6:00pm)

OPEN SESSION

Meeting Call to Order At: _____ By: _____

Board Member Roll Call – Present/Absent:

Hon. Carol Lee Tolbert, President	____/____
Dr. Dorothy Valenti, Vice President	____/____
Mrs. Kimberly Daniels, Esq.	____/____
Hon. Saundra Davis	____/____
Mr. Armando Espinoza	____/____
Mr. Norman Golden	____/____
Mrs. Cheryl Johnson	____/____
Mrs. Eleanor Jones	____/____

Pledge of Allegiance

Approval of Board Minutes for August 29, 2013

Consent Agenda Items
NONE

OLD BUSINESS

Item 13092609: Election of Governing Board Officers for the 2013-14 School Year:

Item 13092609(a): Election of Governing Board Vice-President requires a Charter change (Action) – *Board Member* Jones

Item 13092609(b): Election of Secretary (Discussion/Action) – *Board President Tolbert* Item

13092609(c): Election of Secretary (Discussion/Action) – *Board President Tolbert*

Item 13092610: Formation of the Board's Finance & Budget Committee - To create the critical infrastructure necessary for sustaining the school's financial health, ensuring transparency, and meeting the Board's fiduciary responsibilities as public o*fficials (Action)* – *Board* **President Tolbert**

Item 13092611: Certificated Teacher Salary Table for FY 2013-14 *(Clarification)* – *Board* **President Tolbert**

Item 13092612: FPPC Update- Recently, the school is being audited by the Fair Political Practices Commission. *(Informational)* – *Executive* **Director, Mr. Cabil**

Item 13092613: FCMAT Update - The school is currently being audited by LACOE. (Informati*onal/Discussion)* – *Executive* **Director, Mr. Cabil**

NEW BUSINESS

Item 13092614: Formation of the Board's Teaching and Learning Committee – To ensure that the conditions exist for all students to achieve both academically and develop*mental. (Action)* – *Board* **President Tolbert**

Item 13092615: Errors and Omissions (EO) Insurance Policy – The Governing Board, prior to taking any action, must have EO insurance in place to hold individual members – and the Board as a whole - harmless in the execution of its legal duties and responsibilities. Staff is to provide a copy of the current policy. (Informati*onal/Discussion)* - *Executive* **Director, Mr. Cabil**

Item 13092616: Monthly Budget Update for 2013-14 School Year – (Discussion/*Possible Action)* - ***Bali* Business Management**

Item 13092617: Update on Conflict of Interest – Every school employee – whether certificated or classified -should have signed a Form 700. Everyone doing business with WISDOM Academy should have a signed 'Conflict of Interest' Statement on file. This is standard practice in schools and districts in the State of California. This agenda item is for the purposes of ensuring that it is or will be done. It also needs to be determined if a 'Conflict of Interest' presentation should be provided at an upcoming **staff development.**

Item 13092618: WISDOM Organization Chart – Delineates employee responsibilities and lines of supervisorial authority (Informati*onal/Discussion)* - *Executive* **Director, Mr. Cabil**

Item 13092619: Request for Charter School Petition Consultant in the amount not to exceed $8,000. (*Discussion/Action)* – *Executive Director, Mr.Cabil*

Item 13092620: Change Vehicle for School Business to Vehicle For Pupil Transportation *(Discussion/Action)* – *Executive Director*

Convened To Closed Session At: _____

CLOSED SESSION AGENDA ITEMS

It is the Board's intention to approve Agenda Items 13092901-03. However, in response to the scope of the FCMAT and FPPC Audits, leasers will be required to sign the 'Contractor and Consultant Code of Conduct' Agreement that will be developed by the Executive Director and Board of Directors. The purpose of which is to safeguard against and/or prevent any conflict of interest or appearance of conflict. In the event conflict of interest or unethical conduct is found; the condition must cease to exist prior to fully executing the Lease Agreement. Additionally, any concerns expressed by Board Members must be resolved/addressed prior to the execution of said Lease Agreement. Moreover, the Board recognizes its fiduciary responsibility to ensure that ALL financial transactions be transparent and without favoritism or prejudice.

Real Property Negotiation – CONFERENCE WITH REAL PROPERTY NEGOTIATOR (pursuant to Gov. Code § 54956.8):

Item 13092601: 2013-2014 Lease Agreement with the Salvation Army – The August 12, 2013 meeting with the Salvation Army resulted in a smoother opening of school. Director Tolbert represented the Board. At that meeting she requested from Mortimer Jones that a copy of the 2013-2014 Lease Agreement be made available for the Board's review and/or possible action at its upcoming ***meeting on August 29, 2013. (This item was pulled from the August 26, 2013 Board Agenda without approval. No Lease Agreement*** **is currently** in place.)

Item 13092602: 2013-14 Lease Agreement for the school site located at 7651 South Central Avenue, Los Angeles, CA. – For the purposes of reviewing and/or entering into a lease agreement ***for the current school year. (This item was pulled from the August 26, 2013 Board Agenda without approval. No Lease Agreement*** **is currently in place.)**

Item 13092603: 2013-14 Lease Agreement for the school site located at 8778 South Central Avenue, Los Angeles, CA. – For the purposes of reviewing and/or entering into a lease agreement ***for the current school year. (This item was pulled from the August 26, 2013 Board Agenda without approval. No contract*** **is currently in place.)**

Item 13092604: Personnel - Executive Director ***Contract for review and action - (This item was pulled from the*** **August 26, 2013 Board Agenda.)**

Item 13092605: Personnel – Director of Operations Contract for review and discussion

Item 13092606: Personnel – Principal Contract for review and discussion

Item 13092607: Personnel – Assistant-Principal Contract for review and discussion

Item 13092608: Personnel – Administrative Assistant Contract for review and discussion

*Convened To Open Session At: _____

*** Actions from Closed Session**

Item 13092621: Board Member Recommend*ations for Future Agenda Items*

Motion to Adjourn By _____ *Meeting Adjourned At* _____

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
(FOR PUBLIC DISSEMINATION)
September 26, 2013 BOARD MEETING MINUTES

Meeting Location:
706 E. Manchester Ave.
Los Angeles, CA 90001

OPEN SESSION

I. **Meeting Called to order at 5:16PM by Board President Tolbert**

II. **BOARD MEETING ROLL CALL**

- C. Tolbert - 5:16pm, *present*
- D. Valenti - *absent*
- K. Daniels - 5:16pm, *present*
- S. Davis - 5:16pm , *present*
- A. Espinoza - 5:51pm, *present*
- N. Golden - 5:16pm, *present*
- C. Johnson - 5:45pm, *present*
- E. Jones - 5:16pm, *present*

III. **Pledge of Allegiance**

IV. Approval of board meeting minutes for August 29, 2013
- *August minutes unavailable. Item will be moved to October meeting*

V. **Consent Agenda Items**
- *None*

Item 13092609: Election of governing board officers for the 2013-2014 School Year

Item 13092609(a): Per article 7 section 3 of the bylaws, election of board leadership should be done according to protocol per Jones. Board Member Jones noted that the Office of 'Vice President' was not contained within the Bylaws **Motion to amend the bylaws made by Saundra Davis (amend the bylaws and restructure)- Davis noted the bylaws should be formatted to meet the needs of a charter school****Amendment to the motion made by Jones: make the amendment to the bylaws retroactive to allow the prior elections to stand. - Unanimous decision to amend the bylaws.

Item 13092609(b): Election of secretary or clerk - this will be pulled and moved to later meeting (moved to October meeting)

***Davis moved to table item to a working session; seconded by Jones; approved unanimously

13092609(c): Repeat of above - ***Motion to table this to a working session: approved unanimously

BYLAWS MEETING - a special meeting will be scheduled to amend and revise bylaws as motioned by S. Davis. President Tolbert stated that the CONFLICTS OF INTEREST AND CODE OF CONDUCT ISSUES could be included.

130926010: Formation of the Financial Budget Committee - we can have up to 4 members on this committee and President Tolbert will be providing details on what the responsibilities of the committee are - Motion to accept formation; approved unanimously

13092611: Certificated Teacher's Salary Table (clarification) - This will allow for a clean up of the current document as the current document needs some clarification. The document needs to highlight the relevant school year and identify the name of the school - no votes needed - not an action item

13092612: FPPC Update - Mr. Cabil absent due to illness; Tolbert motioned to table to next meeting; Seconded by Davis; approved unanimously

13092613: FCMAT Update - Mr. Cabil is absent - Tabled to next meeting; approved unanimously

VI. NEW BUSINESS

13092614: Formation of teaching and learning committee - Davis moved to approve this item; Daniels seconded; approved unanimously.

13092615: E &O Insurance - Mr. Cabil is absent - Motion to table by Tolbert; Davis seconded; approved unanimously.

13092616: Monthly budget update by Bali Business Management Unable to address this item at this time as presenter has not yet arrived. (President Tolbert learned that contractor was incorrectly informed by staff that the meeting was over when it was not. Subsequently contractor did not attend.)

13092617: Update on Conflict of Interest – Board discussion; Form 700 and the Conflict of Interest Statement - Should staff have conflict of interest training? Should staff have to sign a code of conduct so that there is no appearance of an existing conflict of interest? - This will be revisited as an action item - November meeting.

13092618: Organizational Chart - Tabled to the next board meeting because Executive Director Cabil was out ill; Tolbert moved to table item to October meeting; Seconded by Golden; approved unanimously.

13092619: Charter School Petition Consultation - Tabled to the next board meeting because Executive Director Cabil was out ill - Moved to October meeting; approved unanimously.

13092620: Change of Vehicle classification - Motion to change by Davis; Seconded by Daniels; approved unanimously.

REPORTS OR COMMENTS FROM THE BOARD PRIOR TO THE CLOSED SESSION

First Annual Board Reception - Board members Jones, Golden, Tolbert and Daniels gave positive reviews about the Reception. President Tolbert distributed index cards to parents and staff for comments. Comments will be shared with staff.

AUDIENCE INVITATION TO ADDRESS THE BOARD PRIOR TO CLOSE SESSION

There were no comments from the audience.

Meeting Convened To Closed Session at: 6:03PM

CLOSED SESSION

A Conflict of Interest/Code of Conduct should be considered that will better safeguard the staff and board unnecessary exposure or risk.

13092601: Lease Agreement with the Salvation Army - Espinoza recommended we entertain the idea of seeking out a location to purchase (this may be addressed by the development committee per Tolbert)

- Recommendation by Tolbert that Board Member Espinoza be on this exploratory committee.

Item 13092602: 2013-14 Lease Agreement for the school site located at 706 East Manchester Avenue, Los Angeles, CA - Lease Agreement will be tabled to November. Lease Agreement unavailable for review.

Item 13092603: 2013-14 Lease Agreement for the school site located at 8778 South Central Avenue, Los Angeles, CA - Lease Agreement will be tabled to November. Agreement unavailable for review.

The personnel items listed below were for the purposes of review, discussion and possible action:

Item 13092604: *Executive Director Contract* - No contact available; Tabled to October meeting.
Item 13092605: *Director of Operations* - No contact available; Tabled to October meeting.
Item 13092606: *Principal* - No contact available; Tabled to October meeting.
Item 13092607: *Vice-Principal* - No contact available; Tabled to October meeting.
Item 13092608: *Administrative Assistant* - No contact available; Tabled to October meeting.

RECONVENED TO OPEN SESSION AT 6:19PM

Report of Actions Taken in Closed Session:

13092601: Approval of Salvation Army Lease

a. (Reviewed for late board members) Reporting that we approved the lease agreement for the Salvation Army
b. (Reviewed for late board members) Finance and Budget Committee - advised late arrivals that this passed
c. (Reviewed for late board members) Teaching committee - advise late arrivals that this was approved

13092621: Board Member Recommendations for Future Agenda Items -

1. Per Jones - Parents concern with air conditioning and indoor location for children on cold mornings - there is nothing that can be done about this at this time per Jason Okonkwo. Board will find an amicable way to address this issue with concerned parents
2. Board meetings at different locations requested by a parent; roving meetings may be something we should consider going forward.
3. Board meeting minutes requiring signature per Jason Okonkwo. Tolbert and Valenti will address signing issues
4. Recommendation by Tolbert to provide certificates for teachers as well as other ways to incorporate teacher recognition
5. Recommendation by Tolbert to make sure the parents know when the board meetings are. The goal is to be more available to parents
6. One board member slot is available for one parent - parents have been notified to submit applications if interested per Jones
7. Parent involvement - parent involvement plan
8. Principal reports and Vice Principal reports
9. The Single Plan for Student Achievement should be presented to the Board
10. Board members are requesting more trainings for itself, staff and parents
11. The illumination for conducting Special meeting per section 3d above. What are the criteria?
12. Board members are interested in varying positions and roles within the board such as that of Recorder

MEETING ADJOURNED at 6:40PM. Moved by: Board Member Davis. Seconded by: Board Member Daniels.

Future item - Mrs. Jones has submitted her resignation (letter) to Mrs. Tolbert and we will address the resignation at the next meeting. This item was not recorded as it was raised after the meeting was adjourned.

Minutes Approved With/Without Corrections On: _____

(Minutes taken by Board Member Daniels and Prepared for distribution by President Tolbert.)

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, October 9, 2013
6:30 PM – 7:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Los Angeles, California
Special Board Meeting
Wednesday, October 9, 2013
6:30 PM to 7:00 PM

(Posted October 8, 2013)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Norman Golden ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Eleanor Jones ____/____
6. Hon. Saudra Davis ____/____
7. Hon. Carol Tolbert ____/____
8. Kimberly Daniels, Esq. ____/____

IV. **Approval of the Board Meeting Minutes for August 29, 2013**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. ANTICIPATED LITIGATION—One potential item (pursuant to Gov. Code § 54956.9(d)(2).)
b. Public Employee Dismissal/Release 1 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item
c. Public Employee Dismissal/Release 2 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item
d. Public Employee Performance Evaluation/Employment Title: Executive Director

VIII. **Open Session**
a. Acceptance of Board Member resignation and release of membership – Action Item
b. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item

VIII. **Recommendations**
a. Approval of the Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca.
b. Approval of the 2013-14 Executive Director Contract
c. Approval to accept the Board Member resignation.

IX. **Recommendations For Future Agenda Items**

X. **Meeting Adjourned**

WISDOM Academy for Young Scientists Public Charter School
Los Angeles, California

(FOR PUBLIC DISSEMINATION)

OCTOBER 24, 2013 BOARD MEETING NOTES
Meeting Location:
706 E. Manchester Ave.
Los Angeles, CA 90001

OPEN SESSION

Meeting Call to Order At: 5:46 PM By: Carol Lee Tolbert (President)

BOARD MEMBER ATTENDANCE (ABSENT/PRESENT)

Hon. Carol Lee Tolbert, President - Present
Dr. Dorothy Valenti, Vice President - Present
Ms. Kimberly Daniels, Esq. - Present
Hon. Saundra Davis - Present
Mr. Armando Espinoza - Present
Mr. Norman Golden - Present
Mrs. Cheryl Johnson - Present (6:15PM)
Mrs. Eleanor Jones - Present - Resignation

- PLEDGE OF ALLEGIANCE -

OPEN SESSION AGENDA ITEMS

I. READING AND APPROVAL OF BOARD MINUTES

A. Board Minutes for August 29, 2013
Action required (Yes/No): Yes
Motion by: Tolbert - motion to accept as amended
Second by: Davis
Number of votes in favor: 6
Number of votes opposed: 0
Motion adopted (Yes/No): Yes
Follow up required (Yes/No): No
Comments: (1) issue with the $118k line item on the budget that needs further identification and clarification as noted by Armando in prior meeting (2) Exec. Director contract noted in item 'E' should be clarified as there was no contract available for review (3) agenda item 'G' should be adjusted to include Dr. Valenti's election (4) public comment (5) Saundra's name is misspelled (6) item -d- ntoes an incorrect date and should be corrected.

B. Board Minutes for September 26, 2013
Action required (Yes/No): Yes
Motion by: Davis - motion to table since copies are not currently available

Second by: Golden
Number of votes in favor: 6
Number of votes opposed: 0
Motion adopted (Yes/No): N/A
Follow up required (Yes/No): Yes
Comments: Tabled to next meeting in the interest of time by Davis (Moved to November 2013 meeting

II. CONSENT AGENDA ITEMS

A. **Resignation letter from Board member Eleanor Jones** (5:50PM)
Action required (Yes/No): No
Motion by: N/A
Second by: N/A
Number of votes in favor: N/A
Number of votes opposed: N/A
Motion adopted (Yes/No): N/A
Follow up required (Yes/No): No
Comments: Certificate provided to Mrs. Jones in appreciation for her dedication and commitment to the WAYS Board and Charter School

III. NEW BUSINESS

A. **Item 13092615(A):** Errors and Omissions Insurance Policy – The Governing Board received the school's insurance policy coverage. The policy is set to expire on November 1, The Board will consider the renewal of policy w/current carrier to prevent any lapse in coverage. (Action/Discussion) – *Dufour Insurance Services, LLC*
    i. Ms. Dufour's presentation
        1. Notes:
            a. November 1st is the renewal deadline
            b. Current liability policy is with Scottsdale
            c. Incident in 2011 create issue with obtaining different and more reasonably priced coverage
            d. See DUFOUR Summary of Proposed Insurance
            e. Crime coverage was not on policy last year but has been added this policy term
            f. Need an updated number of teachers for this academic year
            g. $5 million is standard for a charter school of this size - WAYS insurance has been updated accordingly - (new policy costs the school an addition $4,000) - Broker has guaranteed full coverage
            h. Workers Comp renews in February 2014 (rating of current policy holder may go down to a B+ so if so she plans to move the policy)
            i.
        2. Board Comments:
            a. Davis - Is this the insurance for the charter and the board? The general liability policy covers the school and

board from bodily injury. The Directors and Officers liability policy covers management decisions and governance. The E&O coverage is a part of the Directors and Officers liability insurance

b. Espinoza - Why did the insurance not cover the 2011 settlement? To be addressed in closed session
c. Daniels - Break down of coverage/policy limits per claim
d. Johnson - Do we need to compare other insurers? See materials

Action required (Yes/No): Yes
Motion by: Davis moved to accept coverage
Second by: Daniels
Number of votes in favor: 7
Number of votes opposed: 0
Motion adopted (Yes/No): Yes
Follow up required (Yes/No): No
Comments: None

Meeting Convened To Closed Session At: 6:30PM
Motion to go into closed session by Davis

CLOSED SESSION

A. Insurance Policy Payout Claim

B. **The following closed session items are from a special board meeting agenda prepared by/called by board member Armando Espinoza on Tuesday, October 8, 2013 at 6:30 pm for Wednesday, October 9, 2013 at 6:30PM. The meeting was cancelled due to a lack of a quorum.**

a. **1310205:** The anticipated litigation is regarding verbal claims made by the school staff and contractor that a Board Member is making unilateral decisions, without input from a majority of the Board, which risks the potential for legal claims.

b. **1310206:** As of Friday, October 4, 2013, two employment contracts were terminated prematurely by school staff and require immediate Board action. *(The Board heard the parties involved, but was not able to formally conclude the matter.)*

***A DISRUPTION OCCURRED AT THE END CLOSED SESSION BY AN ADMINISTRATIVE EMPLOYEE. NO OTHER BOARD BUSINESS WAS ABLE TO BE CONDUCTED.**

c. **13102067:** The employment contract for the ED is normally decided before July 1, 2013, yet is has been postponed repeatedly.

*Convened To Open Session At: _____

OPEN SESSION

IV. LEASE AGREEMENTS

A. OCI Lease Agreement - 706 E. Manchester Ave., Los Angeles CA
Action required (Yes/No): _____
Motion by: _____
Second by: _____
Number of votes in favor: ____
Number of votes opposed: ____
Motion adopted (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

B. OCI Lease Agreement - 8778 South Central Ave., Los Angeles CA
Action required (Yes/No): _____
Motion by: _____
Second by: _____
Number of votes in favor: ____
Number of votes opposed: ____
Motion adopted (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

V. EDUCATION ADMINISTRATIVE STAFF REPORTS

A. Report - Principal
Action required (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

B. Report - Vice - Principal
Action required (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

VI. OLD BUSINESS

A. **Item 13092609: Election of Governing Board Officers for the 2013-14 School Year**
   i. Item 13092609(b): Election of Secretary (Discussion/Action)
B. **Item 130926109(A):** Formation of the Board's Finance & Budget Committee - To appoint committee members. (Action) – *Board President Tolbert*
C. **Item 13092611:** Status on updating the Certificated Teacher Salary Table for FY 2013-14 (Clarification) – *Board President Tolbert*
D. **Item 13092613:** FCMAT Update - The school is currently undergoing an audit from LACOE. (Informational/Discussion) – *Executive Director, Mr. Cabil*
E. **Item 13092618:** WISDOM Organization Chart – Delineating employee responsibilities and lines of supervisorial authority (Informational/Discussion) - *Executive Director, Mr. Cabil*
F. **Item 13092619:** Request for Charter School Petition Consultant in the amount

not to exceed $8,000. (Discussion/Action) - *Executive Director, Mr. Cabil*

G. **Item 1310201:** Other required Insurance Policy – The Governing Board received the school's insurance policy coverage. The Board will consider the renewal of policy w/current carrier to prevent any lapse in coverage. (Action/Discussion) – *Dufour Insurance Services, LLC*
H. **Item 13092616:** Monthly Budget Update for 2013-14 School Year, and disposition of the unaudited actual financial report for fiscal year ending June 30, 2013 requested from LACOE– (Discussion/Possible Action) - *Bali Business Management*
I. **Item 13092614(A):** Formation of the Board's Teaching and Learning Committee – To appoint committee members. (Action) – *Board President Tolbert*
J. **Item 1310202:** Adoption of a Revised 2013-14 Board Meeting Calendar. (Action) – *Board President Tolbert*

VII. **NEW BUSINESS** (continued)

A. Item **1310203:** Scheduling A Board Retreat – The Retreat is Fourfold: 1) To establish guiding principles and values that will better enable the Board to conduct the business of the school with transparency, efficiency and civility. 2) To review and update the Board's By-Laws that align with the operation of a public charter school rather than the general purposes of a nonprofit organization. 3) To receive training in areas to be identified by board members. 4) Other development purposes identified by Board members. *(Action) – Board Members*
B. Item **1310204:** Update on the arbitration between LACOE and Wisdom Academy

VIII. **FUTURE AGENDA ITEMS**

A. **Item 13092620:** Board Member Recommendations for Future Agenda Items

(THE BOARD WAS UNABLE TO RECONVENE TO OPEN SESSION OFFICIALLY ADJOURN THE MEETING.)

*Motion to Adjourn By*_____*Meeting Adjourned At*_____

**Agenda items in blue were unable to be addressed by the Board due to the disruption caused by the employee.

(Minutes taken by Board Member Daniels and Prepared for distribution by President Tolbert.)

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, January 30, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, January 30, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted January 29, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson
2. Norman Golden
3. Dorothy Valenti
4. Armando Espinoza
5. Hon. Saundra Davis
6. Hon. Carol Lee Tolbert
7. Kimberly Daniels, Esq.

IV. **Approval of the Board Meeting Minutes - None**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. ANTICIPATED LITIGATION—One potential item (pursuant to Gov. Code § 54956.9(d)(2).)

VIII. **Open Session**
a. Consideration of and potential action concerning the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis) – Action Item

a. **VIII. Recommendations**
b. Approval of the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis

IX. **Recommendations For Future Agenda Items**

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, January 30, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, January 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 6:28pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present**: Cheryl Johnson, Dorothy Valenti, Kimberly Daniels, Armando Espinoza
Board Members Absent: Carol Lee Tolbert, Saundra Davis
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports**
   a. None

VII. **Closed Session**
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation.

VIII. **Open Session**
   a. Consideration of and potential action concerning the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis)
      i. Removal of Carol Lee Tolbert as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Kimberly Daniels
         2. Oppose – None
      ii. Removal of Saundra Davis as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
         2. Oppose – Kimberly Daniels

IX. **Oral Communication**
   a. Adrienne Cooks – Oral Report
   b. Flora Gomez – Oral Report

X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 7:41 PM.

Cheryl Johnson — 2-3-14
Secretary of Board — Date

Dr. Dorothy Valenti — 2-3-14
President of Board — Date
Vice-Chair

000668

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Monday, February 3, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Monday, February 3, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted January 31, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson
2. Norman Golden
3. Dorothy Valenti
4. Armando Espinoza
5. Hon. Saundra Davis
6. Kimberly Daniels, Esq.

IV. **Approval of the Board Meeting Minutes – August 29, 2013 and January 30, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 2 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. Board Member Resignation Letter– Action
b. Newly Required Student Fee's Policy – Action
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item.
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Resolution to sell school vehicle – Action Item
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – Action
h. Wisdom Academy for Young Scientists Annual Financial Audit – Action
i. Single Plan for Student Achievement – Action
j. Unaudited Actuals Financial Report – Action
k. Title I Budget 2013-14 – Action
l. Special Education Budget 2013-14 – Action
m. After School Education and Safety Program 2013-14 Budget
n. First Interim Financial Report – Action
o. Updates Regarding FCMAT Audit – Discussion Item

Recommendations
a. Approval of Board Member Resignation Letter
b. Adoption of Student Fee's Policy
c. Approval of 2013-14 Fiscal Year Executive Director Contract 2013-14 – Action Item
d. Approval of Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Approval of Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Approval of Resolution to sell school vehicle – Action Item

g. Approval of Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – Action
h. Approval of Wisdom Academy for Young Scientists Annual Financial Audit – Action
i. Approval of Single Plan for Student Achievement – Action
j. Approval of Unaudited Actuals Financial Report – Action
k. Approval of Title I Budget 2013-14 – Action
l. Approval of Special Education Budget 2013-14 – Action
m. Approval of After School Education and Safety Program 2013-14 Budget
n. Approval of First Interim Financial Report – Action
o. Approval of Updates Regarding FCMAT Audit – Discussion Item

VIII. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL/ANTICIPATED LITIGATION—one item (Gov. Code s. 54956.9(d)(2)

IX. Closed Session report

X. Recommendations For Future Agenda Items

XI. Meeting Adjourned

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Monday, February 3, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden, Saundra Davis, Kimberly Daniels
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
a. None

VI. **Reports**
a. None

VII. **Closed Session**
a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – **No action was taken.**

VIII. **Open Session**
a. Board Member Resignation Letter – Kimberly Daniels – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
b. Adoption of Student Fee's Policy – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None

Secretary of Board Date President of Board Date

f. Resolution to sell school vehicle – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
h. Wisdom Academy for Young Scientists Annual Financial Audit – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
i. Single Plan for Student Achievement – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
j. Unaudited Actuals Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
k. First Interim Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
l. Updates Regarding FCMAT Audit – Discussion Item

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Single Plan for Student Achievement – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Unaudited Actuals Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. First Interim Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Updates Regarding FCMAT Audit – Discussion Item

XI. The board meeting of WAYS was officially adjourned at 7:19 PM.

Secretary of Board Date

President of Board Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, February 27, 2014
5:30 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, February 27, 2014
5:30 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted February 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Norman Golden ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Hon. Saundra Davis ____/____

IV. **Approval of the Board Meeting Minutes – February 3, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Legal Counsel/Anticipated Litigation—one item (Gov. Code s. 54956.9(d)(2)

VIII. **Closed Session Report**

IX. **Open Session**
a. Election of Officer: Interim Board Chair - Action
b. Performance Based 2013-14 School Year Stipends Round One – Action
c. 2013-14 School Year Employment Agreements – Action Item
d. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
e. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Action Item
f. Gateway Business Properties - Buyer Representation Agreement - Action
g. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61) – Action Item
h. Adoption of LACOE Implemented SIRAS Special Education Information System - Action
i. Federal IRS 990 Filing 2012 – Action
j. Unaudited Actuals Financial Report – Action
k. First Interim Financial Report – Action
l. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
m. Response to Annual Audit findings – Discussion
n. Wells Fargo Payroll Systems Agreement - Action
o. WAYS Board of Directors Training and Retreat – Discussion

p. Board Member Installations – Action
q. Board Member Resignation Letter– Action
r. Board Member Recruitment – Discussion
s. Consideration of the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis) – Action Item
t. Fundraising: Student Store – Discussion

IX. Recommendations For Future Agenda Items

a. Single Plan for Student Achievement – Action

X. Meeting Adjourned

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, February 27, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 27, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Cheryl Johnson, Dorothy Valenti, Armando Espinoza, Maria Garcia, Adraine Cook
Board Members Absent: Norman Golden, Saundra Davis,
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, and other Parents and Staff members of Wisdom Academy.

IV. Additions to the Agenda

V. Approval of Minutes
   a. None

VI. Reports
   a. Principals Report – See Handouts
   b. Finance Report – Bail Business Management

VII. Closed Session
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      I. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – No action was taken.

VIII. Open Session
   a. Board Member Recruitment – Discussion and Introductions from Prospective Board Members Maria Garcia and Adraine Cook
   b. Board Member Installations – Maria Garcia and Adraine Cook – Approved 3/0
      I. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      II. Oppose – None
   c. Consideration of the WAYS School Site Council resolution regarding the Board Membership of Saundra Davis (the School Site Council has requested resignation or removal of Board Member Saundra Davis) – Approved 5/0
      I. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      II. Oppose – None
   d. Board Member Resignation – Norman Golden – Approved 5/0
      I. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      II. Oppose – None

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

e. Election of Officer: Armando Espinoza, Interim Board Chair – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
f. Performance Based Stipends 2013-14 Round One – Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
g. 2013-14 School Year Employment Agreements – Table to future Board Meeting
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
h. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
i. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
j. Gateway Business Properties - Buyer Representation Agreement – Tabled to future meeting.
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
k. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61) – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
l. Adoption of LACOE Implemented SIRAS Special Education Information System – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
m. Federal IRS 990 Filing 2012 – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
n. Unaudited Actuals Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
o. First Interim Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
p. Wells Fargo Payroll Systems Agreement - Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
q. Response to Annual Audit findings – Discussion
   i. Discussion by Jason Okonkwo and Halilu of Bali Business Management regarding changes to WAYS Financial Policies in the future Board Meetings.
r. Fundraising: Student Store – Discussion
   i. Discussion by Mr. Cabil

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

s. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
    i. Moved to future meeting.
t. WAYS Board of Directors Training and Retreat – Discussion
    i. Moved to Future Meeting

IX. Oral Communication
    a. None

X. Future Agenda Items
    a. Single Plan for Student Achievement – Moved to future meeting.
    b. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
    c. WAYS Board of Directors Training and Retreat - Discussion

XI. The board meeting of WAYS was officially adjourned at 8: PM.

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, March 13, 2014
6:00 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, March 13, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted March 12, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Adriane Cook ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Maria Garcia ____/____

IV. **Approval of the Board Meeting Minutes** – February 27, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
b. Conference with Legal Counsel: One item: Formation of the 706 East Manchester Ave, LLC under the Merle Williamson Foundation (to hold the title of the Manchester Property) – Action

VIII. **Closed Session Report**

IX. **Open Session**
a. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Thursday, March 13, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, March 13, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 7:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001
Teleconference: 5641 Locust Ave, Long Beach, California 90806.

II. All members and guests stood and saluted the flag.

III. Board Members Present: Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook

Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil, Jimmy Chai of Cushman & Wakefiled.

IV. Additions to the Agenda

V. Approval of Minutes
a. February 27, 2014

VI. Reports
a. None

VII. Closed Session
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating Parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: 706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
ii. Oppose – None
b. Conference with Legal Counsel [illegible] 706 East Manchester Ave [illegible] under the Merle Williamson Foundation [illegible] Manchester Property) –
i. In favor – Cheryl John[illegible]y Valenti, Adraine Cook
ii. Oppose – None

VIII. Open Session
a. Updates Regarding FCMAT Aud[illegible]ication regarding [illegible]siness Services vendor. Resolution to [illegible]e because OSA [illegible]udit WAYS during FCMAT Audit – Di[illegible]
i. In favor – Armando Espinoza, Dorothy Vale[illegible]
ii. Oppose – Cheryl Johnson

IX. Oral Communication
a. None

X. Future Agenda Items
XI. The board meeting of WAYS was officially adjourned at 7:48 PM.

Board Member Date 4/25/14 Board Chairperson Date 4/25/14

000685

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, March 27, 2014
6:00 P.M.– 7:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, March 27, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted March 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Adraine Cook ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Maria Garcia ____/____

IV. **Approval of the Board Meeting Minutes – March 13, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Closed Session**
a. CONFERENCE WITH LEGAL COUNSEL/ANTICIPATED LITIGATION—one item (Gov. Code s. 54956.9(d)(2)

VIII. **Closed Session Report**

VIII. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

IX. **Open Session**
a. LACOE notice to the WAYS Board regarding FCMAT Audit Findings – Discussion

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, April 3, 2014
6:00 P.M.– 7:30 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, April 3, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 2, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Adraine Cook ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Maria Garcia ____/____

IV. **Approval of the Board Meeting Minutes** – March 13, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Extension of Escrow period from 45 to 120 days.
b. Conference with Legal Counsel/ Potential Litigation: One item

VIII. **Closed Session Report**

IX. **Open Session**
a. Wells Fargo Commercial Property Finance Application - Action Item
b. Wilkinson Hadley King & Company, LLP tore-audit the financial statements year-end June 30, 2013
c. Fiscal Crisis Management Team (FCMAT), to provide fiscal management assistance and professional development training.
d. Selection of Independent Audit Firm for year-end June 30, 2014

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Thursday, April 3, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, April 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:24pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook

Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil,

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. March 13, 2014

VI. **Reports/ Oral Communication**
   a. Bali Business Management – Monthly Financial Report (Hand-outs)
   b. Vice-Principal's Report (Hand-out)

VII. **Closed Session**
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating Parties: Marie Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: 706 East Manchester Buildings A-E) Under Negotiation: Extension of Escrow period from 45 to 120 days. – Approved 4/0
      I. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      II. Oppose – None
   b. Conference with Legal Counsel – One Item – Discussion

VIII. **Open Session**
   a. Wells Fargo Commercial Prope… – Approved 4/0
      I. In favor – Cheryl John… Valenti, Adraine Cook
      II. Oppose – None
   b. Wilkinson Hadley King & Comp… financial statements … June 30, 2013 – Approved 4/0
      I. In favor – Cheryl Johnson, Armando Espino…
      II. Oppose – None
   c. Fiscal Crisis Management Team (FCMAT), to provide fiscal management assistance and professional development training, Pending On-site Fiscal Services Proposal - Discussion
   d. Selection of Independent Audit Firm for year-end June 30, 2014 - Discussion

IX. **Future Agenda Items**
X. The board meeting of WAYS was officially adjourned at 7:52 PM.

Board Member — Date 4/25/14
Board Chairperson — Date 4/23/14

Wisdom Academy for Young Scientists

Notice of Board of Directors Board Meeting
Friday, April 25, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Friday, April 25, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 22, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Adraine Cook ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Maria Garcia ____/____

IV. **Approval of the Board Meeting Minutes – April 3, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit– LACOE staff Ed. Code section 1241.5 requires that the LACOE superintendent report its findings and recommendations to the governing board of the charter school
b. Selection of Independent Audit Firm for year-end June 30, 2014 - Action

VIII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates regarding due diligence.
b. Conference with Legal Counsel/ Potential Litigation: One Item

IX. **Closed Session Report**

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Board Meeting
Wednesday, April 30, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
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Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Wednesday, April 30, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 29, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson ____/____
2. Adraine Cook ____/____
3. Dorothy Valenti ____/____
4. Armando Espinoza ____/____
5. Maria Garcia ____/____

IV. **Approval of the Board Meeting Minutes – April 25, 2014**

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
- a. WAYS Financial Policies and Revisions (4/25/14) – Action
- b. WAYS Response to LACOE Superintendent's notice of the FCMAT AB139 recommendation pursuant Ed. Code 1241.5 – Discussion and Potential Action
- c. WAYS 2014-15 School Year Operating Budget – Discussion and Potential Action
- d. WAYS 2014-15 School Year Special Education Budget – Discussion and Potential Action
- e. WAYS 2014-15 Title I Budget – Discussion and Potential Action
- f. 2013-14 School Year Employment Agreements – Discussion and Potential Action
- g. Recruitment of Additional Board Members – Discussion

VIII. **Closed Session**
- a. Public Employee Performance Evaluation (Employment Title: Executive Director)
  - i. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b)
- b. Public Employee Appointment (Executive Director)
- c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations)
- d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)

IX. **Closed Session Report**

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Tuesday, May 20, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Tuesday, May 20, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted May 19, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 25, 2014, April 30, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Performance Evaluation (Employment Title: Executive Director)
  - i. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b)
- b. Public Employee Appointment (Executive Director)
- c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations)
- d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
- e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
- f. Conference with Legal Counsel: One Item: Formation of the 706 East Manchester Ave, LLC under the Merle Williamson Foundation (to hold the title of the Manchester Property) – Action

VIII. **Closed Session Report**

IX. **Open Session**
- a. Consider and Approve the "Assignment And Assumption Of Standard Offer, Agreement And Escrow Instructions For Purchase Of Real Estate" From Merle Williamson Foundation ("WAYS") to 706 East Manchester, LLC – Action

b. Consider and Approve Lease Agreement between Merle Williamson Foundation ("WAYS") to 706 East Manchester, LLC as Tenant, and 706 East Manchester, LLC as Landlord – Action

X. Meeting Adjourned

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, June 12, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, June 12, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted June 10, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 25, 2014, April 30, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Public Employee Appointment (Executive Director)
b. Public Employee Evaluation (Executive Director)
c. Conference with Legal Counsel – Notice of Violation (one matter, Gov. Code § 54956.9(d)(2)
d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.

VIII. **Closed Session Report**

IX. **Open Session**
a. Local Control Funding Formula Spending (LCFF) and Local Control and Accountability Plan (LCAP) - Action
b. 2014-15 School Year Operating Budget - Action
c. Board Member Elections - Discussion
d. 2014-15 Board Roster and Calendar - Discussion
e. Donation awarded by Food 4 Less - Action

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Friday, June 27, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Friday, June 27, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted June 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – May 20, 2014, June 14, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Appointment (Executive Director)
- b. Public Employee Evaluation (Executive Director)
- c. Conference with Legal Counsel – Notice of Violation (one matter, Gov. Code § 54956.9(d)(2)
- d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
- e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
- a. 2014-15 School Year Operating Budget - Action
- b. 2014-15 Master Calendar – Action
- c. 2014-15 Board Roster and Calendar – Action
- d. 2014-15 Board Retreat – Discussion
- e. 2014-15 Board Member Elections – Discussion
- f. 2013-14 School Year Evaluation – Discussion

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, July 9, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Wednesday, July 9, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted July 7, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – May 20, 2014, June 14, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Appointment (Executive Director)
- b. Public Employee Evaluation (Executive Director)
- c. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
- d. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
- a. Consider and approve temporary consultant contract
  - i. Board will consider and may take action on contract with former Director of Operations Jason Okonkwo, as temporary independent contractor to assist WAYS with records responsive to LACOE's Notice of Violation, and to assist with transition to new staff
- b. Consider and approve month-to-month employment relationship with Executive Director Ed Cabil
  - i. Board will consider and may take action on extending Mr. Cabil's employment relationship on a month-to-month basis
- c. Consider and approve material terms of 706 East Manchester LLC lease agreement

i. The LLC has or is expected to soon acquire the school site properties. The Board will consider and may adopt material terms for the lease.

d. 2014-15 School Year Operating Budget - Action
e. 2014-15 Master Calendar – Action
f. 2014-15 Board Roster and Calendar – Action
g. 2014-15 Board Retreat – Discussion
h. 2014-15 Board Member Elections – Discussion
i. 2013-14 School Year Evaluation – Discussion

X. Meeting Adjourned

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, July 23, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Wednesday, July 23, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted July 22, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** May 20, 2014, June 14, 2014, July 9, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Interviews (Executive Director)
- b. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
- c. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
- a. Consider and approve back office provider contract
  - i. Board will consider and may take action on contract with Charter School Management Corporation or Charter Impact
- b. Consider and approve consultant contract
  - i. Board will consider and may take action on a contract with the Celerity Global Development
- c. Consider and approve material terms of 706 East Manchester LLC lease agreement
  - i. The LLC has or is expected to soon acquire the school site properties. The Board will consider and may adopt material terms for the lease.
- d. 2014-15 Board Member Appointment – Action

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, July 30, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Wednesday, July 30, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted July 27, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – May 20, 2014, June 14, 2014, July 9, 2014, July 23, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Public Employee Appointment (Executive Director)
b. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2) – Notice of Violation
c. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
a. Consider and approve back office provider contract
   i. Board will consider and may take action on contract with Charter School Management Corporation, or Charter Impact, or Bali Business Management
b. Consider and approve charter school consultant contract
   i. Board will consider and may take action on a contract with the Celerity Global Development to assist with certain aspects of charter operations
c. Consider and approve material terms of 706 East Manchester LLC lease agreement
   i. The LLC has or is expected to soon acquire the school site properties. The Board will consider and may adopt material terms for the lease.
d. Consider and approve 2014-15 Lease Agreement with Salvation Army

Formatted

i. The Salvation Army Lease amount has increased significantly due to added fee for use of Gym Space. The Board will consider and may enter into a material lease agreement.

X. Meeting Adjourned

EXHIBIT 28

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
June 30, 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 12 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 9%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $655,993 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses. The School has made payable $58,200 on behalf of 706 East Manchester LLC, a single owner limited liability company own by Merle Williamson Foundation. The limited liability company is entering into a contract to buy the property at 706 East Manchester where is the school currently located. The school plan to lease the facility from the limited liability company. The deposit will be paid back by the LLC or applied to future rent.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending June 30, 2014, Net Income (loss) is $ 418,574 versus budgeted net loss of $532. The difference is as a result of timing and the receiving of unbudgeted prior year revenue in the current year. Unbudgeted prior year Class Size Reduction and Facilities Grant received in the current year totaled $ 319,000. The remaining amount is due to LCFF transition funds received in the current year.

REVENUE:

For the period ending June 30, 2014 total revenue $4,625,231 this is $450,449k over budgeted revenue for the period due to timing difference and unbudgeted revenue.

EXPENDITURES:

- For the period ending June 30, 2014, total expenses are $4,206,656. This is $31,343k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $112,307 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $14,705k over budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $90,956k due to timing differences.

Form **941 for 2014: Employer's QUARTERLY Federal Tax Return** 970114
(Rev. January 2014) Department of the Treasury · Internal Revenue Service OMB No. 1545-0029

Employer identification number (EIN) 71-091925

Name (not your trade name) MERLE WILLIAMSON FOUNDATION

Trade name (if any) WISDOM ACADEMY FOR YOUNG SCIENTISTS

Address DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS 70

LOS ANGELES CA 90001

Report for this Quarter of 2014 (Check one.)

- [X] 1:January, February, March
- [ ] 2:April, May, June
- [ ] 3:July, August, September
- [ ] 4:October, November, December

Instructions and prior-year forms are available at www.irs.gov/form941.

QBMT2901 02/07/14

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4)	1	52
2 Wages, tips, and other compensation	2	502,964.28
3 Federal income tax withheld from wages, tips, and other compensation	3	49,044.00

4 If no wages, tips, and other compensation are subject to social security or Medicare tax ☐ Check and go to line 6.

	Column 1		Column 2
5a Taxable social security wages	163,207.39	x .124 =	20,237.72
5b Taxable social security tips		x .124 =	
5c Taxable Medicare wages & tips	530,574.82	x .029 =	15,386.67
5d Taxable wages & tips subject to Additional Medicare Tax withholding		x .009 =	

5e Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	35,624.39
5f Section 3121(q) Notice and Demand – Tax due on unreported tips (see instructions)	5f	
6 Total taxes before adjustments. Add lines 3, 5e, and 5f	6	84,668.39
7 Current quarter's adjustment for fractions of cents	7	0.07
8 Current quarter's adjustment for sick pay	8	
9 Current quarter's adjustments for tips and group-term life insurance	9	
10 Total taxes after adjustments. Combine lines 6 through 9	10	84,668.46
11 Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, 944-X (PR), or 941-X (SP) filed in the current quarter	11	84,668.46
12 Balance due. If line 10 is more than line 11, enter difference and see instructions	12	
13 Overpayment. If line 11 is more than line 10, enter difference _____ Check one: ☐ Apply to next return. ☐ Send a refund.		

► You MUST complete both pages of Form 941 and SIGN it. Next ►

970214

Form 941 (Rev. 1-2014) Page 2

Name (not your trade name)	Employer identification number (EIN)
MERLE WILLIAMSON FOUNDATION	71-0919256

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see Pub. 15 (Circular E), section 11.

14 Check one:

☐ **Line 10 on this return is less than $2,500 or line 10 on the return for the prior quarter was less than $2,500, and you did not incur a $100,000 next-day deposit obligation during the current quarter.** If line 10 for the prior quarter was less than $2,500 but line 10 on this return is $100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

☐ **You were a monthly schedule depositor for the entire quarter.** Enter your tax liability for each month and total liability for the quarter, then go to Part 3

Tax liability: Month 1 _____

Month 2 _____

Month 3 _____

Total liability for quarter _____ Total must equal line 10.

☒ **You were a semiweekly schedule depositor for any part of this quarter.** Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

15 **If your business has closed or you stopped paying wages** ..... ☐ Check here, and

enter the final date you paid wages _____.

16 **If you are a seasonal employer and you do not have to file a return for every quarter of the year** ..... ☐ Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See instructions for details.

☐ Yes. Designee's name and phone number _____ _____

QBMT2902 02/07/14

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS. _____

☐ No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ **Sign your name here** _____

Print your name here Linda Wil[illegible]ms

Print your title here Bookkeep[illegible]

Date 04/11/2014

Best daytime phone (323) 935-4220

Paid Preparer's Use Only

Check if you [illegible]ployed ..... ☐

Preparer's name _____ PTIN _____

Preparer's signature _____ Date _____

Firm's name (or yours if self-employed) _____ EIN _____

Address _____ Phone _____

City _____ State _____ ZIP code _____

Schedule B (Form 941): Report of Tax Liability for Semiweekly Schedule Depositors

OMB No. 1545-0029 970311

Department of the Treasury — Internal Revenue Service

Calendar Year 2014

Employer identification number 71-0919256

Name (not your trade name) MERLE WILLIAMSON FOUNDATION

Use this schedule to show your TAX LIABILITY for the quarter; DO NOT use it to show your deposits. When you file this form with Form 941 or Form 941-SS, DO NOT change your tax liability by adjustments reported on any Forms 941-X or 944-X. You must fill out this form and attach it to Form 941 or Form 941-SS if you are a semiweekly schedule depositor or became one because your accumulated tax liability on any day was $100,000 or more. Enter your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 (Circular E), Employer's Tax Guide, for details.

Report for this Quarter
- [X] 1: January, February, March
- [ ] 2: April, May, June
- [ ] 3: July, August, September
- [ ] 4: October, November, December

Month 1

1		9		17		25	
2		10	1,406.08	18		26	
3		11		19		27	
4		12		20		28	
5		13		21		29	
6		14		22		30	
7		15		23		31	22,748.74
8		16		24	739.48		

Tax liability for Month 1: 24,894.30

Month 2

1		9		17		25	
2		10	4,205.68	18		26	3,332.66
3	34.26	11		19		27	
4		12		20		28	22,317.92
5		13		21		29	
6		14		22		30	
7		15		23		31	
8		16		24			

Tax liability for Month 2: 29,890.52

Month 3

1		9		17		25	3,217.72
2		10	4,446.04	18		26	
3		11		19		27	
4		12		20		28	22,219.88
5		13		21		29	
6		14		22		30	
7		15		23		31	
8		16		24			

Tax liability for Month 3: 29,883.64

Fill in your total liability f

Total

+ Month 2 + Month 3) ▶

Form 941 or Form 941-SS.

Total liability for the quarter: 84,668.46

3:03 PM
07/16/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation Summary
9120.07 · Wells Fargo - 7545 (NEW MAIN), Period Ending 06/30/2014

	Jun 30, 14	
Beginning Balance		868,625.33
Cleared Transactions		
Checks and Payments - 114 items	-246,618.57	
Deposits and Credits - 5 items	76,995.00	
Total Cleared Transactions	-169,623.57	
Cleared Balance		699,001.76
Uncleared Transactions		
Checks and Payments - 85 items	-215,664.95	
Deposits and Credits - 2 items	26,176.03	
Total Uncleared Transactions	-189,488.92	
Register Balance as of 06/30/2014		509,512.84
New Transactions		
Checks and Payments - 11 items	-16,445.96	
Total New Transactions	-16,445.96	
Ending Balance		493,066.88

3:03 PM
07/18/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation Detail
9120.07 · Wells Fargo - 7545 (NEW MAIN), Period Ending 06/30/2014

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						868,625.33
Cleared Transactions						
Checks and Payments - 114 items						
Bill Pmt -Check	3/13/2014	13293	SHERYL CRODDY	X	-21.80	-21.80
Paycheck	4/10/2014	13436	LOPEZ, SOFIA G	X	-493.29	-515.09
Paycheck	4/10/2014	13445	LOPEZ, SOFIA G	X	-383.67	-898.76
Paycheck	4/25/2014	13473	JENKINS II, EDWA...	X	-155.43	-1,054.19
Bill Pmt -Check	5/13/2014	13614	MIKE MONZON	X	-450.00	-1,504.19
Bill Pmt -Check	5/14/2014	13631	Laurel Henry	X	-42.28	-1,546.47
Bill Pmt -Check	5/20/2014	13644	Protection One	X	-779.52	-2,325.99
Bill Pmt -Check	5/20/2014	13645	The Gas Company	X	-8.65	-2,334.64
Bill Pmt -Check	5/22/2014	13721	OLIVIVA SAM	X	-96.77	-2,431.41
Paycheck	5/23/2014	13681	GORDON, RONZE L	X	-399.48	-2,830.89
Bill Pmt -Check	5/27/2014	13733	SchoolOutfitters	X	-1,520.37	-4,351.26
Bill Pmt -Check	5/27/2014	13730	FIRST STUDENT,I...	X	-407.25	-4,758.51
Bill Pmt -Check	5/27/2014	13732	RUBENIA APARICIO	X	-61.47	-4,819.98
Bill Pmt -Check	5/29/2014	13748	BALI BUSINESS M...	X	-5,082.58	-9,902.56
Bill Pmt -Check	5/30/2014	13761	REVOLUTION FOO...	X	-26,612.63	-36,515.19
Bill Pmt -Check	5/30/2014	13760	OCI Development C...	X	-18,656.48	-55,171.67
Paycheck	5/30/2014	13709	Torres, Maria de Lo...	X	-3,594.46	-58,766.13
Paycheck	5/30/2014	13708	SKEEN, ROBIN	X	-3,392.99	-62,159.12
Paycheck	5/30/2014	13701	LAWSON, DANIEL...	X	-3,327.48	-65,486.60
Paycheck	5/30/2014	13712	VARGAS, GRACIE...	X	-2,565.81	-68,052.41
Bill Pmt -Check	5/30/2014	13751	CAMILLE HARRIS	X	-2,160.00	-70,212.41
Bill Pmt -Check	5/30/2014	13758	Loraine Turner	X	-1,750.00	-71,962.41
Bill Pmt -Check	5/30/2014	13767	The Salvation Army	X	-1,512.75	-73,475.16
Bill Pmt -Check	5/30/2014	13755	Laurel Henry	X	-908.38	-74,383.54
Bill Pmt -Check	5/30/2014	13757	LOOKING GLASS ...	X	-817.00	-75,200.54
Bill Pmt -Check	5/30/2014	13772	Teachers On Reserve	X	-566.10	-75,766.64
Paycheck	5/30/2014	13738	Torres, Maria de Lo...	X	-544.30	-76,310.94
Paycheck	5/30/2014	13737	SKEEN, ROBIN	X	-537.30	-76,848.24
Paycheck	5/30/2014	13736	LAWSON, DANIEL...	X	-501.30	-77,349.54
Paycheck	5/30/2014	13739	VARGAS, GRACIE...	X	-501.30	-77,850.84
Bill Pmt -Check	5/30/2014	13770	LOOKING GLASS ...	X	-399.50	-78,250.34
Bill Pmt -Check	5/30/2014	13765	Teachers On Reserve	X	-377.40	-78,627.74
Bill Pmt -Check	5/30/2014	13763	SIR HARRISON	X	-350.00	-78,977.74
Bill Pmt -Check	5/30/2014	13754	LA DWP	X	-246.30	-79,224.04
Bill Pmt -Check	5/30/2014	13750	Budget Disposal Sy...	X	-218.60	-79,442.64
Bill Pmt -Check	5/30/2014	13753	Juan Carlos Arias R...	X	-200.00	-79,642.64
Bill Pmt -Check	5/30/2014	13769	LA DWP	X	-193.19	-79,835.83
Liability Check	5/30/2014	E-pay	United States Treas...	X	-160.66	-79,996.49
Bill Pmt -Check	5/30/2014	13773	The Salvation Army	X	-160.00	-80,156.49
Bill Pmt -Check	5/30/2014	13766	Terminix Procesing ...	X	-140.00	-80,296.49
Bill Pmt -Check	5/30/2014	13768	Budget Disposal Sy...	X	-129.80	-80,426.29
Bill Pmt -Check	5/30/2014	13759	MINITA MATHIS	X	-108.32	-80,534.61
Bill Pmt -Check	5/30/2014	13762	SHERYL CRODDY	X	-92.38	-80,626.99
Bill Pmt -Check	5/30/2014	13764	SUNG OK PARK	X	-89.00	-80,715.99
Bill Pmt -Check	5/30/2014	13771	MINITA MATHIS	X	-74.40	-80,790.39
Bill Pmt -Check	5/30/2014	13752	ERIKA BAHENA,	X	-52.60	-80,842.99
Bill Pmt -Check	5/30/2014	13756	LIDIANA PORTALE...	X	-44.13	-80,887.12
Liability Check	5/30/2014	E-pay	EDD	X	-10.50	-80,897.62
Bill Pmt -Check	6/3/2014	13775	AMERICAN EXPRE...	X	-9,555.83	-90,453.45
Bill Pmt -Check	6/5/2014	13786	REVOLUTION FOO...	X	-37,503.41	-127,956.86
Bill Pmt -Check	6/5/2014	13781	REVOLUTION FOO...	X	-34,401.55	-162,358.41
Bill Pmt -Check	6/5/2014	13788	A.M. P.M. Building ...	X	-2,000.00	-164,358.41
Bill Pmt -Check	6/5/2014	13795	CHARTER SCHOO...	X	-1,645.00	-166,003.41
Bill Pmt -Check	6/5/2014	13789	OCHIN SECURITY ...	X	-1,452.00	-167,455.41
Bill Pmt -Check	6/5/2014	13783	Scholastic Book Fair	X	-1,313.52	-168,768.93
Bill Pmt -Check	6/5/2014	13787	Scholastic Book Fair	X	-1,013.38	-169,782.31
Bill Pmt -Check	6/5/2014	13796	HIGHER GROUND ...	X	-525.00	-170,307.31
Bill Pmt -Check	6/5/2014	13785	ULINE	X	-302.83	-170,610.14
Bill Pmt -Check	6/5/2014	13780	MINITA MATHIS	X	-300.00	-170,910.14
Bill Pmt -Check	6/5/2014	13792	PODS ENTERPRIS...	X	-217.99	-171,128.13
Bill Pmt -Check	6/5/2014	13790	PODS ENTERPRIS...	X	-217.99	-171,346.12
Bill Pmt -Check	6/5/2014	13791	PODS ENTERPRIS...	X	-217.99	-171,564.11
Bill Pmt -Check	6/5/2014	13778	KAISER FOUNDAT...	X	-197.00	-171,761.11
Bill Pmt -Check	6/5/2014	13797	SUNG OK PARK	X	-170.00	-171,931.11
Bill Pmt -Check	6/5/2014	13776	APPERSON DataLink	X	-159.00	-172,090.11

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation Detail
9120.07 · Wells Fargo - 7545 (NEW MAIN), Period Ending 06/30/2014

Type	Date	Num	Name	Clr	Amount	Balance
Bill Pmt -Check	6/5/2014	13779	MARY LAWSON*	X	-104.60	-172,194.71
Bill Pmt -Check	6/5/2014	13782	SAMMIE ROLLINS	X	-36.00	-172,230.71
Bill Pmt -Check	6/5/2014	13800	The Gas Company	X	-29.72	-172,260.43
Bill Pmt -Check	6/5/2014	13799	The Gas Company	X	-27.28	-172,287.71
Bill Pmt -Check	6/5/2014	13798	The Gas Company	X	-10.15	-172,297.86
Liability Check	6/6/2014	13850	Los Angeles County...	X	-714.63	-173,012.49
Liability Check	6/6/2014	13851	State Disbursement...	X	-187.50	-173,199.99
Liability Check	6/9/2014		QuickBooks Payroll...	X	-5,692.84	-178,892.83
Liability Check	6/10/2014	E-pay	United States Treas...	X	-3,691.66	-182,584.49
Paycheck	6/10/2014	13802	ALVAREZ, JUSTIN...	X	-1,228.98	-183,813.47
Paycheck	6/10/2014	13807	MORALES, LETICIA	X	-1,140.04	-184,953.51
Paycheck	6/10/2014	13803	GORDON, LYDIA N	X	-1,055.09	-186,008.60
Paycheck	6/10/2014	13808	PEREZ, ANITA	X	-963.68	-186,972.28
Paycheck	6/10/2014	13793	HOSKINS, BEVER...	X	-788.90	-187,761.18
Paycheck	6/10/2014	13805	LINCOLN, DEBRA	X	-732.41	-188,493.59
Paycheck	6/10/2014	13849	ARMBRISTER, DO...	X	-609.75	-189,103.34
Paycheck	6/10/2014	13847	GORDON, LYDIA N	X	-602.91	-189,706.25
Paycheck	6/10/2014	13801	DINGLE, JASON	X	-575.33	-190,281.58
Paycheck	6/10/2014	13834	MORALES, LETICIA	X	-526.18	-190,807.76
Paycheck	6/10/2014	13848	DINGLE, JASON	X	-493.29	-191,301.05
Paycheck	6/10/2014	13794	HOSKINS, BEVER...	X	-455.34	-191,756.39
Paycheck	6/10/2014	13846	GORDON, RONZE L	X	-399.48	-192,155.87
Paycheck	6/10/2014	13804	GORDON, RONZE L	X	-350.67	-192,506.54
Paycheck	6/10/2014	13809	SMITH, BRIAN	X	-326.12	-192,832.66
Liability Check	6/10/2014	E-pay	EDD	X	-297.10	-193,129.76
Paycheck	6/10/2014	13833	SMITH, BRIAN	X	-274.05	-193,403.81
Liability Check	6/10/2014	E-pay	EDD	X	-186.81	-193,590.62
General Journal	6/11/2014	215		X	-20,039.01	-213,629.63
Bill Pmt -Check	6/11/2014	13852	DR Rasheeda Hawk	X	-987.00	-214,616.63
Bill Pmt -Check	6/24/2014	13861	BALI BUSINESS M...	X	-5,082.58	-219,699.21
Liability Check	6/24/2014		QuickBooks Payroll...	X	-264.55	-219,963.76
Liability Check	6/24/2014		QuickBooks Payroll...	X	-104.23	-220,067.99
Paycheck	6/25/2014	13856	GORDON, LYDIA N	X	-1,027.69	-221,095.68
Paycheck	6/25/2014	13853	ALVAREZ, JUSTIN...	X	-822.15	-221,917.83
General Journal	6/25/2014	217		X	-625.00	-222,542.83
Paycheck	6/25/2014	13855	DINGLE, JASON	X	-536.57	-223,079.40
Liability Check	6/25/2014	E-pay	United States Treas...	X	-507.34	-223,586.74
Paycheck	6/25/2014	13857	GORDON, RONZE L	X	-126.54	-223,713.28
Liability Check	6/25/2014	E-pay	United States Treas...	X	-88.12	-223,801.40
Liability Check	6/25/2014	E-pay	EDD	X	-32.83	-223,834.23
Liability Check	6/25/2014	E-pay	EDD	X	-8.93	-223,843.16
Liability Check	6/25/2014	E-pay	EDD	X	-5.76	-223,848.92
General Journal	6/25/2014	217		X	-3.00	-223,851.92
Bill Pmt -Check	6/26/2014	13865	Juan Carlos Arias R...	X	-200.00	-224,051.92
Bill Pmt -Check	6/26/2014	13870	SAMMIE ROLLINS	X	-61.14	-224,113.06
Liability Check	6/30/2014		QuickBooks Payroll...	X	-15,487.35	-239,600.41
YTD Adjustment	6/30/2014	13892	MOORE, II, LARRY D	X	-2,976.86	-242,577.27
YTD Adjustment	6/30/2014	13894	ROLLINS., SAMMIE	X	-2,408.65	-244,985.92
YTD Adjustment	6/30/2014	13891	LOPEZ, BERNARD...	X	-1,632.65	-246,618.57
Total Checks and Payments					-246,618.57	-246,618.57
Deposits and Credits - 5 items						
General Journal	6/4/2014	213		X	47,001.00	47,001.00
General Journal	6/11/2014	214		X	29,222.00	76,223.00
Paycheck	6/25/2014	13859	LAWSON, MARY	X	0.00	76,223.00
Paycheck	6/25/2014	13854	ANARIO, MARYTE...	X	0.00	76,223.00
General Journal	6/25/2014	216		X	772.00	76,995.00
Total Deposits and Credits					76,995.00	76,995.00
Total Cleared Transactions					-169,623.57	-169,623.57
Cleared Balance					-169,623.57	699,001.76

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation Detail
9120.07 · Wells Fargo - 7545 (NEW MAIN), Period Ending 06/30/2014

Type	Date	Num	Name	Clr	Amount	Balance
Uncleared Transactions						
Checks and Payments - 85 items						
Bill Pmt -Check	9/29/2010	7947	Claude Richardson		-395.00	-395.00
Bill Pmt -Check	3/10/2011	8550	Royal Dining		-16,919.50	-17,314.50
Bill Pmt -Check	5/20/2011	8786	FIRST STUDENT,I...		-328.00	-17,642.50
General Journal	11/30/2011				-583.68	-18,226.18
General Journal	6/30/2012	BALI #2			-714.86	-18,941.04
Bill Pmt -Check	4/12/2013	11573	FIRST STUDENT,I...		-886.58	-19,827.62
Bill Pmt -Check	5/2/2013	11665	INSURANCE FINA...		-2,982.20	-22,809.82
Bill Pmt -Check	5/21/2013	11724	State of California - ...		-150.00	-22,959.82
Bill Pmt -Check	5/24/2013	11726	A. C. E. Airconditio...		-418.10	-23,377.92
Bill Pmt -Check	5/24/2013	11731	EDWARD J CABIL*		-319.25	-23,697.17
Bill Pmt -Check	5/24/2013	11728	Andrew Kennedy		-262.50	-23,959.67
Bill Pmt -Check	5/24/2013	11730	COUNTY OF LOS ...		-100.00	-24,059.67
Bill Pmt -Check	6/25/2013	11905	Budget Rent A Car		-487.20	-24,546.87
Check	6/27/2013	11935	Salvation Army		-12,548.35	-37,095.22
Bill Pmt -Check	6/27/2013	11939	Loraine Turner		-1,450.00	-38,545.22
Paycheck	6/28/2013	11932	JOHNSON, TEREN...		-87.68	-38,632.90
Bill Pmt -Check	7/3/2013	11954	1st PMF Bancorp		-3,125.00	-41,757.90
Bill Pmt -Check	8/1/2013	12031	AMERICAN EXPRE...		-4,283.15	-46,041.05
Bill Pmt -Check	8/6/2013	12038	RUPERTO MARTI...		-108.00	-46,149.05
Bill Pmt -Check	8/30/2013	12148	LACOE*		-2,351.00	-48,500.05
Bill Pmt -Check	9/6/2013	12180	RAPID O PRINT		-45.00	-48,545.05
Bill Pmt -Check	9/12/2013	12194	AMERICAN EXPRE...		-8,142.79	-56,687.84
Bill Pmt -Check	9/12/2013	12193	3S CORPORATION		-1,104.72	-57,792.56
Bill Pmt -Check	9/26/2013	12305	Avatar Technology		-899.25	-58,691.81
Bill Pmt -Check	10/1/2013	12332	The Salvation Army		-12,548.35	-71,240.16
Paycheck	10/4/2013	12352	CARTER, STACEY		-2,820.65	-74,060.81
Paycheck	10/4/2013	12349	CARTER, STACEY		-774.78	-74,835.59
Bill Pmt -Check	10/25/2013	12462	Budget Disposal Sy...		-218.60	-75,054.19
Bill Pmt -Check	11/1/2013	12508	JUSTINE ALVAREZ		-50.24	-75,104.43
Bill Pmt -Check	11/18/2013	12569	DAIRYLAND AUTO		-365.79	-75,470.22
Bill Pmt -Check	11/26/2013	12666	KAREN HOROWITZ*		-90.95	-75,561.17
Bill Pmt -Check	12/10/2013	12844	FIRST STUDENT,I...		-407.26	-75,968.43
Bill Pmt -Check	12/23/2013	12828	Salvation Army		-13,857.57	-89,826.00
Bill Pmt -Check	1/23/2014	12923	LACOE*		-45.00	-89,871.00
Bill Pmt -Check	1/31/2014	12998	LA DWP		-60.84	-89,931.84
Bill Pmt -Check	2/6/2014	13042	FIRST STUDENT,I...		-1,056.90	-90,988.74
Bill Pmt -Check	2/6/2014	13044	FIRST STUDENT,I...		-1,056.90	-92,045.64
Bill Pmt -Check	2/14/2014	13079	DORIAN SHIVER		-5.00	-92,050.64
Bill Pmt -Check	2/24/2014	13151	Laurel Henry		-56.60	-92,107.24
Bill Pmt -Check	3/3/2014	13194	HEATHER VENNES		-159.44	-92,266.68
Bill Pmt -Check	3/13/2014	13284	KAREN HOROWITZ*		-27.99	-92,294.67
Paycheck	4/25/2014	13482	LOPEZ, SOFIA G		-443.96	-92,738.63
Paycheck	4/25/2014	13474	LOPEZ, SOFIA G		-345.30	-93,083.93
Bill Pmt -Check	5/6/2014	13567	JON VAN LEUVEN		-52.23	-93,136.16
Paycheck	5/9/2014	13606	LOPEZ, SOFIA G		-422.03	-93,558.19
Paycheck	5/9/2014	13598	LOPEZ, SOFIA G		-306.94	-93,865.13
Bill Pmt -Check	5/14/2014	13633	MARY VEN		-34.37	-93,899.50
Bill Pmt -Check	5/20/2014	13642	Hicks Trophy & Eng...		-1,460.64	-95,360.14
Bill Pmt -Check	5/22/2014	13722	WES VELKER		-100.00	-95,460.14
Paycheck	5/23/2014	13671	LOPEZ, SOFIA G		-493.29	-95,953.43
Paycheck	5/23/2014	13684	LOPEZ, SOFIA G		-383.67	-96,337.10
Bill Pmt -Check	6/5/2014	13784	Sprint		-84.45	-96,421.55
Bill Pmt -Check	6/5/2014	13777	Franca Bowman		-43.50	-96,465.05
Paycheck	6/10/2014	13806	LOPEZ, SOFIA G		-542.62	-97,007.67
Paycheck	6/10/2014	13845	LOPEZ, SOFIA G		-422.04	-97,429.71
Paycheck	6/25/2014	13858	PEREZ, ANITA		-285.02	-97,714.73
Paycheck	6/25/2014	13860	LOPEZ, SOFIA G		-263.08	-97,977.81
Bill Pmt -Check	6/26/2014	13875	REVOLUTION FOO...		-39,585.61	-137,563.42
Bill Pmt -Check	6/26/2014	13869	REVOLUTION FOO...		-32,823.94	-170,387.36
Bill Pmt -Check	6/26/2014	13878	TOTAL EDUCATIO...		-10,905.00	-181,292.36
Bill Pmt -Check	6/26/2014	13868	Procopio, Cory Har...		-5,983.00	-187,275.36
Bill Pmt -Check	6/26/2014	13874	LA DWP		-469.42	-187,744.78
Bill Pmt -Check	6/26/2014	13883	LA DWP		-459.85	-188,204.63
Bill Pmt -Check	6/26/2014	13881	Sprint		-446.08	-188,650.71
Bill Pmt -Check	6/26/2014	13873	INSURANCE FINA...		-365.84	-189,016.55
Bill Pmt -Check	6/26/2014	13871	Vision Service Plan		-358.00	-189,374.55

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation Detail
9120.07 · Wells Fargo - 7545 (NEW MAIN), Period Ending 06/30/2014

Type	Date	Num	Name	Clr	Amount	Balance
Bill Pmt -Check	6/26/2014	13872	Budget Disposal Sy...		-218.60	-189,593.15
Bill Pmt -Check	6/26/2014	13867	NATIONAL ELEME...		-175.00	-189,768.15
Bill Pmt -Check	6/26/2014	13865	LA DWP		-168.30	-189,936.45
Bill Pmt -Check	6/26/2014	13866	LA DWP		-158.07	-190,094.52
Bill Pmt -Check	6/26/2014	13864	Budget Disposal Sy...		-129.80	-190,224.32
Bill Pmt -Check	6/26/2014	13876	TANYA CASTRO		-126.06	-190,350.38
Bill Pmt -Check	6/26/2014	13879	LA DWP		-93.99	-190,444.37
Bill Pmt -Check	6/26/2014	13877	The Gas Company		-23.01	-190,467.38
Bill Pmt -Check	6/26/2014	13884	LA DWP		-5.36	-190,472.74
Bill Pmt -Check	6/26/2014	13882	The Gas Company		-3.67	-190,476.41
YTD Adjustment	6/30/2014	13893	OKONKWO, JASO...		-5,010.74	-195,487.15
YTD Adjustment	6/30/2014	13886	OKONKWO, DEAR...		-4,398.82	-199,885.97
YTD Adjustment	6/30/2014	13889	VAN LEUVEN, JON...		-3,532.64	-203,418.61
YTD Adjustment	6/30/2014	13888	PORTALES-BLAIR,...		-3,190.13	-206,608.74
YTD Adjustment	6/30/2014	13887	CABIL, EDWARD J		-2,881.86	-209,490.60
YTD Adjustment	6/30/2014	13890	CASTRO, TANYA L		-2,719.14	-212,209.74
Bill Pmt -Check	6/30/2014	13900	Regional Employee ...		-1,802.46	-214,012.20
Bill Pmt -Check	6/30/2014	13898	The Salvation Army		-1,512.75	-215,524.95
Bill Pmt -Check	6/30/2014	13901	Terminix Procesing ...		-140.00	-215,664.95
Total Checks and Payments					-215,664.95	-215,664.95
Deposits and Credits - 2 items						
General Journal	6/30/2011		The Treasurer of St...		8,921.11	8,921.11
General Journal	7/1/2011				17,254.92	26,176.03
Total Deposits and Credits					26,176.03	26,176.03
Total Uncleared Transactions					-189,488.92	-189,488.92
Register Balance as of 06/30/2014					-359,112.49	509,512.84
New Transactions						
Checks and Payments - 11 items						
Bill Pmt -Check	7/16/2014	13896	Loraine Turner		-1,750.00	-1,750.00
Bill Pmt -Check	7/17/2014	13930	ALEXANDER VALU...		-2,500.00	-4,250.00
Liability Check	7/18/2014	To Print	United States Treas...		-7,540.04	-11,790.04
Liability Check	7/18/2014	To Print	EDD		-1,641.92	-13,431.96
Paycheck	7/18/2014	13932	GORDON, LYDIA N		-863.26	-14,295.22
Paycheck	7/18/2014	13934	ALVAREZ, JUSTIN,...		-767.34	-15,062.56
Paycheck	7/18/2014	13933	DINGLE, JASON		-671.25	-15,733.81
Liability Check	7/18/2014	E-pay	United States Treas...		-413.10	-16,146.91
Liability Check	7/18/2014	13931	State Disbursement...		-258.35	-16,405.26
Liability Check	7/18/2014	E-pay	EDD		-27.00	-16,432.26
Liability Check	7/18/2014	To Print	United States Treas...		-13.70	-16,445.96
Total Checks and Payments					-16,445.96	-16,445.96
Total New Transactions					-16,445.96	-16,445.96
Ending Balance					**-375,558.45**	**493,066.88**

Expanded Business Checking

Account number: **8225587545** ■ June 1, 2014 - June 30, 2014 ■ Page 1 of 6

MERLE WILLIAMSON FOUNDATION
706 E MANCHESTER AVE
LOS ANGELES CA 90001-3633

Questions?

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Your Business and Wells Fargo

Wells Fargo Works for Small Business website
The Wells Fargo Works site offers free access to business information and advice through videos, articles, and other small business resources. This site offers objective information from industry experts, best practices from real business owners, as well as numerous Wells Fargo solutions that can help you run your business. Learn more about Wells Fargo Works at wellsfargoworks.com

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking	☑
Online Statements	☑
Business Bill Pay	☑
Business Spending Report	☑
Overdraft Protection	☑

Activity summary

Beginning balance on 6/1	$868,625.33
Deposits/Credits	76,995.00
Withdrawals/Debits	- 246,618.57
Ending balance on 6/30	**$699,001.76**
Average ledger balance this period	$763,491.78

Account number: **8225587545**
MERLE WILLIAMSON FOUNDATION
California account terms and conditions apply
For Direct Deposit use
Routing Number (RTN): 121042882
For Wire Transfers use
Routing Number (RTN): 121000248

Overdraft Protection

Your account is linked to the following for Overdraft Protection:

- Commercial Loan - XXXXXX57540000000026

Sheet Seq = 0121547
Sheet 00001 of 00003

WELLS FARGO

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
6/2	13736	Cashed Check		501.30	
6/2	13701	Cashed Check		3,327.48	
6/2	13746	Check		5,082.56	
6/2	13708	Check		3,392.99	
6/2		Check		2,565.81	
6/2	13751	Check		2,160.00	
6/2	13758	Check		1,750.00	
6/2	13733	Check		1,520.37	
6/2	13738	Check		544.30	
6/2	13737	Check		537.30	
6/2		Check		501.30	
6/2	13730	Check		407.25	
6/2	13681	Check		399.48	
6/2	13753	Check		200.00	
6/2	13759	Check		108.32	
6/2	13764	Check		89.00	
6/2	13771	Check		74.40	
6/2	13756	Check		44.13	845,419.32
6/3		Bank Originated Debit		625.00	
6/3	13755	Check		908.38	
6/3	13754	Check		246.30	
6/3	13769	Check		193.19	
6/3		IRS Usataxpymt 060314 225455420351401 Merle Williamson Found		160.66	
6/3	13721	Check		96.77	
6/3	13631	Check		42.28	
6/3	13645	Check		8.65	843,138.09
6/4		Pass-Through Bus EFT Paymnt 140603 xxxxx1322 Rmr*IV*Nclb3440**47001\	47,001.00		
6/4	13761	Check		26,612.63	
6/4	13772	Check		566.10	
6/4	13765	Check		377.40	
6/4	13763	Check		350.00	
6/4	13750	Check		218.60	
6/4	13768	Check		129.80	861,884.56
6/5	13757	Check		817.00	
6/5	13793	Check		788.90	
6/5	13794	Check		455.34	
6/5	13770	Check		399.50	
6/5		Employment Devel Edd Eftpmt 060414 2115552512 Merle Williamson Found		10.50	859,413.32
6/6	13760	Check		18,656.48	
6/6	13775	Check		9,555.83	
6/6	13709	Check		3,594.46	
6/6	13788	Check		2,000.00	
6/6	13789	Check		1,452.00	
6/6	13766	Check		140.00	
6/6	13782	Check		36.00	823,978.55
6/9		Online Dep Detail & Images		3.00	
6/9	13786	Check		37,503.41	
6/9	13781	Check		34,401.55	
6/9		Intuit Payroll S Quickbooks 140609 xxxxx9256 Merle Williamson Found		5,692.84	
6/9	13767	Check		1,512.75	
6/9	13847	Check		602.91	
6/9	13778	Check		197.00	
6/9	13773	Check		160.00	743,905.09
6/10	13833	Cashed Check		274.05	
6/10	13809	Cashed Check		326.12	
6/10	13802	Check		1,228.98	

WELLS FARGO

Transaction history (continued)

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
6/10	13801	Check		575.33	
6/10	13848	Check		493.29	
6/10	13785	Check		302.83	
6/10	13732	Check		61.47	740,643.02
6/11		Pass-Through Bus EFT Paymnt 140610 xxxxx1322 Rmr*IV*Loss3514**29222\	29,222.00		
6/11	13783	Check		1,313.52	
6/11	13787	Check		1,013.38	
6/11	13851	Check		714.63	
6/11	13849	Check		609.75	
6/11	13780	Check		300.00	
6/11	13797	Check		170.00	
6/11	13473	Check		155.43	765,568.31
6/12		Withdrawal Made In A Branch/Store		20,039.01	
6/12		IRS Usataxpymt 061214 225456320531933 Merle Williamson Found		3,691.66	
6/12	13808	Check		963.68	
6/12		Employment Devel Edd Eftpmt 061114 1377716480 Merle Williamson Found		297.10	
6/12	13792	Check		217.99	
6/12	13790	Check		217.99	
6/12	13791	Check		217.99	
6/12		Employment Devel Edd Eftpmt 061114 2038465792 Merle Williamson Found		186.81	739,756.08
6/13	13445	Check		383.67	
6/13	13850	Check		187.50	
6/13	13779	Check		104.60	
6/13	13762	Check		92.38	
6/13	13293	Check		21.80	738,966.13
6/16	13803	Check		1,055.09	
6/16	13796	Check		525.00	
6/16	13804	Check		350.67	737,035.37
6/17	13805	Cashed Check		732.41	
6/17	13436	Check		493.29	735,809.67
6/18	13776	Check		159.00	
6/18	13800	Check		29.72	
6/18	13799	Check		27.28	
6/18	13798	Check		10.15	735,583.52
6/19	13752	Check		52.60	735,530.92
6/24	13856	Check		1,027.69	
6/24	13852	Check		987.00	
6/24		Intuit Payroll S Quickbooks 140624 xxxxx9256 Merle Williamson Found		264.55	
6/24		Intuit Payroll S Quickbooks 140624 xxxxx9256 Merle Williamson Found		104.23	733,147.45
6/25		Pass-Through Bus EFT Paymnt 140624 xxxxx1322 Rmr*IV*Tprin3599**772\	772.00		
6/25	13855	Check		536.57	
6/25		IRS Usataxpymt 062514 225457620052917 Merle Williamson Found		507.34	
6/25		IRS Usataxpymt 062514 225457620098618 Merle Williamson Found		88.12	
6/25		Employment Devel Edd Eftpmt 062414 xxxxx0864 Merle Williamson Found		32.83	
6/25		Employment Devel Edd Eftpmt 062414 xxxxx7648 Merle Williamson Found		8.93	
6/25		Employment Devel Edd Eftpmt 062414 1844246784 Merle Williamson Found		5.76	732,739.90
6/26	13614	Cashed Check		450.00	
6/26	13853	Check		822.15	731,467.75
6/27	13861	Check		5,082.58	
6/27	13892	Check		2,976.86	

WELLS FARGO

Transaction history (continued)

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
6/27	13795	Check		1,645.00	
6/27	13870	Check		61.14	721,702.17
6/30		Intuit Payroll S Quickbooks 140630 xxxxx9256 Merle Williamson Found		15,487.35	
6/30	13894	Check		2,408.65	
6/30	13891	Check		1,632.66	
6/30	13807	Check		1,140.04	
6/30	13644	Check		779.52	
6/30	13834	Check		526.18	
6/30	13846	Check		399.48	
6/30	13865	Check		200.00	
6/30	13857	Check		126.54	699,001.76
Ending balance on 6/30					**699,001.76**
Totals			**$76,995.00**	**$246,618.57**	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks written *(checks listed are also displayed in the preceding Transaction history)*

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
	6/2	2,565.81	13758	6/2	1,750.00	13791	6/12	217.99
	6/2	501.30	13759	6/2	108.32	13792	6/12	217.99
13293	6/13	21.80	13760	6/6	18,656.48	13793	6/5	788.90
13436 *	6/17	493.29	13761	6/4	26,612.63	13794	6/5	455.34
13445 *	6/13	383.67	13762	6/13	92.38	13795	6/27	1,645.00
13473 *	6/11	155.43	13763	6/4	350.00	13796	6/16	525.00
13614 *	6/26	450.00	13764	6/2	89.00	13797	6/11	170.00
13631 *	6/3	42.28	13765	6/4	377.40	13798	6/18	10.15
13644 *	6/30	779.52	13766	6/6	140.00	13799	6/18	27.28
13645	6/3	8.65	13767	6/9	1,512.75	13800	6/18	29.72
13681 *	6/2	399.48	13768	6/4	129.80	13801	6/10	575.33
13701 *	6/2	3,327.48	13769	6/3	193.19	13802	6/10	1,228.98
13708 *	6/2	3,392.99	13770	6/5	399.50	13803	6/16	1,055.09
13709	6/6	3,594.46	13771	6/2	74.40	13804	6/16	350.67
13721 *	6/3	96.77	13772	6/4	566.10	13805	6/17	732.41
13730 *	6/2	407.25	13773	6/9	160.00	13807 *	6/30	1,140.04
13732 *	6/10	61.47	13775 *	6/6	9,555.83	13808	6/12	963.68
13733	6/2	1,520.37	13776	6/18	159.00	13809	6/10	326.12
13736 *	6/2	501.30	13778 *	6/9	197.00	13833 *	6/10	274.05
13737	6/2	537.30	13779	6/13	104.60	13834	6/30	526.18
13738	6/2	544.30	13780	6/11	300.00	13846 *	6/30	399.48
13748 *	6/2	5,082.58	13781	6/9	34,401.55	13847	6/9	602.91
13750 *	6/4	218.60	13782	6/6	36.00	13848	6/10	493.29
13751	6/2	2,160.00	13783	6/11	1,313.52	13849	6/11	609.75
13752	6/19	52.60	13785 *	6/10	302.83	13850	6/13	187.50
13753	6/2	200.00	13786	6/9	37,503.41	13851	6/11	714.63
13754	6/3	246.30	13787	6/11	1,013.38	13852	6/24	987.00
13755	6/3	908.38	13788	6/6	2,000.00	13853	6/26	822.15
13756	6/2	44.13	13789	6/6	1,452.00	13855 *	6/25	536.57
13757	6/5	817.00	13790	6/12	217.99	13856	6/24	1,027.69

WELLS FARGO

Summary of checks written (continued)

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
13857	6/30	126.54	13870 *	6/27	61.14	13892	6/27	2,976.86
13861 *	6/27	5,082.58	13891 *	6/30	1,632.65	13894 *	6/30	2,408.65
13865 *	6/30	200.00						

** Gap in check sequence.*

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 06/01/2014 - 06/30/2014	Standard monthly service fee $20.00	You paid $0.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any **ONE** of the following account requirements		
· Minimum daily balance	$8,000.00	$699,001.76 ☑
· Average ledger balance	$16,000.00	$763,492.00 ☑
· Combined balances in linked accounts, which may include	$16,000.00	☑
- Minimum daily balances in Expanded Business Checking and business savings accounts		
· Combined balances in linked accounts, which may include	$32,000.00	☑
- Average ledger balances in Expanded Business Checking and business savings accounts		

wwww

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units ($)	Total service charge ($)
Transactions	114	300	0	0.50	0.00
Total service charges					**$0.00**

Did you know that you can review your safe deposit box information through Wells Fargo Business Online Banking? Sign on to business online banking at wellsfargo.com/biz and go to your account summary page to review details.

Account number: **8225587545** ■ June 1, 2014 - June 30, 2014 ■ Page 6 of 6

WELLS FARGO

General statement policies for Wells Fargo Bank

■ **Notice:** Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

Account Balance Calculation Worksheet

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

ENTER

A. The ending balance shown on your statement .... $ ________

ADD

B. Any deposits listed in your register or transfers into your account which are not shown on your statement.
$ ________
$ ________
$ ________
+ $ ________

.... TOTAL $ ________

CALCULATE THE SUBTOTAL

(Add Parts A and B)

.... TOTAL $ ________

SUBTRACT

C. The total outstanding checks and withdrawals from the chart above .... - $ ________

CALCULATE THE ENDING BALANCE

(Part A + Part B - Part C)
This amount should be the same as the current balance shown in your check register .... $ ________

Number	Items Outstanding	Amount
	Total amount $	

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3:05 PM
07/16/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation Summary
9120.10 · Citibank - 203369640, Period Ending 06/30/2014

	Jun 30, 14	
Beginning Balance		71,116.47
Cleared Transactions		
Checks and Payments - 1 item	-20.00	
Deposits and Credits - 2 items	500,051.04	
Total Cleared Transactions	500,031.04	
Cleared Balance		571,147.51
Register Balance as of 06/30/2014		571,147.51
Ending Balance		571,147.51

Citibank CBO Services 276
P.O. Box 769018
San Antonio, Texas 78245

001/R1/04F013

000
CITIBANK, N. A.

Account
203369640
Statement Period
Jun 1 - Jun 30, 2014
Relationship Manager
US SERVICE CENTER
1-877-528-0990

MERLE WILLIAMSON FOUNDATION
WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. MANCHESTER AVE
LOS ANGELES CA 90001

CitiBusiness® ACCOUNT AS OF JUNE 30, 2014

Relationship Summary:

Checking	----
Savings	**$571,147.51**
Checking Plus	----

SERVICE CHARGE SUMMARY FROM MAY 1, 2014 THRU MAY 31, 2014

Type of Charge	No./Units	Price/Unit	Amount
CITIBUSINESS IMMA # 203369640			
Average Daily Collected Balance			$606,528.87
DEPOSIT SERVICES OFFICIAL CHECK	2	10.0000	20.00
Total Charges for Services			**$20.00**
Net Service Charge			**$20.00**

Charges debited from account # 203369640

SAVINGS ACTIVITY

CitiBusiness IMMA
203369640

Beginning Balance: $71,116.47
Ending Balance: $571,147.51

Date	Description	Debits	Credits	Balance
06/10	DEPOSIT		500,000.00	571,116.47
06/10	SERVICE CHARGE ACCT ANALYSIS DIRECT DB	20.00		571,096.47
06/30	INTEREST EARNED		51.04	571,147.51
	Total Debits/Credits	**20.00**	**500,051.04**	

Interest earned year to date $556.84

Your CitiBusiness IMMA Account Rates							
For Balances of:	$0 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $499,999	$500,000 to $999,999	$1,000,000 to $9,999,999	$10,000,000 and over
6/01 - 6/30	0.050%	0.100%	0.100%	0.150%	0.150%	0.150%	0.100%

MERLE WILLIAMSON FOUNDATION
WISDOM ACADEMY FOR YOUNG SCIENTISTS

Account 203369640 Page 2 of 2
Statement Period: Jun 1 - Jun 30, 2014

CUSTOMER SERVICE INFORMATION

IF YOU HAVE QUESTIONS ON:	YOU CAN CALL:	YOU CAN WRITE:
Insured Money Market	877-528-0990* (For Speech and Hearing Impaired Customers Only TDD: 800-945-0258)	Citibank, N.A. P.O. Box 790184 St Louis, MO 63179

For change in address, call your account officer or visit your branch.

* To ensure quality service, calls are randomly monitored.

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Form **941 for 2014:** **Employer's QUARTERLY Federal Tax Return** 970114
(Rev. January 2014) Department of the Treasury – Internal Revenue Service OMB No. 1545-0029

Employer identification number (EIN) 71-0919256

Name (not your trade name) MERLE WILLIAMSON FOUNDATION

Trade name (if any) WISDOM ACADEMY FOR YOUNG SCIENTISTS

Address DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS 70

LOS ANGELES CA 90001

Report for this Quarter of 2014 (Check one.)

- ☐ 1: January, February, March
- ☒ 2: April, May, June
- ☐ 3: July, August, September
- ☐ 4: October, November, December

Instructions and prior-year forms are available at www.irs.gov/form941.

QBMT2901 02/07/14

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1	Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4)	1	8
2	Wages, tips, and other compensation	2	413,708.23
3	Federal income tax withheld from wages, tips, and other compensation	3	39,062.00
4	If no wages, tips, and other compensation are subject to social security or Medicare tax ☐ Check and go to line 6.		

	Column 1		Column 2
5a Taxable social security wages	166,106.57	x .124 =	20,597.21
5b Taxable social security tips		x .124 =	
5c Taxable Medicare wages & tips	433,600.53	x .029 =	12,574.42
5d Taxable wages & tips subject to Additional Medicare Tax withholding		x .009 =	

5e	Add Column 2 from lines 5a, 5b, 5c, and 5d	5e	33,171.63
5f	Section 3121(q) Notice and Demand – Tax due on unreported tips (see instructions)	5f	
6	Total taxes before adjustments. Add lines 3, 5e, and 5f	6	72,233.63
7	Current quarter's adjustment for fractions of cents	7	-0.07
8	Current quarter's adjustment for sick pay	8	
9	Current quarter's adjustments for tips and group-term life insurance	9	
10	Total taxes after adjustments. Combine lines 6 through 9	10	72,233.56
11	Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, 944-X (PR), or 944-X (SP) filed in the current quarter	11	72,233.56
12	Balance due. If line 10 is more than line 11, enter difference and see instructions	12	
13	Overpayment. If line 11 is more than line 10, enter difference _____ Check one: ☐ Apply to next return. ☐ Send a refund.		

► **You MUST complete both pages of Form 941 and SIGN it.** Next ►

970214

Name (not your trade name)	Employer identification number (EIN)
MERLE WILLIAMSON FOUNDATION	71-0919256

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see Pub. 15 (Circular E), section 11.

14 **Check one:** ☐ **Line 10 on this return is less than $2,500 or line 10 on the return for the prior quarter was less than $2,500, and you did not incur a $100,000 next-day deposit obligation during the current quarter.** If line 10 for the prior quarter was less than $2,500 but line 10 on this return is $100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

☐ **You were a monthly schedule depositor for the entire quarter.** Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: **Month 1** _____

Month 2 _____

Month 3 _____

Total liability for quarter _____ **Total must equal line 10.**

☒ **You were a semiweekly schedule depositor for any part of this quarter.** Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

15 **If your business has closed or you stopped paying wages** . . . . . ☐ Check here, and

enter the final date you paid wages _____.

16 **If you are a seasonal employer and you do not have to file a return for every quarter of the year** . . . . . ☐ Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See instructions for details.

☐ Yes. Designee's name and phone number _____ _____

QBMT2902 02/07/14

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS. _____

☐ No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign your name here _____

Print your name here: Linda D Williams

Print your title here: Bookkeeper

Date: 07/21/2014

Best daytime phone: (323) 935-4220

Paid Preparer's Use Only

Check if you are self-employed . . . . . ☐

Preparer's name _____ PTIN _____

Preparer's signature _____ Date _____

Firm's name (or yours if self-employed) _____ EIN _____

Address _____ Phone _____

City _____ State _____ ZIP code _____

Schedule B (Form 941): **Report of Tax Liability for Semiweekly Schedule Depositors** OMB No. 1545-0029 970311

Calendar Year 2014 Department of the Treasury — Internal Revenue Service

Employer identification number 71-0919256

Name (not your trade name) MERLE WILLIAMSON FOUNDATION

Use this schedule to show your TAX LIABILITY for the quarter; DO NOT use it to show your deposits. When you file this form with Form 941 or Form 941-SS, DO NOT change your tax liability by adjustments reported on any Forms 941-X or 944-X. You must fill out this form and attach it to Form 941 or Form 941-SS if you are a semiweekly schedule depositor or became one because your accumulated tax liability on any day was $100,000 or more. Enter your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 (Circular E), Employer's Tax Guide, for details.

Report for this Quarter
- [ ] 1: January, February, March
- [X] 2: April, May, June
- [ ] 3: July, August, September
- [ ] 4: October, November, December

Month 1

1		9		17		25	2,816.08
2		10	3,213.42	18		26	
3		11		19		27	
4		12		20		28	
5		13		21		29	
6		14		22		30	22,219.86
7		15		23		31	
8		16		24			

Tax liability for Month 1: 28,249.36

Month 2

1		9	2,463.62	17		25	
2		10		18		26	
3		11		19		27	
4		12		20		28	
5		13		21	2,017.00	29	
6		14		22		30	23,854.70
7		15		23	3,821.72	31	
8		16		24			

Tax liability for Month 2: 32,157.04

Month 3

1		9		17		25	595.46
2		10	3,691.66	18		26	
3		11		19		27	
4		12		20		28	
5		13		21		29	
6		14		22		30	7,540.04
7		15		23		31	
8		16		24			

Tax liability for Month 3: 11,827.16

Fill in your total liability for the quarter (Month 1 + Month 2 + Month 3) ▶

Total must equal line 10 on Form 941 or Form 941-SS.

Total liability for the quarter: 72,233.56

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF FINANCIAL POSITION
As of June , 2014

ASSETS

CURRENT ASSETS:		
Cash	$	1,099,397
Accounts receivable		585,119
Accounts receivable-Restricted Programs		70,874
Other assets		68,992
Total current assets		**1,824,383**
PROPERTY AND EQUIPMENT:		
Leasehold improvements-Erate		35,483
Leasehold improvements		346,655
Furniture & fixtures		141,990
Equipment - Computers		37,987
Less: accumulated depreciation		(85,093)
Total property and equipment		**477,022**
Prepaid expenses		**20,424**
Due From Foundation-		**58,200**
Total assets	$	**2,380,029**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Cash Overdraft		-
Accounts payable	$	74,705
Deferred Revenue		59,927
Payroll and related liabilities		78,812
Loans Payable		100
Total current liabilities		**213,544**

WAYS000505

NET ASSETS		
Net assets-beginning		1,747,910
Increase/(decrease) in net assets		418,574
Total net assets		2,166,484
Total liabilities and net assets	$	2,380,028
		0

WISDOM ACADEMY FOR YOUNG SCIENTISTS	
STATEMENT OF FINANCIAL FUND BALANCE	
AS OF June 30, 2014	
FUND BALANCE - Beginning, July 1, 2013	1,747,910
INCREASE/(DECREASE) IN NET ASSETS	418,574
FUND BALANCE - End, May 31, 2014	2,166,484

					12			
	Current Period Actuals 6/30/2104	Current Period Budget	$ Variance	YTD Actuals 6/30/2104	YTD Budget	$ Variance	Total Budget	Budget Remaining
A. REVENUES								
REVENUE LIMIT SOURCES								
Educatiion Protection Account	133,085			529,046				
General Purpose-State Aid -CY	(83,880)			1,253,711	0			
General Purpose-State Aid-PY				(131,735)				
Total Principal Apportionment	49,206	150,822	(101,616)	1,651,022	1,809,860	(158,838)	1,809,860	0
FEDERAL REVENUES								
Title I	38,966	16,667	22,299	247,529	200,000	47,529	200,000	(47,529)
Title II	1,191	1,191	(1,191)	722	14,297	(13,575)	14,297	13,575
Title IV	0	0	0		0	0		0
Child Nutrition	30,833	30,833	(30,833)	133,993	370,000	(236,007)	370,000	236,007
Other Federal Revenues	0	0	0	(1,667)	0	(1,667)		1,667
GOALS 2000	0	0	0		0	0	0	0
Public Charter School Program	0	0	0		0	0	0	0
Facilities Incentive Grant	0	0	0		0	0		0
Education Jobs Fund	0	0	0		0	0		0
Other Federal Revenues/Prior Year	0	0	0		0	0		0
Special Education IDEA	0	0	0		0	0		0
Other Auth Transfer In			0			0		0
OTHER STATE REVENUES								
								0
Special Education AB602	40,926	16,712	24,213	201,399	200,548	851	200,548	(851)
Categorical Block Grant	21,248	26,989	(5,741)	211,364	323,869	(112,505)	323,869	112,505
	0	0	0		0	0		0
Economic Impct Aid	13,379	0	0	160,550	0	160,550		(160,550)
Child Nutrition-State		1,224	(1,224)	32,706	14,682	18,024	14,682	(18,024)
PE Teachers Incentive		0	0	17,666	0	17,666	0	(17,666)
Art and Music Block Grant		0	0		0	0	0	0
After School Education and Safety		9,375	(9,375)	119,437	112,500	6,937	112,500	(6,937)
Class Size Reduction	147,453	14,695	132,759	156,366	176,334	(19,968)	176,334	19,968
Class Size Reduction-PY			0	62,118		62,118		
State Lottery	5,572	5,706	(134)	76,979	68,468	8,511	68,468	(8,511)
Charter School Facilities		0	0		0	0		0
estimated number of qualifying units		0	0		0	0		0
Charter School Facilities Grant-CY		18,333	(18,333)	123,895	220,000	(96,105)	220,000	96,105
Charter School Facilities Grant-PY				256,938		256,938		
All Other Revenues	4,972	535	4,438	171,120	6,415	164,705	6,415	(164,705)
Other Auth Transfer In		0	0	116,543	0	116,543		

OTHER LOCAL REVENUES								
In lieu of Propery Tax-CY	82,121	52,897	29,224	732,714	634,767	97,947	634,767	(97,947)
In lieu of Propery Tax-PY				138,824		138,824		
Fundraising		0	0	11,560	0	11,560		(11,560)
Other Local Income		1,920	(1,920)		23,042	(23,042)	23,042	23,042
		0	0		0	0		0
Interest	52	0	52	989	0	989		(989)
Miscellaneous		0	0	279	0	279		(279)
All Other Local Revenue		0	0		0	0		0
Grants/Donations (Annual Campaign)		0	0		0	0		0
Grants/Donations (Capital Campaign)		0	0		0	0		0
Grants/Donations (Endowment)		0	0		0	0		0
Prior Year Revenue		0			0			0
Grants/Donations for operating/programs			0	2,174	0	2,174		
Other Local Revenues			0			0		

B. EXPENDITURES								
CERTIFICATED SALARIES								
Teachers' Salaries		87,279	(87,279)		1,047,353	(1,047,353)	1,047,353	1,047,353
Substitute Salaries	10,661	1,344	9,318	1,126,690	17,325	1,109,365	17,325	(1,109,365)
Counselor Salaries		0	0		0	0		0
Suspense		0	5,193		0	0		
School Administrators' Salaries	9,888	25,496	(15,608)	162,204	305,950	(143,746)	305,950	143,746
Other certificated salaries				7,918	0	7,918		
Personal/Vacation Buyback			0			0		
	20,549							
CLASSIFIED SALARIES		0						
		0						
Instructional Aides		21,447	(21,447)		257,360	(257,360)	257,360	220,972
Classified Support Salaries	3,286	417		97,142	5,000	92,142	5,000	
Classified Administrator	9,333	9,833	(500)	107,733	118,000	(10,267)	118,000	10,267
Instructional Planning		0	0		0	0		
Clerical /Office Salaries	21,959	14,070	7,889	280,682	168,835	112,047	168,835	(112,047)
Maintenance & Operations Salaries		0	0		0	0		
Food Service Salaries		0	0		0	0		
Other Classified Salaries	6,671	0	6,671	127,373	0	127,373	0	(127,373)
Before School Salaries			0		0	0		
After School Salaries			0		0	0		
Parent-Community Outreach			0		0	0		
Personal/Vacation Buyback			0			0		
	41,248							
EMPLOYEE BENEFITS								
Strs	1,326	9,423	(8,097)	99,702	113,077	(13,375)	113,077	13,375
Pers		0			0	0	0	0
Oasdi - Regular	2,619	2,633	(14)	38,979	31,595	7,384	31,595	(7,384)
Oasdi - Medicare	894	2,721	(1,827)	27,375	32,652	(5,277)	32,652	5,077
Health & Welfare Benefits	660	12,839	(12,179)	176,275	154,063	22,212	154,063	(22,212)
Unemployment Insurance	196	8,180	(7,985)	28,894	98,163	(69,269)	98,163	69,269
Workers' Compensation	1,505	5,425	(3,921)	20,523	65,104	(44,581)	65,104	44,581
Other Benefits	6	0	6	280	0	280	0	(280)
						0		
TOTAL EMPLOYEE BENEFITS	7,204	41,221	(34,017)		494,654	102,420	494,654	102,425
BOOKS & SUPPLIES								
					0			
Textbooks		15,583	(15,583)	156,936	187,000	(30,064)	187,000	30,064
Books & Other Than Textbooks		417			5,000	1,179	5,000	(1,179)
Instructional Materials & Supplies	1,166	2,500	(1,334)	72,715	30,000	42,715	30,000	(42,715)
Office Supplies	740	833	(93)	16,587	10,000	6,587	10,000	(6,587)
Other Supplies	1,256	2,500	(1,250)	7,426	30,000	(22,574)	30,000	22,574
Non-capitalized Equipment	309	583	(283)	29,197	7,000	22,197	7,000	(22,197)
Food Supplies	567	833	(266)	4,665	10,000	(5,335)	10,000	5,335
					0			
	4,023							

SERVICES, OTHER OPERATING EXP.								
Payroll Expenses		0		1,075	0	1,075		
Suspense		0		12,224	0	12,224		
Travel & Conferences	1,337	417	920	18,524	5,000	13,524	5,000	(13,524)
Dues and Membership	128	583		2,838	7,000	(4,162)	7,000	
Insurance	1,607	3,750	(2,143)	33,154	45,000	(11,846)	45,000	11,846
Utilites & Housekeeping	6,043	4,167	1,877	82,991	50,000	32,991	50,000	(32,991)
Rentals,Leases & Repairs	17,899	34,303	(16,405)	417,125	411,640	5,485	411,640	(5,485)
Assemblies		38			450	(450)	450	
Pupil Transportation	525	833	(308)	16,114	10,000	6,114	10,000	(6,114)
Advertisement/Recruitment		267		4,122	3,206	917	3,206	(917)
Student Activities	17,949	3,333	14,616	80,284	40,000	40,284	40,000	(40,284)
FingerPrinting		33		992	400	592	400	(592)
Printing and Reproduction		75		3,286	901	2,384	901	(2,384)
LACOE Expense Reimbursement		837	(837)	5,144	10,040	(4,896)	10,040	4,896
Sub Teacher-Instr consultant		833	(833)	42,995	10,000	32,995	10,000	(32,995)
Non-Instructional Consultants		0	0	639	0	639		
Instructional Consultants	987	4,167	(3,180)	68,901	50,000	18,901	50,000	
Consultant-Food Services	144,315	30,000	114,315	324,936	360,000	(35,064)	360,000	35,064
Business Consultant	5,083	5,000	83	64,144	60,000	4,144	60,000	(4,144)
Contractual Services	4,763	474	4,289	5,588	5,687	(100)	5,687	
Special Ed Consultants	7,224	8,333	(1,110)	94,302	100,000	(5,698)	100,000	5,698
LAUSD Sepecial Ed Costs		637	(637)	(1,198)	7,647	(8,845)	7,647	
Prior year operating expenses	(130,640)	4,005	(134,645)	(1)	48,064	(48,065)	48,064	48,065
Technology Consultant		0		400	0	400		
Fingerprints-Phys.Xray other Empl Cost		178			2,134	(2,134)	2,134	
Professional Development	1,645	417	1,228	21,951	5,000	16,951	5,000	
Prior Period adjustment		0	0		0	0	0	0
Sales Tax		0		501	0	501		
Property Taxes				12,823		12,823		
Other Operating Expenses	16,455	3,372		16,455	40,466	(24,011)	40,466	
Banks Fees and Charges	886	102		2,518	1,227	1,290	1,227	
Fees & Other Charges	689	471		1,915	5,655	(3,740)	5,655	
Permits I License		0		2,755	0	2,755		
Legal & Audit	5,983	2,666	3,317	54,830	31,994	22,836	31,994	(22,836)
Permits & Licenses		631			7,568	(7,568)	7,568	
Fundraising activities /expenses		1,155		12,108	13,865	(1,757)	13,865	
Website Development/Maintenance		0		13,579	0	13,579		
LAUSD Expense Reimbursement	656			7,266	0	7,266		
Software Program		0		7,946	0	7,946		
Communications	448	2,694	(2,246)	24,608	32,324	(7,716)	32,324	7,716
Postage (UPS, Fedex, US Mail)	21	417	(396)	3,433	5,000	(1,567)	5,000	
CAPITAL OUTLAY								
Building and Improvements		1,667	(1,667)	715	20,000	(19,285)	20,000	
Capitalized Equipment		1,500	(1,500)		18,000	(18,000)	18,000	
Furnitures		0	0	5,657	0	5,657	0	
OTHER OUTGO		0						0
District Oversight Fees		3,631	(3,631)	20,374	43,568	(23,194)	43,568	
Debt Service - Interest		2,500	(2,500)		30,000	(30,000)	30,000	
Auto Lease Expense				6,268	0	6,268		
Other Transfer Out				116,543		116,543		

Net Income/(Loss)	226,821	(44)	226,865	418,574	(532)	419,106	4,468	75,950
Change in Net Assets	226,821	(44)	226,865	418,574	(532)	419,106	4,468	75,950

		Widom Academy for Yound Scientists					
		Estimated Cash Flow for FY13-14					
			CY Budget	**Jul 13**	**Aug 13**	**Sep 13**	**13-Oct**
		Opening Balance		**895,596.54**	**898,144.85**	**462,028.71**	**469,915.58**
Income		Revenue	4,174,782.00				
		Cash Received		961,159.11	363,156.86	400,780.00	373,417.66
		Estimated Gen Purpose					
		Estimted Property Tax					
		Estimated Fed					
		Estimted SpEd					
		Estimated Facility Grant					
		Transfer from Saving Account to Main					
Expense							
	Total 100-199 · CERTIFICATED PERSONNEL SALARIES		**1,370,628.00**	16,250.82	124,451.69	133,007.69	126,617.36
	1000 · Payroll Expenses						
	Total 200-299 · CLASSIFIED PERSONNEL SALARIES		**544,195.00**	26,378.01	35,767.32	50,345.08	60,407.33
	Total 300-399 · EMPLOYEE BENEFITS		**494,654.00**	11,442.06	26,802.41	32,974.47	42,384.73
	Total 4000 · BOOKS & SUPPLIES		**279,000.00**	10,320.22	18,811.02	25,157.01	14,547.69
		Suspense Account		0.00	3,062.60	0.00	0.00
	Total 5000 · SERVICES & OTHER OPERATING EXPE		**1,370,268.00**	304,308.78	120,192.38	70,774.80	149,265.97
	Total 6000 · CAPITAL OUTLAY		**38,000.00**	200.00	270.00	0.00	3,900.00
		TOTAL OTHER OUTGO	**73,568.00**				
	7619 · Other Interfd Transfer Out			0.00	0.00	0.00	0.00
Total Expense			**4,170,313.00**	**368,899.89**	**329,357.42**	**312,259.05**	**397,123.08**
		Net Income	**4,469.00**				
		Other Withdrawals		589,710.91	469,915.58	80,634.08	121,109.77
		Cash Balance End of Month		**898,144.85**	**462,028.71**	**469,915.58**	**325,100.39**

					Estimated	Estimated	Estimated	
Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	June 14	July
325,100.39	231,461.10	107,333.88	343,952.88	271,105.57	189,264.64	438,863.69	717,566.64	717,566.64
298,011.18	545,635.66	549,828.33	422,309.09	558,561.22	529,237.22	471,208.60	77,195.00	
								489,808.00
						300,000.00		
130,268.83	122,906.36	124,265.48	122,699.90	127,764.07	120,470.32	127,559.12	20,549.06	
					72.50	89.90	23.20	
59,210.82	55,917.67	36,041.33	59,956.58	62,395.34	53,715.33	71,747.04	41,248.45	
30,513.33	31,133.93	41,287.54	53,142.10	25,850.42	24,181.19	65,312.07	7,204.45	
19,887.31	2,121.35	7,404.12	9,829.61	174,177.33	2,856.28	4,570.18	4,023.22	
0.00	20,100.73	0.00	-5,653.73	0.00				
156,140.18	437,582.84	103,570.86	255,106.80	250,214.99	78,342.55	143,469.42	135,005.42	
-4,370.00	0.00	640.00	75.14	0.00		5,656.92		
						15,901.00		
0.00	0.00		0.00	0.00				
391,650.47	669,762.88	313,209.33	495,156.40	640,402.15	279,638.17	434,305.65	208,053.80	
						58,200.00		
231,461.10	107,333.88	343,952.88	271,105.57	189,264.64	438,863.69	717,566.64	509,512.84	1,207,374.64

								Jul 13
	Ordinary Income/Expense							
			Deposits			Cash Received		961,159.11
			Expense					
				suspense				12,698.00
				100-199 · CERTIFICATED PERSONNEL SALARIES				
					1100 · Teachers Salaries		1,047,353.00	0.00
					Substitute Salaries		17,325.00	
					1300 · Certificated Supervisor & Admin		305,950.00	16,250.82
					1900 · Other Certificated Salaries			0.00
				Total 100-199 · CERTIFICATED PERSONNEL SALARIES			**1,370,628.00**	**16,250.82**
				1000 · Payroll Expenses				11.60
				200-299 · CLASSIFIED PERSONNEL SALARIES				
					2200 · Classified Support Salaries		257,360.00	2,916.67
					2300 · Classified Supervisor's and Adm		5,000.00	8,906.67
					2400 · Clerical, Technical & Office		118,000.00	11,058.67
					2500 · Classified-Extra Duty/Stipend			0.00
					2900 · Other Classified		168,835.00	3,496.00
				Total 200-299 · CLASSIFIED PERSONNEL SALARIES			**549,195.00**	**26,378.01**
				300-399 · EMPLOYEE BENEFITS				
					3101 · STRS - Certificated		113,077.00	1,065.63
					3301 · OASDI -		31,595.00	1,635.43
					3302 · MEDICARE		32,652.00	618.00
					3401 · Health Insurance		154,063.00	8,123.00
					3402 · Health Dependent Insurance-Cert			0.00
					3501 · SUI		98,163.00	0.00
					3601 · Workers Compensation		65,104.00	0.00
					3901 · Other Benefits			0.00
					300-399 · EMPLOYEE BENEFITS - Other			0.00

Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	TOTAL	Variance
363,156.86	400,780.00	373,417.66	258,485.18	332,791.22	507,901.51	351,104.32	534,573.92	4,083,369.78	
-35.85	0.00	-7,469.46	-2,579.49	-14,450.00	0.00	0.00	0.00	-11,836.80	11,836.80
108,209.78	116,765.78	102,793.85	114,026.92	106,328.45	108,023.57	113,124.65	118,188.82	887,461.82	159,891.18
								0.00	17,325.00
16,241.91	16,241.91	16,241.91	16,241.91	16,241.91	16,241.91	9,575.25	9,575.25	132,852.78	173,097.22
0.00	0.00	7,581.60	0.00	336.00	0.00	0.00	0.00	7,917.60	-7,917.60
124,451.69	**133,007.69**	**126,617.36**	**130,268.83**	**122,906.36**	**124,265.48**	**122,699.90**	**127,764.07**	**1,028,232.20**	**342,395.80**
68.19	318.31	73.95	58.00	120.39	75.40	58.00	105.85	889.69	
8,706.66	8,706.66	8,706.66	8,706.66	12,252.00	8,706.66	8,706.66	8,706.66	76,115.29	181,244.71
8,906.67	8,906.67	8,906.67	8,906.67	8,906.67	8,906.67	8,906.67	8,906.67	80,160.03	-75,160.03
13,305.99	26,745.25	29,351.50	30,254.49	24,857.50	15,279.50	31,805.75	26,358.75	209,017.40	-91,017.40
0.00	0.00	0.00	0.00	0.00	0.00	0.00	145.26	145.26	-145.26
4,848.00	5,986.50	13,442.50	11,343.00	9,901.50	3,148.50	10,537.50	18,278.00	80,981.50	87,853.50
35,767.32	**50,345.08**	**60,407.33**	**59,210.82**	**55,917.67**	**36,041.33**	**59,956.58**	**62,395.34**	**446,419.48**	**102,775.52**
9,963.28	9,995.46	9,952.62	10,152.38	9,585.32	9,596.02	9,046.02	9,831.39	79,188.12	33,888.88
2,215.71	3,491.75	3,872.31	3,902.74	3,443.90	2,292.91	3,945.41	3,880.55	28,680.71	2,914.29
2,310.69	2,645.19	2,703.16	2,736.07	2,581.04	2,313.74	2,637.85	2,741.77	21,287.51	11,364.49
10,094.72	15,074.01	22,068.16	12,588.52	14,417.00	4,053.93	2,069.17	1,638.64	90,127.15	63,935.85
0.00	0.00	0.00	0.00	0.00	13,153.00	25,567.00	0.00	38,720.00	-38,720.00
2,218.01	1,761.26	796.79	1,126.67	996.48	9,876.32	7,627.74	2,538.61	26,941.88	71,221.12
0.00	0.00	2,982.18	0.00	0.00	0.00	2,137.03	5,210.35	10,329.56	54,774.44
0.00	6.80	9.51	6.95	5.29	1.62	6.98	9.11	46.26	-46.26
0.00	0.00	0.00	0.00	104.90	0.00	104.90	0.00	209.80	-209.80

Apr 14	May 14	June 14		
			-11,836.80	
79,945.59	79,945.59		**1,047,353.00**	0.00
8,662.50	8,662.50		**17,325.00**	0.00
57,699.07	57,699.07	57,699.07	**305,950.00**	0.00
			7,917.60	-7,917.60
146,307.16	**146,307.16**	**57,699.07**	**1,378,545.60**	-7,917.60
			889.69	-889.69
				0.00
60,414.90	60,414.90	60,414.90	**257,360.00**	0.00
			80,160.03	-75,160.03
			209,017.40	-91,017.40
			145.26	-145.26
29,284.50	29,284.50	29,284.50	**168,835.00**	0.00
89,699.40	**89,699.40**	**89,699.40**	**715,517.69**	-166,322.69
				0.00
16,944.44	16,944.44		**113,077.00**	0.00
971.43	971.43	971.43	**31,595.00**	0.00
3,788.16	3,788.16	3,788.16	**32,652.00**	0.00
21,311.95	21,311.95	21,311.95	**154,063.00**	0.00
			38,720.00	-38,720.00
23,740.37	23,740.37	23,740.37	**98,163.00**	0.00
18,258.15	18,258.15	18,258.15	**65,104.00**	0.00
			46.26	-46.26
			209.80	-209.80

				Total 300-399 · EMPLOYEE BENEFITS			**494,654.00**	**11,442.06**
					4100 · Textbooks		187,000.00	0.00
					4200 · Books Other than Textbooks		5,000.00	0.00
					4300 · Materials and Supplies			
						4310 · Instructional Materials	30,000.00	406.98
						4320 · Custodial Supplies		0.00
						4340 · Fuel, Oil and Tires		56.29
						4350 · Office Supplies	10,000.00	1,688.49
						4360 · Food Staff Meetings		0.00
						4390 · Other Supplies	30,000.00	0.00
						4300 · Materials and Supplies - Other		0.00
					4400 · Non-capitalized Equipment			
						4410 · Classroom Furniture & Equip	7,000.00	539.55
						4420 · Computers		7,628.91
					4700 · Food Supplies		10,000.00	0.00
				Total 4000 · BOOKS & SUPPLIES			**279,000.00**	**10,320.22**
				5000 · SERVICES & OTHER OPERATING EXPE				
					Suspense Account			0.00
					5200 · Travel & Conference		5,000.00	0.00
					5300 · Dues & Membership		7,000.00	0.00
					5400 · Insurance - Liability		45,000.00	0.00
					Total 5500 · Operations and Housekeeping Ser		50,000.00	4,031.70
					Total 5600 · Rentals,Leases,Repairs & Noncap		411,640.00	6,638.00
						Assemblies	450.00	
						5812 · Pupil Transportation	10,000.00	0.00
						5830 · Advertisement & Recuitment	3,206.00	0.00
						5831 · Student Activities	40,000.00	0.00
						5832 · Printing and Reproduction	901.00	0.00
						5836 · Fingerprinting	2,534.00	0.00
						5840 · LACOE - Expense Reimbursement	10,040.00	0.00
						5842 · Sub Teacher- Instr. Consultants	10,000.00	160.00

26,802.41	**32,974.47**	**42,384.73**	**30,513.33**	**31,133.93**	**41,287.54**	**53,142.10**	**25,850.42**	**295,530.99**	**199,123.01**
0.00	0.00	0.00	0.00	0.00	0.00	0.00	156,936.39	156,936.39	30,063.61
0.00	0.00	0.00	0.00	0.00	6,094.22	84.46	0.00	6,178.68	
								0.00	
8,893.43	5,491.17	5,891.93	14,938.66	-1,018.58	610.69	5,009.51	2,302.60	42,526.39	
36.43	3,484.41	2,669.83	1,443.92	2,164.23	13.12	707.78	3,937.68	14,457.40	
263.21	319.91	587.06	975.48	0.00	75.77	1,142.63	602.60	4,022.95	
1,072.14	2,729.64	738.78	1,200.87	325.86	0.00	1,437.53	3,767.12	12,960.43	
0.00	0.00	0.00	0.00	540.36	0.00	0.00	341.30	881.66	
21.32	150.00	517.99	465.10	61.54	185.32	521.32	2,110.80	4,033.39	25,966.61
1,709.56	1,998.72	3,893.28	363.12	0.00	80.00	111.45	1,101.00	9,257.13	
								0.00	
0.00	10,546.00	0.00	0.00	0.00	345.00	29.86	2,854.88	14,315.29	
4,959.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,588.41	
1,855.43	437.16	248.82	500.16	47.94	0.00	785.07	222.96	4,097.54	5,902.46
18,811.02	**25,157.01**	**14,547.69**	**19,887.31**	**2,121.35**	**7,404.12**	**9,829.61**	**174,177.33**	**282,255.66**	**61,932.68**
3,062.60	0.00	0.00	0.00	20,100.73	0.00	-5,653.73	0.00	17,509.60	-17,509.60
1,545.15	1,662.87	2,602.03	5,861.51	0.00	-1,667.49	0.00	7,021.10	17,025.17	-12,025.17
0.00	0.00	0.00	2,710.00	0.00	0.00	0.00	0.00	2,710.00	4,290.00
5,964.40	78.00	0.00	20,005.03	16,005.36	-17,298.91	1,972.63	1,606.84	28,333.35	16,666.65
7,448.90	5,773.64	7,650.67	7,373.35	8,911.37	7,391.15	5,292.93	7,056.98	60,930.69	-10,930.69
20,313.37	1,347.34	46,268.48	37,163.42	100,533.12	36,121.99	51,587.48	38,865.24	338,838.44	72,801.56
								0.00	450.00
1,209.39	525.70	1,871.42	871.42	936.60	1,232.26	3,656.70	2,611.01	12,914.50	-2,914.50
0.00	0.00	0.00	4,000.00	0.00	0.00	122.37	0.00	4,122.37	-916.37
0.00	2,740.00	9,172.92	1,001.00	443.52	8,160.00	8,362.60	15,140.19	45,020.23	-5,020.23
0.00	1,095.10	979.69	372.40	0.00	53.41	0.00	180.58	2,681.18	-1,780.18
256.00	480.00	96.00	96.00	0.00	64.00	0.00	0.00	992.00	1,542.00
0.00	0.00	0.00	1,841.00	1,500.00	0.00	1,803.00	0.00	5,144.00	4,896.00
0.00	4,603.26	3,204.75	6,679.25	9,208.01	8,219.74	1,370.06	3,568.47	37,013.54	-27,013.54

85,014.50	**85,014.50**	**68,070.06**	**533,630.06**	-38,976.06
10,021.20	10,021.20	10,021.20	**187,000.00**	0.00
			6,178.68	-1,178.68
			0.00	0.00
			42,526.39	-12,526.39
			14,457.40	-14,457.40
			4,022.95	-4,022.95
			12,960.43	-2,960.43
			881.66	-881.66
8,655.54	8,655.54	8,655.54	**30,000.00**	0.00
			9,257.13	-9,257.13
			0.00	0.00
			14,315.29	-7,315.29
			12,588.41	-12,588.41
1,967.49	1,967.49	1,967.49	**10,000.00**	0.00
20,644.23	**20,644.23**	**20,644.23**	**344,188.34**	**-65,188.34**
			17,509.60	-17,509.60
			17,025.17	-12,025.17
1,430.00	1,430.00	1,430.00	**7,000.00**	0.00
5,555.55	5,555.55	5,555.55	**45,000.00**	0.00
0.00	0.00	0.00	**60,930.69**	-10,930.69
24,267.19	24,267.19	24,267.18	**411,640.00**	0.00
150.00	150.00	150.00	**450.00**	0.00
			12,914.50	-2,914.50
			4,122.37	-916.37
			45,020.23	-5,020.23
			2,681.18	-1,780.18
514.00	514.00	514.00	**2,534.00**	0.00
1,632.00	1,632.00	1,632.00	**10,040.00**	0.00
			37,013.54	-27,013.54

						5850 · Non-Instructional Consultants		0.00
						5851 · Instructional Consultants	50,000.00	3,000.00
						5852 · Consultants - Food Services	360,000.00	1,425.00
						5853 · Business Consultant	60,000.00	5,082.58
						5854 · Contractural Services	5,687.00	0.00
						5856 · Special Ed Consutant	100,000.00	1,035.00
						5857 · Prior Year Operating Expense	48,064.00	116,542.90
						5858 · Technology Consultant		0.00
						5863 · Professional Development	5,000.00	3,473.20
						5870 · Sales Tax		0.00
						5890 · Other Serv & Operating Expenses	40,466.00	0.00
						5891 · Bank Fees & Charges	1,227.00	43.50
						5892 · Fees & Other Charges	5,655.00	0.00
						5893 · Permits & Licenses	7,568.00	465.00
						5894 · Legal & Audit	31,994.00	0.00
						5895 · Fundraising Activities/Expenses	13,865.00	0.00
						5896 · Website Development/Maintenance		0.00
						5898 · LAUSD-Special Ed Costs	7,647.00	0.00
						5899 · Software Program		0.00
					Total 5800 · Pro/Con Srvc & Operating Expens			131,227.18
					5865 · Prior Period Adjustment			14,096.40
					5900 · Communications			
						5910 · Telephone		360.60
						5915 · Internet		99.90
						5920 · Postage & Delivery	5,000.00	428.86
						5900 · Communications - Other	32,324.00	1,300.00
					Total 5900 · Communications			2,189.36
				Total 5000 · SERVICES & OTHER OPERATING EXPE			**1,370,268.00**	**291,599.18** 00
				6000 · CAPITAL OUTLAY				
					6170 · Land Improvements			200.00
					6200 · Building & Improvements		20,000.00	0.00
					6000 · CAPITAL OUTLAY - Other		18,000.00	0.00
				Total 6000 · CAPITAL OUTLAY			**38,000.00**	200.00

279.00	0.00	0.00	0.00	0.00	0.00	250.00	110.00	639.00	-639.00
5,050.00	12,000.00	10,200.00	13,250.00	7,680.00	1,800.00	1,288.00	2,280.00	56,548.00	-6,548.00
0.00	0.00	0.00	0.00	118,228.87	0.00	34,355.46	29,556.35	183,565.68	176,434.32
5,082.58	5,385.20	5,572.58	0.00	10,165.16	0.00	10,165.16	5,082.58	46,535.84	13,464.16
0.00	0.00	0.00	825.00	0.00	0.00	0.00	0.00	825.00	4,862.00
310.68	1,545.00	8,913.75	0.00	11,005.00	8,728.75	17,402.50	26,067.50	75,008.18	24,991.82
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116,542.90	-68,478.90
0.00	0.00	0.00	0.00	0.00	0.00	400.00	0.00	400.00	-400.00
13,031.35	400.00	375.00	400.00	0.00	45.00	1,945.00	0.00	19,669.55	-14,669.55
0.00	0.00	0.00	500.64	0.00	0.00	0.00	0.00	500.64	-500.64
0.00	0.00	0.00	0.00	0.00	600.00	0.00	0.00	600.00	39,866.00
30.00	39.50	140.96	464.08	68.50	32.00	245.95	564.70	1,629.19	-402.19
229.25	0.00	6.00	-25.43	0.00	195.00	317.45	503.75	1,226.02	4,428.98
0.00	0.00	0.00	1,322.00	0.00	1,295.00	0.00	137.88	-3,219.88	4,348.12
2,887.34	0.00	899.00	7,013.00	1,605.00	4,172.00	9,370.00	5,292.96	31,239.30	754.70
3,436.00	278.94	1,767.28	788.04	788.04	1,421.53	967.98	1,656.80	11,104.61	2,760.39
0.00	0.00	5,384.00	0.00	0.00	3,579.00	0.00	0.00	8,963.00	-8,963.00
0.00	0.00	0.00	0.00	0.00	-1,198.00	0.00	0.00	-1,198.00	8,845.00
7,945.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,945.79	-7,945.79
39,747.38	29,092.70	48,583.35	39,398.40	161,628.70	38,399.69	92,022.23	92,752.77		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,096.40	
646.51	878.75	1,417.40	2,839.37	1,509.76	1,074.67	844.31	989.80	10,561.17	
1,346.40	266.18	39.90	336.14	68.00	0.00	4,991.16	2,862.24	10,009.92	
703.82	559.69	29.50	200.27	24.84	0.00	240.18	1,174.68	3,361.84	1,638.16
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,300.00	31,024.00
2,696.73	1,704.62	1,486.80	3,375.78	1,602.60	1,074.67	6,075.65	5,026.72	25,232.93	
120,160.04	**70,456.49**	**156,661.48**	**158,661.67**	**451,912.45**	**103,495.46**	**255,048.80**	**250,109.14**	**1,185,252.31**	**244,916.11**
270.00	0.00	450.00	-920.00	0.00	0.00	0.00	0.00		
0.00	0.00	1,725.00	-1,725.00	0.00	640.00	75.14	0.00	715.14	19,284.86
0.00	0.00	1,725.00	-1,725.00	0.00	0.00	0.00	0.00	0.00	18,000.00
270.00	0.00	3,900.00	-4,370.00	0.00	640.00	75.14	0.00	**715.14**	**37,284.86**

			639.00	-639.00
			56,548.00	-6,548.00
58,811.44	58,811.44	58,811.44	**360,000.00**	0.00
4,488.05	4,488.05	4,488.05	**60,000.00**	0.00
1,620.67	1,620.67	1,620.67	**5,687.00**	0.00
8,330.61	8,330.61	8,330.61	**100,000.00**	0.00
			116,542.90	-68,478.90
			400.00	-400.00
			19,669.55	-14,669.55
			500.64	-500.64
13,288.67	13,288.67	13,288.67	**40,466.00**	0.00
			1,629.19	-402.19
1,476.33	1,476.33	1,476.33	**5,655.00**	0.00
1,449.37	1,449.37	1,449.37	**7,568.00**	0.00
251.57	251.57	251.57	**31,994.00**	0.00
920.13	920.13	920.13	**13,865.00**	0.00
			8,963.00	-8,963.00
2,948.33	2,948.33	2,948.33	**7,647.00**	0.00
			7,945.79	-7,945.79
			0.00	0.00
			14,096.40	-14,096.40
			0.00	0.00
			10,561.17	-10,561.17
			10,009.92	-10,009.92
546.05	546.05	546.05	**5,000.00**	0.00
10,341.33	10,341.33	10,341.33	**32,324.00**	0.00
			25,232.93	-25,232.93
138,021.29	**138,021.29**	**138,021.28**	**1,599,316.17**	**-229,048.17**
6,428.29	6,428.29	6,428.29	**20,000.00**	0.00
6,000.00	6,000.00	6,000.00	**18,000.00**	0.00
12,428.29	**12,428.29**	**12,428.29**	**38,000.00**	**0.00**

				7000 · Other Outgo				
					7299 · Supervisorial Oversight Fees		43,568.00	0.00
					Debt Service-Interest		30,000.00	
					7439 · Auto Lease Expense			0.00
					TOTAL OTHER OUTGO		73,568.00	
				7619 · Other Interfd Transfer Out				0.00
			Total Expense				4,175,313.00	225,163.13

2,351.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,351.00	41,217.00
								0.00	30,000.00
0.00	891.94	31,270.96	-11.06	0.00	0.00	-25,884.30	0.00	6,267.54	
								8,618.54	**71,217.00**
0.00	0.00	0.00	0.00	0.00	116,542.90	0.00	0.00	116,542.90	
268,102.29	256,304.72	332,505.24	328,988.98	504,410.23	382,873.75	387,228.91	368,445.33	**3,363,567.22**	**1,059,644.98**

13,739.00	13,739.00	13,739.00	**43,568.00**	0.00
10,000.00	10,000.00	10,000.00	**30,000.00**	0.00
			6,267.54	-6,267.54
23,739.00	**23,739.00**	**23,739.00**	**79,835.54**	**-6,267.54**
			116,542.90	-116,542.90
515,853.87	**515,853.87**	**410,301.33**	**4,805,576.30**	-630,263.30

			Jul 13	Aug 13	Sep 13
Ordinary Income/Expense					
Income					
8000-89 · REVENUE					
	SUSPENSE		0.00	0.01	0.00
	8000-89 · REVENUE - Other		0.00	0.00	0.00
Total 8000-89 · REVENUE			0.00	0.01	0.00
8000 · Principal Apportionment					
	8012 · Education Protection Account		0.00	0.00	0.00
Total 8000 · Principal Apportionment			0.00	0.00	0.00
8100-82 · Federal Revenue					
	8220 · Child Nutrition Programs		0.00	0.00	0.00
	8221 · Title I		0.00	0.00	0.00
	8222 · Title II		0.00	0.00	52,922.00
	8226 · Prior-Year Federal Revenue		0.00	0.00	0.00
Total 8100-82 · Federal Revenue			0.00	0.00	52,922.00
8300-85 · Other State Revenue					
	8311 · Special Education-AB602		0.00	0.00	0.00
	8545 · Facility Reimbursement		0.00	0.00	0.00
	8546 · Core Academic		0.00	0.00	0.00
	8547 · After School Education & Safety		0.00	0.00	73,125.00
	8549 · Mandated Cost Reimbursement		0.00	0.00	0.00
	8555 · Charter Schl FacilityGrant-PY		0.00	0.00	0.00
	8566 · PE Teachers Incentive Grants		0.00	0.00	0.00
	8589 · Child Nutrition - State		0.00	0.00	0.00
	8590 · Other State Revenue		0.00	0.00	0.00
Total 8300-85 · Other State Revenue			0.00	0.00	73,125.00
860-898 · Other Local Income					
	8660 · Interest Income		1.65	36.04	82.33

		Oct 13	Nov 13	Dec 13	Jan 14
Ordinary Income/Expense					
Income					
8000-89 · REVENUE					
	SUSPENSE	0.00	0.00	0.00	0.00
	8000-89 · REVENUE - Other	0.00	0.00	0.00	0.00
Total 8000-89 · REVENUE		0.00	0.00	0.00	0.00
8000 · Principal Apportionment					
	8012 · Education Protection Acc	0.00	0.00	0.00	-5,815.08
Total 8000 · Principal Apportionment		0.00	0.00	0.00	-5,815.08
8100-82 · Federal Revenue					
	8220 · Child Nutrition Programs	0.00	0.00	64,500.87	69,491.89
	8221 · Title I	0.00	0.00	0.00	14,283.86
	8222 · Title II	0.00	-52,200.00	0.00	0.00
	8226 · Prior-Year Federal Reven	0.00	0.00	-1,667.49	0.00
Total 8100-82 · Federal Revenue		0.00	-52,200.00	62,833.38	83,775.75
8300-85 · Other State Revenue					
	8311 · Special Education-AB602	0.00	0.00	0.00	54,319.27
	8545 · Facility Reimbursement	0.00	82,597.00	0.00	0.00
	8546 · Core Academic	0.00	104,903.00	0.00	0.00
	8547 · After School Education &	0.00	-22,711.89	10,281.36	13,298.59
	8549 · Mandated Cost Reimburs	0.00	6,577.00	0.00	0.00
	8555 · Charter Schl FacilityGrant	0.00	0.00	0.00	0.00
	8566 · PE Teachers Incentive Gr	0.00	0.00	0.00	10,364.70
	8589 · Child Nutrition - State	0.00	0.00	2,077.55	30,628.42
	8590 · Other State Revenue	0.00	0.00	0.00	0.00
Total 8300-85 · Other State Revenue		0.00	171,365.11	12,358.91	108,610.98
860-898 · Other Local Income					
	8660 · Interest Income	93.23	105.40	110.98	111.10

					Feb 14	Mar 14	TOTAL
Ordinary Income/Expense							
	Income						
		8000-89 · REVENUE					
			SUSPENSE		0.00	0.00	0.01
			8000-89 · REVENUE - Other		0.00	0.00	0.00
		Total 8000-89 · REVENUE			0.00	0.00	0.01
		8000 · Principal Apportionment					
			8012 · Education Protection Acc		0.00	0.00	-5,815.08
		Total 8000 · Principal Apportionment			0.00	0.00	-5,815.08
		8100-82 · Federal Revenue					
			8220 · Child Nutrition Programs		0.00	0.00	133,992.76
			8221 · Title I		0.00	0.00	14,283.86
			8222 · Title II		0.00	0.00	722.00
			8226 · Prior-Year Federal Reven		0.00	0.00	-1,667.49
		Total 8100-82 · Federal Revenue			0.00	0.00	147,331.13
		8300-85 · Other State Revenue					
			8311 · Special Education-AB602		0.00	0.00	54,319.27
			8545 · Facility Reimbursement		0.00	0.00	82,597.00
			8546 · Core Academic		0.00	0.00	104,903.00
			8547 · After School Education &		0.00	0.00	73,993.06
			8549 · Mandated Cost Reimburs		0.00	0.00	6,577.00
			8555 · Charter Schl FacilityGrant		0.00	256,938.00	256,938.00
			8566 · PE Teachers Incentive Gr		0.00	0.00	10,364.70
			8589 · Child Nutrition - State		0.00	0.00	32,705.97
			8590 · Other State Revenue		0.00	129.48	129.48
		Total 8300-85 · Other State Revenue			0.00	257,067.48	622,527.48
		860-898 · Other Local Income					
			8660 · Interest Income		100.39	111.05	752.17

Ordinary Income/Expense							
	Income						
		8000-89 · REVENUE					
			SUSPENSE				
			8000-89 · REVENUE - Other				
		Total 8000-89 · REVENUE					
		8000 · Principal Apportionment					
			8012 · Education Protection Acc				
		Total 8000 · Principal Apportionment					
		8100-82 · Federal Revenue					
			8220 · Child Nutrition Programs				
			8221 · Title I				
			8222 · Title II				
			8226 · Prior-Year Federal Reven				
		Total 8100-82 · Federal Revenue					
		8300-85 · Other State Revenue					
			8311 · Special Education-AB602				
			8545 · Facility Reimbursement				
			8546 · Core Academic				
			8547 · After School Education &				
			8549 · Mandated Cost Reimburs				
			8555 · Charter Schl FacilityGrant				
			8566 · PE Teachers Incentive Gr				
			8589 · Child Nutrition - State				
			8590 · Other State Revenue				
		Total 8300-85 · Other State Revenue					
		860-898 · Other Local Income					
			8660 · Interest Income				

					Jul 13	Aug 13	Sep 13
		8671 · Miscellaneous			0.00	0.00	0.00
		8672 · Fundraising			0.00	0.00	0.00
		8780 · In Lieu Property Tax			-2,088.15	0.00	0.00
		8782 · Donations & Scholarships			0.00	0.00	0.00
		8984 · Grant			0.00	0.00	0.00
	Total 860-898 · Other Local Income				-2,086.50	36.04	82.33
	8919 · Other Auth Interfd Transfer In				0.00	0.00	0.00
Total Income					-2,086.50	36.05	126,129.33
Gross Profit					-2,086.50	36.05	126,129.33
Expense							
	suspense				12,698.00	-35.85	0.00
	100-199 · CERTIFICATED PERSONNEL SALARIES						
		1100 · Teachers Salaries		1,047,353.00	0.00	108,209.78	116,765.78
		Substitute Salaries		17,325.00			
		1300 · Certificated Supervisor &		305,950.00	16,250.82	16,241.91	16,241.91
		1900 · Other Certificated Salaries			0.00	0.00	0.00
	Total 100-199 · CERTIFICATED PERSONNEL SALARIES			1,370,628.00	16,250.82	124,451.69	133,007.69
	1000 · Payroll Expenses				11.60	68.19	318.31
	200-299 · CLASSIFIED PERSONNEL SALARIES						
		2200 · Classified Support Salari		257,360.00	2,916.67	8,706.66	8,706.66
		2300 · Classified Supervisor's a		5,000.00	8,906.67	8,906.67	8,906.67
		2400 · Clerical, Technical & Offic		118,000.00	11,058.67	13,305.99	26,745.25
		2500 · Classified-Extra Duty/Stipend			0.00	0.00	0.00
		2900 · Other Classified		168,835.00	3,496.00	4,848.00	5,986.50
	Total 200-299 · CLASSIFIED PERSONNEL SALARIES			549,195.00	26,378.01	35,767.32	50,345.08
	300-399 · EMPLOYEE BENEFITS						
		3101 · STRS - Certificated		113,077.00	1,065.63	9,963.28	9,995.46

			Oct 13	Nov 13	Dec 13	Jan 14
		8671 · Miscellaneous	0.00	279.00	0.00	0.00
		8672 · Fundraising	974.03	0.00	3,552.74	0.00
		8780 · In Lieu Property Tax	-10,734.49	0.00	0.00	0.00
		8782 · Donations & Scholarships	0.00	0.00	0.00	1,086.66
		8984 · Grant	0.00	1,000.00	0.00	0.00
	Total 860-898 · Other Local Income		-9,667.23	1,384.40	3,663.72	1,197.76
	8919 · Other Auth Interfd Transfer In		0.00	0.00	0.00	116,542.90
Total Income			-9,667.23	120,549.51	78,856.01	304,312.31
Gross Profit			-9,667.23	120,549.51	78,856.01	304,312.31
Expense						
	suspense		-7,469.46	-2,579.49	-14,450.00	0.00
	100-199 · CERTIFICATED PERSONNEL SALARIES					
		1100 · Teachers Salaries	102,793.85	114,026.92	106,328.45	108,023.57
		Substitute Salaries				
		1300 · Certificated Supervisor &	16,241.91	16,241.91	16,241.91	16,241.91
		1900 · Other Certificated Salarie	7,581.60	0.00	336.00	0.00
	Total 100-199 · CERTIFICATED PERSONNEL SALARIES		126,617.36	130,268.83	122,906.36	124,265.48
	1000 · Payroll Expenses		73.95	58.00	120.39	75.40
	200-299 · CLASSIFIED PERSONNEL SALARIES					
		2200 · Classified Support Salari	8,706.66	8,706.66	12,252.00	8,706.66
		2300 · Classified Supervisor's a	8,906.67	8,906.67	8,906.67	8,906.67
		2400 · Clerical, Technical & Offic	29,351.50	30,254.49	24,857.50	15,279.50
		2500 · Classified-Extra Duty/Stip	0.00	0.00	0.00	0.00
		2900 · Other Classified	13,442.50	11,343.00	9,901.50	3,148.50
	Total 200-299 · CLASSIFIED PERSONNEL SALARIES		60,407.33	59,210.82	55,917.67	36,041.33
	300-399 · EMPLOYEE BENEFITS					
		3101 · STRS - Certificated	9,952.62	10,152.38	9,585.32	9,596.02

			Feb 14	Mar 14	TOTAL	
		8671 · Miscellaneous	0.00	0.00	279.00	
		8672 · Fundraising	31.60	1,095.00	5,653.37	
		8780 · In Lieu Property Tax	0.00	0.00	-12,822.64	
		8782 · Donations & Scholarships	0.00	87.64	1,174.30	
		8984 · Grant	0.00	0.00	1,000.00	
	Total 860-898 · Other Local Income		131.99	1,293.69	-3,963.80	
	8919 · Other Auth Interfd Transfer In		0.00	0.00	116,542.90	
Total Income			131.99	258,361.17	876,622.64	
Gross Profit			131.99	258,361.17	876,622.64	
Expense						
suspense			0.00	0.00	-11,836.80	
100-199 · CERTIFICATED PERSONNEL SALARIES						
		1100 · Teachers Salaries	113,124.65	118,188.82	887,461.82	159,891.18
		Substitute Salaries				
		1300 · Certificated Supervisor &	9,575.25	9,575.25	132,852.78	
		1900 · Other Certificated Salarie	0.00	0.00	7,917.60	
	Total 100-199 · CERTIFICATED PERSONNEL SALARIES		122,699.90	127,764.07	1,028,232.20	
	1000 · Payroll Expenses		58.00	105.85	869.69	
	200-299 · CLASSIFIED PERSONNEL SALARIES					
		2200 · Classified Support Salari	8,706.66	8,706.66	76,115.29	
		2300 · Classified Supervisor's a	8,906.67	8,906.67	80,160.03	
		2400 · Clerical, Technical & Offic	31,805.75	26,358.75	209,017.40	
		2500 · Classified-Extra Duty/Stip	0.00	145.26	145.26	
		2900 · Other Classified	10,537.50	18,278.00	80,981.50	
	Total 200-299 · CLASSIFIED PERSONNEL SALARIES		59,956.58	62,395.34	446,419.48	
	300-399 · EMPLOYEE BENEFITS					
		3101 · STRS - Certificated	9,046.02	9,831.39	79,188.12	

	8671 · Miscellaneous	
	8672 · Fundraising	
	8780 · In Lieu Property Tax	
	8782 · Donations & Scholarships	
	8984 · Grant	
Total 860-898 · Other Local Income		
8919 · Other Auth Interfd Transfer In		
Total Income		
Gross Profit		
Expense		
suspense		
100-199 · CERTIFICATED PERSONNEL SALARIES		
	1100 · Teachers Salaries	53297.06
	Substitute Salaries	
	1300 · Certificated Supervisor &	
	1900 · Other Certificated Salarie	
Total 100-199 · CERTIFICATED PERSONNEL SALARIES		
1000 · Payroll Expenses		
200-299 · CLASSIFIED PERSONNEL SALARIES		
	2200 · Classified Support Salari	
	2300 · Classified Supervisor's a	
	2400 · Clerical, Technical & Offic	
	2500 · Classified-Extra Duty/Stip	
	2900 · Other Classified	
Total 200-299 · CLASSIFIED PERSONNEL SALARIES		
300-399 · EMPLOYEE BENEFITS		
	3101 · STRS - Certificated	

					Jul 13	Aug 13	Sep 13
	3301 · OASDI -			31,595.00	1,635.43	2,215.71	3,491.75
	3302 · MEDICARE			32,652.00	618.00	2,310.69	2,645.19
	3401 · Health Insurance			154,063.00	8,123.00	10,094.72	15,074.01
	3402 · Health Dependent Insurance-Cert				0.00	0.00	0.00
	3501 · SUI			98,163.00	0.00	2,218.01	1,761.26
	3601 · Workers Compensation			65,104.00	0.00	0.00	0.00
	3901 · Other Benefits				0.00	0.00	6.80
	300-399 · EMPLOYEE BENEFITS - Other				0.00	0.00	0.00
Total 300-399 · EMPLOYEE BENEFITS				494,654.00	11,442.06	26,802.41	32,974.47
	4100 · Textbooks			187,000.00	0.00	0.00	0.00
	4200 · Books Other than Textbo			5,000.00	0.00	0.00	0.00
	4300 · Materials and Supplies						
		4310 · Instruc		30,000.00	406.98	8,893.43	5,491.17
		4320 · Custodial Supplies			0.00	36.43	3,484.41
		4340 · Fuel, Oil and Tires			56.29	263.21	319.91
		4350 · Office		10,000.00	1,688.49	1,072.14	2,729.64
		4360 · Food Staff Meetings			0.00	0.00	0.00
		4390 · Other		30,000.00	0.00	21.32	150.00
		4300 · Materials and Supplies - Othe			0.00	1,709.56	1,998.72
	4400 · Non-capitalized Equipment						
		4410 · Classr		7,000.00	539.55	0.00	10,546.00
		4420 · Computers			7,628.91	4,959.50	0.00
	4700 · Food Supplies			10,000.00	0.00	1,855.43	437.16
Total 4000 · BOOKS & SUPPLIES				279,000.00			
5000 · SERVICES & OTHER OPERATING EXPE							
	Suspense Account				0.00	3,062.60	0.00
	5200 · Travel & Conference			5,000.00	0.00	1,545.15	1,662.87
	5300 · Dues & Membership			7,000.00	0.00	0.00	0.00

	Oct 13	Nov 13	Dec 13	Jan 14
3301 · OASDI -	3,872.31	3,902.74	3,443.90	2,292.91
3302 · MEDICARE	2,703.16	2,736.07	2,581.04	2,313.74
3401 · Health Insurance	22,068.16	12,588.52	14,417.00	4,053.93
3402 · Health Dependent Insura	0.00	0.00	0.00	13,153.00
3501 · SUI	796.79	1,126.67	996.48	9,876.32
3601 · Workers Compensation	2,982.18	0.00	0.00	0.00
3901 · Other Benefits	9.51	6.95	5.29	1.62
300-399 · EMPLOYEE BENEFITS -	0.00	0.00	104.90	0.00
Total 300-399 · EMPLOYEE BENEFITS	42,384.73	30,513.33	31,133.93	41,287.54
4100 · Textbooks	0.00	0.00	0.00	0.00
4200 · Books Other than Textbo	0.00	0.00	0.00	6,094.22
4300 · Materials and Supplies				
4310 · Instruc	5,891.93	14,938.66	-1,018.58	610.69
4320 · Custod	2,669.83	1,443.92	2,164.23	13.12
4340 · Fuel, C	587.06	975.48	0.00	75.77
4350 · Office	738.78	1,200.87	325.86	0.00
4360 · Food S	0.00	0.00	540.36	0.00
4390 · Other	517.99	465.10	61.54	185.32
4300 · Materi	3,893.28	363.12	0.00	80.00
4400 · Non-capitalized Equipmer				
4410 · Classr	0.00	0.00	0.00	345.00
4420 · Compu	0.00	0.00	0.00	0.00
4700 · Food Supplies	248.82	500.16	47.94	0.00
Total 4000 · BOOKS & SUPPLIES				
5000 · SERVICES & OTHER OPERATING EXPE				
Suspense Account	0.00	0.00	20,100.73	0.00
5200 · Travel & Conference	2,602.03	5,861.51	0.00	-1,867.49
5300 · Dues & Membership	0.00	2,710.00	0.00	0.00

			Feb 14	Mar 14	TOTAL
	3301 · OASDI -		3,945.41	3,880.55	28,680.71
	3302 · MEDICARE		2,637.85	2,741.77	21,287.51
	3401 · Health Insurance		2,069.17	1,638.64	90,127.15
	3402 · Health Dependent Insura		25,567.00	0.00	38,720.00
	3501 · SUI		7,627.74	2,538.61	26,941.88
	3601 · Workers Compensation		2,137.03	5,210.35	10,329.56
	3901 · Other Benefits		6.98	9.11	46.26
	300-399 · EMPLOYEE BENEFITS -		104.90	0.00	209.80
Total 300-399 · EMPLOYEE BENEFITS			53,142.10	25,850.42	295,530.99
	4100 · Textbooks		0.00	156,936.39	156,936.39
	4200 · Books Other than Textbo		84.46	0.00	6,178.68
	4300 · Materials and Supplies				
		4310 · Instru	5,009.51	2,302.60	42,526.39
		4320 · Custo	707.78	3,937.68	14,457.40
		4340 · Fuel, C	1,142.63	602.60	4,022.95
		4350 · Office	1,437.53	3,767.12	12,960.43
		4360 · Food S	0.00	341.30	881.66
		4390 · Other	521.32	2,110.80	4,033.39
		4300 · Materi	111.45	1,101.00	9,257.13
	4400 · Non-capitalized Equipmer				
		4410 · Classr	29.86	2,854.88	14,315.29
		4420 · Comp	0.00	0.00	12,588.41
	4700 · Food Supplies		785.07	222.96	4,097.54
Total 4000 · BOOKS & SUPPLIES					
5000 · SERVICES & OTHER OPERATING EXPE					
	Suspense Account		-5,653.73	0.00	17,509.60
	5200 · Travel & Conference		0.00	7,021.10	17,026.17
	5300 · Dues & Membership		0.00	0.00	2,710.00

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					3301 · OASDI -	
					3302 · MEDICARE	
					3401 · Health Insurance	
					3402 · Health Dependent Insura	
					3501 · SUI	
					3601 · Workers Compensation	
					3901 · Other Benefits	
					300-399 · EMPLOYEE BENEFITS -	
				Total 300-399 · EMPLOYEE BENEFITS		
					4100 · Textbooks	
					4200 · Books Other than Textbo	
					4300 · Materials and Supplies	
					4310 · Instruc	
					4320 · Custod	
					4340 · Fuel, C	
					4350 · Office	
					4360 · Food S	
					4390 · Other	
					4300 · Materi	
					4400 · Non-capitalized Equipmer	
					4410 · Classr	
					4420 · Compu	
					4700 · Food Supplies	
				Total 4000 · BOOKS & SUPPLIES		
				5000 · SERVICES & OTHER OPERATING EXPE		
					Suspense Account	
					5200 · Travel & Conference	
					5300 · Dues & Membership	

			Jul 13	Aug 13	Sep 13
5400 · Insurance – Liability	45,000.00	0.00	5,964.40	78.00
Total 5500 · Operations and Hou	50,000.00	4,031.70	7,448.90	5,773.64
Total 5600 · Rentals,Leases,Rep	411,640.00	6,638.00	20,313.37	1,347.34
Asser	450.00			
5812 · Pupil T	10,000.00	0.00	1,209.39	525.70
5830 · Advert	3,206.00	0.00	0.00	0.00
5831 · Studer	40,000.00	0.00	0.00	2,740.00
5832 · Printin	901.00	0.00	0.00	1,095.10
5836 · Finger	2,534.00	0.00	256.00	480.00
5840 · LACOE	10,040.00	0.00	0.00	0.00
5842 · Sub Te	10,000.00	160.00	0.00	4,603.26
5850 · Non-Instructional Consultant		0.00	279.00	0.00
5851 · Instruc	50,000.00	3,000.00	5,050.00	12,000.00
5852 · Consu	360,000.00	1,425.00	0.00	0.00
5853 · Busine	60,000.00	5,082.58	5,082.58	5,385.20
5854 · Contra	5,687.00	0.00	0.00	0.00
5856 · Specia	100,000.00	1,035.00	310.68	1,545.00
5857 · Prior Y	48,064.00	116,542.90	0.00	0.00
5858 · Technology Consultant		0.00	0.00	0.00
5863 · Profes	5,000.00	3,473.26	13,031.35	400.00
5870 · Sales Tax		0.00	0.00	0.00
5890 · Other	40,466.00	0.00	0.00	0.00
5891 · Bank F	1,227.00	43.50	30.00	39.50
5892 · Fees &	5,655.00	0.00	229.25	0.00
5893 · Permit	7,568.00	465.00	0.00	0.00
5894 · Legal	31,994.00	0.00	2,887.34	0.00
5895 · Fundra	13,865.00	0.00	3,436.00	278.94
5896 · Website Development/Mainte		0.00	0.00	0.00
5898 · LAUSD	7,647.00	0.00	0.00	0.00
5899 · Software Program		0.00	7,945.79	0.00
Total 5800 · Pro/Con Srvc & Operating Expens		131,227.18	39,747.38	29,092.70

	Oct 13	Nov 13	Dec 13	Jan 14
5400 · Insurance - Liability	0.00	20,005.03	16,005.36	-17,298.91
Total 5500 · Operations and Hou	7,650.67	7,373.35	8,911.37	7,391.15
Total 5600 · Rentals,Leases,Rep	46,268.48	37,163.42	100,533.12	38,121.99
Asser				
5812 · Pupil T	1,871.42	871.42	936.60	1,232.26
5830 · Adver	0.00	4,000.00	0.00	0.00
5831 · Studer	9,172.92	1,001.00	443.52	8,160.00
5832 · Printin	979.69	372.40	0.00	53.41
5836 · Finger	96.00	96.00	0.00	64.00
5840 · LACOE	0.00	1,841.00	1,500.00	0.00
5842 · Sub Te	3,204.75	8,679.25	9,208.01	8,219.74
5850 · Non-In	0.00	0.00	0.00	0.00
5851 · Instruc	10,200.00	13,250.00	7,680.00	1,800.00
5852 · Consu	0.00	0.00	118,228.87	0.00
5853 · Busine	5,572.58	0.00	10,165.16	0.00
5854 · Contra	0.00	825.00	0.00	0.00
5856 · Specia	8,913.75	0.00	11,005.00	8,728.75
5857 · Prior Y	0.00	0.00	0.00	0.00
5858 · Techn	0.00	0.00	0.00	0.00
5863 · Profes	375.00	400.00	0.00	45.00
5870 · Sales T	0.00	500.64	0.00	0.00
5890 · Other	0.00	0.00	0.00	600.00
5891 · Bank F	140.96	464.08	68.50	32.00
5892 · Fees &	6.00	-25.43	0.00	195.00
5893 · Permit	0.00	1,322.00	0.00	1,295.00
5894 · Legal	899.00	7,013.00	1,605.00	4,172.00
5895 · Fundra	1,767.28	788.04	788.04	1,421.53
5896 · Websi	5,384.00	0.00	0.00	3,579.00
5898 · LAUSD	0.00	0.00	0.00	-1,198.00
5899 · Softwa	0.00	0.00	0.00	0.00
Total 5800 · Pro/Con Srvc & Ope	48,583.35	39,398.40	161,628.70	38,399.69

	Feb 14	Mar 14	TOTAL
5400 · Insurance - Liability	1,972.63	1,606.84	28,333.35
Total 5500 · Operations and Hou	5,292.93	7,056.98	60,930.69
Total 5600 · Rentals,Leases,Rep	51,587.48	38,865.24	338,838.44
Assen			
5812 · Pupil T	3,656.70	2,611.01	12,914.50
5830 · Adver	122.37	0.00	4,122.37
5831 · Studer	8,362.60	15,140.19	45,020.23
5832 · Printin	0.00	180.58	2,681.18
5836 · Finger	0.00	0.00	992.00
5840 · LACOE	1,803.00	0.00	5,144.00
5842 · Sub Te	1,370.06	3,568.47	37,013.54
5850 · Non-In	250.00	110.00	639.00
5851 · Instruc	1,288.00	2,280.00	56,548.00
5852 · Consu	34,355.46	29,556.35	183,565.68
5853 · Busine	10,165.16	5,082.58	46,535.84
5854 · Contra	0.00	0.00	825.00
5856 · Specia	17,402.50	26,067.50	75,008.18
5857 · Prior Y	0.00	0.00	116,542.90
5858 · Techn	400.00	0.00	400.00
5863 · Profes	1,945.00	0.00	19,669.55
5870 · Sales T	0.00	0.00	500.64
5890 · Other	0.00	0.00	600.00
5891 · Bank F	245.95	564.70	1,629.19
5892 · Fees &	317.45	503.75	1,226.02
5893 · Permit	0.00	137.88	3,219.88
5894 · Legal	9,370.00	5,292.96	31,239.30
5895 · Fundra	967.98	1,656.80	11,104.61
5896 · Websi	0.00	0.00	8,963.00
5898 · LAUSD	0.00	0.00	-1,198.00
5899 · Softwa	0.00	0.00	7,945.79
Total 5800 · Pro/Con Srvc & Ope	92,022.23	92,752.77	672,852.40

						5400 · Insurance - Liability	
						Total 5500 · Operations and Hou	
						Total 5600 · Rentals,Leases,Rep	
						Assen	
						5812 · Pupil T	
						5830 · Advert	
						5831 · Studer	
						5832 · Printin	
						5836 · Finger	
						5840 · LACOE	
						5842 · Sub Te	
						5850 · Non-In	
						5851 · Instruc	
						5852 · Consu	
						5853 · Busine	
						5854 · Contra	
						5856 · Specia	
						5857 · Prior Y	
						5858 · Techn	
						5863 · Profes	
						5870 · Sales	
						5890 · Other	
						5891 · Bank F	
						5892 · Fees &	
						5893 · Permit	
						5894 · Legal	
						5895 · Fundra	
						5896 · Websi	
						5898 · LAUSD	
						5899 · Softwa	
						Total 5800 · Pro/Con Srvc & Ope	

						Jul 13	Aug 13	Sep 13
				5865 · Prior Period Adjustment		14,096.40	0.00	0.00
				5900 · Communications				
					5910 · Telephone	360.60	646.51	878.75
					5915 · Internet	99.90	1,346.40	266.18
					5920 · Postag	428.86	703.82	559.69
					5900 · Comm	1,300.00	0.00	0.00
				Total 5900 · Communications		2,189.36	2,696.73	1,704.62
			Total 5000 · SERVICES & OTHER OPERATING EXPE		1,370,268.00	158,182.64	80,778.53	39,659.17
			6000 · CAPITAL OUTLAY					
				6170 · Land Improvements		200.00	270.00	0.00
				6200 · Building & Improvements	20,000.00	0.00	0.00	0.00
				6000 · CAPITAL OUTLAY - Other	18,000.00	0.00	0.00	0.00
			Total 6000 · CAPITAL OUTLAY		38,000.00	200.00	270.00	0.00
			7000 · Other Outgo					
				7299 · Supervisorial Oversight F	43,568.00	0.00	2,351.00	0.00
				Debt Service-Interest	30,000.00			
				7439 · Auto Lease Expense		0.00	0.00	891.94
				TOTAL OTHER OUTGO	73,568.00			
			7619 · Other Interfd Transfer Out			0.00	0.00	0.00
		Total Expense			4,175,313.00	225,163.13	268,102.29	256,304.72
	Net Ordinary Income					-227,249.63	-268,066.24	-130,175.39

	Oct 13	Nov 13	Dec 13	Jan 14
5865 · Prior Period Adjustment	0.00	0.00	0.00	0.00
5900 · Communications				
5910 · Telepl	1,417.40	2,839.37	1,509.76	1,074.67
5915 · Interne	39.90	336.14	68.00	0.00
5920 · Postag	29.50	200.27	24.84	0.00
5900 · Comm	0.00	0.00	0.00	0.00
Total 5900 · Communications	1,486.80	3,375.78	1,602.60	1,074.67
Total 5000 · SERVICES & OTHER OPERATING EXPE	106,591.33	115,887.49	308,781.88	64,021.10
6000 · CAPITAL OUTLAY				
6170 · Land Improvements	450.00	-920.00	0.00	0.00
6200 · Building & Improvements	1,725.00	-1,725.00	0.00	640.00
6000 · CAPITAL OUTLAY - Other	1,725.00	-1,725.00	0.00	0.00
Total 6000 · CAPITAL OUTLAY	3,900.00	-4,370.00	0.00	640.00
7000 · Other Outgo				
7299 · Supervisorial Oversight F	0.00	0.00	0.00	0.00
Debt Service-Interest				
7439 · Auto Lease Expense	31,270.96	-11.06	0.00	0.00
TOTAL OTHER OUTGO				
7619 · Other Interfd Transfer Out	0.00	0.00	0.00	116,542.90
Total Expense	332,505.24	328,988.98	504,410.23	382,873.75
Net Ordinary Income	-342,172.47	-208,439.47	-425,554.22	-78,561.44

			Feb 14	Mar 14	TOTAL
	5865 · Prior Period Adjustment		0.00	0.00	14,096.40
	5900 · Communications				
		5910 · Teleph	844.31	989.80	10,561.17
		5915 · Intern	4,991.16	2,862.24	10,009.92
		5920 · Postag	240.18	1,174.68	3,361.84
		5900 · Comm	0.00	0.00	1,300.00
	Total 5900 · Communications		6,075.65	5,026.72	25,232.93
Total 5000 · SERVICES & OTHER OPERATING EXPE			151,297.19	152,329.65	1,177,528.98
6000 · CAPITAL OUTLAY					
	6170 · Land Improvements		0.00	0.00	0.00
	6200 · Building & Improvements		75.14	0.00	715.14
	6000 · CAPITAL OUTLAY - Other		0.00	0.00	0.00
Total 6000 · CAPITAL OUTLAY			75.14	0.00	715.14
7000 · Other Outgo					
	7299 · Supervisorial Oversight F		0.00	0.00	2,351.00
	Debt Service-Interest				
	7439 · Auto Lease Expense		-25,884.30	0.00	6,267.54
	TOTAL OTHER OUTGO				
7619 · Other Interfd Transfer Out			0.00	0.00	116,542.90
Total Expense			387,228.91	368,445.33	3,054,022.58
Net Ordinary Income			-387,096.92	-110,084.16	-2,177,399.94

EXHIBIT 29

INDEPENDENT CONTRACTOR CONSULTING AGREEMENT
Merle Williamson Foundation dba Wisdom Academy for Young Scientists

THIS INDEPENDENT CONTRACTOR CONSULTING AGREEMENT (hereinafter "Agreement") is entered into by and between Merle Williamson Foundation dba Wisdom Academy for Young Scientists (hereinafter "School") and Jason Okonkwo (hereinafter "Consultant"), effective July 1, 2014.

RECITALS

A. SCHOOL is a non-profit corporation organized under the laws of the State of California to operate a charter school in the State of California.

B. Consultant is very experienced in operating a charter school. SCHOOL is retaining Consultant to provide services to SCHOOL as set forth below.

C. SCHOOL wishes to retain Consultant to provide such services to SCHOOL.

AGREEMENT

In consideration of the promises and of the mutual covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Independent Contracting Agreement and Services. SCHOOL hereby engages Consultant, and Consultant hereby accepts such an engagement upon the terms and conditions set forth herein. It is expressly understood between the parties that Consultant is an independent contractor and not an employee of SCHOOL. Consultant shall perform the following services: administrative support services. Consultant assumes full responsibility for the performance of his/her duties under the terms of this Agreement. SCHOOL acknowledges that it does not and will not control or direct Consultant with regard to the manner or means in which Consultant performs his/her duties under this Agreement. SCHOOL shall simply have the right to approve or disapprove the final products and/or services provided by Consultant and shall have the right to set deadlines for the completion of products and/or services pursuant to this Agreement. Consultant shall not be responsible for reporting to any officer, employee or agent in carrying out the services to be performed by him/her under the terms of this Agreement.

2. Effective Date and Term. The effective date of this Agreement shall be July 1, 2014, and the term of this Agreement shall begin on the effective date and shall remain in effect until DATE, unless terminated pursuant to section 16.

3. Confidentiality.

a. Confidential Information in General. During the course of this Agreement, Consultant may have access to Confidential Information of SCHOOL, its employees, and certain third parties such as customers and vendors. "Confidential Information" is information, which is not generally known to the public and, as a result, is of economic benefit to SCHOOL in the conduct of its business. SCHOOL and Consultant agree that Confidential

Information shall include, but not be limited to, all information developed or maintained by SCHOOL and/or its employees and and/or vendors and comprising the following items, whether or not such items have been reduced to tangible form (e.g., physical writing): contract terms, lesson plans, education plans, business development techniques, processes, inventions, development, equipment, prototypes, methods, databases, consulting agreements, product research, sales, marking and strategic plans, programming plans, advertising and promotion plans, products and "availability" information, existing and developing software products, source code, object code, technical documentation, flow charts, test results, models, data, research, formulas, ideas, trade names, service marks, slogans, forms, student lists, business forms, marketing programs and plans, business plans and strategies, layout and design, financial structure, operational methods and tactics, cost information, the identity of students or vendors of SCHOOL, accounting procedures, details, and any document, record or other information of SCHOOL relating to the above. Confidential Information include not only information belonging to SCHOOL or its customers and/or vendors, which existed before the date of this Agreement but also information developed by Consultant for SCHOOL or its customers and/or vendors during the time period that Consultant has provided services to SCHOOL, the term of this Agreement, and thereafter.

b. Restriction on Use of Confidential Information. Consultant shall not disclose to any third party or parties during or after the term of this Agreement, without the prior written consent of SCHOOL, any information relating to SCHOOL, its employees, customers, and/or vendors, or information regarding the affairs or operations of SCHOOL, including SCHOOL's Confidential Information. Consultant agrees that his use of Confidential Information is subject to the following restrictions during the time period that SCHOOL has retained Consultant, the term of this Agreement, and for an indefinite period thereafter so long as the Confidential Information has not become generally known to the public.

i. Nondisclosure. Consultant will not publish or disclose or allow to be published or disclosed, Confidential Information to any person who is not an employee of SCHOOL unless such disclosure is necessary to the performance of Consultant's obligations under this Agreement.

ii. Surrender Upon Termination of Agreement. Upon termination of this Agreement for any reason, Consultant will surrender to SCHOOL all documents and materials in his possession and/or control which contain Confidential Information. Consultant further agrees to return any and all other documents, materials, computer disks, or other items or property provided to Consultant by SCHOOL during the term of this Agreement upon the termination of this Agreement for any reason.

iii. Prohibition Against Unfair Competition. Consultant will not use any Confidential Information to engage in competition with SCHOOL at any time during the term of this Agreement or after the termination of this Agreement for any reason.

c. Solicitation of Employees.

i. Information About Employees. Consultant may be, or may have been, called upon to work closely with employees of SCHOOL in performing services under this Agreement. All information about such employees which becomes known to Consultant during the course of this Agreement, and which is not otherwise known to the public, including compensation or commission structure, is Confidential Information of SCHOOL and shall not be used by Consultant in soliciting employees of SCHOOL at any time during or after termination the termination of this Agreement.

ii. Solicitation of Employees Prohibited. During the term of this Agreement and for one (1) year following the termination of this Agreement, Consultant shall not, directly or indirectly ask or encourage any employee(s) of SCHOOL to leave their employment with SCHOOL, or solicit any employee(s) of SCHOOL for employment elsewhere. Consultant further agrees that he shall make any subsequent employer aware of this non-solicitation obligation.

d. Violations of Confidential Information, Solicitation and Written Material Clauses. Consultant agrees and acknowledges that the violation of any of the provisions contained in section 3 hereof would cause irreparable injury to SCHOOL, that the remedy at law for any violation or threatened violation thereof would be inadequate, and that SCHOOL shall be entitled to temporary and permanent injunctive relief or other equitable relief from a court of competent jurisdiction without the necessity of proving actual damages.

4. Compensation. SCHOOL shall pay Consultant for services performed pursuant to this Agreement, according the pay schedule attached as Exhibit "A."

5. Materials/Equipment/Costs. All materials and equipment needed by Consultant to carry out the services to be performed by him under this Agreement, shall be furnished by Consultant at his own expense.

6. Consultant's Obligation to Pay Taxes. All compensation called for under this Agreement will be paid without deductions or withholdings, and will be accompanied by a Form 1099 at year end. As an independent contractor, Consultant agrees that he/she will be responsible for the reporting and payment of any state and/or federal income tax or other withholdings on the compensation provided for his/her services under this Agreement. In addition, Consultant shall fill out and execute the form W-9 which is attached as Exhibit "B."

7. General Liability Insurance. Consultant expressly acknowledges and understands that SCHOOL shall have no obligation to provide general liability insurance for Consultant or his employees.

8. Corporate/Business Responsibilities/Workers' Compensation Insurance. Consultant shall be responsible for performing all duties incident to operating a business and/or corporation, including, but not limited to, obtaining all necessary licenses and paying all applicable taxes. Consultant expressly acknowledges and understands that SCHOOL shall have no obligation to provide workers' compensation insurance, unemployment insurance, health insurance or any employee benefits of any nature for Consultant. Consultant agrees to hold

harmless and indemnify SCHOOL for any and all claims arising out of any injury, disability or death of Consultant.

9. Other Activities. Consultant shall be permitted to engage in other activities for other businesses during the term of this Agreement, so long as he performs his duties pursuant to this Agreement.

10. Successors and Assigns. The rights and obligations of SCHOOL under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of SCHOOL. Consultant shall not be entitled to assign any of his rights or obligations under this Agreement without the prior written consent of an authorized officer of SCHOOL.

11. Governing Law. This Agreement shall be interpreted, construed, governed and enforced in accordance with the laws of the State of California.

12. Entire Agreement/Amendments. This Agreement reflects the only, sole and entire agreement between the parties relating in any way to the subject matter hereof. No statement, promise or different representations have been made which in any way form a part of or modify this Agreement. No amendment or modification of the terms or conditions of this Agreement shall be valid unless in writing and signed by the parties hereto.

13. Separate Terms. Each term, condition, covenant or provision of this Agreement shall be viewed as separate and distinct, and in the event that any, such term, covenant or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

14. Waiver. A waiver by either party of a breach of any provision or provisions of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.

15. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and sent by mail to Consultant at an address provided by Consultant, or hand delivered to Consultant, or to its principal office, in the case of the SCHOOL.

16. Termination. SCHOOL or Consultant each reserve the right to terminate this Agreement for any reason, upon 30 days written notice of termination.

17. Arbitration of Disputes. With the exception of any claims related to injunctive relief, which may be heard by a court of competent jurisdiction, all claims for monetary damages between the parties to this Agreement shall be resolved by binding arbitration under the commercial rules of JAMS in San Diego, California. Such arbitration shall be conducted in San Diego, California, before a single arbitrator selected through the usual and customary procedures of JAMS.

a. Any demand for arbitration shall be in writing and must be made within the time required by applicable law.

b. The arbitrator shall be a former or retired judge or attorney with at least ten years experience.

c. At the election of either party, the arbitration proceedings may be transcribed by a court reporter at the expense of the electing party and a written transcript may be provided to the arbitrator.

d. The arbitrator shall be requested to make factual findings and render a statement of decision, explaining the legal and factual basis for the award.

e. Final decisions by the arbitrator shall be rendered within ninety days from the date the arbitration hearings are completed.

f. The prevailing party shall be entitled to an award by the arbitrator of costs reasonably incurred in connection with the arbitration, including witness fees and expert witness fees, unless the arbitrator for good cause determines otherwise. Each party shall be responsible for its own attorneys' fees.

g. Costs and fees of the arbitrator shall be borne equally between the parties initially, but the arbitrator shall be requested to order restitution of such costs and fees by the non-prevailing party, unless the arbitrator for good cause determines otherwise.

h. The award or decision of the arbitrator shall be final, and binding, and may be entered as a judgment in any court of competent jurisdiction, in accordance with applicable law.

i. The provisions of Title 9 of Part 3 of the California Code of Civil Procedure, including section 1283.05, and successor statutes, permitting expanded discovery before the arbitration hearing, shall be applicable to all disputes which are arbitrated pursuant to this Agreement, provided, however, that the discovery limits in California Code of Civil Procedure section 94 shall be deemed applicable, to limit the scope and extent of such discovery.

18. Surrender of Documents Upon Termination of Agreement. Upon termination of this Agreement for any reason, Consultant will surrender to SCHOOL all documents and materials in his/her possession or control which contains SCHOOL confidential information. Consultant further agrees to return any and all other documents, materials, computer disks, or other items or property provided to Consultant by SCHOOL during the term of this Agreement upon the termination of this Agreement for any reason.

19. Counterparts. This Agreement may be executed in counterparts and, if so executed, each such counterpart shall have the force and effect of an original. A facsimile signature shall have the same force and effect as an original signature.

IN WITNESS HEREOF, the parties have executed this Agreement as of the date set forth above.

CONSULTANT:

Dated: June __, 2014

_____
Jason Okonkwo

MERLE WILLIAMSON FOUNDATION DBA WISDOM ACADEMY FOR YOUNG SCIENTISTS:

Dated: June___, 2014

By:_____

Title:_____

101806830.1

FIRST AMENDMENT TO AT-WILL EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO AT-WILL EMPLOYMENT AGREEMENT ("Amendment") is entered into by and between Edward Cabil ("Employee") and the Merle Williamson Foundation, the holder and operator of The Merle William Foundation dba The Wisdom Academy for Young Scientists, a California public charter school ("School"). It amends the terms of the Employment Agreement entered into by Employee and the School on or about February 3, 2014 for the term from July 1, 2013, to June 30, 2014 ("Agreement").

The Parties hereby agree to amend the Agreement as follows:

Work Schedule

The Employee will continue to be employed on the same terms as conditions as set forth in the Agreement on an at-will basis after June 30, 2014. Neither party has an expectation that the employment relationship will continue for any set period of time. Either party may terminate the employment relationship at any time and for any reason, with or without cause and with or without notice.

Work Year

There shall be no specific number of days that must be worked. Instead, Employee will be a full-time exempt employee who will be expected to continue to devote the time and energies necessary to fulfill the job requirements as under the existing Agreement.

Benefits

Employee shall be entitled to paid time off and leave for illness at the same amount per year of employment as set forth in the Agreement. However, this leave shall accrue on a pro-rated basis.

_____ _____

Employee Signature *Date*

MERLE WILLIAMSON FOUNDATION APPROVAL:

_____ _____

Dated *Authorized MWF Representative*

This Employment Agreement is subject to ratification and approval by the Governing Board of Merle Williamson Foundation.

Exhibit A

EXHIBIT A
Compensation

Term of Agreement: Completion of Services

Rate: $100 per hour.

Work product to be delivered by Contractor (Check boxes as applicable, and set forth details as desired in space provided):

[ ] Oral recommendations/reports

[ ] Written reports
- [ ] Daily
- [ ] Weekly
- [ ] Monthly
- [ ] Upon Completion
- [ ] Other: Bi-weekly

Exhibit B

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

☐ Other (see instructions) ▶

Exemptions (see instructions):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
___ - ___ - ____

Employer identification number
__ - _____

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person** ▶ | **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at *www.irs.gov/w9*. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Wednesday, July 9, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted July 7, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – May 20, 2014, June 14, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Appointment (Executive Director)
- b. Public Employee Evaluation (Executive Director)
- c. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
- d. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
- a. Consider and approve temporary consultant contract
  - i. Board will consider and may take action on contract with former Director of Operations Jason Okonkwo, as temporary independent contractor to assist WAYS with records responsive to LACOE's Notice of Violation, and to assist with transition to new staff
- b. Consider and approve month-to-month employment relationship with Executive Director Ed Cabil
  - i. Board will consider and may take action on extending Mr. Cabil's employment relationship on a month-to-month basis
- c. Consider and approve material terms of 706 East Manchester LLC lease agreement

i. The LLC has or is expected to soon acquire the school site properties. The Board will consider and may adopt material terms for the lease.

d. 2014-15 School Year Operating Budget - Action
e. 2014-15 Master Calendar – Action
f. 2014-15 Board Roster and Calendar – Action
g. 2014-15 Board Retreat – Discussion
h. 2014-15 Board Member Elections – Discussion
i. 2013-14 School Year Evaluation – Discussion

X. Meeting Adjourned

EXHIBIT 30

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, July 30, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Wednesday, July 30, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted July 27, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – May 20, 2014, June 14, 2014, July 9, 2014, July 23, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda Items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Appointment (Executive Director)
- b. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2) – Notice of Violation
- c. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
- a. Consider and approve back office provider contract
  - i. Board will consider and may take action on contract with Charter School Management Corporation, or Charter Impact, or Bali Business Management
- b. Consider and approve charter school consultant contract
  - i. Board will consider and may take action on a contract with the Celerity Global Development to assist with certain aspects of charter operations
- c. Consider and approve material terms of 706 East Manchester LLC lease agreement
  - d.i. The LLC has or is expected to soon acquire the school site properties. The Board will consider and may adopt material terms for the lease.
- e.d. Consider and approve 2014-15 Lease Agreement with Salvation Army

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i. The Salvation Army Lease amount has increased significantly due to added fee for use of Gym Space. The Board will consider and may enter into a material lease agreement.

X. Meeting Adjourned

EXHIBIT 31

MERLE WILLIAMSON FOUNDATION
DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A CALIFORNIA NON-PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTH ENDED JUNE 30, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Not-for-Profit Organization)

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Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors of
Merle Williamson Foundation, dba
Wisdom Academy for Young Scientists
Los Angeles, California

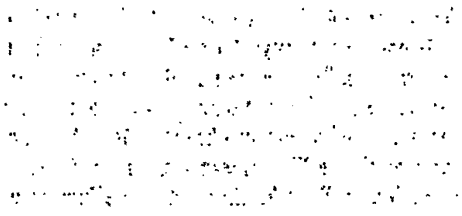
INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of Wisdom Academy for Young Scientists (WAYS) (a California not-for-profit organization), as of June 30, 2012, and the related statements of activities and changes in net assets, and cash flows for the twelve months period then ended. These financial statements are the responsibility of Wisdom Academy for Young Scientists' management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the organization's 2011 financial statements and, in my report dated December 14, 2011, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies.* Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2012, and the changes in its net assets and cash flows for the twelve months period then ended in conformity with accounting principles generally accepted in the United States of America.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606



In accordance with *Government Auditing Standards*, I have also issued a report dated December 31, 2012 on my consideration of **Wisdom Academy for Young Scientists'** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

My audit was conducted for the purpose of forming an opinion on the financial statements of **Wisdom Academy for Young Scientists.** The accompanying schedule of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the additional supplementary information section is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clem Payne Jr

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF FINANCIAL POSITION
June 30,

ASSETS

	2012	2011
CURRENT ASSETS:		
Cash and cash equivalents	$ 49,188	$ 513,331
Accounts receivable - Sponsoring Districts (Note 3)	27,961	
Accounts receivable - (Note 3)	1,256,875	525,547
Due from former Executive Director (Note13)	10,120	
Security deposits	30,911	
Prepaid expenses	18,870	45,756
Total current assets	1,393,925	1,084,634
FURNITURE, EQUIPMENT AND IMPROVEMENTS:		
Furniture and equipment (Note 4)	141,990	77,221
Computers and equipment (Note 4)	37,987	
Leasehold improvements (Note 4)	275,783	197,312
Leasehold improvements - ERate (Note 4)	35,483	35,483
Less: accumulated depreciation (Note 4)	(85,093)	(53,691)
Total furniture, equipment and improvements	406,150	256,325
Total assets	$ 1,800,075	$ 1,340,959

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 62,724	$ 56,732
Settlement payable - (Note 11)	228,665	
Due to Sponsoring District		5,470
Credit card payable	4,480	5,303
Payroll liabilities	27,172	29,125
Total current liabilities	323,041	96,630
LONG - TERM LIABILITIES:		
Line of credit - Wells Fargo (Note 9)	250,000	
Total liabilities	573,041	96,630
NET ASSETS		
Unrestricted	1,284,221	1,249,799
Temporarily restricted - (deficit)	(57,187)	(5,470)
Total net assets	1,227,034	1,244,329
Total liabilities and net assets	$ 1,800,075	$ 1,340,959

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the twelve month ended June 30,

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT:				
General purpose block grant	$ 1,634,727	$	$ 1,634,727	$ 982,763
Categorical block grant	276,279		276,279	211,468
Private contributions	2,304		2,304	8,446
Federal income		411,510	411,510	262,704
In-lieu property taxes	558,869		558,869	353,049
In-lieu property taxes - prior year			-	8,304
Fundraising income	2,736		2,736	9,259
Special education		186,214	186,214	204,578
Other state income	688,296		688,296	472,125
Other local income	6,284		6,284	143,789
Interest income	653		653	1,488
Net assets released from restrictions	649,441	(649,441)	-	-
Total revenue and support	3,819,589	(51,717)	3,767,872	2,657,973
EXPENSES:				
Certificated salaries	1,273,808		1,273,808	833,752
Classified salaries	407,908		407,908	277,200
Fringe benefits	355,384		355,384	172,429
Settlement payment - (Note 11)	228,665		228,665	
Books and supplies	161,609		161,609	126,532
Contract services and other expenses	941,264		941,264	766,181
Occupancy, repairs, and rental	391,331		391,331	193,612
Fundraising expenses	390		390	9,600
Depreciation	31,402		31,402	19,081
Other outgo	2,520		2,520	15,314
Total expenses	3,794,281	-	3,794,281	2,413,701
Increase (decrease) in net assets	25,308	(51,717)	(26,409)	244,272
Net assets, beginning of the year	1,249,799	(5,470)	1,244,329	1,006,531
Prior year adjustments (Note 15)	9,114		9,114	(6,474)
Net assets, end of the year	$ 1,284,221	$ (57,187)	$ 1,227,034	$ 1,244,329

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
STATEMENT OF CASH FLOW
For the twelve month ended June 30,

	2012	2011
Cash flows from operating activities:		
Changes in net assets	$ (26,409)	$ 244,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,402	19,081
Prior period adjustments	9,114	(6,474)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable - sponsoring district	(27,961)	53,977
Accounts receivable	(731,328)	(157,346)
Due from former executive director	(10,120)	
Security deposits	(30,911)	
Prepaid expenses	26,886	(11,698)
Increase (decrease) in liabilities:		
Accounts payable	5,993	(18,400)
Due to Sponsoring District	(5,470)	5,470
Settlement payable	228,665	
Other liabilities	(823)	5,303
Payroll liability	(1,954)	18,918
Net cash provided by operating activities	(532,916)	153,103
Cash flows from investing activities:		
Purchase of computers and improvements	(181,227)	(62,308)
Net cash used by investing activities	(181,227)	(62,308)
Cash flows from financing activities:		
Proceed from line of credit - Wells Fargo	250,000	
Net cash provided by (used in) financing activities:	250,000	
Net increase (decrease) in cash	(464,143)	90,795
Cash and cash equivalents- beginning of the year	513,331	422,536
Cash and cash equivalents - end of the year	$ 49,188	$ 513,331
Supplemental Disclosures:		
Cash paid for interest expense	$ 1,319	$ -

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 1 - ORGANIZATION

NATURE OF BUSINESS

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (WAYS) is a public charter school of approximately 520 students located in South Los Angeles, serving kindergarten through fifth grade education. Opened in 2006, WAYS serve a population of students traditionally labeled as underperforming or high-risk students. As a charter school, WAYS was created under the approval of the Los Angeles Unified School District and the California State Board of Education, and receives public per-pupil funding to help support its operations. On June 30, 2011, Wisdom Academy for Young Scientists' charter expired and was not renewed with the Los Angeles Unified School District.

Effective July 1, 2011, Wisdom Academy for Young Scientists was chartered under the authority of the Los Angeles County Board of Education (LACOE).

WAYS was granted the Accreditation of Commission for Schools of the Western Association of Schools and Colleges. The term of the accreditation will run through June 30, 2013. WAYS is economically dependent on federal and state funding provided through the Los Angeles County Board of Education.

In 2011-2012, WAYS scored 716 on the Academic Performance Index (API).

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

The summary of Significant Accounting Policies of WAYS is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of WAYS' management, who are responsible for their integrity and objectivity.

WAYS accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". WAYS conforms to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Statements Presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of FASB ASC 958-205, (prior authoritative literature: SFAS No. 117, *Financial Statements of Not-for-Profit Organizations).* Accordingly, WAYS' financial statements are present on the following three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Temporarily restricted and permanently restricted net assets are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by WAYS based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flow, WAYS considered all liquid investments with a maturity three months or less to be cash equivalents.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Basis of Accounting

The financial statements of WAYS have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

WAYS accounts receivable consists of amounts due from government sources only. No allowance for doubtful accounts has been established as WAYS deems all amounts to be fully collectible.

Contributions and Contributed Services

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor as required by SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Use of Estimates

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

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Equipment and Improvements

Equipment and improvements are recorded at cost. All property, equipment and improvements with a value of $1,000 or greater and a useful life of 1 year or more are capitalized. Improvements are depreciated under a straight-line method over their estimated useful lives of 20 years. Equipment is depreciated under straight-line method over the estimated useful life of five to seven years. The depreciation expense for the year ended June 30, 2012 is $31,402.

Income Taxes

WAYS is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with WAYS' financial statements for the twelve months period ended June 30, 2011, from which summarized information was derived.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012, reported as follows:

General purpose block grant	$ 697,820
Los Angeles Unified School District	27,961
Special Education	151,044
Categorical grant	28,790
Class size reduction	64,314
Child nutrition – federal	38,088
Child nutrition	67,185
Facility grant	184,983
After school grant	39,375
Total	$ 1,299,560

NOTE 4 - EQUIPMENT AND IMPROVEMENTS

Below is the summary of the changes in fixed assets owned by Wisdom Academy for Young Scientists for the year ended June 30, 2012:

Description	Balance at 7/1/2011	Additions (deletions)	Balance at 6/30/12
Leasehold improvements	$ 197,312	$ 78,471	$ 275,783
Leasehold improvements - ERate	35,483	-	35,483
Computer and equipment		37,987	37,987
Furniture and equipment	77,221	64,769	141,990
Total fixed assets	310,016	181,227	491,243
Accumulated depreciation	(53,691)	(31,402)	(85,093)
Net fixed assets	$ 256,325	$ 149,825	$ 406,150

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - DONATED SERVICES

No amounts have been reflected in the accompanying financial statements for donated services inasmuch as no objective basis was available to measure the value of such services; however, some volunteers have donated their time to WAYS.

NOTE 6 - RECONCILIATION OF ANNUAL FINANCIALS

The schedule on page 17 were prepared by WAYS for the Los Angeles Unified School District.

NOTE 7 - COMMITMENTS

As such, WAYS entered into a twelve-month agreement for its main facility located on 706 East Manchester Avenue, L.A., CA with OCI Development Corporation. Monthly lease payments began at $13,052. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2012. Payments made on this facility lease totaled $156,627 for the year ended June 30, 2012.

At the same time, WAYS entered into a twelve-month agreement with OCI Development Corporation for the property located at 8778 Central Avenue, L.A, CA. Monthly lease payments began at $4,367. The agreement requires annual rent rate to increase by 3.0% each year. The lease will expire in June 2012. Payments made on this facility lease totaled $52,404 for the year ended June 30, 2012.

WAYS entered into a five-year lease agreement for a facility for additional occupancy and parking near its main facility. The lease commenced in December 2007. Monthly lease payments are $1,450 for the duration of the lease. The lease will expire in December 2012. Payments made on the facility lease totaled $17,400 for the twelve months ended June 30, 2012.

WAYS entered into a twelve-month agreement with The Salvation Army for the property located at 7651 South Central Avenue, L.A, CA. The lease commenced in August 2011. Monthly lease payments began at $13,492. The lease will expire in July 2012. Payments made on this facility lease totaled $136,413 for the year ended June 30, 2012.

The future minimum lease payments due for the next year are as follows:

Year Ending June 30,		Amount
2013	$	379,632

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
Twelve Months Period ended June 30, 2012

NOTE 8 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS). WAYS is not eligible to participate in Public Employees' Retirement System (PERS).

State Teachers' Retirement System (STRS)

Plan Description

WAYS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and WAYS is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2011-12 is 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS

WAYS' contributions to STRS and PERS for this fiscal year are as follows:

Year Ended June 30	STRS Required Contribution	STRS Percent Contributed
2012	$96,379	100%

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LINE OF CREDIT – WELLS FARGO

WAYS obtained a revolving line of credit with Wells Fargo Bank that allows WAYS to borrow up to a maximum of $250,000. As of June 30, 2012, WAYS had $250,000 outstanding on the line of credit. The line of credit matures on February 15, 2013. The interest rate on the line of credit is 5%.

Total interest charge to expense for the year ended June 30, 2012 was $1,319.

As December 31, 2012, WAYS outstanding line of credit balance was paid in full.

NOTE 10 - RELATED PARTIES TRANSACTIONS.

A related party is one which controls, exercises significant influences over, or is significantly influenced by a group or member in making financial, and operating decisions, along with any group member, is subject to common control or significant influence.

DeDe Dance Studio, a non-profit organization, provided after school program service to WAYS. WAYS' assistant principal is the executive director of the DeDe Dance Studio and is related to the WAYS' Director of Operations. During the year ended June 30, 2012, DeDe Dance Studio received payments of $36,000 from WAYS.

As of December 31, 2012, DeDe Dance Studio corporate status is suspended with the California Secretary of State.

NOTE 11 – SETTLEMENT WITH FORMER EXECUTIVE DIRECTOR

On October 26, 2012, WAYS and the former executive director entered into a settlement agreement and mutual release of claims. WAYS paid the former executive director a sum of $228,665.38 to settle all claims arising or any way relating to the dispute. In consideration, the former executive director release and discharge WAYS from all cause of action relating to the dispute.

Because the proposed settlement was initiated by letters dated January and May 2012 and as such was related to the June 30, 2012 year end. The amount of $228,665.38 is recognized on the June 30, 2012 statement of financial position as a liability and the statement of activities as a payroll related transaction.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

NOTE 12 – PENDING CLAIMS AND LITIGATION

On April 12, 2011, WAYS has been named in a wrongful employment termination by Plaintiff, who was a former teacher at WAYS. The stated cause of action for wrongful termination is violation of the Labor Code section 1102.5.

A trial was recently held and on December 4, 2012, the jury found in favor of the Plaintiff. A judgment was entered in the amount of $566,803 against the school.

December 31, 2012, management has brought post-trial motion and is contesting the verdict on the grounds that the Plaintiff did not present sufficient evidence to overcome the substantial evidence establishing she was terminated for legitimate, non-retaliatory reasons. The motion is scheduled to be heard in Los Angeles County Superior Court on January 17, 2013. Pending the hearing on this motion, the process to satisfy the existing monetary judgment has not been initiated.

NOTE 13 – DUE FROM FORMER EXECUTIVE DIRECTOR

Prepaid rent the in the amount of $10,120 was paid in the fiscal year 2009-10 to the former executive director. The executive director was also the organization landlord. The prepaid amount was not subsequently earned through the period ending of 6/30/12 and therefore due back to WAYS.

NOTE 14 – SUBSEQUENT EVENTS

WAYS has evaluated subsequent events through December 31, 2012, the date which the financial statements were available to be issued.

WAYS entered into two one-year lease agreements for educational facility located on 706 East Manchester Avenue and 8778 Central Avenue. The lease will commence on July 2012, and ending on the 30th day of June 2013. Monthly lease payments for each property are $13,559 and $4,467.

In addition, WAYS entered into a one-year lease with the Salvation Army on 7651 Central Avenue. The monthly lease payments are $12,548. The lease will commence on August 2012, and ending on July 2013.

NOTE 15 - Prior Period Adjustments

Miscellaneous adjustments to the prior period resulted primarily from correction to petty cash, payable and prepaid expenses.

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
(A California Non-Profit Organization)

SUPPLEMENTARY INFORMATION SECTION

The notes are an integral part of the preceding financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

RECONCILIATION OF ANNUAL FINANCIAL
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2012

	2012
June 30, 2012 unaudited financial report fund balances (net assets)	$ 1,197,837
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets)	
Cash in bank	16,346
Accounts receivable	239,892
Other assets	
Prepaid expenses	17,089
Property and equipment	33,576
Accumulated depreciation	(31,404)
(Increase) decrease in liabilities:	
Accounts payable	(8,639)
Settlement Payable	(228,665)
Rounding	2
Current Loans	
Net adjustments and reclassifications	38,197
June 30, 2012 Audited Financial Statement Fund Balance	$ 1,236,034

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF INSTRUCTIONAL MINUTES
Twelve Months Period ended June 30, 2012

	Requirement	Reduced	Actual	Number of Days Traditional Calendar	Status
Kindergarden	36,000	33,531	64,800	180	In compliance
Grade 1 through 3	50,400	46,944	64,800	180	In compliance
Grade 4 through 5	54,000	50,297	64,800	180	In compliance

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
Twelve Months Period ended June 30, 2012

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Kindergarten	84.45	84.45	84.51	84.51
Grade 1 through 3	226.73	226.73	215.93	215.93
Grade 4 through 5	138.30	138.30	130.33	130.33
ADA Totals	449.48	449.48	430.77	430.77

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO SUPPLEMENTARY INFORMATION
Twelve Months Period ended June 30, 2012

NOTE 1 - PURPOSE OF SCHEDULES

A. **Schedule of Instructional Minutes**

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of Education Code Sections 46200 through 46206.

B. **Schedule of Average Daily Attendance (ADA)**

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA number	Contract period	Expenditures
UNITED STATES DEPARTMENT OF EDUCATION/			
Pass through State Department of Education/			
Title I	84.010	7/1/11-6/30/12	$ 127,246
Charter School Facilities Incentive Grant	84.282D	7/1/11-6/30/12	37,684
Total United States Department of Education			164,930
UNITED STATES DEPARTMENT OF AGRICULTURE			
Pass through State Department of Education Child Nutrition/ Fiscal Services			
Child Nutrition - Federal	10.555	7/1/11-6/30/12	296,287
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 461,217

The accompanying notes are an integral part of these financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Twelve Months Period ended June 30, 2012

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wisdom Academy for Young Scientists and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

ORGANIZATION STRUCTURE
Twelve Months Period ended June 30, 2012

Wisdom Academy for Young Scientists (#839) was formed as charter pursuant to Education Code Section 47600 under an agreement with Los Angeles Unified District granted in July, 2006.

WAYS' vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

School Board

Name	Term on Board Expires	Board
Karen Haynes	June 30, 2013	Secretary
Dr. Dorothy Valenti	June 30, 2014	Chairperson
Norman Golden	June 30, 2014	Member
Armando Espinosa	June 30, 2014	Member
Cheryl Johnson	June 30, 2014	Member
Eleanor Jones	June 30, 2014	Member

Administration

Edward Cabil	Executive Director
Jason Okonkwo	Director of Operations

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Merle Williamson Foundation, dba.
Wisdom Academy for Young Scientists (WAYS)
Los Angeles, California

I have audited the financial statements of Wisdom Academy for Young Scientists (WAYS) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 31, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Wisdom Academy for Young Scientists (WAYS) is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Wisdom Academy for Young Scientists' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wisdom Academy for Young Scientists' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wisdom Academy for Young Scientists' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

2603 Madison Avenue Altadena, CA 91001 • (626) 398-9504 • Fax (626) 398-7606

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* - *continued*

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Finding and Questioned Costs as Finding 11-01/30000 and 11-02/30000. Wisdom Academy for Young Scientists' response to the findings identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. I did not audit Wisdom for Young Scientists' response and, accordingly, I express no opinion on it.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, the Los Angeles County of Education, the California Department of Education, the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr.

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

Clem Payne, Jr.
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

I have audited the financial statements of the Wisdom Academy for Young Scientists (WAYS) as of and for the year ended June 30, 2012 and have issued my report thereon dated December 31, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. I have also audited the WAYS' compliance with the requirements specified in the State's audit guide, *Standards and Procedures for Audits of California K-12 Local Education Agencies 2011-12*, published by the Education Audit Appeals Panel, applicable to the WAYS' statutory requirements identified below for the year ended June 30, 2012. Compliance with the requirements referred to above is the responsibility of the WAYS' management. My responsibility is to express an opinion on the WAYS' compliance based on our audit.

The auditing standards referred to above require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the state laws and regulations applicable to the items in the schedule below occurred. An audit includes examining, on a test basis, evidence about the WAYS' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for our opinion. My audit does not provide a legal determination of the WAYS' compliance with those requirements.

In connection with the audit referred to above, I selected and tested transactions and records to determine the WAYS' compliance with the state laws and regulations applicable to the following items:

State Compliance Procedures for Charter Schools:	Procedures In Audit Guide	Procedures Performed
Class Size Reduction Program		
General Requirements	7	Not Applicable
Option One Classes	3	Not Applicable
Option Two Classes	4	Not Applicable
Only One School Serving Grades L-3	4	Not Applicable
After School Education and Safety Program:		
General Requirements	4	Yes
After School	5	Yes
Before School	6	Not Applicable
Contemporaneous Records of Attendance	3	Yes
Mode of Instruction	1	Yes
Non-classroom – Based Instructions/ Independent Study	15	Not Applicable
Determination of Funding for Non-class Based Instructions	3	Not Applicable
Annual Instructional Minutes – Classroom Based	4	Yes

The term "Not Applicable" is used above to mean either that WAYS did not offer the program during the current fiscal year or that the program applies only to a different type of local education agency.

In my opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2012.

This report is intended solely for the information and use of the Wisdom Academy for Young Scientists' Board of Directors, management, the Los Angeles County Office of Education, the California Department of Education, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Clem Payne Jr

Clem Payne, Jr., CPA
Altadena, California
December 31, 2012

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Twelve Months Period ended June 30, 2012

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
One or more material weaknesses identified?	Yes_ No X
One or more significant deficiencies identified are not considered to be material weaknesses?	Yes X No ___
Noncompliance material to financial statement noted?	Yes____ No X

2. State Awards

Internal control over state programs:	
Material weaknesses identified?	Yes____ No X
Significant deficiencies identified not considered to be material weaknesses?	Yes____ No X
Type of auditor's report issued on compliance for same programs:	Unqualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2012

Significant Deficiencies
Finding 11-01/30000
Deficiency in Internal Control Condition – Bank Reconciliation Over Site

Criteria

Proper internal controls dictate that a supervisor or officer of the organization should review bank reconciliation to ensure that reconciliation is performed in a timely manner and any necessary adjustment is properly authorized.

Condition

Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.

Questioned Costs

None

Context

All material cash transactions were properly reconciled and recorded in the general ledger.

Effect

If the cash reconciliation process does not ensure that all reconciling items are properly identified and recorded, a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.

Cause

The Organization has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor who should compare the reconciled cash balance to the general ledger cash account balance, review and research all reconciling items and authorize any correcting entries needed.

Recommendation

The Organization should establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.

Organization's Response

Wisdom for Young Scientists will continue the audit recommendation. WAYS will implement policies and procedures that will require an explanation for any difference between the reconciled cash balance and the related general account balance. An employee or officer who does not have custody or access to cash and who does not record cash related transaction will review monthly bank reconciliation and authorize any correcting entries as applicable.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
June 30, 2012

Significant Deficiencies:

Finding 11-02 /30000

Deficiency in Internal Control Condition – Payroll Expense Reconciliation

Criteria

A good internal control system uses reconciliation for significant general ledger accounts as a mechanism to verify accuracy, determine validity of purpose and allowableness of recorded transactions.

Condition

Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs

None

Context

The payroll expense reconciling items were not material for the current year financial statements.

Effect

If payroll expenses are not properly reconciled and adjusted in a timely manner, unresolved discrepancies could result in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.

Recommendation

The Organization should establish clear policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. The reconciliation should be in writing and approved by management.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures to reconcile payroll expenses on a regular basis. Management will review and monitor the payroll expense reconciliation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2011

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-01 /30000
Deficiency in Internal Control Condition – Untimely Deposit of Cash Receipts

Criteria

Effective Internal control over cash receipts ensures that all funds are timely deposited in the bank and are properly recorded in the appropriate general account.

Condition

An examination of cash receipts disclosed an incident where a check received was not deposited or recorded timely.

Questioned Costs

None

Context

There were no effect on the current financial statement because the funds were deposited in the proper period.

Effect

Untimely deposit of cash receipts risk the mismanagement of funds (either fraud or loss), misstatement of revenue, receivable or cash, and possible noncompliance with contracts, or laws & regulations.

Cause

A customer's check that was placed in a desk draw was inadvertently over looked and not deposited timely.

Recommendation

The Organization should ensure that all funds are deposited timely. Mail should be open by an employee that restrict endorses all checks, prepares deposited slip and forward a copy of deposit slips and check received to accounting for recording. Monthly bank reconciliation should always compare deposit reported per bank to recorded deposit.

Organization's Response

Wisdom Academy For Young Scientists will establish procedures and over site that will ensure that all cash receipts are deposited and recorded timely.

Current Status

Cash receipts appears to be deposited timely.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-02/30000
Deficiency in Internal Control Condition – Bank Reconciliation Over Site

Criteria

Proper internal controls dictate that a supervisor or officer of the organization should review bank reconciliation to ensure that reconciliation is performed in a timely manner and any necessary adjustment is properly authorized.

Condition

Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.

Questioned Costs

None

Context

All material cash transactions were properly reconciled and recorded in the general ledger.

Effect

If the cash reconciliation process does not ensure that all reconciling items are properly identified and recorded, a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.

Cause

The Organization has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor who should compare the reconciled cash balance to the general ledger cash account balance, review and research all reconciling items and authorize any correcting entries needed.

Recommendation

The Organization should establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.

Organization's Response

Wisdom Academy For Young Scientists will implement policies and procedures that will require an employee or officer who does not have custody or access to cash and who does not record cash related transaction to review monthly bank reconciliation and authorize any correcting entries as applicable.

Current Status

Procedures were established to review bank reconciliation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –(Continued)

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-03 /30000

Deficiency in Internal Control Condition – Account Receivable Reconciliation

Criteria

Effective internal control over financial reporting necessitate that accounts receivable subsidiary ledger balances should be reconciled to the general ledger account balance and reconciling items should be investigated and cleared in a timely manner.

Condition

The accounts receivable general ledger balance was not reconciled to the accounts receivable subsidiary ledger balances.

Questioned Costs

None

Context

The differences noted were not material to the current year financial statements.

Effect

Not reconciling accounts receivable general ledger account balance to the accounts receivable subsidiary ledger balances could result in materially errors or possible fraudulent activities going undetected resulting in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure that the general ledger accounts receivable balance is properly reconciled to subsidiary ledger balances and that difference are investigated and cleared in a timely manner.

Recommendation

The Organization should establish clear policy and procedures to ensure that general ledger control account balances are properly reconciled to subsidiary ledger balances and that any differences be investigated and cleared in a timely manner.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures regarding reconciling general ledger control accounts balances to subsidiary ledger balances. Such procedures will include proper review and supervision.

Current Status

Procedures were developed to compare and review general ledger activity.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - Continued

Combined Significant Deficiencies that Resulted in a Material Weakness

Finding 11-04 /30000

Deficiency in Internal Control Condition – Recording Transaction Without Complete Supporting Documentation

Criteria

Effective internal controls over cash disbursements requires that adequate supporting documentation be attached or otherwise matched to all check requests processed for payment and that such supporting documentation be the basis for recording in financial records.

Condition

During the examination it was noted that supporting documentation for several disbursements were not complete.

Questioned Costs

None

Context

Once notified about the missing documents, the Organization located the proper supporting documentations which were either misfiled or unfiled at that time. As such, there were no effect on the current year financial statements

Effect

Lack of complete supporting documentation could result in payments made for goods or services not received, duplicate payments or payments that are incorrect or fraudulent. In addition records could be lost destroyed, misused or altered to the detriment of the Organization. The results could be material misstated financial statements

Cause

The Organization has not adequately established written policies and procedures and over site to ensure that all check requests are accompanying by proper and complete supporting documentation.

Recommendation

The Organization should establish clear policies and procedures for the approval of all check request and all check requests should be supported by proper and complete documentation.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures requiring complete supporting documentation for all check requests.

Current Status

Procedures were established that requiring adequate supporting documentation.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Significant Deficiencies:

Finding 11-05 /30000

Deficiency in Internal Control Condition – Payroll Expense Reconciliation

Criteria

A good internal control system uses reconciliation for significant general ledger accounts as a mechanism to verify accuracy, determine validity of purpose and allowableness of recorded transactions.

Condition

Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs

None

Context

The payroll expense reconciling items were not material for the current year financial statements.

Effect

If payroll expenses are not properly reconciled and adjusted in a timely manner, unresolved discrepancies could result in materially misstated financial statements.

Cause

The Organization has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses.

Recommendation

The Organization should establish clear policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. The reconciliation should be in writing and approved by management.

Organization's Response

Wisdom Academy For Young Scientists will develop policies and procedures to reconcile payroll expenses on a regular basis. Management will review and monitor the payroll expense reconciliation.

Current Status

Procedures established to review and compare payroll activity to general ledger accounts.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – Continued

Significant Deficiencies:

Finding 11-06 /30000

Deficiency in Internal Control Condition – Written Asset Capitalization Policy

Criteria

Written capitalization policies and procedures for property and equipment are essential in order to systematically and accurately record, classified and document costs incurred from acquiring property, equipment and other long lived assets

Condition

The Organization has no written asset capitalization policies or procedures. As such, costs were expensed in the in the financial records that should have been capitalized and depreciated over lives in excess on one year.

Questioned Costs

None

Context

In reviewing cost related to leasehold improvement, it was determine that leasehold improvement expenditures were classified as repairs and maintenance expense. The examination indicated that the classification was incorrect because the improvement was deemed to be of benefit to the Organization for more than one year and the amount was sufficient enough to warrant capitalization. The amount was not considered material to the current financial statements.

Effect

Lack of written policies and procedures that consistently define and set asset capitalization threshold and valuation, systematically classify and accurately recorded asset acquisition could result in unreliable financial reporting and compliance with applicable laws and regulations.

Cause

The Organization has not adequately established policies and procedures to ensure that fixed assets are properly capitalized and classified in the financial records.

Recommendation

The Organization should establish policies and procedures that ensure that fixed assets are properly capitalized and classified in the financial records.

Organization's Response

Wisdom Academy For Young Scientists will implement policies and procedures to systematically and accurately record, classify and document costs incurred for property, equipment and other long lived assets.

Current Status

Organization to follow LEA procedures.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - Continued

C. Federal Award Findings and Questioned Costs

NONE

D. State Award Findings and Questioned Costs

NONE

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

June 30, 2010

Audit findings are identified as one or more of the following six categories:

Five Digit Code	Finding Categories
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
50000	Federal Compliance
60000	Miscellaneous

Findings: None noted.

Questioned Costs: None noted

EXHIBIT 32

MERLE WILLIAMSON FOUNDATION

DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS

Financial Statements and Supplemental Information

Year Ended June 30, 2013

Version 2

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Financial Statements and Supplemental Information
Year Ended June 30, 2013

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. Robert Wilkinson, CPA
.rian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

Report on Financial Statements

We have audited the accompanying financial statements of Wisdom Academy for Young Scientists, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Basis for Qualified Opinion

Wisdom Academy for Young Scientists did not maintain a detail of capital assets or depreciation. As a result we are unable to obtain sufficient appropriate audit evidence about the balances recorded in capital assets. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit* Organizations is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional supplementary information, as required by the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2014 on our consideration of Wisdom Academy for Young Scientists' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wisdom Academy for Young Scientists' internal control over financial reporting and compliance.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

FINANCIAL STATEMENTS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Financial Position
June 30, 2013

ASSETS	
Current Assets	
Cash and cash equivalents	$ 185,082
Accounts receivable	1,330,545
Prepaid expenditures	32,325
Total Current Assets	1,547,952
Noncurrent Assets	
Capital assets, net	436,315
Other Assets	
Deposits	30,911
Total Other Assets	30,911
TOTAL ASSETS	$ 2,015,178
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	$ 152,249
Accrued payroll liabilities	12,428
Total Current Liabilities	164,677
Total Liabilities	164,677
Net Assets	
Unrestricted	1,850,501
Temporarily restricted	-
Total Net Assets	1,850,501
TOTAL LIABILITIES AND NET ASSETS	$ 2,015,178

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Activities
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Revenue			
State aid, charter school general purpose grant	$ 1,236,199	$ -	$ 1,236,199
State aid, education protection account	515,580	-	515,580
Payments in lieu of property taxes	658,800	-	658,800
Federal revenue	-	505,490	505,490
Other state revenue	503,188	704,606	1,207,794
Interest	958	-	958
Other local revenue	60,735	-	60,735
Total Revenues	2,975,460	1,210,096	4,185,556
Net assets released from restrictions:			
Grant restrictions satisfied	1,210,096	(1,210,096)	-
TOTAL REVENUE AND SUPPORT	4,185,556	-	4,185,556
EXPENSES			
Certificated salaries	1,064,504	-	1,064,504
Classified salaries	571,532	-	571,532
Taxes and employee benefits	294,016	-	294,016
Books and supplies	179,307	-	179,307
Rentals, leases and repairs	409,226	-	409,226
Consultants	849,650	-	849,650
Other operating expenditures	147,977	-	147,977
Debt service interest	12,352	-	12,352
Depreciation expense	33,525	-	33,525
TOTAL EXPENSES	3,562,089	-	3,562,089
CHANGE IN NET ASSETS	623,467	-	623,467
NET ASSETS, BEGINNING OF YEAR	1,284,221	(57,187)	1,227,034
ADJUSTMENT TO BEGINNING NET ASSETS (Note L)	(57,187)	57,187	-
NET ASSETS, END OF YEAR	$ 1,850,501	$ -	$ 1,850,501

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Cash Flows
Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 623,467
Depreciation	33,525
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	(45,709)
Due from related entity	10,120
Prepaid expenses	(13,455)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	85,045
Accrued payroll liabilities	(14,744)
Settlement payment	(228,665)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	449,584
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	(63,690)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(63,690)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on line of credit	(250,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(250,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,894
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	49,188
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 185,082

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements
Year Ended June 30, 2013

A. Organization and Summary of Significant Accounting Policies

Organization

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (the Academy) was organized on September 12, 2006 as a charter school pursuant to California Education Code §47600 under a charter agreement with Los Angeles Unified School District in July , 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education (LACOE). The Academy operates under a locally elected Board form of government and provides educational services to grades K-5 as mandated by the State and/or Federal agencies.

The Academy is a California public charter academy organized for the purpose of providing rigorous academic environment to a population of students traditionally labeled as underperforming or high-risk students. The Academy's vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the Academy is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor or grant restrictions.
- Temporarily restricted net assets consist of contributed funds or grants subject to donor or grant imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Academy may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Academy had no permanently restricted net assets during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Academy considers all highly liquid debt equity instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Academy's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments results in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as management believes that all amounts are collectible.

Capital Assets

Property and equipment are recorded at cost, or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the Academy's earnings. Management has elected to capitalize and depreciate all assets costing $1,000 or greater and a useful life of 1 year or more. All other assets are charged to expense in the year incurred. The Academy's policy is to evaluate the remaining lives and recoverability in light of the current conditions. It is reasonably possible that the Academy's estimate to recover the carrying amount of the property and equipment will change. Estimated useful lives range from one to fifty years depending on the asset.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition or when resources are received by the Academy prior to the Academy meeting the requirements for legal claim to the resources.

In subsequent periods, when both revenue recognition criteria are met or when the Academy has legal claim to the resources, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

All donor or grant restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Academy receives services donated by volunteers in carrying out the Academy's operations. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Block Grant Revenues and Payments in Lieu of Property Taxes

The Academy's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes two block grants based on statewide charter school rates multiplied by the Academy's average daily attendance (ADA) as reported at the Second Principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the Academy, which is funding in lieu of property taxes. The balance is paid from the state General Fund, in the form of the General Purpose Block Grant and the Categorical Block Grant.

Advertising

Advertising costs are expensed when incurred.

Income Taxes

The Academy is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The Academy is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Academy may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2013, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Academy follows provisions of uncertain tax positions as addressed in ASC 958. The Academy recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2013.

The Academy files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events

In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure through January 29, 2014, the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash in Bank

The Academy's cash ($185,082 as of June 30, 2013) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2013, the Academy did not have any cash that was exposed to uninsured deposit risk.

C. Accounts Receivable

As of June 30, 2013 accounts receivable consisted of:

Federal Government:		
Federal Grants	$	118,459
State Government:		
General Purpose Block Grant		460,031
Categorical Block Grant		34,889
Education Protection Account		515,580
Lottery Revenue		40,372
Other State Grants		128,037
Local Sources:		
In lieu of Property Taxes		10,875
Other Local Sources		22,302
Total	$	1,330,545

D. Prepaid Expenses

Prepaid expenses at June 30, 2013 consist of prepaid rent in the amount of $32,325.

E. Deposits

Deposits at June 30, 2013 consist of security deposits for facilities in the amount of $30,911.

F. Capital Assets

As of June 30, 2013 capital assets consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance
Leasehold improvements	$ 311,266	$ 63,690	$ -	$ 374,956
Equipment	37,987	-	-	37,987
Furniture and fixtures	141,990	-	-	141,990
Total capital assets	491,243	63,690	-	554,933
Less accumulated depreciation	(85,093)	(33,525)	-	(118,618)
Capital assets, net	$ 406,150	$ 30,165	$ -	$ 436,315

G. Accounts Payable

As of June 30, 2013 accounts payable consisted of:

Vendors payable	$ 20,647
Food services	130,639
Other liabilities	963
Total	$ 152,249

H. Operating Leases

On December 1, 2012 the School entered into a lease agreement with Elder T. Turner for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of $1,750 for a period of 60 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2014	$ 21,000
2015	21,000
2016	21,000
2017	21,000
2018	8,750
Total	$ 92,750

I. Functional Expenses

As of June 30, 2013 functional expenses consisted of:

	Program Services	Management and General	Total
Certificated salaries	$ 1,064,504	$ -	$ 1,064,504
Classified salaries	90,803	480,729	571,532
Taxes and employee benefits	207,622	86,394	294,016
Books and supplies	94,700	84,607	179,307
Rentals, leases and repairs	368,303	40,923	409,226
Consultants	592,632	257,018	849,650
Other operating expenditures	-	147,977	147,977
Debt service interest	-	12,352	12,352
Depreciation expense	23,468	10,057	33,525
Total expenses	$ 2,442,032	$ 1,120,057	$ 3,562,089

J. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The Academy has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement will not be material. As a result, no liability has been accrued.

Sick Leave

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulate sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, it is not appropriate to accrue the value of the accumulated sick leave.

K. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plan by an agency of the State of California. Certificated employees are members of the State Teachers' Retirement System (CalSTRS). The risks of participating in this multi-employer plan are different from single-employer plan in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Academy's participation in this plan for the fiscal year ended June 30, 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan's year-end at June 30, 2012 and June 30, 2011, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension	Plan	Year Ended June 30		Pending/	Year Ended June 30			Employees	Surcharge
Fund	Number	2012	2011	Implemented	2013	2012	2011	Participating	Imposed
CalSTRS	NPA	Yellow	Yellow	No	$ 85,865	$ 96,379	$ 71,650	24	No

NPA - Not publicly available

CalSTRS:

The Academy contributes to the State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2013 active plan members were required to contribute 8% of their salary and the employer contribution rate was 8.25% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The Academy made contributions as noted above. For the year ended June 30, 2013 the State contributed $55,094 on behalf of the Academy.

L. Adjustment to Beginning Net Assets

Deficit in beginning temporarily restricted net assets was the result of program expenditures in excess of restricted revenue sources. These expenditures were covered by unrestricted sources and as such the beginning balance is being adjusted to reflect those expenditures from unrestricted sources rather than temporarily restricted sources.

M. Related Party Transactions

The Academy's Director of Operations and Vice Principal are brother and sister. The principal is associated with a dance studio which the Academy has had a history of doing business with for the ASES program. For the year ended June 30, 2013 the Academy paid $24,000 to the studio for services provided in the ASES program.

N. Subsequent Event

In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month. The lease agreement, as of the date of this audit report, has not been approved by the governing board. The agreement has been tabled to be reviewed and approved at a later date.

In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014. The lease agreement, as of the date of this audit report, has not been approved by the governing board. The agreement has been tabled to be reviewed and approved at a later date.

In December 2013 the Academy sold a vehicle for $26,000. Concurrent with the sale of the vehicle was a payoff of the lease agreement associated with the vehicle. The payoff of the lease agreement and the sale of the vehicle, as of the date of this audit report, has not been approved by the governing board. The items were tabled to be reviewed and voted on at a later date.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements, Continued
Year Ended June 30, 2013

The Academy is undergoing a fraud investigation with the Fiscal Crisis & Management Assistance Team (FCMAT) at the request of the Los Angeles County Office of Education. This fraud investigation encompasses multiple fiscal years, including the 2012-13 fiscal year reported on in this audit. The purpose of the investigation is to identify areas of concern resulting from conflicts of interest and related party transactions. There have not been any adjustments made to the financial statements that may result from the findings associated with the pending fraud investigation.

SUPPLEMENTAL INFORMATION

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Organization Structure
Year Ended June 30, 2013

Wisdom Academy for Young Scientists (Charter #839) was formed pursuant to Education Code Section 47600 under agreement with Los Angeles Unified School District granted in July, 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Dr. Dorothy Valenti	Chairperson	Three Year Term Expires June 30, 2014
Karen Haynes	Secretary	Three Year Term Expires June 30, 2013
Armando Espinosa	Treasurer	Three Year Term Expires June 30, 2014
Norman Golden	Member	Three Year Term Expires June 30, 2014
Cheryl Johnson	Member	Three Year Term Expires June 30, 2014
Eleanor Jones	Member	Three Year Term Expires June 30, 2014

ADMINISTRATION

Edward Cabil
Executive Director

Jason Okonkwo
Director of Operations

Karen Horowitz

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Average Daily Attendance
Year Ended June 30, 2013

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Classroom Based Attendance:				
Kindergarten	84.80	N/A	84.00	N/A
Grades 1-3	254.53	N/A	253.70	N/A
Grades 4-6	130.34	N/A	129.39	N/A
Total Classroom Based Attendance	469.67	N/A	467.09	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Instructional Time
Year Ended June 30, 2013

Grade Level	Minutes Requirement	2012-13 Actual Minutes	Number of Traditional Days	Status
Kindergarten	34,971	56,700	180	Complied
Grade 1	48,960	56,700	180	Complied
Grade 2	48,960	56,700	180	Complied
Grade 3	48,960	56,700	180	Complied
Grade 4	52,457	56,700	180	Complied
Grade 5	52,457	56,700	180	Complied

The Academy receives incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the Academy and whether they complied with the provisions of Education Code Sections 46200 through 46206. Charter schools must maintain their instructional minutes at the 1986-87 requirements as adjusted by Education Code sections later adopted.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Financial Trends and Analysis
Year Ended June 30, 2013

	Budget 2014 (Note 1)	2013	2012	2011
Revenues	$4,174,783	$4,185,556	$3,767,872	$2,657,973
Expenses	4,170,313	3,562,089	3,794,281	2,413,701
Change in Net Assets	4,470	623,467	(26,409)	244,272
Ending Net Assets	$1,854,971	$1,850,501	$1,227,034	$1,244,329
Unrestricted Net Assets	$1,867,620	$1,863,150	$1,227,034	$1,244,329
Unrestricted net assets as a percentage of total expenses	45%	52%	32%	52%
Total Long Term Debt	$ -	$ -	$ 250,000	$ -
Average Daily Attendance at P2	468.00	469.67	449.48	N/A

Note 1: The 2014 budget is presented for analysis only and is based on estimates of the 2013-14 fiscal year. The information has not been subject to audit procedures.

This schedule discloses the Academy's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Academy's ability to continue as a going concern for a reasonable period of time.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2013

June 30, 2013 Unaudited Actuals - Charter School Enterprise Fund	$ 1,883,889
Adjustments and Reclassifications:	
Overstatement of Cash and Cash Equivalents	(31)
Overstatement of Accounts Receivable	(88,512)
Understatement of Prepaid Expenses	32,325
Overstatement of Capital Assets, Net	(35,762)
Understatement of Deposits	30,911
Overstatement of Accounts Payable	40,109
Understatement of Accrued Payroll Liabilities	(12,428)
Total Adjustments and Reclassifications	(33,388)
June 30, 2013 Audited Financial Statement Net Assets	$ 1,850,501

This schedule provides the information necessary to reconcile the fund balance as reported on the Annual Financial and Budget Report Alternative Form to the net assets reported in the audited financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education:			
Title I	84.010	14329	191,437
IDEA - Special Education	84.027	13379	53,412
IDEA - Mental Health Services	84.027	14468	46,513
Total Special Education Cluster			99,925
Title II - Teacher Quality	84.367	14341	2,067
Total passed through State Department of Education			293,429
Total U.S. Department of Education			293,429
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education:			
National School Lunch Program	10.555	13391	212,061
Total passed through State Department of Education			212,061
Total U.S. Department of Agriculture			212,061
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 505,490

The accompanying notes to the schedule of expenditures of federal awards is an integral part of this schedule.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Academy and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wisdom Academy for Young Scientists (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and/or significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1, 2013-2, 2013-3, 2013-5, 2013-6 and 2013-9 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-4, 2013-7 and 2013-8 to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wisdom Academy for Young Scientists' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2013-9, 2013-10 and 2013-11.

The Academy's Response to Findings

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

Purpose of this Report

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

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

Report on Compliance for Each Major Federal Program

We have audited Wisdom Academy for Young Scientists' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wisdom Academy for Young Scientists' major federal programs for the year ended June 30, 2013. Wisdom Academy for Young Scientists' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wisdom Academy for Young Scientists' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ABC Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wisdom Academy for Young Scientists' compliance.

Opinion on Each Major Federal Program

In our opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of Wisdom Academy for Young Scientists are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wisdom Academy for Young Scientists' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ABC Academy's internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-9 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies which we considered to be significant deficiencies in internal control over compliance.

The Academy's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Academy's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

Robert Wilkinson, CPA
Brian K. Hadley, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on State Compliance

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

Report on State Compliance

We have audited the Academy's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the Academy's state programs identified below for the fiscal year ended June 30, 2013.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit Guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States; and the State's audit guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the district's compliance with those requirements.

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

Description	Procedures in Audit Guide	Procedures Performed
Local Education Agencies Other Than Charter Schools		
Attendance Accounting:		
Attendance Reporting	6	N/A
Teacher Certification and Misassignments	3	N/A
Kindergarten Continuance	3	N/A
Independent Study	23	N/A
Continuation Education	10	N/A
Instructional Time:		
School Districts	6	N/A
County Offices of Education	3	N/A
Instructional Materials, General Requirements	8	N/A
Ratios of Administrative Employees to Teachers	1	N/A
Classroom Teacher Salaries	1	N/A
Early Retirement Incentive	4	N/A
Gann Limit Calculation	1	N/A
School Accountability Report Card	3	N/A
Juvenile Court Schools	8	N/A
School Districts and Charter Schools		
Class Size Reduction:		
General Requirements	7	Yes
Option One	3	Yes
Option Two	4	N/A
Only One School Serving Grades K-3	4	N/A
After School Education and Safety Program:		
General Requirements	4	Yes
After School Component	5	Yes
Before School Component	6	N/A
Charter Schools		
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-Based Instruction/Independent Study	15	N/A
Determination of Funding for Nonclassroom Based Instruction	3	N/A
Annual Instructional Minutes – Classroom Based	4	Yes

The term N/A is used above to mean either the Academy did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Basis for Qualified Opinion on State Compliance

As described in items 2013-10 and 2013-11 in the accompanying schedule of findings and questioned costs, the Academy did not comply with some requirements associated with the class size reduction program and the after school education and safety program. Compliance with such requirements is necessary, in our opinion, for the Academy to comply with the requirements applicable to the programs.

Qualified Opinion on State Compliance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2013.

The Academy's Response to Findings of State Compliance

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

FINDINGS AND RECOMMENDATIONS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Auditor's Results
Year Ended June 30, 2013

FINANCIAL STATEMENTS

Type of auditor's report issued:	Qualified
Internal control over financial reporting:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	X Yes ___ No
Noncompliance material to financial statements noted?	___ Yes X No

FEDERAL AWARDS

Internal control over major programs:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	___ Yes X No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	X Yes ___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education Cluster
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	___ Yes X No

STATE AWARDS

Any audit findings disclosed that are reuired to be reported in accordance with *Standards and Procedures for Audits* of California K-12 Local Education Agencies?	X Yes ___ No
Type of auditor's report issued on compliance for state programs:	Qualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

A. Financial Statement Findings

Finding 2013-1 (30000)
Bank Reconciliations

Criteria or Specific Requirement
Determine that the Academy has sufficient internal controls to ensure proper recording of transactions and safeguarding of assets.

Condition
Upon completion of bank reconciliations, each month an adjustment is made to the financial statements for any amounts that are unknown as to the nature of the transaction. These amounts are being posted into suspense accounts with the intent of subsequently posting a journal entry to record the transactions into the correct expenditure or revenue account. At year end these items were not reconciled and posted into the proper accounts. In addition, these items are not supported by any documentation that verifies the amounts are appropriate or approved.

Questioned Costs
$13,735 recorded in suspense account

Context
Some items recorded in the bank reconciliations are not supported by invoices or approval documentation.

Effect
The Academy is at risk of recording errors and misappropriation of assets.

Cause
The Academy has not established adequate procedures to ensure that supporting documentation is provided for all transactions associated with the bank accounts. As a result, the individual charged with responsibility for reconciling bank accounts does not have sufficient information to adequately report information. Management officials from the school site are not providing information necessary to post correcting journal entries. In addition, these items are not being reviewed subsequent to completion of bank reconciliations.

Recommendation
Establish procedures to ensure supporting documentation is provided for all transactions. Ensure that the procedures include documentation of approval for expenditures and for subsequent review by management of the Academy.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-2 (30000)
Payroll Expense Reconciliations

Criteria or Specific Requirement
Determine that amounts for payroll are accurately reported and reconcile to supporting documentation.

Condition
Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs
None

Context
Adjusting journal entries were posted to the financial statements to correct the payroll liability and payroll expense.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liabilities.

Recommendation
Establish clear policies and procedures to reconcile payroll liabilities and expense accounts monthly. The reconciliation should be reviewed and approved by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll reporting.

Finding 2013-3 (30000)
Year End Accruals and Closing Process

Criteria or Specific Requirement
Determine that the financial statements are accurately reported.

Condition
The Academy did not record closing transactions for accounts receivable, accounts payable, prepaid expenses, and capital assets. In addition, journal entries were posted to the financial statements resulting in recording differences between the trial balance provided for audit purposes and the amounts reported to the Los Angeles County Office of Education for inclusion in their unaudited actuals submitted to the California Department of Education.

Questioned Costs
None

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Context
Adjusting journal entries were posted to the financial statements to correct accounts receivable, accounts payable, prepaid expenses, and capital assets.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures for year-end closing and recording of accruals.

Recommendation
Establish clear written policies and procedures for year-end closing which includes reconciliation of revenue and expense items sufficient to record accruals for accounts receivable, accounts payable, prepaid expenses and capital assets. Review year-end financial statements to ensure accuracy of reporting. Establish a timeline for closing to ensure no changes are made after submission of financial statements to oversight agencies.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of financial statements.

Finding 2013-4 (30000)
Payroll Documentation

Criteria or Specific Requirement
Ensure that individuals charged to payroll are employees of the Academy and that there are adequate controls over payroll to safeguard the assets of the organization.

Condition
Personnel Action Forms which document employee's position and approved pay rates are not complete. In 100% of Personnel Action Forms reviewed there were missing approval signatures on the forms. In addition, in 9 out of 10 I-9's reviewed the forms are not being completed correctly. The I-9 forms were either missing the documentation of what items were reviewed to verify eligibility for employment, missing employer signature of verification, or both.

Questioned Costs
None

Effect
The Academy is exposed to risk of noncompliance with I-9 requirements. In addition, the Academy is exposed to risk of paying individuals who are not approved by management.

Cause
The Academy has not established adequate procedures which require hiring documentation be completed and reviewed prior to filing away in the employee file.

Recommendation
Establish policies and procedures to ensure that hiring documentation is being completed, including approval signatures, and reviewed by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll.

Finding 2013-5 (30000)
Capital Assets

Criteria or Specific Requirement
Verify that amounts reported for Capital Assets are correctly stated and that estimates of useful lives are reasonable.

Condition
The Academy is unable to provide a detail of Capital Assets or a depreciation schedule to support amounts recorded in the financial statements. In addition, purchases of capital assets were inappropriately recorded as expenses rather than increases to capital assets. The Academy did not calculate and record depreciation. We attempted to contact the previous auditor to obtain information regarding balances in capital assets but received no response.

Context
Adjusting journal entries were posted to the financial statements to record current year additions and an estimate of depreciation.

Effect
There is not sufficient audit evidence to determine if amounts recorded in capital assets are correct or if there is a material misstatement in the financial statements associated with capital assets. In addition, the Academy is exposed to risk associated with disappearance of capital assets as there is not a tracking system for such items.

Cause
The Academy has not adequately established policies for tracking capital assets and ensuring that they are appropriately recorded in the financial statements. The Academy has relied on previous auditors to post adjusting journal entries for additions and depreciation. The Academy has not established procedures for disposal of capital assets.

Recommendation
Obtain an appraisal of all capital assets owned by the Academy to ensure that all assets of the Academy are tracked and recorded. Establish inventory procedures to ensure that all items are still in custody of the Academy at year end. Establish procedures to ensure recording of additions and depreciation are done as a part of year end closing procedures.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of capital assets.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-6 (30000)
Credit Card Supporting Documentation

Criteria or Specific Requirement
Ensure that the Academy has procedures in place to ensure allowable expenditures and safeguard assets.

Condition
The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they were used.

Questioned Costs
$5,858 known credit card expenses from sample selected.

Context
Credit card statements are being used as the only supporting documentation for some expenditure items.

Effect
Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets.

Cause
The Academy has not established adequate written procedures requiring attachment of supporting invoices or receipts for credit card transactions.

Recommendation
Establish written procedures requiring the attachment of supporting invoices or receipts for all credit card transactions.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions inclusive of credit card transactions.

Finding 2013-7 (30000)
Beginning Net Assets

Criteria or Specific Requirement
Ensure that amounts reported in the financial statements are materially correct.

Condition
Beginning net assets were not in agreement with prior year audited ending net assets. The Academy was unable to provide reconciling items that supported adjustments to beginning net assets. We attempted to contact the previous auditor to obtain a reconciliation and prior year audit adjusting journal entries but received no response.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Questioned Costs
None

Context
Amounts reported by the Academy as beginning net assets varied from the prior year audit report by $9,727. An adjustment was posted to bring the beginning balance in agreement with prior year audit report.

Effect
Beginning net assets were not in agreement with prior year audited ending net assets.

Cause
The Academy did not have procedures to reconcile beginning net assets with prior year audit report and did not have procedures in place to track prior year adjustments.

Recommendation
Establish written procedures to reconcile beginning net assets with audited ending net assets from the previous year.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure beginning net assets reconciles to audited ending net assets.

Finding 2013-8 (30000)
Inconsistent Reporting

Criteria or Specific Requirement
Verify that the Academy has reported accurate financial statements to oversight agencies.

Condition
The Academy is reporting to the Internal Revenue Service that they are operating on a calendar year but reporting to the Los Angeles County Office of Education and California Department of Education that they are operating on a fiscal year beginning July 1 and ending June 30. The financial reporting to the different oversight agencies is not consistent based upon different reporting of fiscal years.

Questioned Costs
None

Context
Established in California statute local education agencies report under a fiscal year beginning July 1 and ending on June 30. Internal Revenue Code requires that tax returns be prepared based upon the fiscal year of operation.

Effect
There is inconsistent reporting between the Academy and government agencies.

Cause
The Academy has not established a fiscal year with the Internal Revenue Service.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Recommendation
File necessary reports with the Internal Revenue Service to align tax reporting years with the Academy's fiscal year.

LEA's Response
The Academy will review this recommendation and subsequently take action to ensure consistent reporting between government agencies.

B. Federal Award Findings

Finding 2013-9 (50000)
Schedule of Expenditures of Federal Awards

Federal Major Program Identification

Award Year	Program	CFDA #	Federal Grantor	Pass-Through Agency
2012-13	National School Lunch Program	10.555	U.S. Department of Agriculture	California Department of Education
2012-13	Special Education Cluster	84.027	U.S. Department of Education	California Department of Education

Criteria or Specific Requirement
Determine that amounts reported in the Schedule of Expenditures of Federal Awards are accurately reported.

Condition
The Academy did not separately track expenditures for federal programs in their financial software.

Questioned Costs
Amounts expended under federal major programs audited were:

2012-13 National School Lunch Program (10.555) - $212,061
2012-13 Special Education Cluster (84.027) - $99,925

Context
OMB Circular A-133 requires the presentation of a schedule of expenditures of federal awards for any agency expending greater than $500,000 of federal awards.

Effect
The Academy had to go through every expenditure item to identify which items were expended under federal awards. It took a significant amount of time to complete the schedule of expenditures of federal awards and delayed the timing of audit procedures associated with the Single Audit requirements under OMB Circular A-133. In addition, failure to track expenditures separately exposes the Academy to risk of understating federal expenditures or potentially using the funds in unallowable manners such as supplanting required services.

Cause
The Academy has not established policies and procedures requiring separate tracking of federal expenditures. There are not adequate internal controls in place to evaluate federal expenditures to ensure that they are accurately reported, meet program requirements, and are not used to supplant existing services.

Recommendation
Establish written policies and procedures requiring separate tracking of federal expenditures. Review expenditures to ensure they meet program requirements.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of federal expenditures.

C. State Award Findings

Finding 2013-10 (40000)
Class Size Reduction Program

Criteria or Specific Requirement
Verify that amounts reported on the form J-7CSR were accurate and were based on average daily enrollment taken from the first day of school through April 15 of the school year being reviewed.

Condition
In our review of the form J-7CSR the data was prepared using average monthly enrollment based upon the last day of the school month rather than average daily enrollment from the first day of classes through April 15.

Questioned Costs
None, See recommendation below

Context
Education Code Section 52124.5 states that school districts and charter schools should compute the average daily enrollment for each class by adding the active enrollment for each class for each instructional day starting from the first day of school through April 15, and dividing that total by the count of instructional days.

Effect
The eligible students reported for grade 1 was understated by 1 student.

Recommendation
Establish procedures to accurately calculate average daily enrollment for classes included in the class size reduction program. Revise the form J-7CSR to accurately report eligible students for grade 1. Revisions should be as follows:

Grade	Class Size	Eligible Students Original	Eligible Students Revised	Change in Funding
1st Grade	21.45 – 22.44	18	36	$ 19,278
1st Grade	22.45 – 22.94	17	0	$(18,207)
			Net Change in Funding	$ 1,071

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate calculations for the form J-7CSR. The Academy will amend the form J-7CSR to accurately reflect class sizes for the 2012-13 fiscal year.

Finding 2013-11 (40000)
After School Education and Safety Program

Criteria or Specific Requirement
A. Verify that elementary students being reported for attendance are participating in the full day of the program except as consistent with the LEA's established early release policy.
B. Verify that Indirect Costs are not in excess of 5% or the LEA's established indirect cost rate, whichever is lower.

Condition
A. Sign out sheets for the after school education and safety program did not include time student was released for 827 out of 896 days tested. It could not be determined if these students participated in the full day of the program or if they met early release policy of the LEA.
B. The Academy used an indirect cost rate of 5.26% which exceeds the allowable 5% for the program.

Questioned Costs
Program revenues were $112,500. Amounts in excess of allowable indirect costs were $2,660.

Context
A. Education Code 8483(a)(2) states that it is the intent of legislature that elementary school students attend the full day of the program every day in which students participate, except as consistent with the LEA's early release policy.
B. Education Code 8483.9(a) limits indirect costs to the lesser of the LEA's approved indirect cost rate or 5%.

Effect
A. It cannot be determined if the students participated for the entire day of the program.
B. The Academy exceeded allowable indirect costs.

Cause
A. The Academy has not established adequate policies and procedures to document time students were released from the program to ensure that only students who participated in the full day or met an early release exception based on the LEA's policies were counted towards attendance reported.
B. The Academy has not established adequate policies and procedures to ensure that indirect costs are not charged at amounts greater than allowable amounts for the program.

Recommendation
Establish procedures to document time students are released from the program and ensure that they meet requirements of the program to be counted for attendance purposes. Establish procedures to ensure correct indirect cost rates are being utilized.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure compliance with the after school education and safety program.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Prior Year Audit Findings
Year Ended June 30, 2013

Finding/Recommendation	Current Status	Management's Explanation if Not Implemented
Finding 2011-1 Internal Control - Bank Reconciliation Over Site Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances. Establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.	Partially Implemented	See Finding 2013-1
Finding 2011-2 Internal Control - Payroll Expenses Reconciliation Payroll Expenses were not consistently reconciled to the general ledger Establish policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. Reconciliation should be approved by management	Not Implemented	See Finding 2013-2

EXHIBIT 33

From: Frank Fekete [mailto:frfekete@kern.org]
Sent: Wednesday, July 16, 2014 7:30 PM
To: Proctor, Greta A.
Subject: RE: Public Records Request to FCMAT

I will be in Bakersfield on Friday and will oversee FCMAT's uploading of the final documents to the SharePoint website. I expect you will hear from Hazel Fields at FCMAT on Friday or Monday at the latest with access info to the site. We have not paid much attention to the items you said you wanted and did not want, since we are not charging for the electronic copies, so there will probably be duplicates of some things you already have obtained from your client.

Please note that FCMAT has obtained from a private records search company background information on six individuals who I believe are associated with WAYS. They are Deara Ijoma Okonkwo, Emeka Enwezor, Jason C. Okonkwo, Kendra U. Okonkwo, Obiesie S. Enwezor and Rachel Enwezor. The terms of our contract with the company do not allow us to release these records to anyone else without our losing the ability to continue to use the firm in connection with AB 139 fraud audits. I believe that these reports include no commentary or evaluative work, only reports from what are probably public records. In light of the proprietary nature of these reports, we will not be providing them, but all other records of any kind in our possession regarding WAYS will be included on the SharePoint website.

---

rom: Proctor, Greta A. [greta.proctor@procopio.com]
ent: Wednesday, July 16, 2014 6:43 PM
o: Frank Fekete
Subject: RE: Public Records Request to FCMAT

Mr. Fekete,

Thank you for your initial response, however we have not yet heard back from you or anyone at FCMAT on this request. Will you please provide an update? Thank you.

Greta A. Proctor
Associate

Procopio, Cory, Hargreaves & Savitch LLP
525 B Street, Suite 2200
San Diego, CA 92101
direct dial: (619) 515-3219
direct fax: (619) 744-5419
greta.proctor@procopio.com
www.procopio.com

Please consider the environment before printing this e-mail.

rom: Frank Fekete [mailto:frfekete@kern.org]
ent: Thursday, July 03, 2014 11:42 AM

To: Proctor, Greta A.
ubject: Public Records Request to FCMAT

s. Procopio:

I am the attorney for the Fiscal Crisis and Management Assistance Team (FCMAT) and am replying to your request for records in FCMAT's possession regarding its report on the WAYS charter school. We are in the process of compiling the records and I want to explain the process we are using.

Those records that FCMAT has in electronic form are being uploaded to a website known as SharePoint. You will contacted early next week by someone from FCMAT who will give you information about how to access that secure website with appropriate log-in information.

I have also been provided with 2 CDs from Mike Ammermon, a private consultant to FCMAT who worked on the report, containing all of his files pertaining to WAYS (all of which he maintained electronically). I will be mailing these discs to you directly.

There may be a file of physical documents concerning WAYS at FCMAT's offices in Bakersfield. Debi Deal, the lead person assigned to the WAYS matter, will be in Bakersfield on Tuesday, July 8. Once she has reviewed the file she can advise me as to whether there is anything not already stored electronically and how much. I will then discuss with you whether you want FCMAT to make copies or you will send someone to Bakersfield to inspect and designate which copies you want (or have you own copying service make copies in that office).

In any event, we are moving as quickly as possible to get you the documents in the most convenient manner. I am not aware of any documents that we intend to withhold for any reason.

eel free to contact me by reply email or at 661-345-2321.

rank Fekete
ıailgw01.procopio.com made the following annotations

Wed Jul 16 2014 18:43:21

This is an email from Procopio, Cory, Hargreaves & Savitch LLP, Attorneys at Law. This email and any attachments hereto may contain information that is confidential and/or protected by the attorney-client privilege and attorney work product doctrine. This email is not intended for transmission to, or receipt by, any unauthorized persons. Inadvertent disclosure of the contents of this email or its attachments to unintended recipients is not intended to and does not constitute a waiver of attorney-client privilege or attorney work product protections. If you have received this email in error, immediately notify the sender of the erroneous receipt and destroy this email, any attachments, and all copies of same, either electronic or printed. Any disclosure, copying, distribution, or use of the contents or information received in error is strictly prohibited.
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mailgw01.procopio.com made the following annotations

Mon Jul 21 2014 13:33:28

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EXHIBIT 34

Wisdom Academy for Young Scientists
706 East Manchester Avenue
Los Angeles, California 90001

Board of Directors

Loretta McDonald
Board President

Board Treasurer

Adell Walker
Board Secretary

BOARD RESOLUTION
RELEASE/DISMISSAL OF EXECUTIVE DIRECTOR

BACKGROUND:

WAYS received a Notice to Cure from LAUSD regarding the Conflict of Interest matter in September 2011.

HISTORY:

There have been many attempts to cure the notice without the release of the Executive Director. This Board felt as if the notice was cure. However, LAUSD did not accept these decisions as curing the notice. To move swiftly to the Corrective Action Plan, we, the board must make a decision to release the Executive Director from her responsibilities.

Once the Corrective Action Plan is in place and the action items are completed, we can reinstate the Executive Director.

DESCRIPTION:

The Board of Directors for WAYS needs to cure the notice once and for all.

NEED FOR RESOLUTION:

The governing board must approve all employment decisions.

IMPACT ON BUDGET:

None

[x] Approved [ ] Denied

April 30, 2011
Date

Board President

Board Secretary

Page 1

Wisdom Academy for Young Scientist

706 East Manchester Avenue

Los Angeles, California 90001

Board of Directors

Loretta McDonald	Karen Haynes	Adell Walker
Board President	Board Treasurer	Board Secretary

BOARD OF DIRECTORS CORRECTIVE ACTION PLAN RE: CONFLICT OF INTEREST

BACKGROUND AND PURPOSE

Kendra Okonkwo is the owner of two properties which she has leased to Wisdom Academy for Young Scientists ("WAYS") for use as a charter school facility. Mrs. Okonkwo is also the current Executive Director of WAYS. The lease between Mrs. Okonkwo and WAYS was approved by the Board of Directors ("Board") of WAYS.

Additionally, in accordance with the requirements of the Political Reform Act, and in accordance with the exemptions described under Government Code Section 1090, prior to Board consideration and approval, Mrs. Okonkwo disclosed her interest in the lease and then left the room during Board deliberations. Mrs. Okonkwo did not participate in any way in the consideration of approval of the lease. Unfortunately despite multiple witnesses to this fact, the minutes do not reflect the disclosure and recusal. Additionally, WAYS currently pays rent that is below current fair market rates for similar facilities.

Despite the disclosure and recusal by Mrs. Okonkwo, the Los Angeles Unified School District ("LAUSD"), in 2010-2011, indicated to WAYS that it was concerned regarding conflicts of interests in the lease of the property by Mrs. Okonkwo and WAYS. Despite attempts to resolve LAUSD's concerns, LAUSD believes that the issue remains unresolved. Further, the Ways Board and Mrs. Okonkwo wish to avoid actual or perceived conflicts of interest going forward. WAYS has been extremely successful academically, and the WAYS Board and Mrs. Okonkwo want to ensure the continued existence of the school.

The purpose of this Corrective Action Plan ("CAP") is to cure the conflict of interest ("COI") in reference to government code 1090 as it pertains to the Executive Director owning property on which Wisdom Academy for Young Scientists (WAYS) is located.

Wisdom Academy for Young Scientist

706 East Manchester Avenue

Los Angeles, California 90001

Board of Directors

Loretta McDonald	Karen Haynes	Adell Walker
Board President	Board Treasurer	Board Secretary

DESCRIPTION OF INCIDENT

In January 2011, the Executive Director presented LAUSD with documents of the transfer of deeded property and a new lease agreement with OCI Corporation. These items were not accepted by LAUSD due to various reasons (see LAUSD's Resolution of Denial). Due to LAUSD not accepting the documents, the Board of Directors from WAYS approved further investigation.

Further investigation will be completed by Mrs. Cathy Ferraro of Ferraro and Associates of Beverly Hills and Mr. Baron James of BRC Advisors. Mrs. Ferraro was referred by the Board President and Mr. James was referred by the Board Secretary. Both parties have been contacted for review of documents, please see below for findings.

FINDINGS

One of the realtors consulted was Ferraro & Associates of Beverly Hills, Cathy Ferraro and her late mother established Ferraro & Associates Realty in 1972, which remains independently owned today. On their 35th anniversary, Ferraro & Associates Realty received special commendations from the cities of Beverly Hills and Los Angeles. In 2009 Ferraro & Associates Realty was named one of the top five best real estate agents in Beverly Hills.

Ferraro & Associates Realty is located at 433 N. Camden Drive, 4th Floor, Beverly Hills, California 90210 (CA DRE #00745604)

Cathy Ferraro was consulted regarding all documents presented to LAUSD which included the notarized deeds of property, state recorders stamp, lease agreement with OCI and LAUSD's resolution of denial.

Since OCI was not a corporation at the time the transferred property deed was recorded, this makes the full transaction null and void. The recorded deed was improperly handled by describing the transfer as a Revocable Trust when there is no

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Loretta McDonald	Karen Haynes	Adell Walker
Board President	Board Treasurer	Board Secretary

documentation of a Trust. Also, the notary for 660, 710, and 702 E Manchester is not complete because a legal notary is all on one page, as shown on the 8778 S. Central property.

In order to correct this matter the following needs to take place:

1. Rescind Grant Deed to delete revocable trust, this was used for tax reasons
2. Transfer from individuals to sole owned corporation
3. Notarize properly (all stamps on same page of document notarizing)
4. Pull corporate documents
5. Record new documents with the Secretary of State

Cathy Ferraro recommends that the Board hire a real-estate attorney; this attorney will legally transfer all property as agreed upon by the Okonkwo family. The new documents must be recorded with the proper documents attached (corporate documents from OCI, trust documents (if using a trust), and notarization of the deeds on the same page). Cathy Ferraro did not present a written evaluation because the consult was free of charge and she suggested a course of action that she thought would best alleviate the issues on Hand.

The second realtor consulted was Mr. Baron A. Jones, Managing Director of BCR Advisors Commercial Real Estate in the Downtown Los Angeles Office, 700 S. Flower Street, Suite 1400 of Los Angeles, California 90017 (CA DRE#00704130) and he is still reviewing all documents. His recommendations may supplement this corrective action plan.

Mr. Jones a 30 year sales and administrative veteran of the commercial real estate industry where his professional career started at **Cushman & Wakefield of California** as an Associate in the Financial Services Group. He specialized in land and office building sales for nearly 10 years, achieved a Vice President position, averaging a sales growth of 16.5% per. He then teamed with Bridge Asset Management, a California-based subcontractor for the **Resolution Trust Corporation** ("RTC"). We resolved numerous complex non-performing loan and REO transactions for the RTC, of which he

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was a Co-Leader. This resulted in the execution of more than $1.2 Billion... in non-performing loan and asset workouts in California, New Jersey, and New York, which took place during the FSLIC Savings & Loan crisis two decades ago.

Mr. Jones later joined **Grubb & Ellis Company** as an Associate, rising to Senior Vice President within 2½ years. I personally created, procured and closed with my team *the largest* single Western Regional disposition assignment for a Japanese Conglomerate, which led to nearly $241 million in commercial property sales. I successfully executed more than $130 million in further core and value-added transactions in office, industrial, retail, as well as multifamily product.

Currently, he serves as a Managing Director for BRC Advisors. Responsibilities include: new business development, mentoring new associates in the *Best Practices* of sourcing, evaluating, underwriting, deal packaging, negotiating, and closing investment opportunities.

In exhibit A, you will find a letter from our attorneys detailing their informal investigation of the property documents.

CORRECTIVE ACTION ITEMS

ACTION ITEM 1:

The charter petition was submitted to Los Angeles County Office of Education ("LACOE") in the appeal process for renewal to operate Wisdom Academy for Young Scientists Charter School. To immediately cure the conflict of interest the board will immediately release Mrs. Okonkwo from her position as the Executive Director of WAYS.

The Executive Director has a valuable presence at the school and has done an outstanding job as the founder and Executive Director of the school. However, to release the Executive Director at this time is a business decision to alleviate the Conflict

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Board of Directors

Loretta McDonald	Karen Haynes	Adell Walker
Board President	Board Treasurer	Board Secretary

of Interest. This has nothing to do with the performance of the Executive Director or her commitment to the education of our children.

Once either Action 2, 3 or Action 4 described below have occurred the position of Executive Director will be reconsidered by the Board.

Action	1.) Contract payout to the Executive Director (Present through 06/30/2011) 2.) Release the Executive Director
Responsibility	Board of Directors
Due Action Occurred	TBD

Measureable Outcome:

Conflict of Interest Cured

Action items 2, 3 & 4 will begin simultaneously and will result in the Board of Directors either a) re-leasing the facilities that WAYS currently utilizes for 2011-2012 (Action Item 2) or b) leasing new facilities.

ACTION ITEM 2:

Establish a non-profit entity, with a separate governing board and no relationship to the Okonkwo family, to purchase the property and lease the property to Wisdom Academy for Young Scientists. This non-profit will be a fundraising entity that will support innovative education throughout California.

Action	1.) Establish a Non Profit Corporation 2.) File all necessary documents, file for tax exemption 3.) Contact owners of property to purchase

Wisdom Academy for Young Scientist

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Board of Directors

Loretta McDonald	Karen Haynes	Adell Walker
Board President	Board Treasurer	Board Secretary

	4.) Prepare and/or negotiate Lease Agreement with property owner on behalf of the Board of Directors
Responsibility	Board of Directors
Date Action Occurred	Attorney Hired on [insert]

Measureable Outcome:

Conflict of Interest is resolved, property ownership is clear, and the lease is appropriately negotiated with representation of the Board of Directors by legal counsel.

ACTION ITEM 3:

Hire a Real Estate Attorney to provide expertise on the process and documenting the transfer of the property deeds, recording the transfer with the Secretary of State and providing a new lease agreement.

Action	1.) Hire Real Estate Attorney 2.) Investigate process and willingness of Mrs. Okonkwo to transfer property 3.) As appropriate, facilitate and assist with property transfer to ensure accomplished appropriately 4.) Prepare and/or negotiate Lease Agreement with property owner on behalf of the Board of Directors
Responsibility	Board of Directors
Date Action Occurred	Attorney Hired on [insert]

Measureable Outcome:

Conflict of Interest is resolved, property ownership is clear, and the lease is appropriately negotiated with representation of the Board of Directors by legal counsel.

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Board of Directors

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Board President	Board Treasurer	Board Secretary

ACTION ITEM 4:

The WAYS Board will begin the search for a new facility to accommodate the school. Based on Board discussion, WAYS requires a facility that is 32,110 square feet minimum. A detailed facility plan identifying all needs for the new facility is on file at the school.

The Board has established the following benchmarks to meet in identifying and securing a new facility, with the understanding that these may change depending on market availability and other factors outside of the Board's control:

- Identified at least five potential facilities.
- Identified all criteria for permits
- Select a facility and begin lease negotiations.
- Move into the facility. This is scheduled for the summer in order to minimize impact on student education.

Action	1.) Work with Realtor to Identify new property 2.) Identify Property 3.) Identify criteria for permits and legal documents
Responsibility	Board of Directors
Date Action Occurred	Real Estate Agent was hired on [insert]. The property search is ongoing.

Measureable Outcome:

Conflict of Interest is resolved.

Wisdom Academy for Young Scientist

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Board of Directors

Loretta McDonald	Karen Haynes	Adell Walker
Board President	Board Treasurer	Board Secretary

EXHIBIT A

EXHIBIT 35

LLC-1	Articles of Organization of a Limited Liability Company (LLC)

201415010116

To form a limited liability company in California, you can fill out this form, and submit for filing along with:

- A $70 filing fee.
- A separate, non-refundable $15 service fee also must be included, if you drop off the completed form.

Important! LLCs in California may have to pay a minimum $800 yearly tax to the California Franchise Tax Board. For more information, go to https://www.ftb.ca.gov.

LLCs may not provide "professional services," as defined by California Corporations Code sections 13401(a) and 13401.3.

Note: *Before submitting the completed form*, you should consult with a private attorney for advice about your specific business needs.

FILED
Secretary of Sta
State of Californ
MAY 29 2014

This Space For Office Use Only

For questions about this form, go to *www.sos.ca.gov/business/be/filing-tips.htm.*

LLC Name (List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State.)

① 706 East Manchester, LLC
Proposed LLC Name

The name must include: LLC, L.L.C., Limited Liability Company, Limited Liability Co., Ltd. Liability Co. or Ltd. Liability Company; and may not include: bank, trust, trustee, incorporated, inc., corporation, or corp., insurer, or insurance company. For general entity name requirements and restrictions, go to www.sos.ca.gov/business/be/name-availability.htm.

Purpose

② The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

LLC Addresses

③ a. 706 East Manchester Ave | Los Angeles, | CA | 90001
Initial Street Address of Designated Office in CA - Do not list a P.O. Box | *City (no abbreviations)* | *State* | *Zip*

b. | | |
Initial Mailing Address of LLC, if different from 3a | *City (no abbreviations)* | *State* | *Zip*

Service of Process (List a California resident or a California registered corporate agent that agrees to be your initial agent to accept service of process in case your LLC is sued. You may list any adult who lives in California. You may not list an LLC as the agent. Do not list an address if the agent is a California registered corporate agent as the address for service of process is already on file.)

④ a. Hassan Rahmaan
Agent's Name

b. 706 East Manchester Ave | Los Angeles | CA | 90001
Agent's Street Address (if agent is not a corporation) - Do not list a P.O. Box | *City (no abbreviations)* | *State* | *Zip*

Management (Check only one.)

⑤ The LLC will be managed by:

[X] One Manager [ ] More Than One Manager [ ] All Limited Liability Company Member(s)

This form must be signed by each organizer. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of organization.

Hassan Rahmaan
Organizer - Sign here *Print your name here*

Make check/money order payable to: Secretary of State	*By Mail*	*Drop-Off*
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a $5 certification fee.	Secretary of State Business Entities, P.O. Box 944228 Sacramento, CA 94244-2280	Secretary of State 1500 11th Street, 3rd Floor Sacramento, CA 95814

I hereby certify that the foregoing transcript of 1 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

MAY 30 2014

Date:

DEBRA BOWEN, Secretary of State

RESOLUTION NO. 031320146

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MERLE WILLIAMSON FOUNDATION AUTHORIZING (i) THE FORMATION OF A LIMITED LIABILITY COMPANY THAT WILL PROVIDE FACILITIES FOR USE BY CHARTER SCHOOLS, AND (ii) MEMBERSHIP IN THE LLC; AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN OPERATING AGREEMENT AND CERTAIN OTHER ACTIONS RELATED THERETO

WHEREAS, the Merle Williamson Foundation ("WAYS") is a California nonprofit public benefit corporation organized to improve the social and economic status of the South Central Los Angeles community through education and is organized and operated exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code:

WHEREAS, in furtherance of its charitable and educational purposes, WAYS seeks to lease facilities for use by its charter school;

WHEREAS, the Board of Directors of WAYS ("Board") has determined that it is in the best interests of WAYS to participate in the organization and operation of a single-member limited liability company to be known as 706 East Manchester, LLC, ("LLC"), which will hold title or master lease to, own and/ or control, and provide for lease of charter school facilities, together with such incidental activities as are reasonably related thereto;

WHEREAS, WAYS shall initially be the sole member of the LLC, but the LLC will operate separately from WAYS.

WHEREAS, in connection therewith, there has been presented to this meeting of the Board a form of Operating Agreement for the operation of the LLC;

WHEREAS, pursuant to the terms of the Operating Agreement, WAYS, as the sole member of the LLC, desires to select Sashauna Dent and Hassan Rahman to serve as the Board of Directors of the LLC that shall have the authority of a "Manager" to oversee, direct and supervise the business and affairs of the LLC.

NOW, THEREFORE, this Board of Directors of WAYS does hereby find, resolve and order as follows:

Section 1. The foregoing recitals are true and correct;

Section 2. WAYS will participate as the single member of the LLC, which will hold title or master lease to, own and/ or control, and provide for lease of charter school facilities, together with such incidental activities as are reasonably related thereto;

Section 3. The form of Operating Agreement considered at this meeting is hereby approved. The Secretary of this Board, or the Chief Executive Officer or Chief Financial Officer/

Treasurer of WAYS, or the duly delegated representatives of any of the foregoing (each an "Authorized Officer"), and each of them, acting alone and in the name and on behalf of LAICHS, are hereby authorized and directed to execute and deliver the Operating Agreement in substantially the form presented to and considered at this meeting, with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Pursuant to the terms of the Operating Agreement, WAYS, as the sole member of the LLC, selects Sashauna Dent and Hassan Rahman to serve as the Board of Directors of the LLC that shall have the authority of a "Manager" to oversee, direct and supervise the business and affairs of the LLC.

Section 5. The Authorized Officers are each hereby authorized and directed to execute all other documents, instruments, agreements and certificates (including, without limitation, articles of organization in connection with the formation of the LLC) supplemental to the foregoing as may be necessary or advisable in order to effectuate the purposes of this Resolution, and to take all additional actions as may be necessary or advisable in order to form the LLC in the manner and on the terms set forth in this Resolution.

Section 6. This resolution shall take effect immediately upon its adoption.

SECRETARY'S CERTIFICATE

I, Cheryl Johnson, Secretary of the Board of Directors of the Merle Williamson Foundation, a California nonprofit public benefit corporation, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolutions duly adopted at a regular meeting of the Board of Directors of the Merle Williamson Foundation, which was duly and regularly held on the 13 day of March, 2014, at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolutions were adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13 day of March, 2014.

Secretary of the Board of Directors of
Merle Williamson Foundation

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Thursday, March 13, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, March 13, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 7:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001
Teleconference: 5641 Locust Ave, Long Beach, California 90805.

II. All members and guests stood and saluted the flag.

III. Board Members Present: Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook

Board Members Absent: Maria Garcia
Others In Attendance: Jason Okonkwo, Edward Cabil, Jimmy Chai of Cushman & Wakefiled.

IV. Additions to the Agenda

V. Approval of Minutes
   a. February 27, 2014

VI. Reports
   a. None

VII. Closed Session
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating Parties: The Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: 706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. Conference with Legal Counsel [illegible] 706 East Manchester Ave [illegible] under the Merle Williamson Foundation [illegible] Manchester Property) –
      i. In favor – Cheryl John[illegible]y Valenti, Ad[illegible]
      ii. Oppose – None

VIII. Open Session
   a. Updates Regarding FCMAT Au[illegible]ation regard[illegible]ness Services vendor. Resolution to [illegible]s because OS[illegible]ment WAYS during FCMAT Audit – Di[illegible]
      i. In favor – Armando Espinoza, Dorothy Vale[illegible]
      ii. Oppose – Cheryl Johnson

IX. Oral Communication
   a. None

X. Future Agenda Items

XI. The board meeting of WAYS was officially adjourned at 7:48 PM.

Board Member Date 4/25/14 Board Chairperson Date 4/25/14

000685

EXHIBIT 36

GENERAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

This General Release of All Claims and Settlement Agreement ("Agreement") is made as a compromise between the Board of Directors of Wisdom Academy for Young Scientists ("WAYS") and Kendra Okonkwo ("Okonkwo") in the complete, final and binding settlement of all claims and potential claims, if any, with respect to their employment relationship.

In consideration of the obligations identified below assumed by each of the parties, it is hereby agreed by and between the parties that all disputes, controversies, and potential disputes or causes of action or claims arising out of, or in any way connected with, Okonkwo's employment relationship with WAYS, whether known or unknown, suspected or unsuspected, which Okonkwo has or may have against WAYS, including but not limited to its parent corporation, subsidiaries, shareholders, officers, trustees, employees, past and present, successors, predecessors, assigns, and agents are settled on the following material terms:

1. **Consideration:** The following consideration and covenants made herein are consideration for this Agreement:

   a. Okonkwo's personnel file shall reflect that she voluntarily resigned from employment with WAYS.

   b. WAYS will provide Okonkwo with a gross severance amount equivalent to [redacted] months of salary in the amount of $[redacted], subject to all regular withholdings. WAYS agrees to pay Okonkwo this amount as a good faith settlement of accrued vacation pay she has claimed but which cannot be substantiated by WAYS.

   c. Following receipt of the aforementioned severance, Okonkwo acknowledges that she has received all wages due and owing from WAYS.

   d. WAYS shall continue Okonkwo's health benefits for a period of [redacted] months (the last date of benefits shall be [redacted]). Following such date, Okonkwo may elect to extend her health benefits at her own cost through COBRA.

   e. WAYS shall provide a letter of reference to Okonkwo regarding her employment (dates of employment, position(s) held, duties performed, etc.) with WAYS.

   f. WAYS shall not contest any application for unemployment insurance benefits Okonkwo files with the EDD.

   g. Okonkwo shall return any and all School property in her possession, including but not limited to [redacted]. Further, Okonkwo shall cooperate with WAYS to ensure that all passwords to School accounts, including the WAYS bank account(s), shall be returned and that Okonkwo's name shall be removed from such accounts.

   h. WAYS and Okonkwo agree that the events leading to this Agreement, the fact that the Agreement has been entered into and the terms and conditions of the Agreement are and shall be maintained in privacy and confidence. Both parties agree that this confidentiality is a material term of the Agreement and Release. Without waiving their agreement concerning confidentiality, the parties agree that

the terms of this settlement may be disclosed if required by law, including to any state agency or political subdivision or any state or federal taxing authority. Such disclosure shall not be deemed a breach of this Agreement. Nothing in this paragraph is intended to restrict Okonkwo from communicating with prospective employers and job referral sources about her job experience at WAYS, the nature and extent of her job responsibilities, her level of performance, the dates of her employment, and the facts supporting her cessation of employment with WAYS.

2. **Release:** In consideration of the terms stated above and in this Agreement, Okonkwo acknowledges complete satisfaction of, and does hereby forever release, absolve, and discharge WAYS, including but not limited to its parent corporation(s), subsidiaries, shareholders, officers, trustees, employees, past and present, successors, predecessors, assigns, agents, attorneys, and representatives from any and all causes of action, judgments, liens, indebtedness, damages, claims (administrative or otherwise), liabilities, and demands, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, which Okonkwo now has or holds, or at any time has held against WAYS its parent corporation(s), subsidiaries, shareholders, officers, trustees, employees, past and present, successors, predecessors, assigns and agents. This release expressly waives any and all claims Okonkwo may presently have against WAYS regardless of the nature, source, or basis for any such claim.

3. **Full Settlement:** The parties acknowledge that this is a full and final release, and that Okonkwo intends and expressly agrees that it shall be effective as a bar to each and every claim, demand, and cause of action Okonkwo has against WAYS as of the date of this Agreement. Okonkwo also expressly waives any and all rights and benefits conferred upon Okonkwo now or in the future under the terms of California Civil Code section 1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which, if known by him, must have materially affected his settlement with the debtor."

4. **No Admission of Fault:** This Agreement is in settlement of disputed claims pursuant to Evidence Code Section 1152, and shall not be construed as an admission of fault or liability by either party in relation to any underlying circumstances.

5. **No Further Claims:** It is further understood and agreed that neither of the above-mentioned parties, nor any representatives or any related person, shall pursue any further or additional complaints or claims of any kind arising from or related to the subject of the foregoing releases, acquittals, discharges and waivers, whether against the released parties herein or against any other party, whether formal or informal, whether direct or indirect, whether administrative or otherwise.

6. **Opportunity For Review:** Okonkwo and WAYS each acknowledge that they have carefully read and understand the contents of this Agreement and that this Agreement constitutes the entire agreement and understanding of the parties. The parties further agree that the terms of this Agreement are contractual and that both parties, their heirs, successors, and assigns are bound by it, and that any dispute as to its terms or its

interpretation is governed by the laws of the state of California. Should any court of law find any term or clause invalid under the prevailing law, then that term or clause only shall be omitted from enforcement, all other terms and conditions remaining enforceable. Okonkwo has been advised that she has the right to have this entire Agreement reviewed and/or explained to her by independent legal counsel, at her expense, if she so desires.

7. **No Assignments:** Okonkwo represents and warrants that there has been no assignment or other transfer of interest in any claim, which she may have against WAYS, its officers, agents, and employees. Okonkwo agrees that if she hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon or relating to any of the claims released hereunder, or in any manner asserts against WAYS, its officers, agents and employees, any of the claims released hereunder, then Okonkwo shall pay to WAYS, in addition to any damages caused by WAYS thereby, all attorneys' fees incurred by WAYS in defending and otherwise responding to said suit or claim.

8. **Disclaimer:** This Agreement shall not be subject to attack on the grounds that any or all of the legal theories or factual assumptions used for negotiating purposes were for any reason inaccurate or inappropriate.

9. **Attorneys' Fees:** Should any litigation commence between the parties hereto concerning this Agreement or the rights and duties of either party hereto, whether it be an action for damages, equitable or declaratory relief, the prevailing party in such litigation shall be entitled to, as an element of its costs of suit in addition to other relief as may be granted by the arbitrator or Court, reasonable sums as and for attorneys' fees, or such prevailing party may recover such attorneys' fees in a separate action brought for that purpose. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorneys' fees. No sum of attorneys' fees shall be counted in calculating the amount of judgment for purposes of determining whether a party is entitled to recover its costs or attorneys' fees.

10. **Interpretation of Agreement:** This Agreement shall be construed as a whole in accordance with its fair meaning in accordance with the laws of the State of California. The language of the Agreement shall not be construed for or against any particular party. The venue and forum for any action to enforce this Agreement shall be the Superior Court of the State of California in and for the County of Los Angeles.

11. **Sole Agreement:** This Agreement represents the sole and entire agreement between the parties and supersedes any and all prior agreements, negotiations, and discussions by and between the parties hereto with respect to the subject matter covered hereby.

12. **Amendments:** Any amendments to this Agreement must be in writing signed by duly authorized representatives of the parties hereto and stating the intent of the parties to amend this Agreement.

13. **Severability:** Should any provision of the Agreement be declared or determined by any

court of competent jurisdiction to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining parties, terms, and provisions shall not be affected thereby, and said illegal, invalid or unenforceable part, terms or provisions shall be deemed not to be part of this Agreement.

14. **Counterparts:** This Agreement may be executed in two or more counterparts, which shall, in the aggregate, be signed by all parties and constitute an Agreement. Each counterpart shall be deemed an original instrument as against any party who has signed it.

DATED: _____

By: _____
Kendra Okonkwo

WISDOM ACADEMY FOR YOUNG SCIENTISTS

DATED: _____

By: _____
Alex Love, Board President

EXHIBIT 37

May 21, 2012

TO:
Merle Williamson Foundation (MWF)
dba Wisdom Academy for Young Scientists (WAYS)
Board of Directors
706 East Manchester Ave.
Los Angeles, CA 90001

From:
Kendra Okonkwo
4326 Enoro Drive
Los Angeles, CA 90008

Re: Demand for unpaid compensation and contracted agreements.

To the WAYS Board of Directors,

I previously submitted to you letters offering a settlement unpaid compensation and contracted agreements, yet I am unaware of whether a resolution has been rendered. Cordially, I will detail some of the support behind my claims:

1. I did not receive any form of compensation for my employment agreement with MWF entered on July 10, 2005, commencing July 1, 2005 and ending June 30, 2006 (See attachment A).

2. I did not receive any form of payment for the Lease Agreement with MWF entered on April 21, 2005, commencing July 1, 2005 and ending June 30, 2006 (See attachment B).

3. Although immensely more expensive than the sum of the receipts attached, I did not receive reimbursement for these start up expenses during the inception of our charter (See attachment C).

4. In accordance with my employment agreement with MWF (attachment A) condition *17. Automobile Expenses, MWF shall provide the Executive Director an automobile vehicle and operating expenses for her use in conducting MWF business and reasonable personal use during the period of this contract.* I did not receive any form of reimbursement for my automobile expenses during the entire duration of my employment with MWF. See automobile expenses attached (See attachment D).

5. In accordance with my employment agreement with MWF commencing July 1, 2008 and ending June 30, 2011 (See attachment E) condition *20. Notice of Nonrenewal and Extension, The Executive Director is entitled to written notice from the MWF Board of directors delivered at least six (6) months prior to the end of the contact term provided herein concerning any proposal of nonrenewal of this Contract. In the event the Executive Director does not receive said written notice timely as provided herein, the term of this Contract shall be automatically extended by one (1) full year without the necessity of further action by either party.* I was abruptly released by the Board on May 27, 2011 and was not given proper notice of termination. Consequently, I am due the total compensation of my extended contract for one (1) full year.

6. I took zero (0) days of vacation, sick, or personal necessity leave days since my first day of employment with WAYS. In accordance with my employment agreement with MWF commencing July 1, 2008 and ending June 30, 2011 (See attachment E) condition

21. Termination of Contract, A. Vacation Days: Upon the Executive Director's separation from employment with MWF, the Board will pay all unused, accumulated vacation days as follows

a. If the Executive Director dies before her contract period is completes, payment of unused vacation shall be given to her next of kin.

b. If the Executive Director's separates during the contract year for any reason, or her contract is not renewed, she shall receive cash payment for all unused prorated vacation days.

B. Sick Days: Upon the Executive Director's separation from employment with MWF, the Board will pay all unused, accumulated sick days as follows:

a. If the Executive Director dies before her contract is completed payment for unused sick days shall receive cash payment for all unused pro-rated vacation days.

b. If the Executive Director's separates during the contract year for any reason, or her contract is not renewed, she shall receive cash payment for all unused sick days.

See summary of owed unused sick and vacation days (See attachment E).

Proportional to my claims aforementioned, I am owed a total of $480,312.90. However, I am willing to settle for $400,000. Taking into consideration my wish for continued financial strength of MWF, sustainability, and the everlasting teaching of wisdom to our Young Scientists. Please respond to this demand letter by May 18, 2012 in order to avoid the threat of legal action.

Sincerely,

Kendra Okonkwo

January 20, 2012

Dear WAYS' Board of Directors,

Happy New Year to all our dedicated Board Members. I wish all a New Year filled with peace, joy, love and prosperity.

Per the request of the Board members, the purpose of my writing is to present my proposed settlement. While it is unfortunate that majority of you are new, thus not having knowledge of the start up costs I personally invested to initiate the Charter School, we still have founding Board Member, Karen Haynes apart of our Directors and Dr. Libby who is known our Special Education Consultant both whom could attest that since the inception of our organization in 2002, no other Board member made any significant monetary contribution to WAYS. The funds came entirely from my personal savings, mortgaging my home and my former private Pre-School, Wisdom Pre-School.

I have made many attempts to have the Board settle me to no avail. I am thankful that this current Board is moving forward to do a fair settlement. I was going to ask for $700,000 for the money owed, interest accrued and damages. However, I do not want a situation where the organization will be financially unstable. Thus, I will be content with a settlement of $350,000 that will help me in the new project (Middle School) that I am currently working to establish.

The Board may settle me in lump sum or installments. However, I will charge the interest rate of 6.25 percent which is what I am currently paying for the loan I took out to set up the school.

Thank you for your kind consideration.

Respectfully,

Kendra Okonkwo

WISDOM ACADEMY FOR YOUNG SCIENTISTS

August 19, 2011

Hello, Ms Kendra

I hope you are well and happy.

I have been given the responsibility of Board Treasurer, which comes with certain duties of which I am most familiar; i.e., finance, policies, procedures, protocol, and established rules. I was asked to contact you regarding the former Executive Director's contractual payout.

There are several matters left undone that require the Board's immediate attention and action. Among them, the question of certain school properties that remain in your possession; your name still associated with school bank accounts; and, unpaid reimbursements for costs associated with your end of term.

Mr. Cureton, Ms Adell, and I would like to meet with you to discuss how we might facilitate these matters and quickly get you paid. We would like to meet with you at your earliest convenience, perhaps have a nice lunch, where we can work out a strategy that's amenable to all. If you can fit us in your schedule soon, please give us a call and we'll work out the details.

Thank you for your insight in providing a framework for the future of WAYS. In all our hearts, we know the education of our youth is of utmost importance. We look forward to your continued good will and wise advice as we forge a new school year at WAYS.

Let's STAND together for the students of WAYS, once again

Best regards,

Cathy G. Roby

Cathy G. Roby
Board Treasurer

Cc: Mickey Cureton
Alex Love
Adell Walker

EXHIBIT 38

Gmail

Written Notice Prior To Settlement With Former Director

Edward Cabil <edcabil@sbcglobal.net> Fri, Oct 26, 2012 at 11:22 AM
Reply-To: Edward Cabil <edcabil@sbcglobal.net>
To: Higelin Judy <higelin_judy@lacoe.edu>
Cc: Patel Neha <Patel_Neha@lacoe.edu>, Sanchez Lila <Sanchez_Lila@lacoe.edu>, Jason Okonkwo <mrjason7@gmail.com>

LACOE's MOU and conditions of approval for the charter state that WAYS should provide LACOE with written notice before the school enters into a contract with the former director. The former director presented a claim for damages against WAYS, which we have tendered to our insurer. It is hopeful that the former director will agree to settle that claim rather than litigate. That settlement, if reached, will of course be in the form of a contractual agreement. Although we do not believe that this is the sort of "contract" described in the MOU, we are providing this communication to you as written notice in an abundance of caution and in continuance of our good faith efforts to work cooperatively with LACOE. The details of the settlement negotiations are, of course, attorney-client privileged at this time. When and if a settlement agreement is reached, the document will be public.

Blessings,
Ed Cabil

Higelin_Judy <Higelin_Judy@lacoe.edu> Fri, Oct 26, 2012 at 12:46 PM
To: Edward Cabil <edcabil@sbcglobal.net>
Cc: Patel_Neha <Patel_Neha@lacoe.edu>, Sanchez_Lila <Sanchez_Lila@lacoe.edu>, Jason Okonkwo <mrjason7@gmail.com>

Thank you for the notice. We appreciate your keeping us apprised.

Judy

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Friday, October 26, 2012 11:22 AM
To: Higelin_Judy
Cc: Patel_Neha; Sanchez_Lila; Jason Okonkwo
Subject: Written Notice Prior To Settlement With Former Director

LACOE's MOU and conditions of approval for the charter state that WAYS should provide LACOE with written notice before the school enters into a contract with the former director. The former director presented a claim for damages against WAYS, which we have tendered to our insurer. It is hopeful that the former director will agree to settle that claim rather than litigate. That settlement, if reached, will of course be in the form of a contractual agreement. Although we do not believe that this is the sort of "contract" described in the MOU, we are providing this communication to you as written notice in an abundance of caution and in continuance of our good faith efforts to work cooperatively with LACOE. The details of the settlement negotiations are, of course, attorney-client privileged at this time. When and if a settlement agreement is reached, the document will be public.

Blessings,

Ed Cabil

FREEDOM SPECIALTY

September 27, 2012

Certified Mail
Return Receipt Requested
7010 2780 0001 9073 1875

Mr. Ed Cabil
Merle Williamson Foundation
706 E. Manchester Avenue
Los Angeles, CA 90001
(edcabil@sbcglobal.net)

Re:	**Insured:**	**Merle Williamson Foundation**
	Insurer:	**Scottsdale Indemnity Company**
	Claim No.:	**1436995**
	Policy No.:	**EKI 3051653**
	Policy Type:	**Business and Management Indemnity**
	Matters:	**Kendra Okonkwo**

Dear Mr. Cabil:

Freedom Specialty Insurance on behalf of Scottsdale Insurance Company ("Insurer") again acknowledges receipt of an Acord form and the May 21, 2012 demand letter regarding the above noted matter. This was submitted for coverage under Business and Management Indemnity Policy No. EKI 3051653 ("Policy") issued to Merle Williamson Foundation for the policy period from November 8, 2011 to November 8, 2012. Please note that the words that appear in **bold** print are defined in the Policy.

We are directing this letter to you as the authorized representative of Merle Williamson Foundation, its Subsidiaries and the individual Insureds under the above-referenced policy. To the extent you are not acting on behalf of the Insureds for insurance coverage purposes, we ask that you forward a copy of this letter to the Insureds or their authorized insurance representative for their information, and inform us with whom we should communicate in the future regarding this matter.

We note that Ms. Okonkwo's May 21, 2012 demand letter references that she "previously submitted to you letters offering a settlement." In order for us to advise you of our coverage position for the **Claim** by Kendra Okonkwo, please provide the undersigned with the following information:

1) Copies of all communications, and demand letters prior to the May 21, 2012 sent by or on behalf of Ms. Okonkwo. If there are no such prior communications, please advise us in writing.

9/27/2012

In the interim, the Insurer reserves its rights under the Policy, the application and at law. Please do not hesitate to contact the undersigned if you have any questions.

Very truly yours,

By: Marilou Giovannetti

Marilou Giovannetti
Claims Specialist
Freedom Specialty Insurance Company
7 World Trade Center, 33rd Floor
New York, New York 10007
Direct Dial: (212) 329-6954
giovanm@freedomspecialtyins.com

cc: Stephanie@dufourinsurance.com
TGershman@wbais.com

FREEDOM SPECIALTY

October 5, 2012

VIA US MAIL & EMAIL

Mr. Ed Cabil
Merle Williamson Foundation
706 East Manchester Avenue
Los Angeles, CA 90001
(edcabil@sbcglobal.net)

RE:	**INSURER:**	**Scottsdale Insurance Company**
	INSURED:	**Merle Williamson Foundation**
	POLICY NO.:	**EKI 3051653**
	CLAIMANT:	**Kendra Okonkwo**
	OUR REF. NO.:	**1436995**

Dear Mr. Cabil:

Freedom Specialty, on behalf of Scottsdale Insurance Company ("Insurer") again acknowledges receipt of the January 20, 2012 and May 21, 2012 demand letters from Kendra Okonkwo, former executive director (the "demand letter"). The above referenced Business and Management Indemnity Policy ("Policy") with the Insurer provides insurance protection to Merle Williamson Foundation ("Merle Williamson"). Nevertheless, the Policy may not cover all of the allegations in the above referenced matter. Existing law requires us to send this letter, which is known as a "Reservation of Rights" letter. This Reservation of Rights letter is not an attempt on our part to avoid our responsibilities to you under the Policy, but to apprise you of our obligations and rights. For the reasons set forth below, the Insurer will provide a defense to the Insured for this matter, subject to the terms and conditions of the Policy and our reservation of rights, set forth herein.

Should you have any questions or concerns after reading this letter, please feel free to contact me at any time. To assist you in understanding this letter, we suggest that the Policy be reviewed together with this letter. This letter does not modify the terms and conditions of the Policy. Please note that the words that appear in **bold** print are defined in the Policy.

In the demand letter, Ms. Okonkwo alleges breach of employment contract, failure to reimburse business expenses, and breach of lease agreement. Ms. Okonkwo demands $400,000 to settle this matter and has threatened legal action.

The demand letter was reviewed under the Policy, specifically the Employment Practices Coverage Section ("EP Coverage Section"), Policy No. EKS 3051653 which has a Policy Period effective from November 8, 2011 to November 8, 2012. The EP Coverage Section provides a maximum limit of liability of $1,000,000 and a retention of $15,000.

10/5/2012

We recognize that the allegations in this matter are unsubstantiated contentions at this time. Nothing in this letter is intended to suggest or imply that these allegations have any legal or factual merit. Nevertheless, we must reserve our right to decline coverage should any of the Exclusions set forth in Section C. of the EP Coverage Section, the Endorsements to the Policy, or any other provision of the Policy prove to be applicable.

Insuring Clause A. of the EP Coverage Section provides that the "**Insurer** shall pay the **Loss** of the **Insureds** which the **Insureds** have become legally obligated to pay by reason of an **Employment Practices Claim** first made against the **Insureds** during the **Policy Period**,...for an **Employment Practices Wrongful** Act taking place prior to the end of the Policy Period."

In pertinent part, an **Employment Claim** is defined as a written demand against an Insured for damages or other relief brought by or on behalf of an **Employee**. An **Employee** is defined, in pertinent part, to be full time or part-time employee and a natural person who is leased or contracted to perform work. Ms. Okonkwo alleges an employment relationship with Merle Williamson. To the extent that Ms. Okonkwo is found not to be an **Employee** of Merle Williamson, there is no coverage for this matter.

First, please note that the definition of **Loss**, except with respect to potential coverage of punitive or exemplary damages, liquidated damages and the multiple portion of any multiplied damage award, does not include taxes, fines, penalties or matters uninsurable under the law pursuant to which the Policy is construed. **Loss** also *does not include amounts owed under any employment contract, partnership, stock or other ownership agreement or any other type of contract.* In addition, **Loss** does not include benefits or any amount owed as wages.

We note that the demand letter alleges breach of lease agreement, which is not an **Employment Practices Wrongful Act**. While there is no coverage for this allegation, the Insurer will provide a defense for the entire matter.

Second, we note that Section G. 1., of the Employment Practices Coverage Section of the Policy, as amended by Endorsement No. 6, states that if any **Loss** covered under the EP Coverage Section is covered under any other valid and collectable insurance, then this Policy shall be primary insurance. Please make sure that any and all other appropriate insurers are placed on notice of this matter and provide us with copies of your notice letters, the applicable insurance policies and the insurers' responses with regard to coverage.

Section F. grants the Insurer the duty to defend this Claim. The Insurer has assigned the law firm of Jackson Lewis LLP to represent Merle Williamson in the defense of the allegations made in the demand letter. Please note again that the Policy has a Retention of $15,000. Consequently, the firm will bill Merle Williamson directly up to the Retention amount.

Section F. 4 provides that the Insureds agree not to settle or offer to settle any Claim, incur any **Costs Charges and Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Insurer's written consent. Consequently, the Insurer will not be liable for any settlement **Costs, Charges and Expenses**, assumed obligation or admission to which it has not consented.

The **Insurer's** position with respect to this matter is based upon the information provided to date, and is subject to further evaluation as additional information becomes available. The Insurer reserves its right to assert additional terms and provisions under the Policy and at law, which may become applicable as new information is learned.

10/5/2012

If you believe this claim has been wrongfully denied or rejected, in part or whole, you may have the matter reviewed by the California Department of Insurance. The address is State of California Department of Insurance, Claims Services Bureau, 11th Floor, 300 South Spring Street, South Tower, Los Angeles, California 90013. The telephone number is 1-800-927-4357 (Calling from within CA); 213-897-8921 (Outside California).

Scottsdale expressly reserves all rights and defenses under the Policy, at law and/or in equity, whether or not specifically referenced herein, to deny coverage and/or rescind the Policy upon any terms, conditions, exclusions, endorsements and other provisions of its policy and any underlying policy, including statements, declarations and omissions made in connection with the application(s), therefore as may apply. No present or subsequent action taken by Scottsdale is to be construed as a waiver of any position set forth in this letter or any rights otherwise available to it pursuant to the Policy, at law, and/or in equity.

Please do not hesitate to contact me at (212) 329-6954, should you have any questions or wish to discuss this matter further.

Very truly yours,

Scottsdale Insurance Company

By:

Marilou Giovannetti

Marilou Giovannetti
Claims Specialist
Scottsdale Insurance Company
c/o Freedom Specialty Insurance Company
7 World Trade Center, 37th Floor
New York, New York 10007
Direct Dial: (212) 329-6954
giovanm@freedomspecialtyins.com

Cc: Stephanie@dufourinsurance.com
TGershman@wbais.com

EXHIBIT 39

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 26th day of October, 2012, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve Edward Cabil to propose a **Settlement Offer to the Previous Executive Director** (Exhibit A) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

Dorothy Valente

(Signature of Board President)

EXHIBIT 40

EXHIBIT 41

OSE Business Invoice Date	Amount
6/27/2013	4542.4
5/28/2013	7588.23
5/2/2013	6015.36
3/26/2013	7856.36
2/20/2013	4955.48
1/22/2013	8527.58
12/17/2012	8778.78
11/26/2012	10,156.58
10/23/2012	9537.52
9/25/2012	13975.88
8/30/2014	14434.47
25-Jul	4969.26
6/20/2012	2399.4
5/31/2012	3183.18
5/4/2012	9,128.98
4/13/2012	1784.52
2/29/2012	6172.39
1/19/2012	8702.54
12/21/2011	7313.66

EXHIBIT 42

California Department of Education
Data Reporting Office

K-12 Public School Enrollment

0112730-WISDOM ACADEMY FOR Y

Select Report: Time Series - Public School Enrollment

Select School: WISDOM ACADEMY FOR YOUNG SCIEN --19101990112730

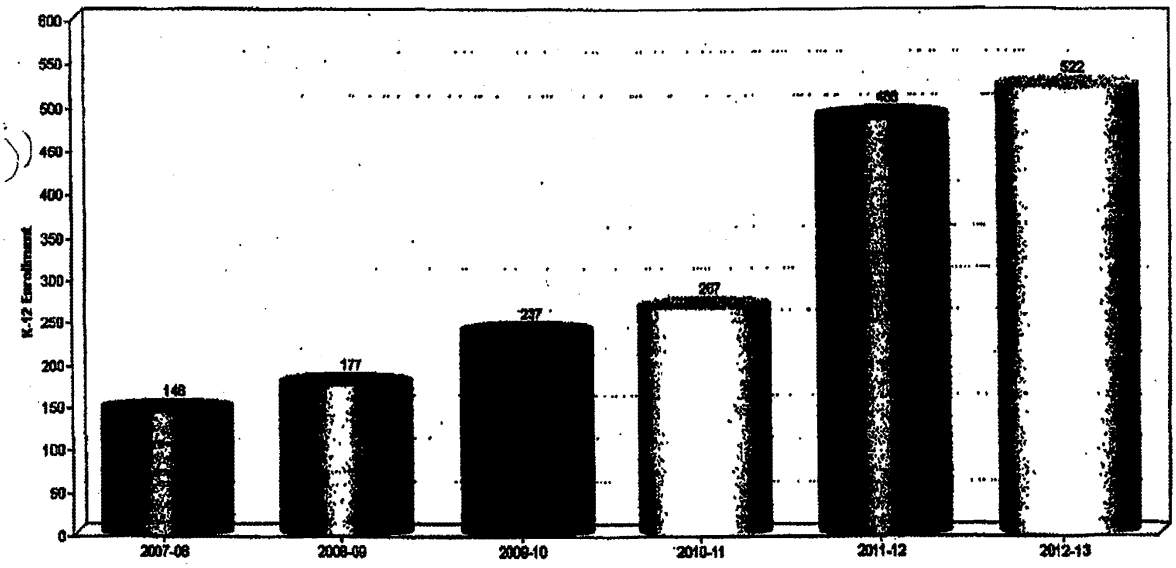

EXHIBIT 43

FCMAT
2 messages

Espinoza, Armando <armando.espinoza.10@my.csun.edu> Mon, Feb 24, 2014 at 1:26 PM
To: mwacpa@me.com, ddeal@fcmat.org, edcabil@sbcglobal.com, Jason O <mrjason7@gmail.com>

Dear Ms. Deal and Mr. Ammermon,

I am writing you regarding the audit WAYS is currently undergoing, and recent communication regarding one of the WAYS vendors, OSE Business Services.

The WAYS Administrative Team has presented to the WAYS Board that the FCMAT audit team conducted an introductory meeting in November 2013. During this meeting the WAYS staff attested to do all that is possible to assist in the Audit, and provided FCMAT full access to the WAYS records both on and off site. I am also aware that interviews of WAYS administrators and one board member has transpired, pursuant the FCMAT Audit.

In Mr. Ammermon's email dated December 11, 2013, you made several concerning statements and inquiry regarding the OSE Business Services vendor. I have monitored the communication regarding OSE Business Services regarding your inquiry, and found it evident that OSE Business Services was willing to respond to your inquiry. However, they were unavailable to meet with you and this is where the situation and communication became stagnant. Prior to your email, there were no reports of concerns about OSE Business Services presented to the WAYS Board.

I am unsure whether or how this will effect the FCMAT audit, and ultimately the school; however, in light of your concerns regarding the company and their apparent decision to not meet with with the FCMAT audit team to sort out the uncertainty expressed in Mr. Ammermon's email, I believe that their decision did not serve the best interest of the school. At upcoming February 27, 2014WAYS Board Meeting, the FCMAT Audit will be discussed with regard to the recent communication regarding OSE, with the intention that the WAYS Board will consider and respond to the expressed concerns. In the interim, until consideration is taken and direction is given from the WAYS Board, the WAYS administration have been directed to place all orders from OSE on hold.

Since this item will be considered at the February 27, 2014 WAYS Board Meeting Agenda in public session, I am also formally inviting you to make a presentation to the WAYS Board of Directors regarding the FCMAT audit, other concerns, and recommendations. WAYS is continuously growing and eager to receive any recommendations from your team regarding ways in which we can refine our practices and policies.

I look forward to hearing from you.

Sincerely,

Armando Espinoza
WAYS Board Member

Armando Espinoza
California State University, Northridge

Tel: (323) 253-0775
armando.espinoza.10@my.csun.edu

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 13 day of March, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to authorize the Executive Director or designee to disburse the final payment for OSE Business Services Invoice #30 dated February 18, 2014, and restrict purchases and services provided by the OSE Business Services vendor on behalf of Merle Williamson Foundation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board President)

EXHIBIT 44

Subject: Thank You!

From: Porter, T.R (t.r.porter@lausd.net)

To: wisdomacademy4ys@yahoo.com;

Cc: robert.bravo@lausd.net; leticia.vellanoweth@lausd.net; claudia.m.lara@lausd.net; eunice.williams@lausd.net; jose.cole-gutierrez@lausd.net;

Date: Friday, July 16, 2010 9:46 AM

Ms. Watson and Ms. Okonkwo,

Thank you so much for the gracious hospitality you extended to our teams in allowing us to watch the dance portion of your summer program and to tour the WAYS facility. We know that in supporting our tour of 7/16/10, you made special accommodations to fit our tour activities into your already busy daily schedule.

Our entire team was inspired by the dance activities that we observed and we continue to share those positive reflections among us.

Please give a special thank you to Ms. Deara Okonkwo for the outstanding presentation she provided. Best regards and many thanks.

t.r. Porter, Ed.D

** Please Note New Contact Information ** t.r. Porter, Coordinator, Charter Schools
Innovation and Charter Schools Division Los Angeles Unified School District
333 South Beaudry Avenue, 25th Floor
Los Angeles, CA 90017
(213) 241-5104 (main office)
(213) 241-5525 (direct)
(213) 241-4710 fax

t.r.Porter@lausd.net

http://charterschools.lausd.net/

EXHIBIT 45

Vehicle Donation Letter

Donor:
Emeka Enwezor
953 West 45th Street
Los Angeles, CA 90037

Donated to:
Merle Williamson Foundation
706 East Manchester Ave
Los Angeles, CA 90001

Donation(s):

Vehicle(s)	VIN	Value
1994 Ford E-350 VAN - White -- 15-passenger - Automatic	1FBJS31G6SHA42712	$4800
Total		$4800

On December 31, 2012, the above-referenced vehicle(s) was/were given by the donor to Merle Williamson Foundation.
The donor did not receive anything in exchange for this donation.

Merle Williamson Foundation is recognized as a non-profit organization per IRS Code 432.56.215-B. Their tax identification number is 63-6292527.

Please retain this receipt for income tax purposes.

STATE OF CALIFORNIA

CERTIFICATE OF TITLE

50214031124

VEHICLE HISTORY

AUTOMOBILE

VEHICLE ID NUMBER	YR MODEL	MAKE	PLATE NUMBER
1FBJS31G6SHA42712	1995	FORD	3JNP021

BODY TYPE MODEL	AX	UNLADEN WEIGHT	FUEL	TRANSFER DATE	FEES PAID	REGISTRATION EXPIRATION DATE
SV			G	12/31/12	$30	11/18/2014

YR 1ST SOLD	CLASS	YR	MO	EQUIPMT/TRUST NUMBER	ISSUE DATE
1994	AN	2012	VP		03/21/14

MOTORCYCLE ENGINE NUMBER

ODOMETER DATE: 05/08/1996

ODOMETER READING

REGISTERED OWNER(S)

OKONKWO JASON/
MERLE WILLIAMSON FOUNDATION
706 E MANCHESTER AVE
LOS ANGELES CA 90001

I certify (or declare) under penalty of perjury under the laws of the State of California that **THE SIGNATURE(S) BELOW RELEASES INTEREST IN THE VEHICLE.**

1a. _____ X _____
DATE — SIGNATURE OF REGISTERED OWNER

1b. _____ X _____
DATE — SIGNATURE OF REGISTERED OWNER

Federal and State law requires that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

The odometer now reads [,] (no tenths), miles and to the best of my knowledge reflects the actual mileage unless one of the following statements is checked.

WARNING ☐ Odometer reading is not the actual mileage. ☐ Mileage exceeds the odometer mechanical limits.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE	TRANSFEROR/SELLER SIGNATURE(S)	DATE	TRANSFEREE/BUYER SIGNATURE(S)
	X		X

PRINTED NAME OF SELLER OR AGENT SIGNING FOR A COMPANY	PRINTED NAME OF BUYER OR AGENT SIGNING FOR A COMPANY

IMPORTANT READ CAREFULLY

Any change of Lienholder (holder of security interest) must be reported to the Department of Motor Vehicles within 10 days.

LIENHOLDER(S)

2. X _____
Signature releases interest in vehicle. (Company names must be countersigned)

Release Date _____

CA 149955895

000842

REG. 17.30RS (REV.10/2012)

KEEP IN A SAFE PLACE - VOID IF ALTERED

VOID WITHOUT BEAR WATERMARK, HOLD TO LIGHT TO VIEW

EXHIBIT 46

Vehicle Lease Agreement

	Lessor	Lessee
Name	Emeka Enwezor	Wisdom Academy
Address	953 [illegible]	[illegible]
City, State, ZIP	Los Angeles, CA 9001	Los Angeles, CA 9011
Phone	323-[illegible]	[illegible]

Whereas Emeka Enwezor desires to make available to Wisdom Academy hereinafter referred to as "Lessee" the use of the vehicle (hereinafter referred to as "Vehicle") described below to be driven by approved drivers.

Vehicle Description

Year: 1995

Make: Ford

Model: E-350

VIN: 1FBJS31G6SHA42[illegible]

License plate number: 3[illegible]

Now therefore, Emeka Enwezor and Lessee agree as follows:

Responsibilities of the Lessee are:

1. Allow only those drivers preauthorized by Wisdom Academy or its representative to drive the vehicle.
2. Obtain prior written approval from Emeka Enwezor for any trip that would require the vehicle to go outside of Los Angeles County.
3. Pay all fuel and oil cost.
4. Pay for all engine checks, checking maintenance and repairs of the vehicle.
5. Complete a vehicle mileage and trip log for the vehicle.
6. Maintain full coverage insurance during the entire period of this agreement.
7. Pay [illegible] registration fee for vehicle.

Term

The term of this Agreement is [illegible] 2012.

Use: This vehicle shall be used for [illegible] transportation.

Number of passengers: 13 including driver

By entering into this agreement, Lessee certifies the following:

1. Lessee agrees not to use the vehicle for purposes of providing charter services.
2. Lessee warrants that Lessee is in compliance with all California Laws.
3. Notwithstanding any other agreements, Lessee agrees to defend, hold harmless and indemnify Emeka Enweze against any and all liability with respect to bodily injury, death and property damage arising during the Lessee's use of the vehicle.
4. Lessee may not sublease the vehicle under the contract with out Emeka Enweze prior consent.

Signed

Emeka Enweze Date

[illegible] Academy Date

EXHIBIT 47

Los Angeles County Office of Education

Leading Educators • Supporting Students • Serving Communities

November 22, 2013

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Rebecca J. Turrentine
President

Kathe Braude
Vice President

Douglas R. Boyd

Jose Z. Calderon

Rudell S. Freer

Raymond Fleisher

Thomas A. Saenz

Ms. Casandra Moore-Hudnall, Chief
Division of Audits
State Controller's Office
PO Box 942850
Sacramento, CA 94250-5874

Dear Ms. Moore-Hudnall:

Enclosed is a letter from the Wisdom Academy for Young Scientists requesting a 2012-13 audit report filing extension. The Los Angeles County Office of Education, in accordance with Education Code Section 41020.2, hereby grants an extension to January 15, 2014, and asks for your concurrence.

Should you have any questions, please contact me at (562) 922-6880 or Minor_Tracy@lacoe.edu.

Sincerely,

Tracy Minor

Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services

TM:sg
Enclosure

Mr. Hannan, California Department of Education
Mr. Okonkwo, Wisdom Academy for Young Scientists
Ms. Smith, Los Angeles County Office of Education (LACOE)
Mr. Thi, LACOE

Gmail by Google

Jason O <mrjason7@gmail.com>

2012-13 Audited Financials Extension Request

Jason Okonkwo <mrjason7@gmail.com> Tue, Nov 19, 2013 at 5:34 PM
To: Memon_Zak <Memon_Zak@lacoe.edu>
Cc: Haruna Bali <balibusinessmanagement@yahoo.com>, mortega@whllp.com, "edcabil@sbcglobal.net" <edcabil@sbcglobal.net>

Hello Zak,

I am writing regarding our 2012-13 Audited Financials. We are aware that our 2012-13 Audited Financials are due on December 15, 2013. Due to the recent change of the agency that is conducting our audit, we are requesting a due date extension to January 15, 2013. We expect that our audit report will be complete on or before December 15, however we are requesting the extension as a precaution.

I look forward to your response.

Sincerely,

Jason

--
Jason Okonkwo
Direct: 323.253.8307
Email: mrjason7@ymail.com

CONFIDENTIALITY NOTICE -
The information contained in this transmission is intended only for the person or entity to which it is addressed and contains confidential and/or privileged material. If you are not the intended recipient of this information, do not review, retransmit, disclose, disseminate, use, or take any action in reliance upon, this information. If you received this transmission in error, please contact the sender and destroy all printed copies and delete the material from all computers.

Wisdom Academy for Young Scientists

November 22, 2013

Michelle LaMar
Associate Governmental Program Analyst
State Controller's Office
Division of Audits - Single Audits / EA Audits Units
lea_audits@sco.ca.gov

Delivered via Email

2012-13 Audited Financials Extension Request

Dear Michelle LaMar,

I am writing regarding our 2012-13 Audited Financials. We are aware that our 2012-13 Audited Financials are due on December 15, 2013. Due to the recent change of the agency that is conducting our audit, we are requesting a due date extension to January 15, 2014. We expect that our audit report will be complete on or before December 15, however we are requesting the extension as a precaution.

If you have questions, please call me at 323.253.8907.

Sincerely,

Jason Okonkwo
Director of Operations

Empowering Students to be Leaders, Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

5778 S. Central Avenue
Los Angeles, CA 90032
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

EXHIBIT 48

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
c. 2013-14 School Year Employment Agreements

Recommendation:
Approve the 2013-14 School Year Employment Agreements

Background:
The following Summary of Employment Agreements includes employee separations, new hires, earning increases, and changes in current status for all WAYS personnel. WAYS personnel are contracted on an "at-will" annual basis. All personnel are appropriately credentialed for the assignments for which they are being hired. All employment agreements will terminate effective June 30, 2014.

In conservative spending efforts, salary increases for seven classified and two certificated employee were not considered in the operating budget that received Board approval on July 26, 2013. Salary increases for all 9 employees are included in the Summary of Employment Agreements attached. Significant increases in classified salaries account for the increased staffing need for supervision, security, and operational procedures.

All salary increases total $24,698. Additional staffing increases total $60,534. Effective dates will be reflected in the individual employment agreements.

Implication:
In efforts to remain transparent in the practices of WAYS and compliant with all California laws and regulations regarding employment applicable to Charter Schools, WAYS Board shall consider all employment contracts at a public meeting.

By approving the 2013-14 school year employment agreements, the operational needs of the school will be met.

Fiscal Impact:
Certificated Salaries: $26,740 increase in salary expenses
Classified Salaries: $85,232 increase in salary expenses

Prepared by:
Ed Cabil and Jason Okonkwo

Attachments:
2013-14 School Year Employment Agreements Summary
2013-14 Employment Agreement Template

Notes:

WAYS Employee Contract and Budget Summary								
Name	Title/Position	Class	Term	Rate Per Mo	Budget	Account	Fund	Special Instructions/Comm
		STRS/PERS						
Allen, Suzanne	Teacher	Yes	1/1/14-6/2/13	4455.78	44557.8	1100	General	
Aparicio, Rubania	Teacher	Yes	7/29/13-6/2/14	4455.78	44557.8	1100	General	
Amador, Jennifer	Teacher	Yes	10/13/2013-6/2/	4200	42000	1100	General	
Autrey, Deborah	Teacher	Yes	7/29/13-6/2/14	4589.45	45894.53	1100	General	
Banena, Erika	Teacher	Yes	7/29/13-6/2/14	4326	43260	1100	General	
Bronder, Amber	Teacher	Yes	7/29/13-6/2/14	4326	43260	1100	General	
Cabli, Edward	Executive Dir	Yes	7/1/13-6/30/14	3325.25	100800	1300	General	
Carter, Stacey	Teacher	Yes	7/29/13-12/30/1	4326	23879.52	1100	General	
Croddy, Sheryl	Teacher	Yes	7/29/13-6/2/14	4326	43260	1100	General	
Davenport, Lindsie	Teacher	Yes	7/29/13-10/17/1	4455.78	11139.45	1100	General	
Gallardo, Raquel	Teacher	Yes	7/29/13-6/2/14	4326	43260	1100	General	
Gomez, Kaylie	Teacher	Yes	7/29/13-6/2/14	4326	43260	1100	General	
Hale, Jamica	Teacher	Yes	7/29/13-6/2/14	4455.78	44557.8	1100	General	
Henry, Laurel	Teacher	Yes	7/29/13-6/2/14	5165.46	51654.68	1100	General	
Horowitz, Karen	Principal	Yes	7/1/13-6/30/14	6666.66	80000	1300	General	
Lawson, Danielle	Teacher	Yes	7/29/13-6/2/14	4727.13	47271.36	1100	General	
Lorenzo, Noema	Teacher	Yes	7/29/13-6/2/14	4868.95	48689.5	1100	General	
Mathis, Minita	Teacher	Yes	7/29/13-6/2/14	4589.45	45894.53	1100	General	
Okonkwo, Deara	Vice Principal	Yes	7/1/13-6/30/14	6562.5	78750	1300	Gen-63%; ASES-13%;T1-19%;SE=5	
Portales-Blair, Lidiana	EL Coordinato	Yes	7/29/13-6/30/14	4179.18	50150.18	1200	General	
Sam, Olivia	Teacher	Yes	7/29/13-6/2/14	4589.45	45894.53	1100	General	
Santillan, Sandy	Teacher	Yes	7/29/13-6/2/14	4200	42000	1100	General	
Shiver, Dorian	Teacher	Yes	7/29/13-10/31/1	4326	12978	1100	General	
Skeen, Robin	Teacher	Yes	7/29/13-6/2/14	4200	42000	1100	General	
Torres, Maria De Los Angele	Teacher	No	12/9/13-6/2/14	4727.13	47271.36	1100	General	
Trice, Kenya	Teacher	Yes	7/29/13-6/2/14	4589.45	45894.53	1100	General	
Van Leuven, Jon Willem	Teacher	Yes	7/29/13-6/2/14	4727.13	47271.36	1200	Special Education-100 %	
Varges, Graciela	Teacher	Yes	7/29/13-6/2/14	4200	42000	1100	General	
Ven, Mary	Teacher	Yes	7/29/13-6/2/14	4868.95	48689.5	1100	General	
White, Yolanda	Teacher	Yes	7/29/13-6/2/14	4727.13	47271.36	1100	General	
					1397368			
Bowman, Franca	Para-Educato	No	7/29/13-6/2/14	2874.15	28741.5	2100	General	
Castro, Tanya	Office Manag	No	7/1/13-6/30/14	3583.33	43000	2400	General	
Mopre II, Larry	Administrativ	No	7/1/13-6/30/14	3285.72	39428.64	2400	Gen-50%;Child Nutrition-50%	
Lawson, Mary	Para-Educato	No	7/29/13-6/2/14	2874.15	28741.5	2100	General	
Lopez, Bernardo	Office Manag	No	7/1/13-6/30/14	2333.33	28000	2400	Gen-87%; CN-13%	
Okonkwo, Jason	Director of Op	No	7/1/13-6/30/14	7333.33	87999.96	2300	General	
Rollins, Sammie	Plant Manage	No	7/1/13-6/30/14	3026.32	36315.84	2200	General	
Alvarez, Justine	Office Clerk	No	7/1/13-6/30/14	15.00/hr	27600	2400	General	
Anario, Marytere	Para-Educato	No	7/29/13-6/2/14	15.00/hr	16200	2200	Gen-64%;CN-36%	
Dingle, Jason	PE Instructor	No	7/29/13-6/2/14	15.00/hr	16200	2200	General	
Gordon, Lydia	Para-Educato	No	7/29/13-6/2/14	15.00/hr	18900	2200	Gen-60%; CN-40%	
Gordon, Ronze	Food Server	No	7/29/13-6/2/14	12.00/hr	8640	2200	Gen-63%;CN-37%	
Hoskins, Beverly	Para-Educato	No	7/29/13-6/2/14	13.50/hr	14580	2100	General	
Johnson, Phylicia	PE Instructor	No	7/29/13-6/2/14	15.00/hr	16200	2200	General	
Johnson, Terrence	Custodian	No	7/29/13-6/2/14	13.00/hr	18720	2200	General	
Lincoln, Deborah	Para-Educato	No	7/29/13-6/2/14	15.00/hr	16200	2100	Special Education-100 %	
Lopez, Sophia	Para-Educato	No	7/29/13-6/2/14	12.00/hr	8640	2100	General- 80% Child Nutrition-20%	
Miketta, Diana	Para-Educato	No	7/29/13-6/2/14	15.00/hr	16200	2100	Special Education-100 %	
Morales, Leticia	Para-Educato	No	7/29/13-6/2/14	13.00/hr	14040	2100	Title 1-67% CN-33%	
Perez, Anita	Custodian	No	7/29/13-6/2/14	13.00/hr	18720	2200	General	
Smith, Brian	Security	No	7/29/13-6/2/14	12.00/hr	8640	2200	General	
Armbrister, Donna	ASES Leader	No	7/29/13-6/2/14	15.00/hr	10800	2200	ASES	
Bowman, Franca	ASES Tutor	No	7/29/13-6/2/14	12.00/hr	3240	2200	ASES	
Dingle, Jason	ASES Tutor	No	7/29/13-6/2/14	15.00/hr	10800	2200	ASES	
Gordon, Lydia	ASES Tutor	No	7/29/13-6/2/14	15.00/hr	10800	2200	ASES	
Hoskins, Beverly	ASES Tutor	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
Jenkins, Edward	ASES Teache	No	7/29/13-6/2/14	15.00/hr	10800	2200	ASES	
Lawson, Mary	Para-Educato	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
Lopez, Sophia	Para-Educato	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
Medel, Erick	ASES Teache	No	7/29/13-6/2/14	15.00/hr	10800	2200	ASES	
Morales, Leticia	ASES Tutor	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
Norris, Lavette	ASES Tutor	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
Santos, Nardie	ASES Tutor	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
Smith, Brian	ASES Tutor	No	7/29/13-6/2/14	12.00/hr	8640	2200	ASES	
					629427.4			

EMPLOYMENT AGREEMENT FOR:

POSITION TITLE

Between

THE WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. MANCHESTER AVE.
LOS ANGELES, CA 90001

And

EMPLOYEE NAME

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between the above named employee ("Employee") and the Board of Directors ("Board") of the Wisdom Academy for Young Scientists ("WAYS"), the holder and operator of Wisdom Academy for Young Scientists (WAYS), a California public charter school approved by Los Angeles County Office of Education. Wisdom Academy for Young Scientists Board desires to hire employees who will assist the Wisdom Academy for Young Scientists Principal in achieving the goals and meeting the requirements of the school's charter. The parties recognize that Wisdom Academy for Young Scientists is not governed by the provisions of the California Education Code, except as expressly set forth in the Charter Schools Act of 1992. The Board desires to engage the services of the Employee for purposes of assisting the Principal in implementing the purposes, policies, and procedures of Wisdom Academy for Young Scientists.

WHEREAS, Wisdom Academy for Young Scientists and Employee wish to enter into an employment relationship under the conditions set forth herein, the parties hereby agree as follows:

A. STATUTORY PROVISIONS RELATING TO CHARTER SCHOOL EMPLOYMENT

1. Wisdom Academy for Young Scientists has been established and operates pursuant to the Charter Schools Act of 1992, Education Code section 47600, et seq. Wisdom Academy for Young Scientists has been duly approved by the Los Angeles Unified School Board.

2. Pursuant to Education Code section 47604, Wisdom Academy for Young Scientists has elected to be held and operated by the Merle Williamson Foundation, a non-profit public benefit corporation pursuant to the Non-profit Public Benefit Corporation Law of California (Part 2, commencing with section 5110 et seq. of the Corporations Code). As such, Wisdom Academy for Young Scientists is considered a separate legal entity from the Los Angeles Unified School District, which granted the charter. The Los Angeles Unified School Board shall not be liable for any debts and obligations of Wisdom Academy for Young Scientists, and the employee signing below expressly recognizes that he/she is being employed by Wisdom Academy for Young Scientists and not the Los Angeles Unified School Board.

3. Pursuant to Education Code section 47610, Wisdom Academy for Young Scientists must comply with all of the provisions set forth in its charter, but is otherwise exempt from the laws governing school districts except as specified in Education Code section 47610.

4. Wisdom Academy for Young Scientists shall be deemed the exclusive public school employer of the employees at Wisdom Academy for Young Scientists for purposes of Government Code section 3540.1.

B. EMPLOYMENT TERMS AND CONDITIONS

1. Duties

Employee will perform such duties as the Executive Director or designee may reasonably assign, and Employee will abide by all Wisdom Academy for Young Scientists' policies and procedures as adopted and amended from time to time. Employee further agrees to abide by the provisions of Wisdom Academy for Young Scientists' charter.

The employee will be employed as an **POSITION TITLE** with the following general duties outlined in Exhibit A. These duties may be amended from time to time at the sole discretion of Wisdom Academy for Young Scientists.

2. Work Schedule

Although **POSITION TITLE** are contracted for 8 hours per day, the minimum on-site hours are listed below. From time to time, **POSITION TITLE** is expected to fulfill the regular contracted hours in order to accommodate parents' schedules, and school activities.

Minimum on-site hours: **M, T, W, Th, Fr: 7:30am - 4:30pm**

School Year Start/End Dates: 07/1/12 - 06/30/13

Full of Part-Time: **Full Time**

Workdays for the Employee shall be consistent with the applicable calendar of work days for this position for the period of one school year in accordance with the provisions of this Agreement. Employment is at-will as specified in Section [C] below.

Employee will not render services in person or by electronic means, paid or otherwise, for any other person or entity during contracted work hours with Wisdom Academy for Young Scientists.

3. Compensation

The total compensation for the term of the contract will be **$0,000** on an annualized basis; paid in 12 monthly installments from July through June for the contracted year.

4. Employee Benefits

Employee will be entitled to participate in designated employee benefit programs and plans established by Wisdom Academy for Young Scientists (subject to program and eligibility requirements) for the benefit of its employees, which from time to time may be amended and modified by Wisdom Academy for Young Scientists. Employers medical, dental, and vision benefits programs are limited to costs for employee only; employee's are responsible for dependent costs and life insurance. The employee benefit program is

exclusively available to full-time contracted employees.

5. **Employee Rights**

Employment rights and benefits for employment at Wisdom Academy for Young Scientists shall only be as specified in this Employment Agreement, Wisdom Academy for Young Scientists' charter, the Charter Schools Act and Wisdom Academy for Young Scientists' personnel policies, which from time to time may be amended and modified by Wisdom Academy for Young Scientists. Employment rights and benefits may be affected by other applicable agreements, directives or advisories from the California Department of Education or State Board of Education. During the term of this Agreement, Employee shall not acquire or accrue tenure, or any employment rights with the Los Angeles Unified School District or Wisdom Academy for Young Scientists.

6. **Licensure**

Employee understands that employment is contingent upon verification and maintenance of any applicable licensure credentials.

7. **Child Abuse Reporting**

California Penal Code section 11166 requires any child care custodian who has knowledge of, or observes, a child in his or her professional capacity or within the scope of his or her employment whom he or she knows or reasonably suspects has been the victim of child abuse to report the known or suspected instance of child abuse to a child protective agency immediately, or as soon as practically possible, by telephone and to prepare and send a written report thereof within thirty-six (36) hours of receiving the information concerning the incident.

By executing this Agreement, the Employee acknowledges he or she is a childcare custodian and is certifying that he or she has knowledge of California Penal Code section 11166 and will comply with its provisions.

C. **EMPLOYMENT AT-WILL**

Wisdom Academy for Young Scientists may terminate this Agreement and Employee's employment at any time with or without cause, with or without notice, at Wisdom Academy for Young Scientists sole and unreviewable discretion. Either party may immediately terminate this Agreement and Wisdom Academy for Young Scientists' employment upon written notice to the other party.

Employee also may be demoted or disciplined and the terms of his or her employment may be altered at any time, with or without cause, at the discretion of Wisdom Academy for Young Scientists. No one other than the Board of Wisdom Academy for Young Scientists has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to the term of this Agreement, and any such agreement must be in writing and must be signed by the Board of Wisdom Academy for Young Scientists and by the affected employee and must specifically state the intention to alter this "at-will" relationship.

Without impacting the at-will nature of the employment relationship, Wisdom Academy for

Young Scientists may attempt to remedy and address issues of unsatisfactory performance with the Employee in accordance with Wisdom Academy for Young Scientists' policy on Evaluation/Reviews.

D. GENERAL PROVISIONS

1. **Waiver of Breach**
The waiver by either party, or the failure of either party to claim a breach of any provision of this Agreement, will not operate or be construed as a waiver of any subsequent breach.
2. **Assignment**
The rights and obligations of the respective parties under the Agreement will inure to the benefit of and will be binding upon the heirs, legal representatives, successors and assigns of the parties hereto; provided, however, that this Agreement will not be assignable by either party without prior written consent of the other party.
3. **Governing Law**
This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of California.
4. **Partial Invalidity**
If any provision of this Agreement is found to be invalid or unenforceable by any court, the remaining provisions hereof will remain in effect unless such partial invalidity or unenforceability would defeat an essential business purpose of the Agreement.

E. ACCEPTANCE OF EMPLOYMENT

By signing below, the Employee declares as follows:

1. I have read this Agreement and accept employment with Wisdom Academy for Young Scientists on the terms specified herein.

2. All information I have provided to Wisdom Academy for Young Scientists related to my employment is true and accurate.

3. I have been issued a copy of the charter.

4. This is the entire agreement between Wisdom Academy for Young Scientists and me regarding the terms and conditions of my employment. This is a final and complete agreement and there are no other agreements, oral or written, express or implied, concerning the subject matter of this Agreement.

Employee Signature:_____ Date:_____

Wisdom Academy for Young Scientists Approval:

Date:_____ _____
Executive Director

This Employment Agreement is subject to ratification and approval by the Governing Board of Wisdom Academy for Young Scientists.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
d. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca

Recommendation:
Approve the Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca

Motion : Cheryl Vote 5/0
Second : Garcia

Background:
Since 2007 WAYS has leased the Commercial Property at 714 East Manchester Ave. Los Angeles, Ca, also known as Building F. The building provides a library area, 2 classrooms, 2 bathrooms, and one Administrative Office.

Implication:
WAYS will occupy the building and continue operations as normal.

Fiscal Impact:
Building Rent - $21,000/Annualy

Prepared by:
Ed Cabil

Attachments:
Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca

Notes:

THE LANDLORD AND TENANT AGREE TO LEASE THE PREMISES AT THE RENT RATED AND FOR THE TERM STATED IN THIS CONTRACT

LANDLORD:	TENANT:
ELDER T. TURNER	WISDOM ACADEMY FOR YOUNG SCIENTIST
12529 HANSELL AVE.	706 EAST MANCHESTER AVE.
DOWNEY, CA 90242	LOS ANGELES, CA 90002

PREMISES: 714 EAST MANCHESTER AVE., LOS ANGELES, CALIFORNIA 90001

LEASE DATE: DECEMBER 1, 20 12 TERM 5 Y. BEGIN DECEMBER 1, 20 17

END DECEMBER 1 20 17 WITH (5) FIVE YEARS OPTIONS

YEARLY	RT.
FIRST MONTHLY	RT. 1750.00
SECURITY	RT. 1 MONTH
LAST MONTH	RT. 1 NONE

1. USE: THE PREMISES MUST BE USED BY TENANT AND FOR NO OTHER REASON ONLY AS THE PARTY SIGNING THIS LEASE TENANT MAY USE PREMISES.

2. FAILURE TO GIVE POSSESSION: LANDLORD SHALL NOT BE LIABLE FOR FAILURE TO GIVE TENANT POSSESSION OF THE BEGINNING DATE TERM, RENT SHALL BE PAYABLE AS OF THE BEGINNING OF THE TERM UNLESS LANDLORD IS UNABLE TO GIVE POSSESSION, IN THAT CASE, RENT SHALL BE PAYABLE WHEN POSSESSION IS AVAILABLE. LANDLORD WILL NOTIFY TENANT AS TO THE DATE POSSESSION IS AVAILABLE. THE ENDING DATE OF THE TERM WILL NOT CHANGE.

3. RENT, ADDED RENT: THE RENT PAYMENT FOR EACH MONTH MUST BE PAID ON THE FIRST DAY OF THAT MONTH AT LANDLORD'S ADDRESS ABOVE. LANDLORD NEED NOT GIVE NOTICE TO PAY THE RENT. RENT MUST BE PAID IN FULL AND NO AMOUNT SUBTRACTED FROM IT. THE FIRST MONTH'S RENT IS TO BE PAID WHEN TENANT SIGNS THIS LEASE. TENANT MAY BE REQUIRED TO PAY OTHER CHARGES TO LANDLORD UNDER THE TERMS OF THIS LEASE. THEY ARE TO BE CALLED "ADDED RENT." THIS ADDED RENT IS PAYABLE AS RENT, TOGETHER WITH THE NEXT MONTHLY RENT DUE. IF TENANT FAILS TO PAY THE ADDED RENT ON TIME, LANDLORD SHALL HAVE THE SAME RIGHTS AGAINST TENANT AS IF IT WERE A FAILURE TO PAY RENT. THE WHOLE AMOUNT OF RENT IS DUE AND PAYABLE WHEN THIS LEASE IS EFFECTIVE. PAYMENT OF RENT IN INSTALLMENTS IS FOR TENANT'S CONVENIENCE ONLY. IF TENANT DEFAULTS, LANDLORD MAY GIVE NOTICE TO TENANT THAT TENANT MAY NO LONGER PAY RENT IN INSTALLMENTS. THE ENTIRE RENT FOR THE REMAINING PART OF THE TERM WILL THEN BE DUE AND PAYABLE.

4. NOTICES: ANY BILL, STATEMENT OR NOTICE MUST BE IN WRITING AND DELIVERED OR MAILED TO THE TENANT AT THE PREMISES AND TO THE LANDLORD AT THE ADDRESS FOR NOTICES. IT WILL BE CONSIDERED DELIVERED ON THE DAY MAILED OR IF NOT MAILED, WHEN LEFT AT THE PROPER ADDRESS. ANY NOTICE MUST BE SENT BY CERTIFIED MAIL. LANDLORD MUST SEND TENANT WRITTEN NOTICE IF LANDLORD CHANGES THE ADDRESS FOR NOTICES.

5. SECURITY: TENANT HAS GIVEN SECURITY TO LANDLORD IN THE AMOUNT STATED ABOVE. IF TENANT FULLY COMPLIES WITH ALL THE TERMS OF THIS LEASE, LANDLORD WILL RETURN THE SECURITY AFTER THE TERM ENDS. IF TENANT DOES NOT FULLY COMPLY WITH THE TERMS OF THIS LEASE, LANDLORD SELLS THE PREMISES. LANDLORD MAY GIVE THE SECURITY TO THE BUY TENANT AND WILL LOOK ONLY TO THE BUYER FOR THE RETURN OF SECURITY.

6. UTILITIES AND SERVICES: TENANT MUST PAY FOR THE FOLLOWING UTILITIES AND SERVICES WHEN BILLED: GAS, WATER, ELECTRICITY, FUEL, TELEPHONE, GARDENING, EXTERMINATING**. MAINTENANCE SERVICE CONTRACTS SHALL BE MAINTAINED, CONTINUED AND PAID FOR BY TENANT. THESE CHARGES WILL BE ADDED.

7. SPACE "AS IS": TENANT TAKES THE PREMISES " AS IS ". TENANT MAY MAKE IMPROVEMENT TO PREMISES ABIDING BY ALL LOCAL BUILDING CODE AT TENANT'S EXPENSE.

8. CARE OF PREMISES, GROUNDS: TENANT SHALL KEEP THE GROUNDS NEAT AND CLEAN. VEHICLES MAY BE DRIVEN OR PARKED ONLY IN DRIVEWAYS OR IN THE BACKYARD OFF OF ALLEY.

9. REPAIR, ALTERATIONS: TENANT MUST KEEP, AND AT THE END OF THE TERM RETURN THE PREMISES AND ALL EQUIPMENT AND OTHER PERSONAL PROPERTY CLEAN AND IN GOOD ORDER AND REPAIR. IF TENANT DEFAULTS, LANDLORD HAS THE RIGHT TO MAKE REPAIR AND CHARGE TENANT. THE COST WILL BE ADDED TO RENT.

10. LIABILITY: TENANT MUST PAY FOR DAMAGES SUFFERED AND MONEY SPENT BY LANDLORD RELATING TO ANY CLAIM ARISING FROM ANY ACT OR NEGLECT OF TENANT. TENANT IS RESPONSIBLE FOR ALL ACTS OF TENANT'S FAMILY, EMPLOYEES, GUESTS AND INVITEES.

**ADDED OTHER UTILITIES & SERVICES

11. FIRE, DAMAGE: TENANT MUST GIVE LANDLORD IMMEDIATE NOTICE IN CASE OF FIRE. LANDLORD WILL HAVE THE RIGHT TO REPAIR. IF LANDLORD REPAIRS, TENANT SHALL PAY RENT ONLY TO THE DATE OF THE FIRE AND SHALL START TO RENT AGAIN WHEN PREMISE IS USABLE. LANDLORD MAY CANCEL THE LEASE BY GIVING TENANT THREE (3) DAYS "WRITTEN NOTICE." THE TERM SHALL BE OVER AT THE END OF THE THIRD DAY AND ALL RENT SHALL BE PAID TO THE DATE OF THE FIRE DAMAGE.

12. LATE CHARGES: IN THE EVENT RENT IS NOT PAID WITHIN (5) DAYS AFTER DUE DATE, TENANT AGREES TO PAY A LATE CHARGE OF $175.00 PLUS INTEREST AT 12% PER ANNUM ON THE DELINQUENT AMOUNT. TENANT AGREES FURTHER TO PAY TWENTY-FIVE DOLLARS FOR EACH DISHONORED BANK CHECK.

13. LANDLORD'S CONSENT: IF TENANT REQUIRES LANDLORD'S CONSENT TO ANY ACT AND SUCH CONSENT IS NOT GIVEN, TENANT'S ONLY RIGHT IS TO ASK THE COURT TO FORCE LANDLORD TO GIVE CONSENT. TENANT AGREES NOT TO MAKE ANY CLAIM AGAINST LANDLORD FOR MONEY OR SUBTRACT ANY SUM FROM THE RENT BECAUSE SUCH CONSENT WAS NOT GIVEN.

14. LANDLORD MAY ENTER, KEYS, SIGNS: LANDLORD MAY AT REASONABLE TIME ENTER THE PREMISES TO EXAMINE, TO MAKE REPAIRS OR ALTERATIONS, AND TO SHOW IT TO POSSIBLE BUYERS, LENDERS OR TENANTS. TENANT MUST GIVE LANDLORD KEYS TO ALL LOCKS. LOCKS MAY NOT BE CHANGED OR ADDITIONAL LOCKS INSTALLED WITHOUT LANDLORD'S CONSENT. DOORS MUST BE LOCKED AT ALL TIMES. WINDOWS MUST BE LOCKED WHEN TENANT IS OUT. LANDLORD MAY PLACE THE USUAL "FOR RENT" OR "FOR SALE" SIGNS UPON THE PREMISES.

15. COMPLIANCE WITH AUTHORITIES: TENANT SHALL COMPLY WITH ALL STATUTES, ORDINANCES AND REQUIREMENTS OF ALL MUNICIPAL, STATE AND FEDERAL AUTHORITIES NOW IN FORCE, OR IN WHICH MAY HEREAFTER BE IN FORCE, PERTAINING TO THE USE OF THE PREMISES.

16. ATTORNEY'S FEES: IN THE EVENT THAT OWNER SHALL PREVAIL IN ANY LEGAL ACTION BROUGHT BY EITHER PARTY TO ENFORCE THE TERMS HEREOF OR RELATING TO THE DEMISES' PREMISES, OWNER SHALL BE ENTITLED TO ALL COSTS INCURRED IN CONNECTION WITH SUCH ACTION, INCLUDING A REASONABLE ATTORNEY'S FEE.

17. WAIVER: NO FAILURE OF OWNER TO ENFORCE ANY TERM HEREOF SHALL BE DEEMED A WAIVER, NOR SHALL ANY ACCEPTANCE OF A PARTIAL PAYMENT OF RENT BE DEEMED A WAIVER OF OWNER'S RIGHT TO THE FULL AMOUNT THEREOF.

18. ILLEGALITY: IF ANY PART OF THIS LEASE IS NOT LEGAL, THE REST OF THIS LEASE WILL BE UNAFFECTED.

19. SUCCESSORS: THIS LEASE IS BINDING ON ALL PARTIES WHO LAWFULLY SUCCEED TO THE RIGHTS TO TAKE THE PLACE OF THE LANDLORD OR TENANT.

20. INSURANCE: TENANT MUST PROVIDE LANDLORD WITHIN NINETY DAYS OF SIGNED LEASE LIABILITY AND FIRE INSURANCE ANNUAL.

21. REPRESENTATIONS, CHANGES IN LEASE: TENANT HAS READ THIS LEASE. ALL PROMISES MADE BY THE LANDLORD ARE IN THIS LEASE. THERE ARE NO OTHERS. THIS LEASE MAY BE CHANGED ONLY BY AN AGREEMENT IN WRITING SIGNED BY AND DELIVERED TO EACH PARTY.

22. PARAGRAPH HEADING: THE PARAGRAPH HEADINGS ARE FOR CONVENIENCE ONLY.

23. EFFECTIVE DATE: THIS LEASE IS EFFECTIVE WHEN LANDLORD DELIVERS TO TENANT.

SIGNATURES AND AGREEMENT: THE PARTIES HAVE ENTERED INTO THIS LEASE ON THE DATE FIRST ABOVE STATED.

THE UNDERSIGNED TENANT HEREBY ACKNOWLEDGES RECEIPT OF COPY HEREOF.

ELDER T. TURNER AGENT NAME	WISDOM ACADEMY FOR YOUNG SCIENTISTS TENANT'S NAME
8845 N. CONGRESS AVE. #527 ADDRESS	706 E. MANCHESTER AVE. ADDRESS
KANSAS CITY, MO. 64153 CITY STATE ZIP	LOS ANGELES, CA 90001 CITY STATE ZIP
816-505-4424 PHONE NO.	323-351-8865 TENANT'S PHONE NO.
DATE: DECEMBER 1, 2012	SS. #
LANDLORD'S SIGNATURE	D3402 5 [illegible] DRIVER'S LICENSE NO.
	TENANT'S SIGNATURE

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
e. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca.

Recommendation:
Approve the Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca.

Motion : Cook Vote : SP Approved
Volunti : Ecco-d

Background:
Since 2009 WAYS has leased Parking Lot at 720 East Manchester Ave. Los Angeles, Ca. The property is leased by United Christian Missionary Baptist Church.

Implication:
WAYS will utilize the parking lot and continue operations as normal.

Fiscal Impact:
Lot Rent - $2,400/Annualy

Prepared by:
Ed Cabil

Attachments:
Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca.

Notes:

PARKING LOT LEASE

STATEMENT OF GENERAL TERMS & CONDITIONS

This agreement is made and entered in as of November 1, 2013 between United Christian Missionary Baptist Church, hereinafter referred to as "leaser" and Merle Williamson Foundation (Dba as Wisdom Academy for Young Scientists) hereinafter referred to as "lessee". Whereas, leaser desires to lease to lessee and leaser desires to lease from lessee the 'parking lot' generally described as 722 East Manchester Avenue, Los Angeles, CA 90001 it is herein agreed as follows:

1. Leaser hereby leases to lessee the parking lot described above for a term of one year beginning November 1, 2013 and ending October 31, 2014, between the hours of 6:00 a.m. to 9:00 a.m. and 3:00 p.m. to 7:00 p.m. Monday thru Friday.

2. Lessee agrees to pay the stipulated rental fee of two-hundred dollars ($200.00) in advance on the first day of each month to the leaser by mail or in person at the respective address as noted below:

   United Christian Missionary Baptist Church

   722 E. Manchester Avenue

   Los Angeles, California 90001

3. Upon receiving any payment of the rent the leaser agrees to issue a receipt stating name of lessee; amount of rent paid and period for which said rent is paid.

4. The leaser agrees that the lessee shall pay proportionately for any portion of the month the parking lot is in use; e.g. , spring break; summer break; etc.

5. The lessee affirms his understanding that the leaser does not furnish attendants for the parking of automobiles, and if any employee of the leaser shall, at request of the lessee, handle, move, park or direct any vehicle place in the parking area, then and in every case, such employee shall be deemed the agent of lessee, and lessee, not the leaser, shall be liable for any loss, damage or injury or expense that may be suffered or sustained in connection

STATEMENT OF GENERAL TERMS & CONDITIONS

therewith or arising from acts of lessee or any employee who may be acting as agent of lessee.

6. Leaser is not responsible for items left in any vehicle parked in parking lot.

7. The lessee shall maintain liability insurance in force for the life of this agreement naming the leaser as additional insured (see certificate of liability insurance attached as part of this agreement). Leaser shall be notified when insurance is no longer in force, changed or amended.
   Insurance shall be a minimum of one million dollars.

8. Lessee shall lock the gate when not in use during the above stated hours of use.

9. Twenty four hour notice shall be provided in the event the parking lot is not available for use due to leaser activities, e.g., repairs; funerals; weddings; or other church activities.

10. In the event the lessee has a special event that extends beyond the normal hours as stated in this agreement, such as after school activities; registration that the parking extends beyond the hours stated they shall notify the church as soon as such event is scheduled (no less than 48 hours prior to such event) and obtain permission to have such event that exceeds the hours stated. In the event of special activities a parking attendant shall be provided by the lessee to orderly park cars and prevent damage to premises. Any special activities on Wednesday night lessee shall notify one of the contacts below 48 hours prior to the event.

11. During the hours stated above that are used for parking (6:00 a.m. - 9:00 a.m. and 3:00 p.m. - 7:00 p.m.) the parking stalls furthest from the church shall be utilized (along the brick wall) to eliminate excess automotive fluids from staining parking lot stalls next to church.

12. Contacts for lessee shall be in the following order:
    - Robert Kennedy (323) 777-8033 (Cell)
    - James Ealey (310) 486-6792 (Cell)
    - Rev. Nathaniel Haley (951) 576-0724
    - United Christian MBC (323) 752-4767

STATEMENT OF GENERAL TERMS & CONDITIONS

LEASER

Name: Robert L. Kennedy Title: Chair Trustee Board

United Christian Missionary Baptist Church

Date: 10-29-13

Lessee

Name: [signature] Title: Executive Director

Wisdom Academy for Young Scientists

Date: 10/29/13

cc: Wisdom Academy
ucmbc

Director of Operations Board Report 08/10/11

Director of Operations
Board Report
08/10/11

Items to be presented:

I. Los Angeles Department of Building and Safety (LADBS) – Orders to Comply (OTC)
   a. Initial: Construction start date: August 3, 2011; estimated end date: August 12, 2011
   b. I was directed by Mr. Cureton, Executive Director, on August 2, 2011 to postpone OTC Construction until further notice, as ordered by the Board of Directors (BOD) on August 2, 2011.
   c. Orders To Comply work initiated November 29, 2010. Formal Proposals received March-April 2011. Selected contract, RPM Construction Management, signed April 13-14, 2011.
   d. I suggested to the previous Executive Director, Kendra Okonkwo, and the Board of Directors that the construction be postponed due to uncertainty of Charter School approval during the renewal process.
   e. All necessary extensions have been acquired.
   f. July 15, 2011, meeting with RPM Construction management to review scope of work to be completed, contract, and price. We negotiated the price from $57,900 down to the final price $53,100 without relinquishing any of the duties in the scope of work from the initial contract.
   g. New contract from RPM Construction Management needs to be approved by the Executive Director before August 11, 2011 to ensure that work will be completed in time before school opens.
   h. It is imperative, that the funds remain reserved and that this work is completed in order to guarantee that our facilities remain ADA complaint, permitted for its use, and safe for our students.
   i. RPM has a legal binding contract previously signed by our school that could possibly be grounds for a potential lawsuit that will cost us significantly more than the cost of the project and still require us to complete the corrections issued to by LADBS.
   j. We need to comply with the orders in order to provide adequate disabled persons access to the public, since we are a public facility. We need to do this in a reasonable time to avoid construction-taking place during instruction, while students, and more staff and public are present, and to avoid potential claims and lawsuits against our school in this matter, which is ultimately in the best interest of the organization.
   k. Regarding WAYS versus OCI responsibility of cost, this matter should be resolved upon the commencement and completion of the project. We should remember to protect ourselves from any potential legal action by any entity and the public, provide the community with the proper disabled persons access.

Director of Operations Board Report 08/10/11

III. National School Lunch Program

a. June 2011 School Food Reimbursement ($16,225.19) received and deposited
b. NSLP Application for Salvation Army will be completed upon Lease Agreement approval and signage.,p

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
n. Wells Fargo Payroll Systems Agreement

Recommendation:
Approve the Wells Fargo Bank proposal for Payroll Services.

Background:
Currently, WAYS employs its back office provider Bali Business Management to process the payroll checks. Bali Business Management is also charged with ensuring that several other aspects of the schools finances and reports are complete, compliant, and in good standing. WAYS staff believes that if WAYS employs Wells Fargo for payroll services, Bali streamlines its focus on the aforementioned matters, resulting better performance and service to the school.

Implication:
As long as the information provided to Wells Fargo is accurate and on time, and the our bank account is sufficiently funded, the payroll tax deposits and filings will be accurate and on time or Wells Fargo will pay any resulting fees and penalties assessed by the applicable agency.

Fiscal Impact:
Service Fee: $4425.00/annually

Prepared by:
Jason Okonkwo

Attachments:
Wells Fargo Payroll Systems Brochure and Proposal

Notes:

WELLS FARGO

2-19-14

Hello Jason,

I am sure that our Wells Fargo Payroll Services product can help you manage your payroll needs, freeing up time for you to focus on other aspects of your business. **The proposal for 28 employees paid Twice Per Month $112.50 per pay period. I know you have 50 employees, if you were to pay all 50 at one time it would be $146.95 per pay period.**

This fee includes: Payroll Delivery, Direct Deposit, New Hire Reporting, Payroll Tax Deposits, Payroll Quarterly Tax Filings, Payroll Reports, Paid Time off Tracking and Reporting. GL standard export for QuickBooks users, Wells Fargo 401k tracking and general workers' compensation tracking. Free Business Checking account (no monthly service charge), Human Resource Solution(HR360)

We offer several benefits which business owners and managers find valuable, including:

- Personal Service- A dedicated Account Manager Team provides personalized service, answers your questions and guides you through the payroll process on an ongoing basis.

- **Payroll Tax Guarantee-** As long as the information that you provide to us is accurate and on time and your account is sufficiently funded, your payroll tax deposits and filings will be accurate and on time or we will pay any resulting fees and penalties assessed by the applicable payroll-taxing agency.

- **100% Money-Back Guarantee-** If you are not completely satisfied with our payroll service, you may cancel service within 90 days of your first payroll processing and receive a full refund of all fees paid.

- **HR360-** *HR360* from Business Payroll Services is like having an HR expert on staff. The easy to navigate and understand website features information on the newest legislation and state employment laws. The site also contains more than 500 downloadable forms and posters -- from new employee applications and time-off forms to termination letters, expense reports and worker's compensation posters. *HR360* is there to support small businesses every step of the way, 24 hours a day, seven days a week.

Please feel free to follow up with me if you have any questions. Thank You

Tanya Cain

Business Payroll Services

The Wells Fargo OptRight℠ Payroll Solutions advantage

Convenience, flexibility, and choice make managing your payroll easier and faster. That means you can spend less time working in your business and more time growing your business.

For more information:

TANYA CAIN
Senior Sales Consultant
310 974-2351

Choice. A variety of options that best fit your business and your employees' needs.

- Manage your time and your payroll costs by choosing from four payroll input methods
  - Save time by choosing phone/fax or e-mail and let us input your payroll data
  - Save money by selecting online and input your payroll data in-house
- Save your employees money–when you choose Wells Fargo *OptRight* Payroll Solutions. Your employees:
  - Incur no check cashing fees when they cash their payroll checks at a Wells Fargo branch, even if they are not a Wells Fargo customer
  - Are eligible for discounted personal banking services, including employee checking accounts free of monthly maintenance fees (with direct deposit)

Flexibility. Adapts to your payroll processing needs.

- Take control of your payroll with our online input method:
  - Anytime, anywhere input of your payroll data as long as you have a computer and a high speed Internet connection
- Enjoy the satisfaction of being able to offer your employees multiple payment methods–checks, direct deposit or *Wells Fargo*® PayCard

Convenience. Seamlessly integrates your payroll with business online banking.

- Easily control your cash flow by managing both your bank accounts and your payroll from one online location
- Free up more time with instant access to your payroll information when you want, where you want
- Simplify business administration with single sign on to both online banking and payroll processing and enjoy peace of mind knowing your payroll data is safe and secure

Payroll tax guarantee. As long as the information you provide to us is accurate and on time and your account is sufficiently funded, your payroll tax deposits and filings will be accurate and on time or we'll pay any resulting fees and penalties assessed by the applicable agency.

Together we'll go far

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
h. Adoption of LACOE implemented SIRAS Special Education Information System

Recommendation:
Approve the adoption of LACOE implemented SIRAS Special Education Information System

Background:
The Special education management Information program is a user-friendly, comprehensive database system that collects and compiles data, develops statistical reports, and performs error checks. It also warns the user of upcoming evaluations and IEPs. It is 100% compliant to the California State's CASEMIS reporting system (Student Data Table, Service Table, Discipline Data Table, and Post Secondary). No need to remember codes, simply make a selection and the code is inserted automatically. It also manages a variety of non-CASEMIS related information such as summer school, case manager and school psychologist information, STAR data, emergency, medical, transportation, referral data, and much more. When new information not in the database must be tracked, it is also easy to add new data fields. The program has a "search and sort" feature that when coupled with the modifiable list feature, makes searches, sorts and report building a snap.

Implication:
A new system has to be adopted for next school year. The current system is old and doesn't adequately check for submission errors, which leads to a lot of extra time being spent on compliance issues for state submission. The new system is much more automated and automatically updates changes based on input. It doesn't require the knowledge of codes, which makes data entry much more simple. Any kind of document can be attached which allows for a complete record of older information to be scanned into the computer and added to their file for a complete thoroughness of record. Once the new system is purchased, within three weeks, the current information will be ported over to the new service by LACOE, followed by a subsequent training the staff that will be responsible for data entry.

Fiscal Impact:
Computer Subscriptions/Software: $8,000

Motion : Johnson
Second : Valenti
Approved 5/0

Prepared by:
Jon Willem Van Leuven

Attachments:
Brochure - SIRAS Special Education Information System

Notes:

Special Education Support Program (IEP Development Software)

SIRAS has been called the "Cadillac of IEP programs" because of its many comprehensive and integrated features, its ability to guide the user to ensure compliance, and for its simplicity. SIRAS is more than just an IEP program that produces forms. It checks the accuracy of the paperwork, checks and documents the student's compliance status, and manages paperwork. The user navigates through the SIRAS software using a simple and logical user interface. When using the many popup menus and the GoalWizard SIRAS can translate your IEP forms from English into Spanish onto the Spanish IEP forms instantly. With 16 years of experience, SIRAS is the only IEP program entirely designed and created by special education teachers and related services to accommodate their needs.

CASEMIS / Student Reporting System

The Special education management information program is a user-friendly, comprehensive database system that collects and compiles data, develops statistical reports, and performs error & warning checks. It also warns the user of upcoming evaluations and IEPs. It is 100% compliant to the California State's CASEMIS reporting system (Student Data Table, Service Table, Discipline Data Table, and Post-Secondary). At the time of reporting, as part of our service, Siras Systems produces the results of the CDE CASEMIS Program within SIRAS. It also manages a variety of non-CASEMIS related information such as summer school, case manager and school psychologist information, STAR & DRDP data, emergency, medical, transportation, referral data, and much more. Additionally when new information not in the database must be tracked, new fields can be created on the fly. The program has a "search and sort" feature that when coupled with the customizable list, makes searches, sorts and report building a snap.

SIRAS Features and Capabilities

- Easy customization of the system and inclusion of your SELPA/district forms
- GoalWizard develops legally defendable goals and translates them into Spanish; behaviors aligned to standards; over 5,600 behaviors encompassing all Domains aligned to curriculum
- Forms in English and Spanish: fill out the English form and popup menus translate instantly into Spanish on the Spanish form
- Complete CASEMIS validation and support; no longer need to use CDE CASEMIS program *(explained during presentation)*
- Any kind of document can be attached to record such as a doctor's note or a psychological evaluation.
- Statistical reports with graphing capabilities
- Customizable lists and queries that can be saved
- Conductivity between SIS (i.e. Genesis, Aries) and SIRAS to passively pass data to and from systems via scheduled im/exports or drivers
- Customizable user roles and access levels
- Compliance reports all color coded
- Personnel report
- View only options for DOR records: have view only access of IEPs for your DOR students
- Avery Labels
- DRDP & STAR reporting
- Organized workflow: based on the meeting purpose SIRAS will provide the required and optional forms for that student
- Case manager / School / District Calendar & Bulletin Board
- SELPA/ District / School compliance summaries
- Internal email and support system with online training videos

EXHIBIT 49

Wisdom Academy for Young Scientists
Board Meeting
March 27, 2014

Principal/Vice Principal Report

1. **Highlights! -** *Events that occurred throughout the month of March.*

- Student Engagement
  - ICYOLA Choral Program
  - Principal for a Day
  - Fun Friday
- Parental Involvement
  - Kinder Round Up - Presentations at Head Starts
  - Smarter Balanced & Technology Workshops
  - SSC Meeting/DELAC Parent Meeting
- Community Engagement
  - Black History Month Program Guest Speakers
- Fundraising
  - Pi Day Festival ($537)
  - Spring Carnival - April 10 (3:00 - 5:00pm)

2. **Student Achievement**

- Spring 2014 Testing
  - Smarter Balanced Testing has commenced (March 25 - April 25)
    - Strengths
    - Concerns
  - Grade 5 will also take the Science portion of the CST only.
- Professional Development
  - Training Topics Included:
    - Unpacking Math Common Core State Standards, PBL, Differentiated Instruction, Technology, Unit of Study, Innovative Instruction, Grade-Level PD, Field Trip Planning

3. **WASC**

- Post Self-Study Tasks Completed.
- We should be informed of Accreditation no later than June.

4. **Attendance**

- Month 8 has been resubmitted for approval.
- ADA target (95% or higher).

5. **End of Year Activities (see April & May calendar attached)**

- 5th Grade Formal Ball - May 2nd
- WAYS Annual Awards - May 20th
- WAYS Field Day - May 27th
- WAYS Kinder and 5th Grade Graduation - May 30th

WAYS000737

Wisdom Academy for Young Scientists

April 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Smarter Balanced Testing ICYOLA Choir, 2pm	**2** Smarter Balanced Testing K – 5 PD	**3** Smarter Balanced Testing ICYOLA Choir, 2pm	**4** Smarter Balanced Testing	5
6	**7** Smarter Balanced Testing K – 2 PD	**8** Smarter Balanced Testing ICYOLA Choir, 2pm	**9** Smarter Balanced Testing SSC Meeting, 2pm 3 – 5 PD	**10** Smarter Balanced Testing ICYOLA Choir, 2pm Spring Carnival	**11** Smarter Balanced Testing 2nd Grade Field Trip	12 DeDe Dance Studio 6th Annual Ball
13	**14** Spring Recess	**15** Spring Recess	**16** Spring Recess	**17** Spring Recess	**18** Good Friday Spring Recess	19
20 Easter Sunday	**21** Smarter Balanced Testing K – 2 PD	**22** Smarter Balanced Testing Fire Drill ICYOLA Choir, 2pm	**23** Smarter Balanced Testing 3 – 5 PD	**24** Smarter Balanced Testing ICYOLA Choir, 2pm	**25** Smarter Balanced Testing Ends	26
27	**28** Spirit Week K – 2 PD	**29** Spirit Week Grammar Competition	**30** Spirit Week 3 – 5 PD Open House			

Wisdom Academy for Young Scientists
Board Meeting
February 27, 2014

Principal/Vice Principal Report

1. **Highlights! -** *Events that occurred throughout the month of February.*

- Student Engagement
  - Physical Science Fair
  - 5th Graders to Lake Arrowhead
  - Valentine's Day
  - Fun Friday
  - Gifted Students - Robotics Presentation
- Parental Involvement
  - Gifted Parent Workshop
  - Smarter Balanced & Technology Workshops
  - SSC Meeting/DELAC Parent Meeting
  - Parent Conferences (Trimester 2 Report Cards)
  - Black History Month Program, tomorrow at 11am (Sal. Army) and 1pm (Man)
- Fundraising
  - Valentine's Grams and Friendship Dance ($549)
  - Pi Day Carnival - March 14th (3:00 - 5:00pm)

2. **Student Achievement**

- Recent Periodic Assessments
  - Trimester 2 Benchmarks & Reading Comprehension Test (February 3rd - 6th)
    - Data posted in Main Offices
- Upcoming Periodic Assessments
  - Grammar Competition (Today, February 27th)
  - Trimester 3 begins March 3rd.
- Grade level collaboration
  - Biweekly Grade-Level PDs
- Spring 2014 Testing
  - Grades 3 - 5 will take the either ELA **and** Math Smarter Balanced Field Test (March - April).
  - Grade 5 will also take the Science portion of the CST only.

3. **WASC**

- Self Study was conducted February 23 - 26.
- Please see attachment for PPT overview of findings.

4. **Attendance**

- Approved Month 7 Average 94.55%
- Did not meet target (95% or higher).
  - .66 decline from Month 6

5. **Upcoming Events (see March calendar attached)**

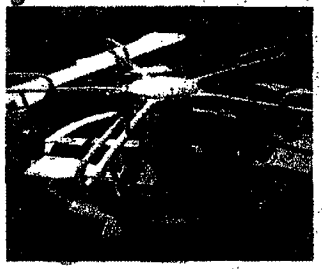
WASC/CDE Visiting Committee
Final Presentation

Wisdom Academy of Young Scientists

February 24-26, 2014

WAYS000740

Organization: Vision and Purpose, Governance, Leadership and Staff, and Resources



Areas to Celebrate

- Passionate staff and leadership committed to students of the community.
- High expectations for all students with a high degree of respect.
- Strong school mission, vision, philosophy that is clearly communicated to all stakeholders.

Areas for Focus

- More involvement of parents and staff members to promote transparency, accountability and shared responsibility.
- The need for increased physical space (facility)
- The need to develop systems of organization to document activities and programs as well as evaluate their effectiveness.

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WASC/CDE

WAYS000741

...astruction

Areas to Celebrate

The students are actively engaged in the learning process

Students understand schoolwide learning expectations

Teachers as well as support staff provide intervention for struggling students

Areas for Focus

Expansion of computers and technology

More student driven projects or activities

More field trips to provide students with additional real world experiences

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WASC/CDE

WAYS000742

School Culture and Support for Student Personal and Academic Growth

Areas to Celebrate

WAYS provides workshops to teach parents how to help their student with homework and reading

WAYS orchestrated an opportunity for the parents to purchase new technology to be used at home for advancing their education

WAYS has many activities to promote and encourage academic success, including assemblies, family nights, academic fairs, achievement recognition ceremonies and after school enrichment programs

Areas for Focus

Comprehensive internet safety curriculum

Challenging curriculum to address the needs of high achieving students and students at or near proficiency

Identify and implement on a consistent basis the most effective student centered community resources, clubs, interventions and activities

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WASC/CDE

WAYS000743

Critical Areas for Focus

Your own self-study identified and you should continue to work on:

Areas for Focus

Reading comprehension

Enhance technology resources

Support EL and Special Education students

As you plan and implement your work, include:

Ongoing training and monitoring of common core instruction to effectively utilize the new curriculum.

Providing more space for student instruction to strengthen project based learning and common core outcomes.

The need to develop systems of organization to document activities and programs as well as evaluate their effectiveness.

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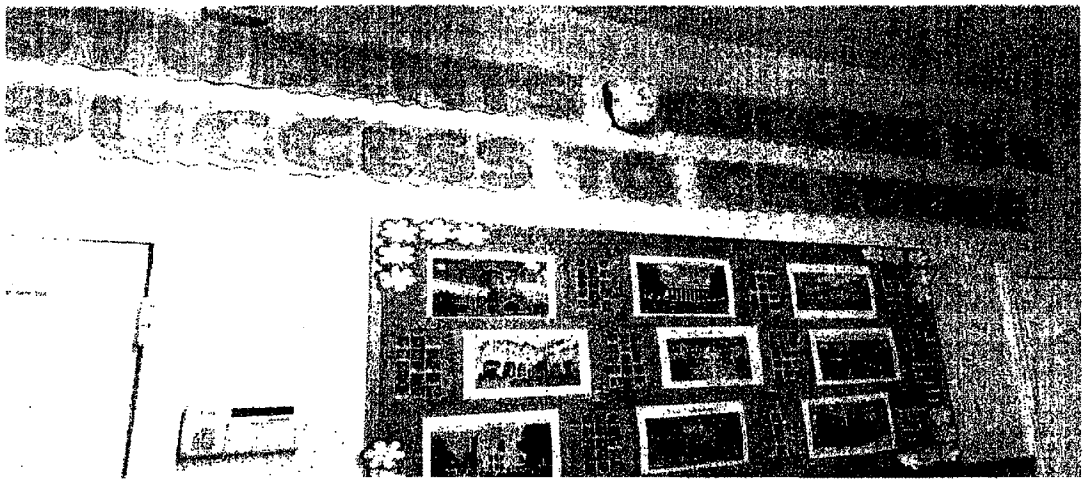
WAYS000744

Schoolwide Action Plan



Visualize what will be different for students....

- **One year from now?**
- **Two years from now?**
- **Three years from now?**

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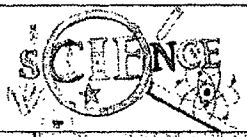
WAYS000745

Wisdom Academy for Young Scientists

March 2014



Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3** Dr. Seuss B-Day Kinder Round-Up Begins 3rd Grade Practice Test	**4** 8am Parent Meeting for Smarter Balanced 3rd Grade Practice Test	**5** K – 5 PD 4pm Parent Meeting for Smarter Balanced 4th Grade Practice Test	**6** Culmination of Career Day 4th Grade Practice Test	**7** Coffee w/ the Principal Trimester 2 Awards Assembly Fire Drill	8
9	**10** K – 2 PD 5th Grade Practice Test	**11** 5th Grade Practice Test	**12** 3 – 5 PD	**13** SSC Meeting, 5pm DELAC Parent Meeting, 6pm	**14** Pi Day Festival Fun Friday	15
16	**17** K – 2 PD	**18** Smarter Balanced Testing Begins	**19** 3 – 5 PD Smarter Balanced	**20** Smarter Balanced Testing	**21** Smarter Balanced Testing	22
23	**24** K – 2 PD Smarter Balanced Testing	**25** Smarter Balanced Testing	**26** 3 – 5 PD Smarter Balanced Testing	**27** Sp. Ed Parent Meeting, 5pm Smarter Balanced Testing	**28** Smarter Balanced Testing	29
30	**31** Pupil Free Day					

Wisdom Academy for Young Scientists
Board Meeting
June 6, 2013
Vice-Principals Report

1. **Highlights** - *Events that occurred over the last month of school!*

- Kindergarten and 5th Grade Graduations were a blast!
- Congratulations to our teachers of the Year, Ms. Bahena (1st grade) & Mrs. Croddy (5th grade)
- WAYS celebrated parent volunteers with a special luncheon at both campuses.
- The book fair was up at both sites and several books were purchased by parents.
- Students enjoyed Teacher Mix Up at Teacher mix-up-day. Some students even got personal letters letting them know what was in store for them in the next grade.
- Our School Site Council met and agreed on the budget for our science curriculum for next year.
- Archer school for girls high school in Brentwood spent an afternoon with our after school program at Manchester. The girls brought with them over 1,000 books as a result of their community service project. They stayed to read and eat pizza with WAYS students. Teachers and students were able to take books home for summer reading.
- WAYS students saw the fabulous musical Edutainer Part 2.
- Our true scientists showed us how much they have learned this year in the final science fair.
- Our campuses welcomed guests to talk to students about their careers. Students saw military personnel, journalists, a lawyer, a policeman, a filmmaker and an entrepreneur. Students asked great questions and got a chance to think about what they might be able to do in the future.
- The fifth graders went to their formal ball at the Scientology Center. It was fantastic to see what beautiful princesses and noble men we have seen blossom at our school.
- Ms. Gomez's third grade class had their book publishing party. It was a lot of fun and parents joined in to celebrate. The children sang and a few students gave a speech about fulfilling their dreams of becoming authors.
- The LA Times visited WAYS Manchester campus on the last day of school
- Ms. Gomez's third grade class received a letter from the First Lady of the United States, congratulating them on their efforts in publishing a book!
- Teacher were given one on one time for a personal evaluation and overview of the year
- The teachers celebrated the end of the year with a nice taco dinner.
- Teachers spent time carefully organizing the classes for next year for balance and effective learning
- Deara and Mrs Horowitz attended a two day conference on English Learners and the Common Core

2. **LACOE Site Visit Debriefing**

- June 4, 2013
- Led by Joaquin Hernandez & Judy Higelin
- A copy of observations is attached.

3. **Attendance**

- Average 94.81%; target is 95% or higher

4. **Upcoming Events**

- Considering new textbook adoption
- Curriculum Meeting, Wonders - McGraw Hill, June 26th
    - Please attend if interested.

5. **At-a-Glance**

- Staff Professional Development: July 22 - 26, 2013
- Student-Parent Orientation: July 29 - August 2, 2013
- First Day of Instruction: Tuesday, August 13, 2013
- Preliminary Master Calendar attached.
    - Your input is appreciated.

Wisdom Academy for Young Scientists
Board Meeting
April 25, 2013
Vice-Principals Report

6. **Highlights** - *Stay tuned to Mrs. Horowitz weekly emails for highlights and upcoming events!*

- 5th Grade Science Competition
- Miss Gomez's 3rd Grade Class to CSUN
- Miss Gomez's 3rd Grade Class Published a Book
- 4th Graders ventured to UCLA
- 5th Grades experienced T.R.A.C.E.S. at the Music Center
- School Site Council
- Parenting Workshops
- 1st Graders explored Life Science at EcoStation
- Students participated in Revolution Food Tasting

7. **Student Achievement**

- Benchmark Data shows evidence of high student achievement across all grade levels
- Project an API Score of 800+ on CST

8. **CST**

- Teachers and students have prepared vigorously for CST
- Testing Window: April 23rd - May 6th
- Student attendance is high during testing. Almost 100%

9. **LACOE Site Visit**

- April 15th & 16th: 8am - 3pm
- Joaquin Hernandez and Jeanie Keith
- Observed All Classrooms, Reviewed Student Files, particularly English Learners
- Findings:
    - Requested more documentation of Science Curriculum
    - Need for Improved EL Plan

10. **Attendance**

- Average 94.55%, target is 95% or higher

11. **Upcoming Events**

- Heal the Bay, April 27th 11am - 1pm (WAYS Fitness Park)
- Cinco de Mayo Celebration, May 3rd @ 11:00am
- Sharefest Work Day, May 4th 10:00am - 2:00pm (Kinder Site, 8778 S. Central Avenue)
- May 6 - 10: Teacher Appreciation Week

12. **At-a-Glance**

- Career Day, May 16th
- 5th Grade Formal Ball, May 17th
- The Edutainer, Thursday, May 23rd
- Earth Science Fair, May 24th @ 1:30pm
- Graduation, May 31st

Wisdom Academy for Young Scientists
Board Meeting
January 31, 2013
Vice-Principals Report

13. **ASES - After School**
- Deara is leading this.
- Review will occur on Wednesday, February 6th.

14. **WASC - Accreditation**
- Deara will lead this and other admin will assist.
- Self-study visit will be next school year.
- Admin will attend Pt. II training in March.

15. **SARC-Accountability Report**
- Karen led this and other admin assisted.
- Due today, Thursday, January 31st 2013

16. **CST**
- March 5th and 6th: 4th Grade Writing Exam
- April 29th - May 13th: 2nd - 5th ELA and Math
- Teachers and students have been preparing vigorously.
- Benchmark Data shows evidence of high student achievement across all grade levels.

17. **Attendance**
- Average 90%; target is 95% or higher

18. **Safety**
- We have increased our measures of safety in light of most recent tragedy in school.
- Mr. Jason is working to hire Campus Security.

19. **Challenges**
- Safety (teacher concerns)
    - Solution: enforced security
- Attendance (admin concerns)
    - Solution: Parent conferences
- Bullying (parent concerns)
    - Solution: February friendship month
- Classroom management (parent concerns)

20. **Upcoming Events**
- Literacy Fun Night, February 6th, 2013 @ 5pm
- Teacher evaluations, Week of February 19th - March 1st
- Science Fair, February 15th @ 1:30pm
- Black History Month Program, February 28th @ 1:30pm

- School Site Council, February 20th @ 2pm
    - Karen did parenting class on positive discipline in January

At-a-glance

- Ball, Saturday, April 13th @ 6pm
- The Edutainer, Friday, April 19th & April 20th

Wisdom Academy for Young Scientists
Board Meeting
January 31, 2013
Vice-Principals Report

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At-a-glance
- Ball, Saturday, April 13th @ 6pm
- The Edutainer, Friday, April 19th & April 20th

To: Ways School Board
Re: Principals Report/General Announcements

Date: May 24, 2012

Testing. Tomorrow is the last day of testing. Fifth grade will be taking the science section of the CST and time for make-ups will be provided for students if necessary.

Science Fair. The fifth grade classes are organizing a Science Fair. The Salvation Army campus will hold it's Science Fair on June 6th and the Manchester campus will hold it's Science Fair on the week of June 14th.

Graduation. Currently, both campuses are working together to plan the Kindergarden and Fifth grade graduation. Graduation will be held on Wednesday, June 20th on the last day of school. Graduation will take place at the Salvation Army gymnasium. The Kindergarten graduation will take place at approximately 9am and the 5th Grade graduation will take place at approximately 11:30am.

Teacher Evaluations. Teacher evaluations will be complete by the end of next week. Both Principals will issue *Intent to Return* forms to discover which teachers plan on returning for the next school year. Each teacher will also receive evaluation reports and will be informed as to whether or not he or she will be invited to return for the 2012-2013 academic year.

Month of June. For the month of June, teachers will engage students in fun interactive projects. Examples include technology-based projects, oral presentations, experiments, group problem solving activities and much more. The Manchester campus is organizing a Math Bee and the Salvation will collaborate with the Manchester campus to implement this activity at the Salvation Army site.

Principal's Report

Presented by Alake Watson to the Governing Board of Wisdom Academy for Young Scientists

April 25, 2012

State of School
WAYS currently has 495 students with an Average Daily Attendance rate of 449.48 and a monthly Average Daily Attendance Rate of 92%. The school is operating soundly.

Recruitment for New School Year
I have been approached by several individuals who have invited us to recruit at their facilities for incoming kindergarteners. This process should begin immediately to ensure the Kindergarten and 1-5 enrollment remains strong for the incoming school year.

Student Testing

Student testing will begin the week of May 14 and end the May 31. Parents are encouraged to support to the efforts of our school community to raise our test scores by making sure their children eat a healthy breakfast and attend school daily.

Extended Learning Time
For three months our school community has extended the instructional day for our students to provide additional practice for the approaching California Standards Test. The school day ends normally at 2:45, however, grades 2-5 will continue to dismiss at 3:00 pm until the end of testing.

Teacher Appreciation Week

Teacher Appreciation week is next week, April 30 – May 4. When possible, please show your support of our outstanding, committed teachers.

Collaborative Meetings with Mr. Wynder

Mr. Wynder and I meet once per week to plan instructionally and analyze the results of data from benchmark assessments.

Accelerated Reader
Our teaching staff is very grateful for the implementation of Accelerated Reader. The program is being used on a daily basis. Parent reports will be sent home this Friday to update our parents on their child's current reading level.

5th Graders had an awesome experience at Arrowhead Ranch Science Camp

Our fifth grade class recently returned from an amazing week of learning at Arrowhead Ranch Science Camp. Over 20 fifth graders were accompanied by Mr. Jason to the camp which gives students an inside view of

Thank you to our board members who attended the Family Night for March - The WAYS Spelling Bee and Reading Camp Out held on March 29. A fun and exciting time was witnessed at this event as many of our students were awarded trophies and medals for their participation in the spelling bee. We invite you to attend our Math Bee occurring at next month's Family Night on Thursday, May 10 at 6:00 pm.

Internship Program with University of Phoenix

WAYS recently entered into a partnership with the University of Phoenix to provide internship experiences for students in the area of Human Services. We have one intern so far and have received positive feedback regarding the program from our staff members. We have been approved as an intern agency with the University of Phoenix for up to 10 interns.

Principals' Report
Presented by Lawrence Wynder and Alake Watson
Presented to Governing Board of WAYS on December 15, 2011

Student Achievement

To support the teachers in the subject of Math, we have conducted hour-long observations in most classrooms. Teachers are receiving immediate and specific feedback about math instruction, student engagement, and achieving results. We are also improving our assessment system and grading policies to address the needs of all students. Teachers are now expected to allow re-dos and retakes for all students who fail to score at proficient or above on lesson assessments and standards based projects. Mr. Cabil has asked Mr. Wynder to conduct lessons for all grade levels and model lessons for teachers to establish clear expectations for high quality instruction in addition to conducting on-going hour-long observations. Mr. Wynder will also use lesson assessment data and school-wide bi-weekly assessments to produce student performance data that will further guide instructional improvement.

Both school sites have begun the student leadership program. The program was designed to select student leaders to build school spirit, develop a college going culture, and plan fun and engaging activities that support learning. The leadership program's first initiative is to organize fun and informative assemblies that immediately engage students in learning as soon as they step on school grounds.

Throughout this week's assemblies, student leaders shared inspirational quotes, announced the SAT and science words of the day, shared facts such as "This Day in History", and gave reports about various programs offered by colleges and universities. After presentations were complete, students were selected from the audience to answer questions related to the assembly presentations.

So far, the leadership program and "learning assembly" has been a success. Students are learning new academic language, listening to inspirational quotes, learning about science related historical events, and thinking about college and career goals. In addition to the school wide benefits that may

result from this program, we believe it will greatly benefit members of the student leadership club. Student leaders are being challenged to complete on-going projects, conduct research on various topics, and prepare for daily presentations. We believe this will complement the Mock Trial Program and other programs currently happening at WAYS that challenge our promising students.

Science Program Implementation

Both Principal's aspire to bring a more solid learning experience in science to WAYS. Ms. Watson met with Mr. Cabil and received his approval to contact our former science consultant to bring the program back to WAYS. This program was demonstrably successful. A meeting to discuss set up the program is scheduled for December 20. We expect to begin the program in January.

Fire Cadet Program

Wisdom Academy for Young Scientists was focus of a recent grant award from Verizon Wireless. The award in the amount of $24,000 went to the Junior Fire Fighter Foundation. A press release for the grant was distributed and WAYS will be featured in local media in the coming weeks along with our fourth and fifth grade boys who are participants in the program, and Captain Brian Burton, founder. The program will culminate on Friday, December 16.

Donation received from Governing Board of Crescendo Charter School

Wisdom Academy for Young Scientists received a substantial donation from the governing Board of Crescendo Charter School. The donation totals approximately $30,000.00 in instructional materials. Text books, classroom materials, math manipulatives, office supplies and library books are some of the items that were donated.

Dear governing Board of Crescendo Charter School:

We the governing board of Wisdom Academy for Young Scientists would like to express our gratitude for the generous donation of instructional materials given to our school. Text books, math manipulatives, playground equipment and library books are just a few of the items donated. We completed forms totaling the items donated during the give-away. Please find attached our tax identification number for your reference.

We are certain that your contributions will help advance the learning of our students.

Verizon Awards $24,900 Grant to Community-Based Organization to Educate Boys About Abuse Prevention

Junior Firefighter Youth Foundation will include domestic violence prevention training for 4th and 5th graders who attend the Wisdom Academy for Young Scientists

Los Angeles, Calif. — Verizon awards a $24,900 grant to the Junior Firefighter Youth Foundation ("Foundation") for its signature Junior Fire Cadet Program ("Program") enabling the Foundation to include a domestic violence prevention training component. The grant presentation will take place at 3:15 p.m. at the site of the training - Wisdom Academy for Young Scientists at 706 E. Manchester Blvd. in Los Angeles.

"Wisdom Academy for Young Scientists is the first of several schools that provides life-changing training as a part of the Program's curriculum," said Foundation Founder Captain Brent Burton of the Los Angeles County Fire Department. "The Foundation's after school program focuses on making smart choices, and targets 4th and 5th graders, it runs for seven weeks and meets for 1 1/2 hours one day per week on the campus of selected elementary schools," added Burton. "

The Verizon grant will help fund a domestic violence educational training program taught by Dr. Dayatrice Darrington, a clinical psychologist, who will begin the discussion by exploring the five categories of domestic violence - physical aggression, assault, emotions, pain, and shame. "I ask the children how they perceive abuse and if they can give examples," she explained. "My goal is to educate the children about what is abuse, how to identify abusers, how to take proactive actions, how to react in the situation, where to find and get help, and provide them with coping skills about how to handle their own conflicts."

"Domestic violence is a troubling issue that affects communities everywhere. Verizon is proud to partner with community organizations like the Junior Firefighter Foundation, who are on the front-lines of domestic violence prevention," stated Gene Eng, vice president of Strategic Programs forVerizon.

About the Junior Firefighter Youth Foundation

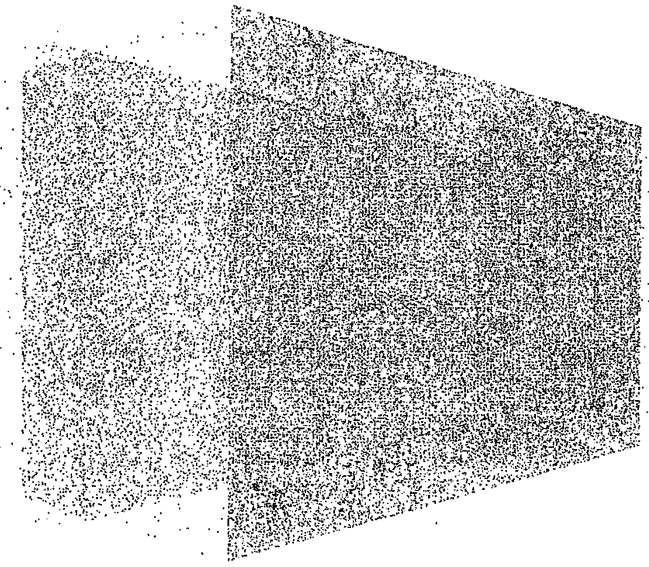
The Program was founded in 2003 by Burton who is the current president of the African American Firefighter Museum and former President of the Stentorians of Los Angeles County. Assisting Captain Burton are LAFD Firefighters Derwin Pitts and Cliff Taitt. For more about the Foundation or the Junior Fire Cadet Program, go to www.jrffyouthfoundation.org.

About the Wisdom Academy for Young Scientists

Wisdom Academy for Young Scientists (WAYS) a public elementary charter school. Founded in 2006, WAYS serves kindergarten through grade five students. WAYS has quickly gained a strong reputation as an academically high performing charter successfully serving a population of students traditionally labeled as underperforming. The After School program provides an opportunity to merge the rigor and instruction that occurs during the regular school day during after school hours. For more information about Wisdom Academy of Young Scientists, visit http://wisdomacademy.org.

Principal's Report

Presented by Alake Watson



30 June 2011

Principal's Report

State of School

Wisdom Academy for Young Scientists is presently on summer break. We are presently recruiting students. Today I led a recruitment event at Cornerstone Prep. We are presently informing our present students that they are enrolled.

- P3 – Annual Report
- # of students -
- # of students needed -
- Recruitment plan
- Meeting with LACOE
- SELP/BTSA/Professional Development Calendar
- New Expectations for New School Year
- LACOE MOU - Preparation of Documents
- National Alliance for Charter Schools

On March 25, 2010 the WAYS Board graciously agreed to compensate those individuals who would work diligently to ensure the renewal of the charter petition. The amount of $20,000.00. was approved. The following is a description of the duties that were completed that met the obligations for renewal of the WAYS charter petition. I am asking the Board to consider releasing payment for services rendered. The charter was renewed and re-authorized by recommendation of the LACOE Board on June 7.

Timeline of Renewal Events

Date/Period	Event
Spring 2010	Visited Dr. Porter on two separate occasions to inquiry about the renewal process and requirements for the different elements of the petition
Summer 2010	Began research for Narrative

	• Conducted data analysis • Comparison of Schools • Performance of all aspects of program documented
Summer 2010	Revised petition to include latest boilerplate from LAUSD published on July 13, 2010
October 2010	Attended LAUSD focus group meeting. Boilerplate changes made to reflect outcomes of this meeting. Called a meeting with CCSA representatives to receive support for renewal process. Meeting was attended by Allison Barjracharya, Kisheen Tulloss and others
December 10	Submitted renewal petition to LAUSD. Accepted and deemed complete by LAUSD staff.
January 2011	Received notice of revisions needed. Made revisions during MLK Holiday weekend due to short notice given.
March 2011	Prepared responses to support rebuttal of fact of findings submitted to LACOE
March 2011	Preparation and submission of renewal binder to LACOE
May	Preparation of binders that were presented to LACOE Board
May	Preparation of additional rebuttal to LACOE Findings of Fact
June	Preparation of rebuttal letter to LACOE presented on June 7.

Principal's Report
January 27, 2011

Alake Watson Wisdom Academy for Young Scientists

State of the School Address

WAYS has made much progress since the beginning of the new year. Welcome back Governing Board Members and friends of WAYS.

We currently have 271 students with full classes at each grade level the exception of a few seats (three seats) in first grade. Our Average Daily Attendance Rate for P1 reporting was 95.2% (260/273).

According to our 1-7 CSR report, classes have 20.4 [illegible] students qualifying WAYS for [illegible] expected attainment.

WAYS has begun the process of registering students for the coming school year. A new recruitment campaign should begin during the month of February to secure our targeted number of 520 students for the coming school year.

WAYS000763

Wisdom Academy for Young Scientists
February 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Kindergarten Parent Meeting @ 6pm	2	3	4 Awards Assembly K - 2 – 10:45 am 3 – 5 – 1:45 pm	5
6	7 STAR Student Field Trip	8	9	10	11	12
13	14 Happy Valentine's Day!	15	16	17	18 Black History Month Celebration @ 1:30 pm	19
20	21 President's Day NO SCHOOL	22	23	24	25	26
	28					

2010-11 Operations Application
K-3 Class Size Reduction Program

County and District Code: 19 64733

Charter School Code*: 01127 30

County: LOS ANGELES

District: LAUSD

Charter School*: WISDOM ACADEMY FOR YOUNG SCIENTISTS

*For use only by charter schools applying independent of their authorizing entity. Do not submit a separate application for charter schools that were included in their authorizing entity's 2008-09 or 2009-10 applications.

Calculation of Provisional Funding for 2010-11 (February 2011 payment)

These calculations are for planning purposes and to continue the flow of funds. The calculation of final entitlements will be based on actual enrollment data submitted on the Form J-7CSR.

1	Class Size	2 Number of Classes	3 Number of Enrolled Pupils	4 2010-11 Funding Level	5 Estimated Allocation
Option One					
a	20.44 pupils or fewer	**8**	**160**	$1,071	**$171,360**
b	20.45 to 21.44			95%	**$0**
c	21.45 to 22.44			90%	**$0**
d	22.45 to 22.94			85%	**$0**
e	22.95 to 24.94			80%	**$0**
f	24.95 pupils or greater			70%	**$0**
g	Subtotal, Option 1	**8**	**160**		**$171,360**
Option Two					
h	20.44 pupils or fewer			$535	**$0**
i	20.45 to 21.44			95%	**$0**
j	21.45 to 22.44			90%	**$0**
k	22.45 to 22.94			85%	**$0**
l	22.95 to 24.94			80%	**$0**
m	24.95 pupils or greater			70%	**$0**
n	Subtotal, Option 2	**0**	**0**		**$0**
o	**Grand Totals*** Option 1 + Option 2	**8**	**160**		**$171,360**

*The total number of classes reported on the application may not exceed the total number of classes reported on the 2008-09 Operations Application.

Complete this page only if box 2 on page 2 was checked. Mail the entire 3-page application by January 6, 2011 (postmark) to:

Rebecca Lee ~ CDE, School Fiscal Services Division ~ 1430 N Street, Suite 3800 ~ Sacramento, CA 95814

EXHIBIT 50

WAYS General Purpose Budget 2014-15		
REVENUE		
8011-8096 · Revenue Limit Sources		
	8015 · Charter School General Purpose/LCFF	$ 3,575,405.710
Total 8011-8096 · Revenue Limit Sources		**3,575,405.710**
8300-8599 · Other State Income		
	8434 · Class Size Reduction (K-3)	-
	8480 · Charter Sch Categorical Blk Gr	-
	8591 · SB740	256,938.000
	8599 · Other State Revenue	
Total 8300-8599 · Other State Income		**256,938.000**
8600-8699 · Other Income-Local		-
	8660 · Interest Income	3,042.000
	8690 · All Other Income	20,000.000
	8698 · Grants	-
	8699 · Fundraising	10,000.000
Total 8600-8699 · Other Income-Local		**33,042.000**
TOTAL INCOME		**3,865,385.710**
EXPENDITURES		
1000 · Certificated Salaries		
	1110 · Teachers/Program Coor. Salaries	1,150,000.000
	1170 · Teachers Subs	20,000.000
	1175 · Teachers - Extra Duty/Stipend	
	1200 · Certificated Pupil Support (Counselors)	-
	1300 · Certificated School Administrators	232,893.120
	1900 · Other Certificated	-
Total 1000 · Certificated Salaries		**1,402,893.120**
2000 · Classified Salaries		
	2100 · Instructional Aides/Para-Educators - Gen	290,693.130
	2300 · Classified School Administrators	152,795.708
	2400 · Clerical/Technical/Office	143,550.840
	2900 · Other Classified	
Total 2000 · Classified Salaries		**587,039.678**
3000 · Employee Benefits		
	3111 · STRS	131,168.000
	3212 · PERS	95,777.000
	3311 · Social Security (OASDI)	51,998.000
	3331 · Medicare	35,215.000
	3401 · H & W Payment (medical, dental, vision insurance)	138,200.000
	3501 · SUI Payment Account	39,100.000
	3601 · Wkr Comp Payment Account	60,715.000

	3901 · 403B	-
	3902 · Other Benefits	-
Total 3000 · Employee Benefits		**552,173.000**
4000 · Supplies		
	4110 · Textbooks	10,000.000
	4210 · Other Books and Reference Materials	20,000.000
	4310 · Instructional Materials	110,000.000
	4350 · Office Supplies	50,000.000
	4370 · Custodial Supplies	50,000.000
	4390 · Other Supplies	20,000.000
	4400 · Noncapitalized Furniture/Equipment	90,000.000
	4700 · Food Supplies	10,000.000
Total 4000 · Supplies		**360,000.000**
5000 · Operating Services		
	5200 · Travel and Conferences	10,000.000
	5300 · Dues and Membership	7,000.000
	5400 · Insurance (property, student accident, board)	45,000.000
	5500 · Operations and Housekeeping	70,000.000
	5610 · Building/Land Rental	399,990.000
	5620 · Equipment Rental	3,000.000
	5630 · Repairs & Maintenance	15,000.000
	5806 · Assemblies	10,000.000
	5812 · Pupil Transportation	20,000.000
	5830 · Advertisement/Recruitment	5,000.000
	5820 · Student Activities	43,000.000
	5832 · Printing and Reproduction	800.000
	5833 · Fines & Penalties	-
	5836 · Fingerprinting	300.000
	5840 · LACOE Expense Reimbursement	-
	5850 · Non-Instructional Consultants	5,000.000
	5851 · Instructional Consultants	80,000.000
	5852 · Food Service Vendor	-
	5853 · Professional/Business Consultants	65,000.000
	5854 · Contractural Services	-
	5857 · Prior Year Operating Expense	-
	5863 · Professional Development - Instruction	10,000.000
	#### · Professional Development - General	10,000.000
	5890 · Other Services & Operating Expe	10,000.000
	5891 · Bank Fees & Charges	1,000.000
	5892 · Other Fees & Charges	500.000
	5893 · Permits & Licenses	1,000.000
	5894 · Legal/Audit	40,000.000

	5895 · Fundraising Activities	10,000.000
	5896 · Website Delevlopment/Maintenance	15,000.000
	5900 · Communications (tele, internet, postage)	15,000.000
Total 5000 · Operating Services		**891,590.000**
6000 · Capital Outlay		
	6170 · Land Improvements	10,000.000
	6200 · Buildings & Improvements	10,000.000
	6400 · Furniture & Equipment	10,000.000
	6500 · Depreciation	
Total 6000 · Capital Outlay		**20,000.000**
7000 · Other Outgo		
	7299 · Authorizer Oversight Fee	30,000.000
	7438 · Debt Service - Interest	
Total 7000 · Other Outgo		**30,000.000**
TOTAL EXPENSES		**3,843,695.798**
NET INCOME		**21,689.912**

WAYS000769

WAYS Special Program Budgets 2014-15						
Program Revenue	**Title I**		**Title II**		**ASES**	
Total Revenue	**185,611.00**		**14,296.70**		**112,500.00**	
Local Grant Match					**37,499.99**	
Program Expenditures						
1000 - Certificated Salaries						
Teacher						
Vice Principal	$15,710.63				3,000.00	
EL Coordinator	$52,609.80					
2000 - Classified Salaries						
Para-Educator	$45,053.64				65,110.00	
Admin Assist						
3000 - Certificated Emp. Benefits (12% of total salaries)	$8,198.45					
3000 - Classified Emp. Benefits (10% of total salaries)	$4,141.80					
4000 - Books and Supplies					22,482.15	
5000 - Contracted Services						
Food Service Vendor						
Instructional Consultants	$59,896.68				40,000.00	
Student Activities						
Pupil Transportation						
5863 - Professional Development			14296.7			
Services and Other Operating Expenses					6,390.00	
Indirect-Administrative/Facilites Cost @ 5.00%(fixed)					13,017.84	
6000 - Equipment						
Total Expenditures	**$185,611.00**		**14296.7**		**149,999.99**	
				$396,399.46		

Child Nutrition (State)		**Child Nutrition (Federal)**		**Summer School**		
24,256.78		**307,416.07**		**120,000.00**		
				64,000.00		
24,256.78		10,913.29		20,000.00		
		20,305.75				
				4,000.00		
		296,502.78				
				16,000.00		
				16,000.00		
24,256.78		**327,721.82**		**120,000.00**		

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WAYS Special Education Budget 2014-15													
Program Revenue	AB602		Local Assistance - IDEA		Mental Health/Supplemental (Federal)		Mental Health/Supplemental (State)			Local Contribution (from General Purpose)			
Total Revenue	222339		50938		27925		5434			0			
Program Expenditures													
1000 - Certificated Salaries													
Vice Principal	4,134.375												
SpEd Program Coordinator	50,566.900												
2000 - Classified Salaries													
Para-Educator	$34,782.00												
3000 - Certificated Emp. Benef	$6,564.15												
3000 - Classified Emp. Benefits	$3,478.20												
4000 - Books and Supplies	$13,406.62												
5000 - Contracted Services													
Instructional Consultants	$109,406.75		$50,938.00		$27,925.00		5434						
5800 - LACOE Indirect @ 3%													
6000 - Equipment													
Total Expenditures	$222,339.00		$50,938.00		$27,925.00		$5,434.00			$0.00			
		$160,344.75			$306,636.00								

WISDOM ACADEMY FOR YOUR SCIENTISTS
2013-2014 APPROVED BUDGET

	13-14 APPROVED BUDGET
Total Enrollment	568.0
Atrition	27.0
Net enrollment	541.0
ADA	468.0
INCOME	
8011-8096 · Revenue Limit Sources	
8011 · Supplemental Hours	
8015 · Charter School General Purpose - State Aid	1,809,860.1
8096 · In lieu of Property Taxes	634,767.4
Total 8011-8096 · Revenue Limit Sources	2,444,627.6
8100-8290 · Other Federal Income	
8220 · Child Nutrition (Federal)	370,000.0
8221 · Title I, A, Basic Low Income	200,000.0
8222 · Title II, A Teacher Quality	14,296.7
8293 · Title II, D EETT	
8294 · Title III, Limited English (LEP)	
8223 · Education Jobs Fund	
8225 State Fiscal Stabilization	
8297 · Other Federal Income	
Total 8100-8290 · Other Federal Income	584,296.7
8300-8599 · Other State Income	
8311 Special Ed	200,548.5
8434 · Class Size Reduction (K-3)	176,334.0
8480 · Charter Sch Categorical Blk Gr	323,869.1
8589 · Child Nutrition (State)	14,681.8
8560 · State Lottery Revenue	68,468.4
8545 · Facilities Incentive Grant	
8566 · PE Teachers Incentive	
8551 · Charter School Facilities Incentive	220,000.0
8563 · Art and Music Block Grant	
8564 · After School Education & Safety	112,500.0
8590 · Other State Revenue	6,415.0
Total 8300-8599 · Other State Income	1,122,816.9
8600-8699 · Other Income-Local	
8634 · Food Service Sales	
8660 · Interest Income	3,042.0
8699 · All Other Income	20,000.0
8682 · Grants/Donations	
8672 · Fundraising	
Total 8600-8699 · Other Income-Local	23,042.0
TOTAL INCOME	4,174,783.1
EXPENSE	
1000 · Certificated Salaries	
1100 · Teachers Salaries	1,047,352.82
1110 Substitute Teachers	17,325.00
1175 · Teachers - Extra Duty/Stipend	-
1176 · Bonus-Certificated	7,675.00
1200 Certificated Pupil Support	
1300 · Certificated-Executive Director	100,800.00
1300 · Certificated - Principal	80,000.00
1900 Other Certificated	125,150.18
Total 1000 · Certificated Salaries	1,370,628.00
2000 · Classified Salaries	
2100 · Instructional Aides	257,360.00
2500 · Bonus-Classified	5,000.00
2300 · Classified School Administrators	118,000.00
2400 · Clerical/Technical/Office	168,835.00
2900 Other Classified	-
Total 2000 · Classified Salaries	544,195.00
3000 · Employee Benefits	
3101 · STRS	$ 113,076.81
3202 · PERS	
3302 Medicare	$ 31,594.58

WISDOM ACADEMY FOR YOUR SCIENTISTS
2013-2014 APPROVED BUDGET

	13-14 APPROVED BUDGET
3301 · Social Security (OASDI)	$ 32,651.70
3401 · H & W Payment (medical, dental, vision insura	$ 154,062.86
3501 · SUI	$ 98,163.50
3601 · Workers' Compensation	$ 65,103.98
3901 · Other Benefits	$ -
Total 3000 · Employee Benefits	494,653.43
4000 · Supplies	
4100 · Textbooks	187,000.00
4200 · Other Books and Reference Materials	5,000.00
4300 · Instructional Materials	30,000.00
4400 · Noncapitalized Furniture/Equipment	7,000.00
4500 · Other Supplies	30,000.00
4330 · Office Supplies	10,000.00
4700 · Food Supplies	10,000.00
Total 4000 · Supplies	279,000.00
5000 · Operating Services	
5200 · Travel and Conferences	5,000.00
5300 · Dues and Fees	7,000.00
5400 · Insurance (property, student accident, board)	45,000.00
5500 · Opartions & Housekeeping	50,000.00
5610 · Building Rent	399,990.36
5620 · Equipment Rental	3,000.00
5630 · Repairs and Maintenance	8,650.00
5812 · Pupil Transportaion	10,000.00
5831 · Students Activities	40,000.00
5852 · Contractor-Food Services	360,000.00
5894 · Legal/Audit	31,994.00
5830 · Advertisement/Recruitment	5,000.00
5893 · Permits & Licenses	5,000.00
5836 · Fingerprinting	400.00
5840 · LACOE-Expense Reimbursement	10,040.00
5853 · Business Consultants	60,000.00
5850 · Non Instructional Consultants	
5863 · Professional Development	5,000.00
5851 · Instructional Consultants	50,000.00
5856 · Special Ed Expenses	100,000.00
5891 · Bank Service Charge	500.00
5892 · Fees & Other Charges	
5890 · Other Services & Operating Expe	128,724.00
5895 · Fundraising Cost	-
5896 · LAUSD-Expense Reimbursement	
5897 · LAUSD-Special Education Cost	7,647.00
5910 · Communications (tele. internet, postage)	32,323.64
5920 · Postage (UPS, Fedex, US Mail)	5,000.00
Total 5000 · Operating Services	1,370,269.00
6000 · Capital Outlay	
6200 · Buildings and Improvements	20,000.00
6400 · Equipment	18,000.00
6900 · Furniture	
Total 6000 · Capital Outlay	38,000.00
7000 · Other Outgo	
7299 · Oversight Fee	43,568.00
7350 · Debt Service - Interest	30,000.00
Total 7000 · Other Outgo	73,568.00
TOTAL EXPENSES	4,170,313.42
NET INCOME	4,469.70

WISDOM ACADEMY FOR YOUNG SCIENTISTS
2012-2013 APPROVED BUDGET
OPERATING BUDGET NARRATIVES AND ASSUMPTIONS

- Revenue projection is based on an exercise of caution in view of continuing state budget crisis.
- **ADA funding rates are projected to reflect about $500 per ADA decrease from 2011-2012 rates. We are assuming that the ballot initiative proposed by the Governor will not be approved by the voters and the economic situation in the state will not get better. Additionally the state Legislative Analyst stated that the Governor's revenue estimates may be too optimistic and the revenue may be lover by about $1 billion.**
- The rate assumptions and decisions regarding funding for next year is based on advice from LACOE, CSDC, CCSA.
- Enrollment is based on 520 students with class sizes ranging from 20 to 30. Attendance rate is projected to be 90 percent and projected attrition rate of 5 percent.
- **Salaries and benefits are adjusted based on the enrollment and class size adjustments to reflect the economic realities of the School. The board was initially advised to reduce the number of teachers to 20 but it was decided to reduce the teachers to 21. As part of the budget realities the board will make changes to the administrative team to right size the administration of the school. It may be pertinent to note that LAUSD laid off some staff took a 5% pay cut for the remaining staff and days of furlough.**
- Supplies reflect the amount expected to be spent on the number of students projected to be enrolled based on average cost of books and experience of the school given the change in our curriculum this coming year. The School has been advised to buy only supplies that are necessary to educate the

children and eliminate the waste seen in 2011-2012 fiscal year.

- Services and other operating expenses include consultants, lease costs, food service and other expenses. Capital Expenditures include equipment and facilities expenditures. Services include special education costs, curriculum consultants, staff development, and transportation for student field trips – all of which are specifically to further support student and curriculum needs.

WISDOM ACADEMY FOR YOUR SCIENTISTS
2012-2013 PROPOSED BUDGET

		11-12 BUDGET Revised	12-13 BUDGET PROPOSED	CHANGE	PERCENT CHANGE
Total Enrollment		497.0	520.0	23.0	5%
Attrition		445.0	(26.0)	(1.2)	0%
Net enrollment			494.0	21.9	-
ADA			444.6	(0.4)	-
INCOME					
8011-8096 · Revenue Limit Sources		-	-	-	-
8011 · Supplemental Hours		-	-	-	-
8015 · Charter School General Purpose - State Aid		1,677,828.0	1,463,349.6	(214,478.4)	-13%
8096 · In lieu of Property Taxes		595,059.0	602,433.0	7,374.0	1%
Total 8011-8096 · Revenue Limit Sources		2,272,887.0	2,065,782.6	(207,104.4)	-12%
8100-8290 · Other Federal Income		-	-	-	-
8220 · Child Nutrition (Federal)		370,000.0	370,000.0	-	0%
8221 · Title I, A, Basic Low Income		200,000.0	200,000.0	-	0%
8222 · Title II, A Teacher Quality		14,296.7	14,296.7	-	0%
8293 · Title II, D EETT		-	-	-	0%
8294 · Title III, Limited English (LEP)		-	-	-	0%
8223 · Education Jobs Fund		-	-	-	0%
8225 · State Fiscal Stabilization		-	-	-	0%
8297 · Other Federal Income		-	-	-	-
Total 8100-8290 · Other Federal Income		584,296.7	584,296.7	-	-
8300-8599 · Other State Income		-	-	-	-
8311 · Special Ed	c	208,889.5	221,588.6	12,699.1	6%
8434 · Class Size Reduction (K-3)	c	176,334.0	176,334.0	-	0%
8480 · Charter Sch Categorical Blk Gr	c	327,226.0	319,222.8	(8,003.2)	-2%
8589 · Child Nutrition (State)	c	2,264.2	2,264.2	-	0%
8560 · State Lottery Revenue	c	28,687.5	55,625.0	26,937.5	94%
8545 · Facilities Incentive Grant		90,000.0	-	(90,000.0)	-100%
8566 · PE Teachers Incentive	c	2,000.0	-	(2,000.0)	-100%
8551 · Charter School Facilities Incentive	c	45,204.0	135,000.0	89,796.0	199%
8563 · Art and Music Block Grant	c	8,332.0	-	(8,332.0)	-100%
8564 · After School Education & Safety		112,500.0	112,500.0	-	0%
8590 · Other State Revenue		2,979.0	2,979.0	-	-
Total 8300-8599 · Other State Income		1,004,416.2	1,025,513.6	21,097.4	(0.04)
8600-8699 · Other Income-Local		-	-	-	-
8634 · Food Service Sales		-	-	-	-
8660 · Interest Income		3,042.0	3,042.0	-	0%
8699 · All Other Income		20,000.0	20,000.0	-	0%
8682 · Grants/Donations		-	-	-	-
8672 · Fundraising		-	-	-	-
Total 8600-8699 · Other Income-Local		23,042.0	23,042.0	-	-
TOTAL INCOME		3,884,641.9	3,698,634.9	(186,007.0)	-5%
EXPENSE					
1000 · Certificated Salaries					
1100 · Teachers Salaries		1,182,600.00	963,232.00	(219,368.0)	-19%
1110 · Substitute Teachers		30,388.00	30,388.00	-	0%
1175 · Teachers - Extra Duty/Stipend		-	-	-	0%
1176 · Bonus-Certificated				-	0%
1200 · Certificated Pupil Support				-	0%
1300 · Certificated-Executive Director		100,800.00	100,800.00	-	0%
1300 · Certificated - Principal		165,000.00	143,000.00	(22,000.0)	-13%
1900 · Other Certificated			75,000.00	75,000.00	-
Total 1000 · Certificated Salaries		1,478,788.00	1,312,420.00	(166,368.00)	-11%
2000 · Classified Salaries					
2100 · Instructional Aides		185,323.20	220,972.00	35,648.8	0%
2500 · Bonus-Classified				-	0%
2300 · Classified School Administrators		80,000.00	80,000.00	-	0%
2400 · Clerical/Technical/Office		54,000.00	55,200.00	1,200.0	0%
2900 · Other Classified		115,269.00	59,684.00	(55,585.00)	(0.48)
Total 2000 · Classified Salaries		434,592.20	415,856.00	(18,736.20)	(0.04)
3000 · Employee Benefits					
3101 · STRS		$ 122,000.01	$ 108,274.65	(13,725.4)	0%
3202 · PERS				-	0%
3302 · Medicare		$ 31,570.77	$ 28,516.55	(3,054.2)	0%
3301 · Social Security (OASDI)		$ 26,075.53	$ 24,951.36	(1,124.2)	0%
3401 · H & W Payment (medical, dental, vision insurance)		$ 154,062.86	$ 154,062.86	-	0%
3501 · SUI		$ 33,402.86	$ 57,262.04	23,859.2	0%
3601 · Workers' Compensation		$ 65,054.93	$ 58,761.38	(6,293.5)	0%
3901 · Other Benefits		$ 348.00	$ 596.57	$ 248.57	$ 0.71
Total 3000 · Employee Benefits		379,514.95	432,425.42	(89.54)	(0.00)
4000 · Supplies					
4100 · Textbooks		30,000.00	30,000.00	-	0%
4200 · Other Books and Reference Materials		25,000.00	5,000.00	(20,000.0)	0%
4300 · Instructional Materials		20,000.00	20,000.00	-	0%
4400 · Noncapitalized Furniture/Equipment		60,000.00	20,000.00	(40,000.0)	0%

WISDOM ACADEMY FOR YOUR SCIENTISTS
2012-2013 PROPOSED BUDGET

	11-12 BUDGET Revised	12-13 BUDGET PROPOSED	CHANGE	PERCENT CHANGE
4500 · Other Supplies	40,000.00	20,000.00	(20,000.0)	0%
4330· Office Supplies	5,000.00	15,000.00	10,000.0	0%
4700 · Food Supplies	9,000.00	3,000.00	(6,000.00)	(0.67)
Total 4000 · Supplies	**189,000.00**	**113,000.00**	**(76,000.00)**	**(0.40)**
5000 · Operating Services				
5200 · Travel and Conferences	10,000.00	5,000.00	(5,000.0)	0%
5300 · Dues and Fees	7,000.00	7,000.00	-	0%
5400 · Insurance (property, student accident, board)	45,000.00	45,000.00	-	0%
5500 · Opartions & Housekeeping	50,000.00	50,000.00	-	0%
5610 · Building Rent	388,340.16	399,990.36	11,650.2	0%
5620 · Equipment Rental	6,470.00	3,000.00	(3,470.0)	0%
5630 · Repairs and Maintenance	8,650.00	8,650.00	-	0%
5812 · Pupil Transportaion	10,000.00	10,000.00	-	0%
5831 · Students Activities	10,000.00	40,000.00	30,000.0	0%
5852 · Contractor-Food Services	370,000.00	370,000.00	-	0%
5894 · Legal/Audit	31,994.00	31,994.00	-	0%
5830 · Advertisement/Recruitment	5,000.00	5,000.00	-	0%
5893 · Permits & Licenses	10,000.00	5,000.00	(5,000.0)	0%
5836 · Fingerprinting	400.00	400.00	-	0%
5840 · LACOE-Expense Reimbursement	10,040.00	10,040.00	-	0%
5853 · Business Consultants	65,000.00	60,000.00	(5,000.0)	0%
5850 · Non Instructional Consultants			-	0%
5863 · Professional Development	5,000.00	5,000.00	-	0%
5851 · Instructional Consultants	10,000.00	50,000.00	40,000.0	0%
5856 · Special Ed Expenses	100,000.00	100,000.00	-	0%
5891 · Bank Service Charge	500.00	500.00	-	0%
5892 · Fees & Other Charges			-	0%
5890 · Other Services & Operating Expe	10,000.00	10,000.00	-	0%
5895 · Fundraising Cost	-	-	-	0%
5896 · LAUSD-Expense Reimbursement			-	0%
5897 · LAUSD-Special Education Cost	7,647.00	7,647.00	-	0%
5910 · Communications (tele, internet, postage)	-	-	-	0%
5920 · Postage (UPS, Fedex, US Mail)	5,000.00	5,000.00	-	-
Total 5000 · Operating Services	**1,166,041.16**	**1,229,221.36**	**63,180.20**	**5%**
6000 · Capital Outlay				
6200 · Buildings and Improvements	91,730.00	30,000.00	(61,730.00)	0%
6400 · Equipment	48,594.00	30,000.00	(18,594.00)	(0.38)
6900 · Furniture	-	-	-	-
Total 6000 · Capital Outlay	**140,324.00**	**60,000.00**	**(80,324.00)**	**(0.38)**
7000 · Other Outgo				
7299 · Oversight Fee	43,568.00	43,568.00	-	-
7350 · Debt Service - Interest	30,000.00	30,000.00	-	-
Total 7000 · Other Outgo	**73,568.00**	**73,568.00**	**-**	**-**
TOTAL EXPENSES	**3,661,828.31**	**3,636,490.78**	**(278,337.54)**	**-7%**
NET INCOME	22,813.59	62,144.16	92,330.58	405%

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
APRIL 30, 2012
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past five years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 5 to 1 compared with accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 10%, meaning the school can withstand losses in the future without worrying about paying its bills. Finally the financial health ratio, which is the relationship between the school's assets and liabilities, is 10 to 1. The industry average is one or higher.

The accounts receivable balance is $581,933 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $403,976.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending April 30, 2012, Net Income (loss) is ($278,444) versus budgeted net loss of ($1,374,409). The big difference is as a result of a revised budget awaiting board approval.

REVENUE:

For the period ending April 30, 2012 total revenue is 2,530,219 this is $733k over budget. This is mainly due to pending revised budget scheduled for board approval.

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EXPENDITURES:

- For the period ending April 30, 2012, total expenses are $2,808,663. This is $363k under budget. This is due to revised budget that will reflect in future reports.
- Salaries and Benefits – The School expended $53k under budget in salaries and benefits. This is due to revised budget which will show up in future reports.
- Books and Supplies are 237k under budget for the period. This under budget is because it is early in the year and also because of revised budget awaiting board approval. Services and Other Operating Expenses are under-budgeted by $25k due to revised budget.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

STATEMENT OF FINANCIAL POSITION
APRIL 30, 2012

ASSETS

CURRENT ASSETS:		
Cash	$	25,431
Accounts receivable		581,933
Other assets		75,474
Total current assets		682,838
PROPERTY AND EQUIPMENT:		
Leasehold improvements-Erate		35,483
Leasehold improvements		277,533
Furniture & fixtures		144,651
Less: accumulated depreciation		(53,691)
Total property and equipment		403,976
Total assets	$	1,086,814

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Cash Overdraft		-
Accounts payable	$	74,244
Payroll and related liabilities		46,574
Total current liabilities		120,819
NET ASSETS		
Net assets-beginning		1,244,439
Increase/(decrease) in net assets		(278,444)
Total net assets		965,995
Total liabilities and net assets	$	1,086,814

Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2011 through 4/30/2012
In Whole Numbers

		Current Period Actuals 4/30/2012	Current Period Budget	$ Variance	YTD Actuals 4/30/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
	A. REVENUES								
8015	TOTAL, REVENUE LIMIT SOURCES	140,456	0	140,456	1,346,262	495,023	851,239	1,571,791	225,529
	FEDERAL REVENUES								
8291	Title I		0			121,952		291,394	291,394
8298	Title II	0	0			5,871		14,297	14,297
8296	Title IV	0							0
8220	Child Nutrition	0	44,360	(44,360)	137,674	310,523	(172,849)	443,604	305,930
8229	Facilities Incentive Grant	0	0	0	60,286	90,000	(29,714)	90,000	29,714
8221	Education Jobs Fund								
8226	Other Federal Revenues/Prior Year	0			44,056				
	TOTAL, FEDERAL REVENUES	0	44,360	(44,360)	242,016	528,346	(286,330)	749,295	611,621
	OTHER STATE REVENUES								
									0
8311	Special Education	0	51,505	(51,505)	4,592	213,727	(209,135)	208,890	204,298
8480	Categorical Block Grant	28,768	0	28,768	188,405	110,260	78,145	313,757	125,352
8480	In Lieu of Economic Impact Aid	0	0		131,938		131,938		(131,938)
8569	Child Nutrition-State	0	462	(462)	10,643	3,232	7,411	2,264	(8,379)
8566	PE Teachers Incentive	0	0		1,468		1,468	58,696	57,228
8563	Art and Music Block Grant	0	0		143		143	8,332	8,189
8564	After School Education and Safety	0			73,125		73,125	112,500	
8434	Class Size Reduction	0	0		94,194	44,084	50,110	176,334	82,140
8560	State Lottery	0	0			29,250		28,688	28,688
8481	Charter School Facilities Grant	0	0		0	0	0	65,000	65,000
8590	All Other Revenues	0	99	(99)	205	693	(488)	2,979	2,774
	TOTAL, OTHER STATE REVENUES	28,768	52,066	(23,298)	504,713	401,246	103,467	977,439	433,351

Prepared by Bali Business Management

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Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2011 through 4/30/2012
In Whole Numbers

		Current Period Actuals 4/30/2012	Current Period Budget	$ Variance	YTD Actuals 4/30/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
	OTHER LOCAL REVENUES								
8780	In lieu of Propery Tax	65,048	111,422	(46,374)	422,879	299,873	123,006	606,092	183,213
8779	Fundraising	0	(539)	539	1,941	1,078	863		(1,941)
8700	Other Local Income	1,439	8,952	(7,513)	4,570	71,866	(67,296)	91,290	86,720
8785	Prior Year Revenue	0			7,837				
	TOTAL, OTHER LOCAL REVENUES	66,488	119,835	(53,347)	437,227	372,817	64,410	697,382	267,992
	SUSPENSE - INCOME								
	TOTAL REVENUES	235,712	216,261	19,451	2,530,210	1,797,482	632,787	3,995,900	1,538,492
	B. EXPENDITURES								
	CERTIFICATED SALARIES								
1100	Teachers' Salaries	98,863	75,314	23,549	826,130	753,140	72,990	992,234	166,103
1220	Substitute Salaries		9,038	(9,038)		72,301	(72,301)	70,388	70,388
	Teachers Extra Duty							85,000	
1300	School Administrators' Salaries	22,150	15,574	6,576	228,935	124,592	104,343	266,888	37,953
	TOTAL, CERTIFICATED SALARIES	121,013	99,926	21,087	1,055,066	950,033	105,033	1,414,510	274,444
	CLASSIFIED SALARIES								
2100	Instructional Aides		25,220	(25,220)		176,541	(176,541)	128,836	
2300	Classified Administrator	8,907	0	8,907	58,426	0	58,426	59,400	974
2400	Clerical /Office Salaries	12,403	16,225	(3,822)	104,096	162,245	(58,149)	128,604	24,508
2900	Other Classified Salaries	17,752	21,037	(3,285)	139,963	147,257	(7,294)	48,972	(90,991)
	TOTAL, CLASSIFIED SALARIES	39,062	62,482	(23,420)	302,486	486,043	(183,557)	365,812	(65,510)

Prepared by Bali Business Management

Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2011 through 4/30/2012
In Whole Numbers

		Current Period Actuals 4/30/2012	Current Period Budget	$ Variance	YTD Actuals 4/30/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
	EMPLOYEE BENEFITS								
3101	Strs	9,120	8,244	876	78,185	78,378	(193)	116,697	38,512
3202	Pers	0	0		0			0	0
3301	Oasdi - Regular	2,811	3,874	(1,063)	24,473	30,135	(5,662)	22,680	(1,792)
3302	Oasdi - Medicare	2,321	2,355	(34)	19,726	20,823	(1,097)	25,815	6,089
3400	Health & Welfare Benefits	1,708	8,340	(6,632)	125,888	83,400	42,488	124,080	(1,808)
3501	Unemployment Insurance	978	487	491	27,892	4,308	23,584	5,341	(22,551)
3601	Workers' Compensation	1,185	3,733	(2,548)	10,724	44,801	(34,077)	44,508	33,784
3902	Other Benefits	15	81	(66)	292	569	(277)	1,462	1,170
	TOTAL, EMPLOYEE BENEFITS	18,138	27,114	(8,976)	287,180	262,414	24,766	340,583	53,403
	BOOKS & SUPPLIES								
4110	Textbooks	0		0	33,648	75,000	(41,352)	45,000	11,352
4210	Books & Other Thank Textbooks	0			21,104	3,588	17,516	15,000	(6,104)
4300	Instructional Materials & Supplies	11,889	4,167	7,722	30,735	41,667	(10,932)	20,000	(10,735)
4400	Non-capitalized Equipment	2,178	4,167	(1,989)	58,106	41,667	16,439	30,000	(28,106)
4390	Other Supplies	5,716	4,292	1,424	44,162	42,923	1,239	23,625	(20,537)
4350	Office Supplies	62	4,167	(4,105)	51685	41,667	(35,982)	7,000	1,315
4710	Food Supplies	4,316			12,626	197,197	(184,571)		(12,626)
	TOTAL, BOOKS & SUPPLIES	24,161	16,793	7,368	206,066	443,709	(237,643)	140,625	(65,441)
	SERVICES, OTHER OPERATING EXP.								
5220	Travel & Conferences	62	1,125	(1,063)	5,134	11,250	(6,116)	27,182	22,048
5310	Dues & Fees	0	292	(292)	3,329	2,917	412	17,000	13,671
5450	Insurance	0	2,088	(2,088)	38,569	25,052	13,517	45,000	6,431
5500	Utilites & Housekeeping	4,381	3,750	631	33,415	37,500	(4,085)	48,265	14,850
5610	Rentals,Leases & Repairs	18,870	30,738	(11,868)	338,019	297,384	40,635	376,378	38,359
5812	Pupil Transportation	365	2,500	(2,135)	4,292	20,000	(15,708)		
5831	Student Activities	8,040	833	7,207	18,013	8,333	9,680		
5840	LACOE Expense Reimbursement	0	418	(418)	1,675	4,183	(2,508)		

Prepared by Bali Business Management

WAYS000783

Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2011 through 4/30/2012
In Whole Numbers

		Current Period Actuals 4/30/2012	Current Period Budget	$ Variance	YTD Actuals 4/30/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining
5853	Business Consultant	6,631	5,000	1,631	49,025	50,000	(975)	85,000	35,975
5850	Non-Instructional Consultants	0	6,250	(6,250)	66,933	62,500	4,433		
5851	Instructional Consultants	10,207	3,750	6,457	82,494	37,500	44,994		
5863	Professional Development	100	1,458	(1,358)	2,947	14,583	(11,636)		
5854	Consultant-Food Services	0			142,217	0	142,217	443,604	301,387
5810	Field Trips	0	0		0	0		0	0
5820	Legal & Audit	5,196	500	4,696	51,887	5,000	46,887	63,988	12,101
5852	Special Ed Consultants	16,013	20,294	(4,281)	35,398	202,940	(167,542)	109,782	74,384
5890	Other Services (Hiring Cost)	0			0	0		0	0
5900	Communications	543	1,667	(1,124)	18,260	16,667	1,593	42,000	23,740
5920	Postage (UPS, Fedex, US Mail)	0	417	(417)	1,208	4,167	(2,959)		
5890	Other Services & Operating Expenses	2,458	3,909	(1,451)	63,912	39,387	24,525	211,025	147,113
5898	LAUSD Special Ed Fees		9,206	(9,206)		92,060	(92,060)		
	Suspense Expense	364			364				
	TOTAL, SERVICES & OTH OPER. EXP.	73,229	94,195	(20,966)	957,089	931,423	25,666	1,469,224	690,061
	CAPITAL OUTLAY								
6200	Building and Improvements	0	1,667	(1,667)	0	16,667	(16,667)	91,730	
6410	Capitalized Equipment	0	3,167	(3,167)	0	31,667	(31,667)	45,494	
6900	Furnitures		833	(833)	0	8,333	(8,333)	3,100	
	TOTAL, CAPITAL OUTLAY	0	5,667	(5,667)	0	56,667	(56,667)	140,324	0
7000	**OTHER OUTGO**	0						73,568	73,568
7299	District Oversight Fees		1,114	(1,114)	777	9,052	(8,275)		
7438	Debt Service - Interest		3,334	(3,334)		32,500	(32,500)		
	TOTAL, OTHER OUTGO		4,448	(4,448)	777	41,552	(40,775)	73,568	73,568
	TOTAL EXPENDITURES	275,603	310,625	(35,022)	2808,663	3,171,841	(363,178)	3,944,640	960,526
	Net Income/(Loss)	(39,891)	(94,364)	54,473	(278,444)	(1,374,409)	1,095,965	51,260	577,966
	Change in Net Assets	(39,891)	(94,364)	54,473	(278,444)	(1,374,409)	1,095,965	51,260	577,966

Prepared by Bali Business Management

WAYS000784

Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2011 through 4/30/2012
In Whole Numbers

		Current Period Actuals 4/30/2012	Current Period Budget	$ Variance	YTD Actuals 4/30/2012	YTD Budget	$ Variance	Total Budget	Budget Remaining

Prepared by Bali Business Management

ISDOM ACADEMY FOR YOUNG SCIENTISTS
ASH FLOW - ACTUAL & PROJECTED
JLY 2011- JUNE 2012

	2011-12	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan - 12	Feb - 12	Mar-12	Apr-12	May-12	Jun-12	Accrual
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
GINNING CASH BALANCE		478,154	391,402	326,788	256,859	538,535	229,361	-40,708	360,022	139,296	157,520	25,431	-38,279	-59,523
URCES OF CASH:														
NERAL PURPOSE	1,571,792		92,511	139,399	381,451			624,342		21,042	0	83,410	28,689	547,963
DERAL FUNDING	200,000			4,286			22,887	103		19,085			5,871	200,000
ILD NUTRITION PROGRAM	443,804		15,003						83,414	161,510	33,998	44,360	44,360	29,361
TEGORICAL BLOCK GRANT	313,757		22,703	28,744	49,927			108,376	0		28,300	18,682	7,172	136,991
LIEU OF PROPERTY TAX	606,092		21,183			28,244	28,244	28,526	28,244		55,459	64,212	64,212	151,690
ECIAL EDUCATION	208,890									4,592	0	22,926	4,062	152,420
HILD NUTRITION - STATE	2,264		1,222					2,085	4,430		2,565	462	462	1,848
ASS SIZE REDUCTION	176,334				42,037					52,157				
ATE LOTTERY	28,688					7,837							14,625	14,625
HARTER SCHOOL FACILITY (SB 740)	90,000													90,000
HARTER SCHOOL FACILITIES INCENT	65,000				7,543	7,534	7,534	7,534	7,534	15,082				
E TEACHERS INCENTIVE	58,696		1,468	1,611										
RTS & MUSIC BLOCK GRANT	8,332		143	143									4,166	
TER SCHOOL EDUC & SAFETY	112,500			73,125	11,250									

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SDOM ACADEMY FOR YOUNG SCIENTISTS
.SH FLOW - ACTUAL & PROJECTED
LY 2011- JUNE 2012

	2011-12	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan - 12	Feb - 12	Mar-12	Apr-12	May-12	Jun-12	Accrual
HER STATE REVENUE	2,979		802	144	92,524		67			675		99	99	297
CELLANEOUS		50,000		75,000					197					
EREST INCOME	3,042	101	239	80	76	72	8	1	7	7	6	127	127	
HER LOCAL INCOME	88,248		1,070		2,459		300	700	580	2,012	1,433			
OR YEAR REVENUE				10,329	5,970			69,356						
COUNTS RECEIVABLE														
JUSTMENTS											79,595			
TAL SOURCES	3,980,218	50,101	156,344	332,861	593,237	43,687	59,039	841,023	124,386	276,162	201,357	232,277	173,845	1,325,195
TAL CASH AVAILABLE		528,255	547,746	659,649	850,096	582,222	288,400	800,315	484,408	415,458	358,877	257,708	135,566	1,265,673
PLICATION OF CASH:														
ARIES	1,760,322	20,607	36,132	110,929	127,931	135,611	128,942	127,243	128,921	119,130	119,895	128,942	128,942	
NEFITS	340,583	33,229	17,514	35,473	59,545	47,021	67,172	43,809	54,977	14,192	31,462	30,051	30,051	
OKS AND SUPPLIES	140,625	1,633	2,230	11,459	38,849	24,939	571	47,232	6,173	4,330	12,243			
RVICES AND OTHER OPERATING	1,489,224	46,797	164,870	244,929	85,235	145,007	114,122	140,800	97,465	120,286	97,174	130,213	29,315	
OD SERVICES		34,587												
PITAL OUTLAY	140,324							1,000				5,667	5,667	106,322

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VISDOM ACADEMY FOR YOUNG SCIENTISTS
CASH FLOW - ACTUAL & PROJECTED
ULY 2011- JUNE 2012

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
	2011-12	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan - 12	Feb - 12	Mar-12	Apr-12	May-12	Jun-12	Accrual
CCOUNTS PAYABLE/LAUSD														
VERSIGHT FEE	43,566		212			282		0				1,114	1,114	37,523
AYROLL LIABILITIES								80,208	57,576		72,672			
REDIT CARD PAYMENT														
DANS PAYABLE														
TEREST	30,000													
DVANCE														150,000
ASH APPLICATIONS FOR THE PERIOD	3,944,644	136,853	220,958	402,790	311,561	352,861	310,805	440,293	345,112	257,938	333,446	295,987	195,089	293,845
ET CASH FLOW FOR THE PERIOD	-35,574	-86,752	-64,615	-69,929	281,676	-309,174	-251,766	400,730	-220,726	18,224	-132,089	-63,710	-21,244	1,031,350
NDING CASH BALANCE		391,402	326,788	256,859	538,535	229,361	-22,405	360,022	139,296	157,520	25,431	-38,279	-59,523	971,828
ank Statements Balance		391,402	326,788	256,859	538,535	229,361	(22,405)	360,022	139,296	157,520	25,431			
alance Sheet - (Cash in Bank)		0	0	0	0	0	0	0	0	0	0			

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WISDOM ACADEMY FOR YOUR SCIENTISTS 2011-2012 BUDGET	WISDOM	SAL ARMY	MANCENT
	11-12 BUDGET Estimate	11-12 BUDGET Estimate	11-12 BUDGET Estimate
Total Enrollment	467.3	229.9	227.4
ADA	-		
INCOME	-		
8011-8096 · Revenue Limit Sources	-		
8011 · Supplemental Hours	-	$ -	$ -
8015 · Charter School General Purpose - State Aid	1,501,876.5	730,298	771,579
8096 · In lieu of Property Taxes	558,872.9	281,522	277,351
Total 8011-8096 · Revenue Limit Sources	2,060,749.4	1,011,820	1,048,929
8100-8290 · Other Federal Income	-		
8220 · Child Nutrition (Federal)	443,604.0	0	443,604
8221 · Title I, A, Basic Low Income	200,000.0	100,000	100,000
8222 · Title II, A Teacher Quality	12,852.5	6,433	6,420
8293 · Title II, D EETT	-	0	0
8294 · Title III, Limited English (LEP)	-	0	0
8223 · Education Jobs Fund	-	0	0
8225 · State Fiscal Stabilization	-	0	0
8297 · Other Federal Income	-	0	0
Total 8100-8290 · Other Federal Income	656,456.5	106,433	550,024
8300-8599 · Other State Income	-		
8311 · Special Ed	192,514.8	97,026	95,589
8434 · Class Size Reduction (K-3)	176,334.0	0	176,334
8480 · Charter Sch Categorical Blk Gr	299,746.9	149,204	150,543
8589 · Child Nutrition (State)	2,019.4	0	2,019
8560 · State Lottery Revenue	25,585.9	0	25,586
8545 · Facilities Incentive Grant	90,000.0	0	90,000
8566 · PE Teachers Incentive	58,696.0	29,348	29,348
8551 · Charter School Facilities Incentive	65,000.0		65,000
8563 · Art and Music Block Grant	8,332.0	4,166	4,166
8564 · After School Education & Safety	112,500.0		112,500
8590 · Other State Revenue	2,979.0	993	1,986
Total 8300-8599 · Other State Income	1,033,808.0	280,737	753,071
8600-8699 · Other Income-Local	-		
8634 · Food Service Sales	-	0	0
8660 · Interest Income	3,042.0	1,521	1,521
8699 · All Other Income	88,248.0	0	88,248
8682 · Grants/Donations	-	0	0
8672 · Fundraising	-	0	0
Total 8600-8699 · Other Income-Local	91,290.0	1,521	89,769
TOTAL INCOME	3,842,303.9	1,400,511	2,441,793
EXPENSE	-		
1000 · Certificated Salaries	-		
1100 · Teachers Salaries	908,233.7	420,000	488,234
1110 · Substitute Teachers	70,388.0	42,000	28,388
1175 · Teachers - Extra Duty/Stipend	85,000.0		85,000
1176 · Bonus-Certificated	-		
1200 · Certificated Pupil Support	-		0
1300 · Certificated-Executive Director	109,020.0	54,510	54,510
1300 · Certificated - Principal	157,868.0	80,000	77,868
1900 · Other Certificated	-	0	0
Total 1000 · Certificated Salaries	1,330,509.7	596,510	734,000
2000 · Classified Salaries	-		
2100 · Instructional Aides	128,835.6	46,400	82,436
2500 · Bonus-Classified	-		0
2300 · Classified School Administrat	-	0	0
2400 · Clerical/Technical/Office	188,004.0	65,000	123,004

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WISDOM ACADEMY FOR YOUR SCIENTISTS
2011-2012 BUDGET

	WISDOM	SAL ARMY	MANCENT
	11-12 BUDGET Estimate	11-12 BUDGET Estimate	11-12 BUDGET Estimate
2900 · Other Classified	48,972.0	48,972	
Total 2000 · Classified Salaries	365,811.6	160,372	205,440
3000 · Employee Benefits	-		
3101 · STRS	109,767.1	49,212	60,555
3202 · PERS	-	0	0
3302 · Medicare	27,154.5	12,315	13,622
3301 · Social Security (OASDI)	22,680.3	9,943	12,737
3401 · H & W Payment (medical, dental, vision insura	124,080.0	42,000	82,080
3501 · SUI	5,618.2	2,548	2,818
3601 · Workers' Compensation	46,818.0	21,232	23,486
3901 · Other Benefits	1,462.3	731	731
Total 3000 · Employee Benefits	334,010.7	137,981	196,030
4000 · Supplies	-		
4100 · Textbooks	30,000.0	15,000	15,000
4200 · Other Books and Reference Materials	15,000.0	5,000	10,000
4300 · Instructional Materials	25,000.0	10,000	15,000
4400 · Noncapitalized Furniture/Equipment	30,000.0	10,000	20,000
4500 · Other Supplies	23,625.0	7,000	16,625
4330 · Office Supplies	7,000.0	7,000	0
4700 · Food Supplies	-	0	0
Total 4000 · Supplies	155,625.0	54,000	76,625
5000 · Operating Services	-		
5200 · Travel and Conferences	27,182.0	10,000	17,182
5300 · Dues and Fees	17,000.0	7,000	10,000
5400 · Insurance (property, student accident, board)	45,000.0	15,000	30,000
5500 · Opartions & Housekeeping	50,265.0	25,000	25,265
5610 · Building Rent	354,788.0	150,000	204,788
5620 · Equipment Rental	12,940.0	6,470	6,470
5630 · Repairs and Maintenance	8,650.0	4,325	4,325
5812 · Pupil Transportation	20,000.0	10,000	10,000
5831 · Students Activities	27,000.0	10,000	17,000
5852 · Contractor-Food Services	443,604.0	0	443,604
5894 · Legal/Audit	46,994.0	15,000	31,994
5830 · Advertisement/Recruitment	10,000.0	5,000	5,000
5803 · Permits & Licenses	15,000.0	5,000	10,000
5836 · Fingerprinting	600.0	300	300
5840 · LACOE-Expense Reimbursement	10,040.0	5,020	5,020
5853 · Business Consultants	85,000.0	35,000	50,000
5850 · Non Instructional Consultants	-	0	0
5863 · Professional Development	20,000.0	10,000	10,000
5851 · Instructional Consultants	109,782.0	25,000	84,782
5856 · Special Ed Expenses	7,762.1	7,762	0
5891 · Bank Service Charge	1,000.0	500	500
5892 · Fees & Other Charges	-	0	0
5890 · Other Services & Operating Expe	87,258.0	43,629	43,629
5895 · Fundraising Cost	4,416.0	2,208	2,208
5896 · LAUSD-Expense Reimbursement	-	0	
5897 · LACOE-Special Education Cost	7,647.1	0	7,647
5910 · Communications (tele, internet, postage)	32,000.0	12,000	20,000
5920 · Postage (UPS, Fedex, US Mail)	10,000.0	5,000	5,000
Total 5000 · Operating Services	1,453,928.1	409,214	1,044,714
6000 · Capital Outlay	-		
6200 · Buildings and Improvements	91,730.0	15,000	76,730
6400 · Equipment	45,494.0	30,000	15,494
6900 · Furniture	3,100.0	1,550	1,550
Total 6000 · Capital Outlay	140,324.0	46,550	93,774

$45,000

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WISDOM ACADEMY FOR YOUR SCIENTISTS
2011-2012 BUDGET

	WISDOM	SAL ARMY	MANCENT
	11-12 BUDGET Estimate	11-12 BUDGET Estimate	11-12 BUDGET Estimate
7000 · Other Outgo	-		
7299 · Oversight Fee	43,568.0	21,784	21,784
7350 · Debt Service - Interest	30,000.0	30,000	0
Total 7000 · Other Outgo	73,568.0	51,784	21,784
TOTAL EXPENSES	3,828,777.1	1,456,411	2,372,366
	-		
NET INCOME	13,527.0	(55,900)	69,427
	-		
8979 · Financing Sources (Incur Debt)			
7439 · Debt Service - Principal			
	-		
CHANGE IN NET ASSETS	13,527.0	(55,900)	69,427
	-		
	-		
Beginning Cash Balance	445,850.7		445,851
Change in Net Assets	13,527.0	(55,900)	69,427
Prior Year Accounts Receivable	665,502.0		665,502
Prior Year Accounts Payable	(159,467.0)		(159,467)
Capital Expenditures	-		
Balance Sheet Other	(635,466.4)		(635,466)
Depreciation Expense	-		
Ending Cash Balance	511,675.5	(55,900)	584,809

WAYS000792

Principals' Report

Presented by Lawrence Wynder and Alake Watson

Presented to Governing Board of WAYS on November 3, 2011

Student Achievement

Administrators, Teachers and Students are currently implementing the achievement plan through targeted instructional goals, best practices such as diagnostic (i.e., Standford 10), formative and quarterly assessments, common planning time, common lesson planning, interactive notebooks, establishing clear objectives and SMART goals, using technology in the classroom (i.e., teachers were trained on the usage of the SMART boards), using performance charts, using a common grading system.

We have had ESLR awards and student achievement awards ceremonies. We want to focus more on creating incentives for attendance to increase our current average daily attendance rate from 92 – 97%.

We are encouraged by the vision of the Executive Director, Edward Cabil, to implement more rigorous instruction in English Language Arts with a concentration on Grammar. He has informed us of his intent to meet the current Department of Education's demand for implementing a pilot project that addresses African American students.

Friday we had personality day. A fun time was had by parents and students.

Achievement Plan

A draft of the Achievement Plan was submitted to the Executive director for review and comment and was forwarded LACOE on October 29, 2011. Please find a copy of the draft attached. The administration of the school needs the support of the governing board to ensure that the resources and support needed to implement the achievement plan.

WAYS000793

Attendance and Enrollment

We currently have 495 students at WAYS. Inquiries concerning enrollment are being made daily. Our monthly and 20 day attendance reports were submitted to LACOE and the CDE. Our month 2 attendance will be submitted tomorrow, November 4. Our current ADA is 92%.

Revised Charter Elements

Revised charter elements were submitted to LACOE are a response on the elements is expected next week.

School Calendar for November

Please see attached.

Concerns regarding the budget presented during budget meeting on 11-3-11

It was brought to our attention that the school is operating at deficit. However, a review of the budget does not reveal deficit. Also, keep in mind the school has a large reserve. We would like to request a revised budget based on the following suggestions:

- As one school, balance out the budget between areas in both schools and create a budget for one school
- We recommend that the allocation for substitute teachers (line item 1110) at $70, 338.00 be reduced and funds be allocated to administrative and teacher salaries
- We recommend that funds allocated for teacher's extra duties be reduced and balanced out at both sites and funds from the reduction be applied to professional development and administrative and teacher salaries.
- Review line item 8220 child nutrition be balanced out between sites according to free and reduced lunch applications at each site.

WAYS000794

Request for comparable and competitive salary

We would like to request that the Board do a review of comparable salaries for teachers and administrators at California Public Schools, traditional and charter. We want to discourage the misconception that charter school employees are paid less than on average than traditional schools.

Also, we would like to request a salary scale that reflects comparable salaries, years of experience and education levels.

Also, we would like the board to keep in mind that WAYS teachers and administrators commonly exceed the 8 hr. work day and we are not compensated over time as is in district schools.

EXHIBIT 51

Chan Vo Attachment D-2

From: Chan_Vo
Sent: Wednesday, January 11, 2012 12:19 PM
To: Isenberg_Jan
Cc: Andrade_Vibiana; Benitez_Yolanda; Smith_Pat; Memon_Zak; Sanchez_Lila
Subject: RE: WAYS

Tracking:

Recipient	Read
Isenberg_Jan	Read: 1/19/2012 8:13 AM
Andrade_Vibiana	Read: 1/11/2012 12:35 PM
Benitez_Yolanda	Read: 1/11/2012 4:52 PM
Smith_Pat	
Memon_Zak	Read: 1/11/2012 12:48 PM
Sanchez_Lila	Read: 1/11/2012 12:49 PM

Jan,

As I shared with you and Judy earlier, I visited WAYS yesterday and met with Ed Cabil and Jason Okonkwo. I shared with them that the purpose of my visit was not to investigate any complaints as they had suggested in their prior e-mail communications but to follow-up on concerns that I have identified-specifically as it relates to credit cards.

Both Ed and Jason stated that they may deem any actions taken by me to be of an investigative nature and they also stated they need to be notified of any investigation and provided documentation. They also stated that any findings be communicated to them along with recommendations for corrective actions and they will work with LACOE to resolve em.

Ed stated that LACOE had issued a notice of violation that cited "complaints" made against WAYS and he has requested from LACOE the supporting document regarding complaints but has not received the documentation.

Back to the purpose of my visit, I'll try to keep it short.

We discussed our concerns over WAYS credit card usage and oversight. The ED acknowledged weaknesses in internal controls and stated he is committed and is working on putting in place policies and procedures to strengthen internal controls but that he has been distracted with numerous issues with LACOE and incurring legal costs. He said he has only been in the position for two months and asked for time to work through the issues. Some of the actions he stated WAYS has taken while not yet formalized in policies and procedures include: (1) stop using the credit card under the name of its former executive director; (2) WAYS has applied and received new credit card under its own name (Ed and Jason are authorized users); (3) minimize credit card usage; utilize purchase orders instead; (4) plan to stop the practice of charging for fuel; to implement mileage reimbursement.

They were cooperative for the most part except certain questions I posed they perceived them to be of an investigative nature and would either not respond or would not elaborate. For example, I asked why the former executive director made charges after she had been terminated (they clarified that she was "released"), they would only said that the account was open by her for the benefits of WAYS. I asked how those charges benefit the school but did not receive a response. The ED repeatedly shared that WAYS perceived LACOE to be working to close the school and he will do whatever it takes to keep it open.

- DO maintain all charges made by him are for valid business purposes. The ED stated he verbally approves the credit charges made by the DO and that he trusts him.

000838

I shared with them that until policies and procedures are put in place, these concerns remain unresolved. My plan is to work with them and validate that they have implement what they said they have/will do. I would need to visit their back-office provider in the future to review documents. They stated the official financial records are maintained with the ck-office provider.

Given their perceived relationship with LACOE, I am in need of guidance as to how to move forward. Actions taken may be misinterpreted as an "investigation".

I am available to meet to further discuss.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu |

From: Isenberg_Jan
Sent: Wednesday, January 11, 2012 9:35 AM
To: Chan_Vo
Cc: Andrade_Vibiana; Benitez_Yolanda; Smith_Pat; Memon_Zak; Sanchez_Lila
Subject: WAYS

Hi Vo:
Please recap the discussion and findings on January 10th at Wisdom with Ed Cabil and Jason Okowoko.
Thank you

Jan Isenberg
Project Director III
Charter School Office
s Angeles County Office of Education
2) 922-8806
562) 922-8805 (fax)

Chan_Vo Attachment 0-4

From: Chan_Vo
Sent: Friday, December 09, 2011 2:54 PM
To: 'Edward Cabil'
Subject: RE: Schedule Site Visit - WAYS

Mr. Cabil:

I have concerns with your internal controls identified through the normal course of performing my oversight responsibilities. Since my concerns are preliminary pending further discussion and review, I prefer to meet and discuss them first with you. Perhaps, my concerns are not valid but without having an opportunity to discuss and review documents with you and your staff, it would be difficult to move forward or provide any meaningful feedbacks to you.

I am sure as the executive director of WAYS, you would be interested in hearing my concerns and would want to make any necessary corrective actions. While it would be helpful to be able also speak with you staff to gain a better understanding of your operations and internal controls, I will leave that discretion up to you.

Would you have one hour available to meet with me next week? I appreciate your comment about getting "any problem fixed for the benefits of the children" and I share the same.

As far as the communication between you and our superintendent, I am not part of that process so I cannot really comment. I follow protocols and that does not typically involve having direct communication with our superintendent.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu |

From: Edward Cabil [mailto:edcabil@sbcglobal.net]
Sent: Friday, December 09, 2011 10:50 AM
To: Chan_Vo
Cc: mrjason7@gmail.com; Halilu Haruna
Subject: Re: Schedule Site Visit - WAYS

Mr. Chan,

WAYS is happy to promptly respond to all reasonable requests from LACOE. That having been said, your request is a bit suspicious in light of Superintendent Delgado's November 17, 2011 "Notice of Investigation" and my November 28, 2011 response letter, copies of which are attached. Perhaps you are unaware of the correspondence with Dr. Delgado. We have not yet received any response from Dr. Delgado, nor have we received copies from LACOE nor any response whatsoever concerning the records we requested. LACOE's statutory response deadline per the Government Code was yesterday.

I suggest that you confer with Dr. Delgado and please confirm that there is no "complaint" as suggested in LACOE's November 17, 2011 letter. If there is any such "complaint", please provide a copy immediately so that we may have an opportunity to address any problem at our school. If there is any such problem. At this point, we have no reason to believe there is any problem at all. LACOE did not respond or provide copies of anything by December 1 as we requested, and failed to meet its December 8 statutory deadline.

Your broad request to meet with "staff" for an unstated period of time, for unstated reasons is not reasonable, especially under these circumstances. LACOE's Government Code violation in that regard is especially troubling. Please specify the purpose of your request and specify what information you would like us to provide, and the estimated time duration of your meeting. Our staff is fully occupied educating children. Any meeting must be scheduled at a time and in a manner that accommodates our educational program. By you providing the requested information, I can ensure that the appropriate staff are present to address the subject of your inquiry, whatever that might be. As I stated to Dr. Delgado, if you have any specific concern with the implementation of any provision of the charter, please let us know so that we can engage in meaningful dialogue and get any real problem fixed for the benefits of the children.

Thank you Vo. I look forward to you providing the requested information and a meaningful meeting.

Sincerely,

Ed Cabil

From: Chan_Vo <Chan_Vo@lacoe.edu>
To: EDWARD CABIL <edcabil@sbcglobal.net>
Cc: Isenberg_Jan <Isenberg_Jan@lacoe.edu>; Memon_Zak <Memon_Zak@lacoe.edu>
Sent: Thursday, December 8, 2011 9:32 AM
Subject: Schedule Site Visit - WAYS

Mr. Cabil:
This is to request to schedule a visit to WAYS' office to meet with you and your staff to discuss your fiscal operation and internal controls. Please let me know which day(s) next week (except for Tuesday, December 13) would work for you.

For your reference, I am including a couple items below taken from the ***Monitoring and Oversight Memorandum of Understanding (MOU)***.

- *Internal Fiscal Controls*- The Charter School shall develop and maintain internal fiscal control policies governing all financial activities. Such policies and procedures are subject to review during site visits to see that they are being implemented.

- LACOE reserves the right to make unannounced visits to the Charter School. EC § 47604.32(b) requires LACOE to conduct a site visit annually. The purpose of the visits shall be to monitor the instructional program and operations in accordance with County Board of Education Policy 6650.

Also, EC § 47604.3 states a *"A charter shall promptly respond to all reasonable inquiries, including but not limited to, inquiries regarding its financial records, from its chartering authority, the county office of education that has jurisdiction over the school's chartering authority, or from the Superintendent of Public Instruction and shall consult with the chartering authority, the county office of education, or the Superintendent of Public Instruction regarding any inquiries."*
Thank you in advance for your cooperation.

Vo Chan | Financial Operations Consultant | Controller's Office |
Los Angeles County Office of Education | Phone: 562-803-8351 | Fax: 562-401-5789 | chan_vo@lacoe.edu

Wisdom Academy for Young Scientists

November 28, 2011

Arturo Delgado, Ed.D.
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242-2890

Re: Wisdom Academy for Young Scientists Charter School

Dear Superintendent Delgado:

As the Executive Director of the Wisdom Academy for Young Scientists Charter School ("WAYS"), I am responding to your letter dated November 17, 2011 concerning what you have called a "Notice of Investigation".

First and foremost, you incorrectly cite Education Code section 47604.4 as authority to "investigate" whether WAYS "has the capacity to govern the school and implement the charter." The Education Code provides no such authority. In fact, the Education Code specifically provides the authority to make determinations about the likely success of charter implementation to the LACOE Board as part of the charter approval or denial procedure. Please see Education Code section 47605(b)(2). By granting the charter on June 7, 2011, the LACOE Board implicitly determined that the school is likely "to successfully implement the program set forth in the petition". You have cited no facts or even allegations to the contrary.

You have misinterpreted section 47604.4. That section provides that the County Superintendent may monitor and conduct an investigation into the operations of a charter school. Of course, you must have a reasonable, articulated basis for doing so. And because LACOE is the school's authorizer, your oversight is further affected by the charter itself. Your letter vaguely states that you have "received complaints regarding the operation of the school." However, the supporting documentation you attached to your letter demonstrates nothing of the sort. Rather, it is a series of emails from your staff attempting to schedule what its calls a "Capacity Interview". There is no mention whatsoever of any "complaint". And there is no such process as a "capacity interview" authorized by the Education Code or the charter.

Please immediately provide copies of any and all "complaints" referred to in your November 17, 2011 letter. If there is in fact a complaint, WAYS will respond. To the extent a LACOE investigation is reasonable and appropriate, we will of course fully and immediately cooperate to the extent necessary.

Empowering Students to be Leaders,
Change Agents, and True Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655 • Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 • Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com • web: www.wisdomacademy.org

000842

If you do not provide copies of the "complaints" by December 1, 2011, we will presume that no such complaint exists. If there is a problem at the school, we wish to resolve it immediately for the benefit of our students.

WAYS does not concede that you have authority to conduct what appears to be a fishing expedition / witch hunt under authority of the Education Code. If you believe you have a reasonable basis to conduct an investigation about anything whatsoever concerning WAYS, please immediately inform us of that basis and your supporting facts.

We do not wish to engage in prolonged disputes with you concerning charter oversight. If you truly have a specific concern with the implementation of any provision of our charter, please let us know so that we can engage in meaningful dialogue and get any real problem fixed for the benefit of the children. Your vague, unsupported allegations and incorrect read of the Education Code are not helpful.

Sincerely,

Edward Cabil
Executive Director

EXHIBIT 52

BYLAWS
OF
MERLE WILLIAMSON FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Doing Business As
WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS)

ARTICLE I
NAME

Section 1. NAME. The name of this corporation is Merle Williamson Foundation, doing business as Wisdom Academy for Young Scientists ("WAYS" or "Charter School").

ARTICLE II
PRINCIPAL OFFICE OF THE CORPORATION

Section 1. PRINCIPAL OFFICE OF THE CORPORATION. The principal office for the transaction of the activities and affairs of this corporation is 760 E. Manchester Avenue, Los Angeles, State of California. The Board of Directors may change the location of the principal office. Any such change of location must be noted by the Secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 2. OTHER OFFICES OF THE CORPORATION. The Board of Directors may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

ARTICLE III
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS

Section 1. GENERAL AND SPECIFIC PURPOSES. The purpose of this corporation is to improve the social and economic status of the South Central Los Angeles community by creating and operating a pre-school, a school devoted to the education of boys and girls, and an organization which promotes the cultural diversity of the South Central Los Angeles community, all of the foregoing to enable young people of the South Central Los Angeles community to become successful and useful citizens and the providing of support and resources toward the accomplishments of the foregoing purposes, and to engage in any other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law. The recital of these purposes as contained in this Article is intended to exclusive of any and all other purposes, this corporation being formed for such public and charitable purposes only.

Also in the context of these purposes, the Corporation shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Corporation.

The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue

Code, or the corresponding section of any future federal tax code; or (b) a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IV
CONSTRUCTION AND DEFINITIONS

Section 1. CONSTRUCTION AND DEFINITIONS. Unless the context indicates otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term "person" includes both a legal entity and a natural person

ARTICLE V
DEDICATION OF ASSETS

Section 1. DEDICATION OF ASSETS. This corporation's assets are irrevocably dedicated to public benefit purposes as set forth in the Charter School's Charter. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

ARTICLE VI
CORPORATIONS WITHOUT MEMBERS

Section 1. CORPORATIONS WITHOUT MEMBERS. This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board of Directors finds appropriate.

ARTICLE VII
BOARD OF DIRECTORS

Section 1. GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors ("Board"). The Board may delegate the management of the corporation's activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Section 1 of these bylaws, but subject to the same limitations, the Board of Directors shall have the power to:

a. Appoint and remove, at the pleasure of the Board of Directors, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.

b. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in California for holding any meeting of members.

c. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

Section 3. DESIGNATED DIRECTORS AND TERMS. As outlined in the WAYS charter, the number of directors shall be no less than five (5) and no more than fifteen (15), unless changed by amendments to these bylaws and to the WAYS charter. All directors shall be designated by the existing Board of Directors. All directors are to be designated at the corporation's annual meeting of the Board of Directors or, if the directors are not elected at such meeting, at any special meeting of the Board held for that purpose.

The Board of Directors is composed of parents and/or community members. Members will be nominated from the community based on their expertise and desire to promote a quality educational program. These individuals may have backgrounds in areas such as business, law, fundraising, community outreach, finance, mental health, etc., along with their willingness to serve a needed role on the WAYS Board. Paid employees of WAYS will not sit on the Governing Board of WAYS. Additionally, in accordance with Education Code section 47604 (b), the charter authorizer reserves the right to appoint a single representative to serve on the Board.

Section 4. DIRECTORS' TERM. As of the 2011 annual meeting, or any special meeting held in 2011 for the purpose of appointing directors, terms of service shall be as follows: (1) All newly appointed (i.e. new to the Board) directors shall be appointed for a three (3) year term of service; (2) All returning/reappointed directors shall be appointed for a single two (2) year term of service. This shall be done in an effort to stagger Board terms of service.

For all subsequent appointments and reappointments of directors thereafter, each director shall hold office for three (3) years and until a successor director has been designated and qualified. Directors may serve multiple terms of service.

Section 5. NOMINATIONS BY COMMITTEE. The Chairman of the Board of Directors or, if none, the President will appoint a committee to designate qualified candidates for election to the Board of Directors at least thirty (30) days before the date of any election of directors. The nominating committee shall make its report at least seven (7) days before the date of the election or at such other time as the Board of Directors may set and the Secretary shall forward to each Board member, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.

Section 6. USE OF CORPORATE FUNDS TO SUPPORT NOMINEE. If more people have been nominated for director than can be elected, no corporation funds may be expended to support a nominee without the Board's authorization.

Section 7. EVENTS CAUSING VACANCIES ON BOARD. A vacancy or vacancies on the Board of Directors shall occur in the event of (a) the death, resignation, or removal of any director; (b) the declaration by resolution of the Board of Directors of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) the increase of the authorized number of directors; or (d) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting.

Section 8. RESIGNATION OF DIRECTORS. Except as provided below, any director may resign by giving written notice to the Chairman of the Board, if any, or to the President, or the Secretary, or to the Board. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

Section 9. DIRECTOR MAY NOT RESIGN IF NO DIRECTOR REMAINS. Except on notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors.

Section 10. REMOVAL OF DIRECTORS. Any director may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Ralph M. Brown Act, (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code). Any vacancy caused by the removal of a director shall be filled as provided in Section 12.

Section 11. VACANCIES FILLED BY BOARD. Vacancies on the Board of Directors may be filled by approval of the Board of Directors or, if the number of directors then in office is less than a quorum, by (a) the affirmative vote of a majority of the directors then in office at a meeting held according to the Brown Act, or (b) a sole remaining director.

Section 12. NO VACANCY ON REDUCTION OF NUMBER OF DIRECTORS. Any reduction of the authorized number of directors shall not result in any directors being removed before his or her term of office expires.

Section 13. PLACE OF BOARD OF DIRECTORS MEETINGS. Meetings shall be held at the principal office of the Corporation. The Board of Directors may designate that a meeting be held at any place within the jurisdiction of the WAYS charter authorizer. All meetings of the Board of Directors shall be noticed, called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act ("Brown Act"), California Government Code Sections 54950, et seq., as said chapter may be modified by subsequent legislation.

Section 14. MEETINGS; ANNUAL MEETINGS. All meetings of the Board of Directors and its committees shall be held in compliance with the Brown Act.

Section 15. REGULAR MEETINGS. Regular meetings of the Board of Directors, including annual meetings, shall be held monthly at such times and places as noticed by the Board of Directors in accordance with the Brown Act. At least 72 hours before a regular meeting, the Board of Directors, or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

Section 16. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board of Directors, if there is such an officer, or a majority of the Board of Directors. If a Chairman of the Board has not been elected then the President is authorized to call a special meeting in place of the Chairman of the Board. The party calling a special meeting shall determine the place, date, and time thereof.

Section 17. NOTICE OF SPECIAL MEETINGS. In accordance with the Brown Act, special meetings of the Board of Directors may be held only after twenty-four (24) hours notice is provided to the public in accordance with the Brown Act.

Additionally, members of the Board of Directors shall be provided with notice of special meetings at least twenty-four (24) hours in advance of the meeting as follows:

a. Any such notice shall be addressed or delivered to each director at the director's address as it is shown on the records of the Corporation, or as may have been given to the Corporation by the director for purposes of notice, or, if an address is not shown on the Corporation's records or is not readily ascertainable, at the place at which the meetings of the Board of Directors are regularly held.

b. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.

c. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 18. QUORUM. A majority of the directors then in office shall constitute a quorum. All acts or decisions of the Board of Directors will be by majority vote based upon the presence of a quorum. Should there be less than a majority of the directors present at any meeting, the meeting shall be adjourned. Directors may not vote by proxy.

Section 19. TELECONFERENCE MEETINGS. Members of the Board of Directors may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

a. At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the boundaries of the school district in which the Charter School operates;

b. All votes taken during a teleconference meeting shall be by roll call;

c. If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;

d. All locations where a member of the Board of Directors participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;[1]

e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and

f. The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.[2]

Section 20. ADJOURNMENT. A majority of the directors present, whether or not a quorum is present, may adjourn any Board of Directors meeting to another time or place. If a meeting is adjourned, notice of such adjournment to another time or place shall be given, prior to the time scheduled for the continuation of the meeting, to the directors who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

Section 21. COMPENSATION AND REIMBURSEMENT. Directors may not receive compensation for their services as directors or officers, only such reimbursement of expenses as the Board of Directors may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

Section 22. CREATION AND POWERS OF COMMITTEES. The Board, by resolution

[1] This means that members of the Board of Directors who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any members of the public who wish to attend the meeting at that location.

[2] The Brown Act prohibits requiring members of the public to provide their names as a condition of attendance at the meeting.

adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, (known as a "Committee of the Board") to serve at the pleasure of the Board. Appointments to a Committee of the Board shall be by majority vote of the authorized number of directors. The Board of Directors may appoint one or more directors as alternate members of any such Committee of the Board, who may replace any absent member at any meeting. Any such Committee of the Board shall have all the authority of the Board, to the extent provided in the Board of Directors' resolution, except that no committee may:

a. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;

b. Fill vacancies on the Board of Directors or any committee of the Board:

c. Fix compensation of the directors for serving on the Board of Directors or on any committee;

d. Amend or repeal bylaws or adopt new bylaws:

e. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or subject to repeal;

f. Create any other committees of the Board of Directors or appoint the members of committees of the Board;

g. Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or

h. Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest.

The Board may also create advisory committees composed of directors and non-directors, to serve in an advisory capacity to the Board of Directors.

Section 23. MEETINGS AND ACTION OF COMMITTEES. Meetings and actions of committees shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board of Directors' actions, and the Brown Act, if applicable, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board of Directors' resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board of Directors has not adopted rules, the committee may do so.

Section 24. NON-LIABILITY OF DIRECTORS. No director shall be personally liable for the debts, liabilities, or other obligations of this corporation.

Section 25. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS. The Charter School and the Board of Directors shall comply with all applicable provisions of the

Family Education Rights Privacy Act ("FERPA") as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

ARTICLE VIII
OFFICERS OF THE CORPORATION

Section 1. OFFICES HELD. The officers of this corporation shall be a President, a Secretary, and a Treasurer. The corporation, at the Board's direction, may also have a Chairman of the Board and a Vice-Chair. The officers shall carry out the corporate duties set forth in this Article VIII and may designate the relevant administrative duties associated with their officership to the appropriate WAYS staff members.

Section 2. DUPLICATION OF OFFICE HOLDERS. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the President or the Chairman of the Board.

Section 3. ELECTION OF OFFICERS. The officers of this corporation shall be chosen annually by the Board of Directors and shall serve at the pleasure of the Board.

Section 4. REMOVAL OF OFFICERS. The Board of Directors may remove any officer with or without cause.

Section 5. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

Section 6. VACANCIES IN OFFICE. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by majority vote of the Board.

Section 7. CHAIRMAN OF THE BOARD. If a Chairman of the Board of Directors is elected, he or she shall preside at the Board of Directors' meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time. If there is no President, the Chairman of the Board of Directors shall also have the powers and duties of the President of the corporation set forth in these bylaws. If a Chairman of the Board of Directors is elected, there shall also be a Vice-Chairman of the Board of Directors. In the absence of the Chairman, the Vice-Chairman shall preside at Board of Directors meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

Section 8. VICE-CHAIRMAN OF THE BOARD. The Vice-Chairman shall preside at Board of Directors meetings in the absence of the Chairman of the Board and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

Section 9. PRESIDENT. Subject to such supervisory powers as the Board of Directors may give to the Chairman of the Board (if there is a Chair), the President shall supervise the corporation's activities. The President shall have such other powers and duties as the Board of Directors or the bylaws may require.

Section 10. VICE-PRESIDENTS. If the President is absent or disabled, the Vice-Presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a Vice-President designated by the Board, shall perform all duties of the President. When so acting, a Vice-President shall have all powers of and be subject to all restrictions on the President. The Vice-Presidents shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 11. SECRETARY. The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the directors present at Board of Directors and committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board of Directors that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 12. TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Treasurer shall send or cause to be given to directors such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times.

The Treasurer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board of Directors may designate; (b) disburse the corporation's funds as the Board of Directors may order; (c) render to the President, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the corporation; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the bylaws may require.

ARTICLE IX
CONTRACTS WITH DIRECTORS AND NON-DIRECTOR DESIGNATED EMPLOYEES

Section 1. CONTRACTS WITH DIRECTORS AND NON-DIRECTOR DESIGNATED EMPLOYEES. The Corporation shall not enter into a contract or transaction in

which a director or non-director designated employee directly or indirectly has a personal, material financial interest (nor any other corporation, firm, association, or other entity in which one or more of this Corporation's directors are directors have a material financial interest), unless the interest is deemed to be a remote or non-interest under Government Code Section 1090 et seq.

ARTICLE X
LOANS TO DIRECTORS AND OFFICERS

Section 1. LOANS TO DIRECTORS AND OFFICERS. This corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses of the corporation.

ARTICLE XI
INDEMNIFICATION

Section 1 INDEMNIFICATION. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board of Directors by any person seeking indemnification under Corporations Code Section 5238 (b) or Section 5238 (c) the Board of Directors shall promptly decide under Corporations Code Section 5238 (e) whether the applicable standard of conduct set forth in Corporations Code Section 5238 (b) or Section 5238 (c) has been met and, if so, the Board of Directors shall authorize indemnification.

ARTICLE XII
INSURANCE

Section 1. INSURANCE. This corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its directors, officers, employees, and other agents, to cover any liability asserted against or incurred by any director, officer, employee, or agent in such capacity or arising from the director's, officer's, employee's, or agent's status as such.

ARTICLE XIII
MAINTENANCE OF CORPORATE RECORDS

Section 1. MAINTENANCE OF CORPORATE RECORDS. This corporation shall

keep:

a. Adequate and correct books and records of account;
b. Written minutes of the proceedings of the Board and committees of the Board; and
c. Such reports and records as required by law.

ARTICLE XIV
INSPECTION RIGHTS

Section 1. DIRECTORS' RIGHT TO INSPECT. Every director shall have the right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

Section 2. ACCOUNTING RECORDS AND MINUTES. On written demand on the corporation, any director may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Board of Directors and committees of the Board of Directors at any reasonable time for a purpose reasonably related to the director's interest as a director. Any such inspection and copying may be made in person or by the director's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the directors at all reasonable times during office hours.

ARTICLE XV
REQUIRED REPORTS

Section 1. ANNUAL REPORTS. The Board of Directors shall cause an annual report to be sent to itself (the members of the Board of Directors) within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

a. The assets and liabilities, including the trust funds, or the corporation as of the end of the fiscal year;

b. The principal changes in assets and liabilities, including trust funds;

c. The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;

d. The corporation's expenses or disbursement for both general and restricted purposes;

e. Any information required under these bylaws; and

f. An independent accountant's report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all directors, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and mail or deliver to each director and furnish to each director a statement of any transaction or indemnification of the following kind:

a. Any transaction (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than $50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than $50,000. For this purpose, an "interested person" is either:

(1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

ARTICLE XVI
BYLAW AMENDMENTS

Section 1. BYLAW AMENDMENTS. The Board of Directors may adopt, amend or repeal any of these Bylaws by a majority of the directors present at a meeting duly held at which a quorum is present, except that no amendment shall change any provisions of the Charter that created the Wisdom Academy for Young Scientists Charter School or make any provisions of these Bylaws inconsistent with that Charter, the corporation's Articles of Incorporation, or any laws.

ARTICLE XVII
FISCAL YEAR

Section 1 FISCAL YEAR OF THE CORPORATION. The fiscal year of the Corporation shall begin on July 1st and end on June 30th of each year.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Merle Williamson Foundation, a California nonprofit public benefit corporation; that these bylaws, consisting of 13 pages, are the revised bylaws of this corporation as adopted by the Board of Directors on March 16, 2011, and that these bylaws have not been amended or modified since that date.

Executed on March 16, 2011 at Los Angeles, California.

Adell Walker, *Secretary*

EXHIBIT 53

THE SALVATION ARMY

USA WESTERN TERRITORY

Project SID 34232

☐ TF
☐ BD

PROJECT AUTHORIZATION

Date 08/26/11

Operation Southern California / LA Area Command / LA Area Command

Property South Central Red Shield Youth Center/Own - 27,000 Sq. Ft.
7651 S Central Ave
Los Angeles, CA 90001

Project Name Lease Agreement Approval

Project/Job Description

To review/approve the Lease Agreement between The Salvation Army, a California corporation (Landlord), and Wisdom Academy for Young Scientists, a California nonprofit public benefit corporation (Tenant), for the lease of approximately 9,866 square feet of space to be used for a Charter School (K-5th grade) at the above property. Term: One (1) year commencing on 08/01/2011 and ending on 07/31/2012. Rent: $13,492.00 per month with the exception of July and August in which the monthly rent will be $1,413.69 per month; Security deposit of $13,492.00. Final Legal Review was given on 08/22/2011.

APPROVED (13)

Legal Description

Cost

Funding

FIND ONE (1)

DULY EXECUTED

AGREEMENT

AB CC DFC 08/17/2011 TPPC

Date: 8/26/11 Picked up. Transmitted to Originator

Property Council	Terr Finance Council	Board of Directors
THE SALVATION ARMY TERRITORIAL PROPERTY COUNCIL AUG 25 2011 Proposal Approved Chairman	THE SALVATION ARMY TERRITORIAL FINANCE COUNCIL AUG 25 2011 Proposal Approved Chairman	

LEASE AGREEMENT

This Lease is made as of August 1st, 2011, between **The Salvation Army**, a California corporation, whose address is 180 East Ocean Blvd. Long Beach, CA 90802 ("Landlord") and **_Wisdom Academy for Young Scientist, a** _California nonprofit public benefit corporation, whose address is 706 E. Manchester Avenue, Los Angeles, CA 90001 ("Tenant").

1. **DEFINITIONS**. The following terms used in this Lease shall have the meanings set forth below.

(a) Base Rent: $13,492.00per month September 1st through June30
and $1,413.69 per month (July and August)

1.2 Intentionally Omitted

1.3 Commencement Date: August 1st 2011.

1.4 Expiration Date: July 31st, 2012.

1.5 Intentionally Omitted.

1.6 Intentionally Omitted.

1.7 Premises: Slemon Family Youth & Community Center

7651 South Central Avenue, Los Angeles 90001, as specified on Exhibit A

1.8 Security Deposit: $13,492.00

1.9 Intentionally Omitted.

1.10 Use: Elementary School – Grades K - 5

1.11 Intentionally Omitted.

2. **EXHIBITS**. The following exhibits are attached to and made a part of this Lease: Schedule of shared space including square footage, supported by Exhibit A layout of building.

3. **LEASE**. Landlord leases to Tenant the Premises, and Tenant leases the Premises from Landlord, subject to the terms and conditions of this Lease. Tenant accepts the Premises in "as is" condition and acknowledges that Landlord makes no

representation or warranty, express or implied in fact or by law, as to the condition of the Premises. The Lease term ("Term") shall begin on the Commencement Date and end on the Expiration Date unless sooner terminated pursuant to the provisions of this Lease. Landlord shall have the right, at any time upon entering into a contract for the sale of the premises, to cancel this lease, and the term hereby granted, upon giving to the Tenant 30 days' notice of intention to do so, and upon the expiration of said 30 days, the Tenant agrees to vacate the premises and to surrender this lease and the term hereby granted at the end of the then current school year. The term of this lease may be extended for (1) additional year by Tenant, which option shall not be exercised except but by written notification to Landlord of its election at least sixty (60) days prior to the expiration of term. Such extension shall be subject to all other terms of this lease except that the rent will reflect a 3.5% increase.

In addition, this Lease may be terminated by either party in the event that the Tenant's Charter School Contract with LACOE is, for any reason, revoked or not renewed.

4. **USE**. Tenant shall use the Premises, at all times during the Term, for the Use and for no other use or purpose. Tenant shall, at its cost, fully comply with all laws, statutes, codes, rules, regulations, ordinances, orders, judgments, decrees, writs, permits, certificates, licenses, or other authorizations, directions or requirements. Tenant shall not do or permit any act to be done or to exist upon the Premises, which may (a) be dangerous, unless safeguarded as provided for by Legal Requirements; (b) constitute a public or private nuisance; (c) interfere with Landlord's own operations in th the building, including loitering or trespassing by its invitees; or (d) make any insurance void or voidable or cause any increase in insurance premiums. Tenant shall neither cause nor permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials; neither cause nor permit a release or threatened release of Hazardous Materials onto the Premises or any other property as a result of any intentional or unintentional act or omission on the part of Tenant; comply with all applicable Legal Requirements related to Hazardous Materials; and cooperate with Landlord in compliance with Legal Requirements in regard to the Building including but not limited to any upgrading of life safety systems or removal of asbestos, it being acknowledged that the Building may not have all systems and improvements which would be required if the Building were newly constructed as of the date of this Lease. Tenant shall faithfully observe and comply with rules and regulations as promulgated by Building management from time to time. Landlord shall not be responsible for the nonperformance by others of any of such rules and regulations. "Hazardous Materials" are defined as any flammable explosives, radioactive materials, oil or petroleum products and their by products, asbestos, polychlorobiphenyls, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as defined under or regulated by any Legal Requirements, including, without limitation, the following statutes and the regulations promulgated under their authority: (a) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.); (b) the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); and (c) the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §§ 6901 et seq.).

Landlord shall provide Tenant with a copy of the most current Certificate of Occupancy and Fire Inspection Report for the property. Landlord shall notify Tenant immediately in the event of any change in status.

4.1 Tenant representations and warranties

4.1.3. Tenant understands that its obligation to pay rent is independent of any restrictions or limitations on its intended uses, such that any restrictions, limitations, or prohibitions of its intended use by any governmental authority shall not relieve tenant of its obligation to pay rent.

5. RENT. Tenant shall pay Base Rent and all sums due under this Lease (together, "Rent") when due, without notice or demand. Base Rent is payable monthly in advance on or before the first of each calendar month during the Term (prorated for partial months, if any). Other sums shall be paid upon notification by Landlord. If payment is not received when due, an administrative fee and late charge of 5% of base rent shall be immediately due and payable without notice or demand. This provision is not a grace period; it is not a penalty, but liquidated damages to defray administrative and related expenses. An additional administrative fee and late charge shall become immediately due and payable on the first of each month for which any portion of a payment (or administrative fee and late charge) remains unpaid, and for processing of any check returned unpaid. Tenant acknowledges that Rent payments shall be made by Tenant to Landlord without any claim on the part of Tenant for diminution, setoff, or abatement. Nothing shall suspend, abate, or reduce any Rent.

5.1 Additional Rent. All taxes, insurance costs, utilities, and maintenance costs which Tenant is required to pay by this lease, and any other sum which Tenant is required to pay to Landlord or third parties shall be additional rent.

6. SECURITY DEPOSIT. Upon the execution of this Lease, Tenant shall deposit with Landlord a Security Deposit in the amount set forth in Section 1.8 above. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.

7. SERVICES. No electric current shall be used except as provided by Landlord; no electric cable or wire shall be brought into the Premises except with Landlord's prior written consent. Tenant shall not use machines that use more than standard current or which shall overload the Building's circuits. Any consumption of electricity in excess of that which is customary for all tenants, or requiring special circuits or equipment, shall require Landlord's prior approval and the cost thereof shall be paid to Landlord. Landlord is not providing security services. Parking shall be provided as described in 1.5.

7.1. Utilities and Other Services: The following utilities are included in the monthly rent: Electricity, Heat, Cooling and Janitorial. The Landlord shall provide janitorial services to clean the Premises, common areas and restroom facilities in

compliance with all applicable laws, including without limitation criminal background checks for persons providing such services if required by law.

8. REPAIRS AND MAINTENANCE

8.1 Landlord's Obligations. The following shall be the responsibility of Landlord:

(a) Repairs and maintenance of the roofs and gutters, exterior walls (including painting), bearing walls, structural members, and foundations.

(b) Repair of sidewalks, driveways, curbs, parking areas, and areas used in common by Tenant and Landlord or tenants of other portions of the Building.

(c) Repair and maintenance of exterior water, sewage, gas, and electrical services up to the point of entry to the leased Premises.

(d) Repair of the heating and air conditioning system other than ordinary maintenance.

(e) Repair of interior walls, ceilings, doors and windows and related hardware, light fixtures, switches, and wiring and plumbing from the point of entry to the Premises.

(f) Ordinary maintenance of the heating and air conditioning system and any repairs necessary because of improper maintenance.

8.2 Tenant's Obligations. The following shall be the responsibility of Tenant with respect to the office space it exclusively occupies:

(a) Repair of interior walls, ceilings, doors and windows and related hardware, light fixtures, switches, and wiring and plumbing from the point of entry to the Premises.

(b) Any repairs necessitated by the negligence of Tenant, its agents, employees and invitees [

8.3 Landlord's Interference With Tenant. Any repairs, replacements, alterations or other work performed on or around the Premises by Landlord shall be done in such a way as to interfere as little as reasonably possible with use of the Premises by Tenant. Tenant shall have no right to an abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirement of this provision.

8.4 Reimbursement For Repairs Assumed. If either party fails or refuses to make repairs which are required by this Section 4, the other party may make the repairs and charge the actual costs of repairs to the first party. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the rate of nine percent per annum from the date of expenditure by Landlord. Such expenditures by Tenant may be deducted from rent and other payments subsequently becoming due or, at Tenant's election, collected directly from Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party and charge the other party for the resulting expense unless at least 30 days before work is commenced the defaulting party is given notice in writing outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

8.5 Inspection of Premises. Landlord shall have the right to inspect the Premises at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant notice in writing of the repairs that are required.

9. **CONDITION OF PREMISES.** Tenant shall not make or suffer to be made any alterations, additions, improvements, or utility installations (collectively, "Alterations") to the Premises, including painting, or any part thereof without the prior consent of Landlord. Tenant shall not, without Landlord's prior consent that may be granted or withheld in Landlord's sole discretion, paint, install window treatment, hang shelves or paintings or otherwise alter the Premises. Tenant may not install signs within or without the Premises that can be seen from any other part of the Building, or from outside the Building, without Landlord's prior written consent. Landlord and Landlord's employees and other agents shall have the right, but not the obligation, upon reasonable notice to Tenant, and at reasonable times, to enter upon and pass through the Premises from time to time in order to (a) make an examination of the Premises, and (b) show the Premises to prospective purchasers, mortgagees, prospective mortgagees, and others. In the event of an emergency, Landlord and Landlord's agents shall have the right, but not the obligation, without any notice to Tenant, to take such actions, whether on or off the Premises, as Landlord shall deem appropriate to respond to the emergency. Tenant shall accept the Premises in its "as-is" condition.

10. **INSURANCE AND TAXES.**

10.1 Liability Insurance. Tenant shall, at its own cost and expense, maintain commercial general liability insurance protecting against loss of life, bodily

injury and property damage, any and all liability occasioned by negligence, occurrence, accident, or disaster with respect to the Premises and Tenant's operations thereon, with such insurable limits as Landlord may from time to time require, but in no event less than Two Million and No/100 Dollars ($2,000,000.00) combined single limit bodily injury and property damage liability on an occurrence basis with a Two Million and No/100 Dollars ($2,000,000.00) aggregate. Such insurance shall name Landlord as additional insured, and Tenant shall provide Landlord with an additional insured endorsement, and such insurance shall be primary and not excess to Landlord's insurance. Tenant's insurance shall be with an insurer acceptable to Landlord. Tenant shall provide a copy of the policy, or a binding certificate, to Landlord upon execution of this Lease.

10.2 Property Insurance. Landlord shall keep the Premises insured at Landlord's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage.

10.3 Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss neither party's insurance company shall have a subrogated claim against the other.

10.4 Taxes. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to reasonably cooperate in order to obtain exemption determination from County Tax Assessor.

11. INDEMNIFICATION., Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damaged to property in, upon, or about the part of the Premises which Tenant exclusively occupies from any source to whomever belonging, and Tenant hereby waives all claims in respect thereof against Landlord and agrees to defend and save Landlord harmless from any action, dispute, complaint or otherwise relation to any violation of the Americans with Disabilities Act of 1990 an all regulations issued thereunder that are within Tenant's responsibility.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business

or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, except to the extent of Tenant's negligence or willful misconduct, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

12. **CONSTRUCTION LIENS**. Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of nine percent per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

13. **DAMAGE AND DESTRUCTION**

13.1 Partial Damage. If the Premises are partly damaged and paragraph 13.2 below does not apply, the property shall be repaired by Landlord at Landlord's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Landlord and shall be performed in accordance with the provisions of paragraph 4.3 above.

13.2 Destruction. If the leased Premises are destroyed or damaged such that the cost of repair exceeds 40 percent of the value of the structure before the damage, either party may elect to terminate the lease as of the date of the damage or destruction by notice given to the other in writing not more than 45 days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of termination, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, Landlord shall proceed to restore the leased Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters not under control of Landlord.

13.3 Rent Abatement. Rent shall be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant.

14. **EMINENT DOMAIN**

14.1 Partial Taking. If a portion of the Premises is condemned and paragraph 9.2 does not apply, the lease shall continue on the following terms:

(a) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

(b) Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

(c) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the property in anticipation of taking, the rent shall be reduced in proportion to the reduction in value of the leased Premises as an economic unit on account of the partial taking. If the parties are unable to agree upon the amount of the reduction of rent, the amount shall be determined by arbitration in the manner as is provided in Section 17.

(d) If a portion of Landlord's property not included in the leased Premises is taken and severance damages are awarded on account of the leased Premises, or an award is made for detriment to the leased Premises as a result of activity by a public body not involving a physical taking of any portion of the leased Premises, this shall be regarded as a partial condemnation to which subparagraphs 9.1(a) and (c) apply, and the rent shall be reduced to the extent of reduction in rental value of the Premises as though a portion had been physically taken.

14.2 Total Taking. If a condemning authority takes all of the leased Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use which Tenant was then making of the Premises, the lease shall terminate as of the date the title vests in the condemning authorities. Such termination shall have the same effect as a termination under paragraph 9.1(a) above. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

14.3 Sale in Lieu of Condemnation. Sale of all or part of the leased Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 9 as a taking by condemnation.

15. **ASSIGNMENT; SUBLETTING**. Tenant shall not in any manner make or allow any assignment, subletting, or occupancy arrangement or any encumbrance of the Premises or this Lease. Any attempt to do any of the foregoing without Landlord's prior written consent shall be void. A change in ownership of Tenant shall be deemed an assignment.

16. **DEFAULT; REMEDIES.**

16.1 An Event of Default shall occur if any payment to be made under this Lease is not made when due; if any obligation of Tenant is not timely performed or Tenant shall otherwise be in default of a provision of this Lease; or if Tenant shall be brought within the purview of a Bankruptcy Court, whether adjudicated a bankrupt or not.

16.2 If there is an Event of Default by Tenant, Landlord, at Landlord's option, may elect to do one or more of the following: (a) accelerate all of the remaining Rent for the Term, in which event all Rent shall become immediately due and payable; (b) terminate this Lease and re-enter the Premises and remove all persons and property from the Premises, by summary proceedings or by any other suitable action or proceeding at law, or otherwise; or, (c) without terminating this Lease, re-enter the Premises and remove all persons and property from the Premises, by summary proceedings or otherwise, and relet the Premises. If Landlord elects to terminate this Lease, Tenant shall quit and peacefully surrender the Premises to Landlord, without any payment by Landlord for doing so, on or before the effective date of termination, and all Rent shall be paid up to the effective date of termination, together with such expenses, including attorneys' fees, as Landlord shall incur in connection with such termination. No receipt of money by Landlord from Tenant after termination of this Lease shall reinstate, or extend the Term, affect any notice previously given by Landlord to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent. If Landlord shall terminate this Lease, Landlord shall be entitled to retain, free of trust, all sums then held by Landlord pursuant to any of the provisions of this Lease. In the event of any re-entry and/or dispossession by summary proceedings or otherwise without termination of this Lease, all Rent shall become due and shall be paid up to the time of such re-entry and/or dispossession, together with such expenses, including attorneys' fees, as Landlord shall incur in connection with such re-entry and/or dispossession by summary proceedings or otherwise; all Rent for the remainder of the Term may be accelerated and due in full; and Landlord may relet all or any part of the Premises, either in the name of Landlord or otherwise, for a term which may, at Landlord's option, be equal to, less than, or greater than the period which would otherwise have constituted the balance of the Term. Tenant shall pay, as additional Rent, to Landlord, as they are incurred by Landlord, such reasonable expenses as Landlord may incur in connection with reletting including, without limitation, attorneys' fees, brokerage commissions, and expenses incurred in altering, repairing, and putting the Premises in good order and condition and in preparing the Premises for reletting. If Tenant shall not have paid accelerated Rent, Tenant shall pay in monthly installments on the due dates for Rent payments for each month of the balance of the Term, the amount by which any Rent payment exceeds the net amount, if any, of the rents for such period collected on account of the reletting of the Premises; any suit brought to collect such amount for any months shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent months by a similar action or proceeding. Landlord shall have as Landlord's absolute property, any sums collected by Landlord upon reletting the Premises after Landlord shall resume possession of the Premises including, without limitation, any amounts by which the sums so collected shall exceed the continuing liability of Tenant under this Lease. If Landlord shall have accelerated and collected Rent payments and subsequently shall have relet the Premises, then Landlord, after deducting all costs related to reletting shall pay to Tenant the amount remaining which is collected as Rent for each month, to the extent Landlord shall have previously received the Rent for such month from Tenant.

17. **RELOCATION.** Landlord may relocate Tenant to another location in the Building, without releasing Tenant of any obligation under this Lease for the full Term. If Landlord remodels a substantial portion of the Building and deems the Premises to be needed for other purposes than this Lease, Landlord may relocate Tenant in the Building or terminate this Lease.

18. **MISCELLANEOUS**

18.1 Neither Landlord nor any disclosed or undisclosed principal of Landlord (or officer, director, stockholder, partner or agent of Landlord or of any such principal), nor any successor of any of them, shall have any personal liability for any such failure under this Lease or otherwise. The provisions of this Section shall apply only to Landlord and the parties above-described. They shall not be for the benefit of any insurance company or other third party. Except as specifically set forth in this Lease, Tenant hereby expressly waives its rights under any and all Laws, to terminate this Lease (whether prior to or after the commencement of the Term) or to withhold any payment owed by Tenant under this Lease, on account of any damage, condemnation, destruction, or state of disrepair of the Premises, or any part thereof, it being the parties' intent that the provisions of this Lease shall govern the parties' rights and obligations with respect to such matters. Any holder(s) of any fee mortgage shall have no obligations whatsoever under this Lease. This Lease shall at all times be subordinate to any fee mortgage encumbering the Property. If the holder of any fee mortgage shall succeed to Landlord's interest in this Lease, Tenant shall, upon request, attorn to such holder in writing. In the event of any transfer of Landlord's interests, Landlord shall be released and relieved from all liability and responsibility thereafter accruing to Tenant and Landlord's successor shall be liable and responsible to Tenant with respect to all obligations of Landlord under this Lease accruing from and after the date of such transfer.

18.2 Tenant shall, on the last day of the Term or upon any termination of this Lease, surrender and deliver up the Premises to Landlord "broom clean" and in good condition and repair, subject to ordinary wear and tear, with all equipment and tenant improvements removed if Landlord so requests. All personal property and other belongings that are left upon the Premises at the time of such surrender shall be deemed to have been abandoned. The cost to Landlord of removal, sale and/or storage of such property shall be paid to Landlord by Tenant.

If Tenant does not immediately surrender the Premises to Landlord at the end of the Term, then Tenant shall pay to Landlord double the amount of the Rent payable by Tenant for the last month of the Term for each month or portion thereof that Tenant holds over, plus all damages that Landlord may suffer on account of Tenant's failure to surrender possession to Landlord, and shall indemnify and save Landlord harmless from and against all claims made by any succeeding tenant of the Premises or broker procuring such tenant, related to delay in delivering possession to such succeeding tenant, so far as such delay is occasioned by failure of Tenant so to surrender the Premises. No receipt of money by Landlord from Tenant after termination of this Lease or the service of notice of suit or judgment for possession shall reinstate or extend the Term or affect any such notice, demand, suit or judgment. No act or thing done by Landlord or its agents, including acceptance of keys to the Premises, during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to

accept a surrender of the Premises shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Landlord

18.3 At any time and from time to time during the Term, within ten (10) days after request by Landlord, Tenant will execute, acknowledge, and deliver to Landlord and its designees, a certificate which states (a) that this Lease is unmodified and in full force and effect, or if there have been modifications, that this Lease is in full force and effect as modified, and identifying the modification agreements; (b) the date to which the Rent has been paid; (c) the nature and extent of any existing default by either party as to which a notice has been given to the other party; (d) whether or not there are any setoffs, defenses, or counterclaims against enforcement of the obligations to be performed under this Lease existing in favor of Tenant; and (e) other matters which Landlord may reasonably request.

18.4 If a claim for brokerage or similar fees in connection with this transaction is made by any other broker, agent, salesman, or finder other than Brokers claiming to have dealt through or on behalf of one of the parties to this Lease, then such party shall indemnify, defend, and hold harmless the other party from all liabilities, damages, claims, costs, fees, and expenses (including reasonable attorneys' fees) with respect to such claim for brokerage. The provisions of this Section shall survive the expiration or termination of this Lease.

18.5 Each Notice shall be deemed to have been given (a) when in writing; (b) when sent by personal delivery, facsimile, Federal Express or other widely recognized overnight delivery service, or registered or certified mail; (c) upon receipt or refusal of receipt by the person to whom it is addressed; and (d) when addressed to each applicable person at the applicable addresses set forth on the first page of this Lease, or to such other person or address as a party shall in the future designate by giving notice to the other.

18.6 Each party represents to the other that it has full legal right, power, and authority to enter into, execute, and perform this Lease. All the rights and remedies of Landlord under this Lease or pursuant to present or future law shall be deemed to be separate, distinct, and cumulative. No one or more of them, whether exercised or not, nor any mention of or reference to any one or more of them in this Lease, shall be deemed to be in exclusion of, or a waiver of, any of the others, or of any of the rights or remedies which Landlord may have under this Lease, at law, and/or in equity. Landlord shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies separately and to pursue any lawful action or proceedings to exercise or enforce any right or remedy without thereby waiving or being barred or estopped from exercising and enforcing any other rights and remedies by appropriate action or proceedings. No waiver by Landlord of any breach by Tenant of any term or condition of this Lease, and no failure by Landlord to exercise any right or remedy in respect of any such breach, shall constitute a waiver or relinquishment for the future, or bar any right or remedy of Landlord in respect of, any other breach of such term or condition or any breach of any other term or condition of this Lease. No payment by Tenant or receipt of payment by Landlord of an amount less than the full amount then due Landlord under this Lease shall be construed as anything other than a partial payment of such sum then due and owing. No endorsement or statement on any check or letter or any form of payment or accompanying document shall be deemed to be an accord and satisfaction or other form of settlement; Landlord may accept any such payment without prejudice to

its rights to recover the balance of sums due and owing under this Lease or to pursue any other remedy permitted under this Lease.

18.7 Whenever under this Lease Landlord's consent or approval is expressly or impliedly required, it may be arbitrarily withheld. If Tenant requests Landlord's consent or approval, and if in connection with such request Landlord seeks the advice of its attorneys, architect and/or other adviser or expert, then Tenant shall pay such persons' costs and fees related to such request and the preparation of related documents, which costs and fees shall be limited to $750 per request for matters in the normal course of Tenant's business. Such limitation shall not apply for extraordinary matters such as improvements or remodeling, or any work of any nature that might affect the Building's structural integrity or building systems.

18.8 All obligations of Tenant that are or may be intended by their nature to be performed and/or complied with after the expiration or earlier termination of this Lease shall survive such expiration or termination. Express provisions in this Lease that require or permit survival in specific instances, or as to specific obligations, shall not be deemed a limitation upon the generality of this survival clause. Every provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. If any provision of this Lease, or the application of such provision to any person or circumstance, shall be determined by appropriate judicial authority to be illegal, invalid, or unenforceable to any extent, such provision shall, only to such extent, be deemed stricken from this Lease as if never included. The remainder of this Lease, and the application of such provision to persons or circumstances other than those as to which such provision is held illegal, invalid, or unenforceable, shall not be affected. In this Lease, "attorneys' fees means without limitation, accountants' and attorneys' fees, including fees for the services of paralegals and similar persons, consultant fees, investigation and laboratory fees, court costs, and litigation expenses at the trial and all appellate levels, and through collection.

18.9 The captions and headings contained in this Lease are for convenience and reference only, shall not be deemed to be a part of this Lease or construed as limiting, amplifying, or modifying in any manner the provisions of this Lease, and shall not otherwise affect the interpretation of this Lease. All references to Exhibits or Sections are to Exhibits or Sections of this Lease. Whenever the context of any provision of this Lease so requires, pronouns of any gender shall include the other genders, words in the singular shall include the plural, and words in the plural shall include the singular. This Lease may be executed and delivered in two or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to be one instrument. The parties shall take all such actions and execute all such documents as may be necessary to carry out the purposes of this Lease, whether or not specifically provided for in this Lease. Time is of the essence as to all material terms of this Lease. This Lease shall be construed and governed in accordance with the laws of the State of California without application of conflict of law principles. All of the parties to this Lease have participated fully in its negotiation and preparation. Accordingly, this Lease shall not be more strictly construed against any one of the parties. Landlord shall not be deemed, in any way or for any purpose, to have become, by the execution of this Lease or any of the provisions of this Lease, or any action taken under this Lease, a partner of Tenant, in Tenant's business or otherwise, or a member of any joint enterprise or venture with Tenant.

18.10 This Lease contains the sole and entire agreement, and supersedes all other prior written or oral agreements, between the parties with respect to the subject matter of this Lease. This Lease may be changed, amended, or modified only by an agreement in writing signed by the party against whom such change, amendment, or modification is sought to be enforced. The terms and conditions of this Lease shall bind the parties and their respective successors and assigns, and shall inure to the benefit of the parties and their respective permitted successors and assigns. Any waiver of rights by either party shall be deemed not only to be a waiver of such rights by such party but also a waiver of such rights for and on behalf of such party's successors and assigns.

18.11 Claims, disputes, or other matters in controversy arising out of or related to the lease shall be subject to mediation as a condition precedent to binding dispute resolution.

18.12 The parties shall endeavor to resolve their disputes and claims ("Claims") by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its applicable procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Lease, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If arbitration is stayed pursuant to this Section 18.13, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

18.13 The parties shall share the mediator's fee and any filing fees equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

18.14 Any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its applicable rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Lease, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

18.15 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

18.16 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any

court having jurisdiction thereof. The party determined to be the prevailing party in the arbitration shall be entitled to an award of its reasonable costs and fees, including attorneys' fees and expert's fees, incurred therein.

18.17 The foregoing agreement to arbitrate shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

18.18 In case suit shall be rightfully brought for possession of the Premises, the prevailing party shall recover reasonable attorney's fees from the other in each such suit. It is further mutually agreed by and between Landlord and Tenant, that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, and/or any claim of injury or damage, and any emergency statutory or any other statutory remedy. Should Landlord seek recourse to enforce any of its rights under this Lease, Tenant agrees to waive any defense which it might otherwise have that Landlord has any adequate remedy at law. Tenant further agrees that it shall not interpose any counterclaim or set off in a summary proceeding or in any action based in whole or in part on nonpayment of rent

18.19 IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THEY SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LANDLORD OR TENANT AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, AND/OR TENANT'S USE OF OR OCCUPANCY OF THE PREMISES. TENANT FURTHER AGREES THAT IT SHALL NOT INTERPOSE ANY COUNTERCLAIM OR COUNTERCLAIMS (EXCEPT COMPULSORY COUNTERCLAIMS) IN ANY SUMMARY PROCEEDING OR IN ANY ACTION BASED UPON NONPAYMENT OF RENT OR ANY OTHER PAYMENT REQUIRED BY TENANT UNDER THIS LEASE.

18.20 The parties have executed this Lease on the date set forth in the first paragraph.

LANDLORD:

THE COUNTY OF [illegible]
FINANCE COUNCIL
AUG 17 2011
☑ Approved ☐ Not Approved
☐ Recommended ☐ Concept Approval
☐ Reviewed/Noted ☐ Deferred
By

By: _____
Its: TREASURER
AUG 25 2011

By: _____
Its: Asst Treasurer

TENANT:

By: Cathy S Roby
Its: Treasurer

By: Blake Watson
Its: Principal,
c/o Michael Curetons
Executive Director

Schedule 1

		The Salvation Army	Wisdom Academy
Class Room 1 (26)	409.14 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Class Room 2 (18)	403.90 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Class Room 3 (19)	519.77 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Class Room 4 (27)	534.70 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Library (7)	1022.80 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Game Room 1 (8)	942.04 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM

Game Room 2 (14)	583.20 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Art Studio (24/25)	957.30 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Computer Lab (6)	966.00 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Chapel (11)	2851.00 sq ft	Monday thru Friday – 3:00 PM onwards. Saturday and Sunday – All day	Monday thru Friday – 7:00 AM to 2:55 PM
Office Suite (4/17)	696.00 sq ft	Space is not being shared with Wisdom Academy.	Space is being used by Wisdom Academy only.
Parking Stalls	14 Stalls		Monday thru Friday – 7:00 AM to 4:00 PM

RECEIVED
NOV 01 2011
LAUSD
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Friday, August 18, 2011
3:00 PM

The Special Meeting of the WAYS Governing Board was held on Wednesday, August 10, 2011 at the school of Wisdom Academy for Young Scientists. This meeting was called to order by the President, Ms Alex Love, at 3:15 pm. In her seat was the President, Love and also seated was the Secretary, Walker.

Board members present: Ed Cabil, Adell Walker, Loretta McDonald, Alex Love, Cathy Roby, Oscar Ortega. **Board members absent**: Karen Haynes, Tamara Smith, Jonathan Fields, Kandee Lewis (excused absence) Dorothy Valenti

Approval of minutes: Minutes were read silently and pushed back for a quorum to approval. A quorum was reached at 3:35 PM. Minutes were moved with addition, seconded and motion carried.

Interview Process: moved up on agenda
Board interviewed Top four (4) Candidates (as ranked by administration) for Principal of new site---location - Salvation Army -- prior to going into closed session. All four candidates were given equal time to address the board, and answer open-ended questions of the evaluation process. A multi comprehensive performance evaluation process-- consisting of, "evaluation of written exercise, oral delivery, open-ended questions, and answers session took place. After each candidate interview a discussion relative to criteria and performance indicators were reviewed. A democratic process of voting on each candidate was conducted and the candidate receiving the highest number of votes in ranking order was submitted to administration as first, second, third, and fourth choice. Interviewing process ended.

Closed Session was called to order by the President, Love, at 4:14 PM. At 5:20 PM closed session ended.

Returned to Open Session at 5:30 PM

Oral Communication
Toyer McBride, guest, commented on one of the Candidates for Principal of the new school and why she should be elected. Victoria Hankins, Brenda Peaches, and Brian Sawyers, guests commented on the school being kept in the area. Armando Espinoza, guest, addressed the board relative to becoming a member.

Information Items (Reports)
Board: None
Parent/Teacher: Parent Orientation scheduled for August 22, 2011 at the new site on Central. Information to all parents will be posted on several mediums (website, flyers, etc)
Executive Director: LACOE approved Material Revision Request to expand to Salvation Army 2011-2012 school year. ED recommended approval of RPM Construction Management, Inc proposal made April 2011, at cost $57,900. Building and Improvement funds available $76,730. Additionally, recommended the board approve the final lease agreement with Salvation Army and consider approving the draft Property Lease Agreement for Manchester and Central Avenues with OCI. ED introduced top four Candidates for the Principal's position at the new site. A rating of the candidates was based on multi-screening criteria (written, oral performance, open-ended questioning, and interview).
Principal : Recruitment is top priority to achieve numbers at both sites. WAYS has an enrollment (based upon applications accepted) of 325 and at new site enrollment stands at 157. Currently seeking strong, credentialed teachers experienced working with children in an urban setting. Presently, offered two teachers positions for Kinder and expect to offer a third teacher position. Interview process will commence until all teachers are hired. Curriculum & Instruction materials—appointments made with two reps from textbook companies for review. The board was thanked for being willing to recommend new instructional materials for the school.
Director of Operations: Copy of the RPM construction Management Contract Proposal was submitted total cost $53,100. Requesting the board make a decision to commence project (ADA Upgrades) to be completed prior to school opening. We must comply with the orders to provide adequate disabled persons access to the facility to remain ADA compliant. A written report was submitted and further information can be viewed upon request.
Business & Finance: Budget status report given by Bali Business Management. A pupil estimate for new or significantly expanding charters (PENSEC) for 2011-2012 fiscal year was submitted. A statement of financial position of WAYS was presented by Bali Business Management giving a total assets accounting of $1,196,664. A statement of revenue and expenditures was submitted along with 2011-2012 budget. Applied for state facility grant to solve cash flow concerns. School can receive approx $500,000 in Oct. A Cash Flow Forecast was submitted showing income for 2011-2012 at $4,085,907. All written reports are available upon request.

Report Out
RPM Construction Contract – not approved at this meeting - moved to next board meeting pending further review
Property Lease Agreement with OCI for 706 E. Manchester and 8778 S. Central moved to next board meeting pending review
New school location moved to future agenda item pending research and evaluation and adoption of fundraising proposal

Action Items
New Property Lease Agreement with Salvation Army---Approved
Interview Top Four Principal Candidates – Approved
Resignation of Tamara Smith – Approved
Board Notification Letter – Approved Pending Bylaws amendments
Clarify Board Attendance – Approved Pending Bylaws amendments
Food Vendor – Approved
New Auditor –

The board meeting of WAYS was adjourned at 6:30 PM.

_____ _____
Secretary of Board Date

_____ _____
President of Board Date

Wisdom Academy for Young Scientists
706 E. Manchester Avenue
Los Angeles, CA 90001

Notice of "Special Meeting" of
Board of Directors
Tuesday, August 10, 2011
3:00 PM

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**

A. Call to Order
Meeting called to order by the Board President at _____

B. Roll Call **Present/Absent**

Edward Cabil	_____/_____
Karen Haynes	_____/_____
Loretta McDonald	_____/_____
Tamara Smith	_____/_____
Adell Walker	_____/_____
Alex Love	_____/_____
Kandee Lewis	_____/_____
Jonathan Fields	_____/_____
Cathy Roby	_____/_____
Dorothy Velinti	_____/_____
Oliver Ortega	_____/_____

Others in Attendance

Michael Cureton	_____/_____
Alake Watson	_____/_____
Jason Okonkwo	_____/_____
Bali Business Management	_____/_____

II. <u>Additions to the Agenda (Provisions of emergency/Urgency)</u>

III. Approval of Minutes

Approval of the August 1, 2011, board minutes. Board Secretary to provide one copy to each Board Member to review

IV. Oral Communications: Non-Agenda items—individuals who have submitted a request to speak forms will be allowed a three (3) minute presentation regarding non-agenda items. The Oral Communications segment of the meeting will not exceed 15 minutes. According to California Public Meeting Laws (Brown Act), the Board will not respond or take action regarding public presentations; however, the Board may give direction to staff members following a presentation.

V. Information Item (All Reports)

- Board
- Parent/Teacher
- Executive Director
- Principal
- Director of Operations
- Business & Finance

VI. Closed Session

- Approval of RPM Construction Contract
- Approve of Properties Lease Agreements with OCI for 706 E. Manchester Ave., Los Angeles, CA 90001 and 8778 S. Central Ave., Los Angeles, CA 90001
- Discuss Possible Move to New School Locations

Action Items

1. Approval of New Property Lease Agreement with Salvation Army Siemon Family Youth Center
2. Discussion of New Food Service Vendor and a New Auditor
3. Interview Top Four (4) Principal Candidates
4. Approval of Tamara Smith's Resignation
5. Evaluations of the Staff/Staff Credentials, Resumes and Job Descriptions
6. Board Notification Letter
7. Clarity Board Attendance Procedures

VII. Future Agenda Items

The Board will consider items for future Board Meeting Agendas

VIII. Meeting Adjourned at _____

EXHIBIT 54

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

Lease Agreement

This Lease is made as of August 1, 2013, between The Salvation Army, a California corporation, whose address is 180 East Ocean Boulevard, Long Beach, CA 90802 ("Landlord") and Wisdom Academy for Young Scientists, a California nonprofit public benefit corporation, whose address is 706 E. Manchester Avenue, Los Angeles, CA 90001 ("Tenant").

1. DEFINITIONS. The following terms used in this Lease shall have the meanings set forth below.
   1.1. Base Rent: $13,387.54 per month (August 2013 – May 2014); $1,512.75 (June 2014 – July 2014).
   1.2. Intentionally Omitted.
   1.3. Commencement Date: August 1, 2013.
   1.4. Expiration Date: July 31, 2014.
   1.5. Parking. School may only use assigned parking stalls. Unauthorized use of parking stalls will incur a $15 per day charge.
   1.6. Intentionally Omitted.
   1.7. Premises: Slauson Family Youth & Community Center, 7551 South Central Avenue, Los Angeles, CA 90001, as specified on Exhibit A.
   1.8. Security Deposit: $13,492.00
   1.9. Intentionally Omitted.
   1.10. Use: Elementary School, Grades K-5
   1.11. Intentionally Omitted

2. EXHIBITS. The following exhibits are attached to and made a part of this Lease: Schedule of shared space including square footage, supported by Exhibit A layout of the building.

3. LEASE. Landlord leases to Tenant the Premises, and Tenant leases the Premises from Landlord, subject to the terms and conditions of this Lease. Tenant accepts the Premises in "as is" condition and acknowledges that Landlord makes no representation or warranty, express or implied in fact or by law, as to the condition of the Premises. The Lease term ("Term") shall begin on the Commencement Date and end on the Expiration Date unless sooner terminated pursuant to the provisions of this Lease. Landlord shall have the right, at any time upon entering into a contract for the sale of the premises, to cancel this lease, and the term hereby granted, upon giving to the Tenant 30 days' notice of intention to do so, and upon the expiration of said 30 days, the Tenant agrees to vacate the premises and to surrender this lease and the term hereby granted at the end of the then current school year. The term of this lease may be extended for one (1) additional year by Tenant, which option shall not be exercised except but by written notification to Landlord of its election at least sixty (60) days prior to the Expiration Date. Such extension shall be subject to all other terms of this Lease except that the rent will reflect a 3.5% increase.

In addition, this Lease may be terminated by either party in the event that the Tenant's charter school contract with LACOE is, for any reason, revoked or not renewed.

4. USE. Tenant shall use the Premises, at all times during the Term, for the Use and for no other use or purpose. Tenant shall, at its cost, fully comply with all laws, statutes, codes, rules, regulations, ordinances, order, judgments, decrees, writs, permits, certificates, licenses, or other authorizations, directions, or requirements. Tenant shall not do or permit any act to be done or to exist upon the Premises, which may (a) be dangerous, unless safeguarded as provided for by Legal Requirements; (b) constitute a public or private nuisance; (c) interfere with landlord's own operations in the building, including loitering or trespassing by its invitees; or (d) make any insurance void or voidable or cause any increase in insurance premiums. Tenant shall neither cause nor permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials; neither cause nor permit a release or threatened release of Hazardous Materials onto the Premises or any other property as a result of any intentional or unintentional act or omission on the part of Tenant; comply with all applicable Legal Requirements related to Hazardous Materials; and cooperate with Landlord in compliance with Legal Requirements in regard to the Building including but not limited to any upgrading of life safety systems or removal of asbestos, it being acknowledged that the Building may not have all systems and improvements which would be required if the Building were newly constructed as of the date of this Lease. Tenant shall faithfully observe and comply with rules and regulations as promulgated by Building Management from time to time. Landlord shall not be responsible for the nonperformance by others of any of such rules and regulations. "Hazardous Materials" are defined as any flammable explosives, radioactive materials, oil or petroleum products and their by-products, asbestos, polychlorobiphenyls, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as defined under or regulated by any Legal Requirements, including, without limitation, the following statutes and the regulations promulgated under their authority: (a) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.); (b) the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); and (c) the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §§ 6901 et seq.).

Landlord shall provide Tenant with a copy of the most current Certificate of Occupancy and Fire Inspection Report for the property. Landlord shall notify Tenant immediately in the event of any change in status.

4.1 Tenant Representations and Warranties.

4.1.1. Tenant has conducted its own investigation into the uses permitted by zoning, land use regulations, or other governmental restrictions and regulations, and Tenant is satisfied that it can use the Premises for the Use permitted under the Lease.

4.1.2. Landlord has made no representation to Tenant regarding its intended use or uses permitted for the Premises, and Tenant is relying solely upon its own investigation in determining the suitability of the premises for Tenant's intended use.

4.1.3. Tenant understands that its obligation to pay rent is independent of any restrictions or limitations on its intended uses, such that any restrictions, limitations, or prohibitions of its intended use by any government authority shall not relieve Tenant of its obligation to pay rent.

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5. RENT. Tenant shall pay Base Rent and all sums due under this Lease (together, "Rent") when due, without notice or demand. Base Rent is payable monthly in advance on or before the first of each calendar month during the Term (prorated for partial months, if any). Other sums shall be paid upon notification by Landlord. If payment is not received when due, an administrative fee and late charge of 5% of base rent shall be immediately due and payable without notice or demand. This provision is not a grace period; it is not a penalty, but liquidated damages to defray administrative and related expenses. An additional administrative fee and late charge shall become immediately due and payable on the first of each month for which any portion of a payment (or administrative fee and late charge) remains unpaid, and for processing of any check returned unpaid. Tenant acknowledges that Rent payments shall be made by Tenant to Landlord without any claim on the part of Tenant for diminution, setoff, or abatement. Nothing shall suspend, waste, or reduce any Rent.

5.1. Additional Rent. All taxes, insurance costs, utilities, and maintenance costs which Tenant is required to pay by this Lease, and any other sum which Tenant is required to pay to Landlord or third parties shall be additional rent.

6. SECURITY DEPOSIT. Upon the execution of this Lease, Tenant shall deposit with Landlord a Security Deposit in the amount set forth in Section 1.8 above. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.

7. SERVICES. No electric current shall be used except as provided by Landlord; no electric cable or wire shall be brought into the Premises except with Landlord's prior written consent. Tenant shall not use machines that use more than standard current or which shall overload the Building's circuits. Any consumption of electricity in excess of that which is customary for all tenants, or requiring special circuits or equipment, shall require Landlord's prior approval and the cost thereof shall be paid to Landlord. Landlord is not providing security services. Parking shall be provided as described in 1.5.

7.1. Utilities and Other Services. The following utilities are included in the monthly rent: electricity, heat, cooling, and janitorial. The Landlord shall provide janitorial services to clean the Premises, common areas, and restroom facilities incompliance with all applicable laws.

8. REPAIRS AND MAINTENANCE.

8.1. Landlord's Obligations. The following shall be the responsibility of the Landlord:

8.1.1. Repairs and maintenance of the roofs and gutters, exterior walls (including painting), bearing walls, structural members, and foundations.

8.1.2. Repair of sidewalks, driveways, curbs, parking areas, and areas used in common by Tenant and Landlord or tenants of other portions of the Building.

8.1.3. Repair and maintenance of exterior water, sewage, gas, and electrical services up to the point of entry to the Leased Premises.

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8.1.4. Repair and maintenance of the heating and air conditioning system.

8.1.5. Repair of interior walls, ceilings, doors, and windows and related hardware, light fixtures, switches, wiring, and plumbing from the point of entry to the Premises.

8.2. Tenant's Obligations. The following shall be the responsibility of Tenant, with respect to the office space it exclusively occupies:

8.2.1. Repair of interior walls, ceilings, doors, windows, and related hardware, light fixtures, switches, and wiring and plumbing from the point of entry to the Premises.

8.2.2. Any repairs necessitated by the negligence of Tenant, its agents, employees, and invitees.

8.3. Landlord's Interference with Tenant. Any repairs, replacements, alterations or other work performed on or around the Premises by Landlord shall be done in such a way as to interfere as little as reasonably possible with use of the Premises by Tenant. Tenant shall have no right to an abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirement of this provision.

8.4. Reimbursement for Repairs Assumed. If either party fails or refuses to make repairs which are required by this Section 4, the other party may make the repairs and charge the actual costs of repairs to the first party. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the rate of nine percent per annum from the date of expenditure by Landlord. Such expenditures by Tenant may be deducted from rent and other payments subsequently becoming due or, at Tenant's election, collected directly from Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party and charge the other party for the resulting expense unless at least 30 days before work is commenced the defaulting party is given notice in writing outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

8.5. Inspection of Premises. Landlord shall have the right to inspect the Premises at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant notice in writing of the repairs that are required.

9. CONDITION OF PREMISES. Tenant shall not make or suffer to be made any alterations, additions, improvements, or utility installations (collectively, "Alterations") to the Premises, including painting, or any part thereof without the prior consent of Landlord. Tenant shall not, without Landlord's prior consent that may be granted or withheld in Landlord's sole discretion, paint, install window treatment, hang shelves or paintings or otherwise alter the Premises. Tenant may not install signs within or without the Premises that can be seen from any other part of the Building, or from outside the Building, without Landlord's prior written consent. Landlord and Landlord's employees and other agents shall have the right, but not the

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obligation, upon reasonable notice to Tenant, and at reasonable times, to enter upon and pass through the Premises from time to time in order to (a) make an examination of the Premises, and (b) show the Premises to prospective purchasers, mortgagees, prospective mortgagees, and others. In the event of an emergency, Landlord and Landlord's agents shall have the right, but not the obligation, without any notice to Tenant, to take such actions, whether on or off the Premises, as Landlord shall deem appropriate to respond to the emergency. Tenant shall accept the Premises in its "as-is" condition.

10. INSURANCE AND TAXES.

10.1. Liability Insurance. Tenant shall, at its own cost and expense, maintain commercial general liability insurance protecting against loss of life, bodily injury and property damage, any and all liability occasioned by negligence, occurrence, accident, or disaster with respect to the Premises and Tenant's operations thereon, with such insurable limits as Landlord may from time to time require, but in no event less than Two Million and No/100 Dollars ($2,000,000.00) combined single limit bodily injury and property damage liability on an occurrence basis with a Two Million and No/100 Dollars ($2,000,000.00) aggregate. Such insurance shall name Landlord as additional insured, and Tenant shall provide Landlord with an additional insured endorsement, and such insurance shall be primary and not excess to Landlord's insurance. Tenant's insurance shall be with an insurer acceptable to Landlord. Tenant shall provide a copy of the policy, or a binding certificate, to Landlord upon execution of this Lease.

10.2 Property Insurance. Landlord shall keep the Premises insured at Landlord's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Tenant shall bear the expense of any insurance insuring the Tenant's property on the premises against such risks.

10.3. Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss neither party's insurance company shall have a subrogated claim against the other.

10.4. Taxes. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to reasonably cooperate in order to obtain exemption determination from County Tax Assessor. In the event that clearance is not obtained or lost, Tenant shall pay all real property taxes and assessments on the Premises (for Tenant's portion of Premises) when due.

11. INDEMNIFICATION. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any

covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damaged to property in, upon, or about the part of the Premises which Tenant exclusively occupies from any source to whomever belonging, and Tenant hereby waives all claims in respect thereof against Landlord and agrees to defend and save Landlord harmless from any action, dispute, complaint or otherwise relation to any violation of the Americans with Disabilities Act of 1990 an all regulations issued thereunder that are within Tenant's responsibility.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, except to the extent of Tenant's negligence or willful misconduct, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

12. CONSTRUCTION LIENS. Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of nine percent per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

13. DAMAGE AND DESTRUCTION.

13.1. Partial Damage. If the Premises are partly damaged and paragraph 13.2 below does not apply, the property shall be repaired by Landlord at Landlord's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Landlord and shall be performed in accordance with the provisions of paragraph 4.3 above.

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13.2. Destruction. If the leased Premises are destroyed or damaged such that the cost of repair exceeds 40 percent of the value of the structure before the damage, either party may elect to terminate the lease as of the date of the damage or destruction by notice given to the other in writing not more than 45 days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of termination, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, Landlord shall proceed to restore the leased Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters not under control of Landlord.

13.3. Rent Abatement. Rent shall be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant.

14. EMINENT DOMAIN.

14.1. Partial Taking. If a portion of the Premises is condemned and paragraph 9.2 does not apply, the lease shall continue on the following terms:

(a) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

(b) Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

(c) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the property in anticipation of taking, the rent shall be reduced in proportion to the reduction in value of the leased Premises as an economic unit on account of the partial taking. If the parties are unable to agree upon the amount of the reduction of rent, the amount shall be determined by arbitration in the manner as is provided in Section 17.

(d) If a portion of Landlord's property not included in the leased Premises is taken and severance damages are awarded on account of the leased Premises, or an award is made for detriment to the leased Premises as a result of activity by a public body not involving a physical taking of any portion of the leased Premises, this shall be regarded as a partial condemnation to which subparagraphs 9.2(a) and (c) apply, and the rent shall be reduced to the extent of reduction in rental value of the Premises as though a portion had been physically taken.

14.2. Total Taking. If a condemning authority takes all of the leased Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use which Tenant was then making of the Premises, the lease shall terminate as of the date the title vests

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in the condemning authorities. Such termination shall have the same effect as a termination under paragraph 9.1(a) above. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

14.3. Sale in Lieu of Condemnation. Sale of all or part of the leased Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 9 as a taking by condemnation.

15. ASSIGNMENT; SUBLETTING. Tenant shall not in any manner make or allow any assignment, subletting, or occupancy arrangement or any encumbrance of the Premises or this Lease. Any attempt to do any of the foregoing without Landlord's prior written consent shall be void. A change in ownership of Tenant shall be deemed an assignment.

16. DEFAULT; REMEDIES.

16.1. An Event of Default shall occur if any payment to be made under this Lease is not made when due; if any obligation of Tenant is not timely performed or Tenant shall otherwise be in default of a provision of this Lease; or if Tenant shall be brought within the purview of a Bankruptcy Court, whether adjudicated a bankrupt or not.

16.2. If there is an Event of Default by Tenant, Landlord, at Landlord's option, may elect to do one or more of the following: (a) accelerate all of the remaining Rent for the Term, in which event all Rent shall become immediately due and payable; (b) terminate this Lease and re-enter the Premises and remove all persons and property from the Premises, by summary proceedings or by any other suitable action or proceeding at law, or otherwise; or, (c) without terminating this Lease, re-enter the Premises and remove all persons and property from the Premises, by summary proceedings or otherwise, and relet the Premises. If Landlord elects to terminate this Lease, Tenant shall quit and peacefully surrender the Premises to Landlord, without any payment by Landlord for doing so, on or before the effective date of termination, and all Rent shall be paid up to the effective date of termination, together with such expenses, including attorneys' fees, as Landlord shall incur in connection with such termination. No receipt of money by Landlord from Tenant after termination of this Lease shall reinstate, or extend the Term, affect any notice previously given by Landlord to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent. If Landlord shall terminate this Lease, Landlord shall be entitled to retain, free of trust, all sums then held by Landlord pursuant to any of the provisions of this Lease. In the event of any re-entry and/or dispossession by summary proceedings or otherwise without termination of this Lease, all Rent shall become due and shall be paid up to the time of such re-entry and/or dispossession, together with such expenses, including attorneys' fees, as Landlord shall incur in connection with such re-entry and/or dispossession by summary proceedings or otherwise; all Rent for the remainder of the Term may be accelerated and due in full; and Landlord may relet all or any part of the Premises, either in the name of Landlord or otherwise, for a term which may, at Landlord's option, be

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equal to, less than, or greater than the period which would otherwise have constituted the balance of the Term. Tenant shall pay, as additional Rent, to Landlord, as they are incurred by Landlord, such reasonable expenses as Landlord may incur in connection with reletting including, without limitation, attorneys' fees, brokerage commissions, and expenses incurred in altering, repairing, and putting the Premises in good order and condition and in preparing the Premises for reletting. If Tenant shall not have paid accelerated Rent, Tenant shall pay in monthly installments on the due dates for Rent payments for each month of the balance of the Term, the amount by which any Rent payment exceeds the net amount, if any, of the rents for such period collected on account of the reletting of the Premises; any suit brought to collect such amount for any months shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent months by a similar action or proceeding. Landlord shall have as Landlord's absolute property, any sums collected by Landlord upon reletting the Premises after Landlord shall resume possession of the Premises including, without limitation, any amounts by which the sums so collected shall exceed the continuing liability of Tenant under this Lease. If Landlord shall have accelerated and collected Rent payments and subsequently shall have relet the Premises, then Landlord, after deducting all costs related to reletting shall pay to Tenant the amount remaining which is collected as Rent for each month, to the extent Landlord shall have previously received the Rent for such month from Tenant.

17. RELOCATION. Landlord may relocate Tenant to another location in the Building, without releasing Tenant of any obligation under this Lease for the full Term. If Landlord remodels a substantial portion of the Building and deems the Premises to be needed for other purposes than this Lease, Landlord may relocate Tenant in the Building or terminate this Lease.

18. MISCELLANEOUS.

18.1. Neither Landlord nor any disclosed or undisclosed principal of Landlord (or officer, director, stockholder, partner or agent of Landlord or of any such principal), nor any successor of any of them, shall have any personal liability for any such failure under this Lease or otherwise. The provisions of this Section shall apply only to Landlord and the parties above-described. They shall not be for the benefit of any insurance company or other third party. Except as specifically set forth in this Lease, Tenant hereby expressly waives its rights under any and all Laws, to terminate this Lease (whether prior to or after the commencement of the Term) or to withhold any payment owed by Tenant under this Lease, on account of any damage, condemnation, destruction, or state of disrepair of the Premises, or any part thereof, it being the parties' intent that the provisions of this Lease shall govern the parties' rights and obligations with respect to such matters. Any holder(s) of any fee mortgage shall have no obligations whatsoever under this Lease. This Lease shall at all times be subordinate to any fee mortgage encumbering the Property. If the holder of any fee mortgage shall succeed to Landlord's interest in this Lease, Tenant shall, upon request, attorn to such holder in writing. In the event of any transfer of Landlord's interests, Landlord shall be released and relieved from all liability and responsibility thereafter accruing to Tenant and Landlord's successor shall be liable and responsible to Tenant with respect to all obligations of Landlord under this Lease accruing from and after the date of such transfer.

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18.2. Tenant shall, on the last day of the Term or upon any termination of this Lease, surrender and deliver up the Premises to Landlord "broom clean" and in good condition and repair, subject to ordinary wear and tear, with all equipment and tenant improvements removed if Landlord so requests. All personal property and other belongings that are left upon the Premises at the time of such surrender shall be deemed to have been abandoned. The cost to Landlord of removal, sale and/or storage of such property shall be paid to Landlord by Tenant.

If Tenant does not immediately surrender the Premises to Landlord at the end of the Term, then Tenant shall pay to Landlord double the amount of the Rent payable by Tenant for the last month of the Term for each month or portion thereof that Tenant holds over, plus all damages that Landlord may suffer on account of Tenant's failure to surrender possession to Landlord, and shall indemnify and save Landlord harmless from and against all claims made by any succeeding tenant of the Premises or broker procuring such tenant, related to delay in delivering possession to such succeeding tenant, so far as such delay is occasioned by failure of Tenant so to surrender the Premises. No receipt of money by Landlord from Tenant after termination of this Lease or the service of notice of suit or judgment for possession shall reinstate or extend the Term or affect any such notice, demand, suit or judgment. No act or thing done by Landlord or its agents, including acceptance of keys to the Premises, during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Landlord.

18.3. At any time and from time to time during the Term, within ten (10) days after request by Landlord, Tenant will execute, acknowledge, and deliver to Landlord and its designees, a certificate which states (a) that this Lease is unmodified and in full force and effect, or if there have been modifications, that this Lease is in full force and effect as modified, and identifying the modification agreements; (b) the date to which the Rent has been paid; (c) the nature and extent of any existing default by either party as to which a notice has been given to the other party; (d) whether or not there are any setoffs, defenses, or counterclaims against enforcement of the obligations to be performed under this Lease existing in favor of Tenant; and (e) other matters which Landlord may reasonably request.

18.4. If a claim for brokerage or similar fees in connection with this transaction is made by any other broker, agent, salesman, or finder other than Brokers claiming to have dealt through or on behalf of one of the parties to this Lease, then such party shall indemnify, defend, and hold harmless the other party from all liabilities, damages, claims, costs, fees, and expenses (including reasonable attorneys' fees) with respect to such claim for brokerage. The provisions of this Section shall survive the expiration or termination of this Lease.

18.5. Each Notice shall be deemed to have been given (a) when in writing; (b) when sent by personal delivery, facsimile, Federal Express or other widely recognized overnight delivery service, or registered or certified mail; (c) upon receipt or refusal of receipt by the person to

whom it is addressed; and (d) when addressed to each applicable person at the applicable addresses set forth on the first page of this Lease, or to such other person or address as a party shall in the future designate by giving notice to the other.

18.5. Each party represents to the other that it has full legal right, power, and authority to enter into, execute, and perform this Lease. All the rights and remedies of Landlord under this Lease or pursuant to present or future law shall be deemed to be separate, distinct, and cumulative. No one or more of them, whether exercised or not, nor any mention of or reference to any one or more of them in this Lease, shall be deemed to be in exclusion of, or a waiver of, any of the others, or of any of the rights or remedies which Landlord may have under this Lease, at law, and/or in equity. Landlord shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies separately and to pursue any lawful action or proceedings to exercise or enforce any right or remedy without thereby waiving or being barred or estopped from exercising and enforcing any other rights and remedies by appropriate action or proceedings. No waiver by Landlord of any breach by Tenant of any term or condition of this Lease, and no failure by Landlord to exercise any right or remedy in respect of any such breach, shall constitute a waiver or relinquishment for the future, or bar any right or remedy of Landlord in respect of, any other breach of such term or condition or any breach of any other term or condition of this Lease. No payment by Tenant or receipt of payment by Landlord of an amount less than the full amount then due Landlord under this Lease shall be construed as anything other than a partial payment of such sum then due and owing. No endorsement or statement on any check or letter or any form of payment or accompanying document shall be deemed to be an accord and satisfaction or other form of settlement; Landlord may accept any such payment without prejudice to its rights to recover the balance of sums due and owing under this Lease or to pursue any other remedy permitted under this Lease.

18.7. Whenever under this Lease Landlord's consent or approval is expressly or impliedly required, it may be arbitrarily withheld. If Tenant requests Landlord's consent or approval, and if in connection with such request Landlord seeks the advice of its attorneys, architect and/or other adviser or expert, then Tenant shall pay such persons' costs and fees related to such request and the preparation of related documents, which costs and fees shall be limited to $750 per request for matters in the normal course of Tenant's business. Such limitation shall not apply for extraordinary matters such as improvements or remodeling, or any work of any nature that might affect the Building's structural integrity or building systems.

18.8. All obligations of Tenant that are or may be intended by their nature to be performed and/or complied with after the expiration or earlier termination of this Lease shall survive such expiration or termination. Express provisions in this Lease that require or permit survival in specific instances, or as to specific obligations, shall not be deemed a limitation upon the generality of this survival clause. Every provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. If any provision of this Lease, or the application of such provision to any person or circumstance, shall be determined by appropriate judicial authority to be illegal, invalid, or unenforceable to any extent, such provision shall, only to such extent, be deemed stricken from this Lease as if never included. The remainder of this Lease,

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and the application of such provision to persons or circumstances other than those as to which such provision is held illegal, invalid, or unenforceable, shall not be affected. In this Lease, 'attorneys' fees means without limitation, accountants' and attorneys' fees, including fees for the services of paralegals and similar persons, consultant fees, investigation and laboratory fees, court costs, and litigation expenses at the trial and all appellate levels, and through collection.

18.9. The captions and headings contained in this Lease are for convenience and reference only, shall not be deemed to be a part of this Lease or construed as limiting, amplifying, or modifying in any manner the provisions of this Lease, and shall not otherwise affect the interpretation of this Lease. All references to Exhibits or Sections are to Exhibits or Sections of this Lease. Whenever the context of any provision of this Lease so requires, pronouns of any gender shall include the other genders, words in the singular shall include the plural, and words in the plural shall include the singular. This Lease may be executed and delivered in two or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to be one instrument. The parties shall take all such actions and execute all such documents as may be necessary to carry out the purposes of this Lease, whether or not specifically provided for in this Lease. Time is of the essence as to all material terms of this Lease. This Lease shall be construed and governed in accordance with the laws of the State of California without application of conflict of law principles. All of the parties to this Lease have participated fully in its negotiation and preparation. Accordingly, this Lease shall not be more strictly construed against any one of the parties. Landlord shall not be deemed, in any way or for any purpose, to have become, by the execution of this Lease or any of the provisions of this Lease, or any action taken under this Lease, a partner of Tenant, in Tenant's business or otherwise, or a member of any joint enterprise or venture with Tenant.

18.10. This Lease contains the sole and entire agreement, and supersedes all other prior written or oral agreements, between the parties with respect to the subject matter of this Lease. This Lease may be changed, amended, or modified only by an agreement in writing signed by the party against whom such change, amendment, or modification is sought to be enforced. The terms and conditions of this Lease shall bind the parties and their respective successors and assigns, and shall inure to the benefit of the parties and their respective permitted successors and assigns. Any waiver of rights by either party shall be deemed not only to be a waiver of such rights by such party but also a waiver of such rights for and on behalf of such party's successors and assigns.

18.11. Claims, disputes, or other matters in controversy arising out of or related to the lease shall be subject to mediation as a condition precedent to binding dispute resolution.

18.12. The parties shall endeavor to resolve their disputes and claims ("Claims") by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its applicable procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Lease, and filed with the person or entity administering the mediation. The request

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may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If arbitration is stayed pursuant to this Section 18.13, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

18.13. The parties shall share the mediator's fee and any filing fees equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

18.14. Any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its applicable rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Lease, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

18.15. A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

18.16. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. The party determined to be the prevailing party in the arbitration shall be entitled to an award of its reasonable costs and fees, including attorneys' fees and expert's fees, incurred therein.

18.17. The foregoing agreement to arbitrate shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

18.18. In case suit shall be rightfully brought for possession of the Premises, the prevailing party shall recover reasonable attorney's fees from the other in each such suit. It is further mutually agreed by and between Landlord and Tenant, that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, and/or any claim of injury or damage, and any emergency statutory or any other statutory remedy. Should Landlord seek recourse to enforce any of its rights under this Lease, Tenant agrees to waive any defense which it might otherwise

have that Landlord has any adequate remedy at law. Tenant further agrees that it shall not interpose any counterclaim or set off in a summary proceeding or in any action based in whole or in part on nonpayment of rent.

18.19. IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THEY SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LANDLORD OR TENANT AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR BY ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, AND/OR TENANT'S USE OF OR OCCUPANCY OF THE PREMISES. TENANT FURTHER AGREES THAT IT SHALL NOT INTERPOSE ANY COUNTERCLAIM OR COUNTERCLAIMS (EXCEPT COMPULSORY COUNTERCLAIMS) IN ANY SUMMARY PROCEEDING OR IN ANY ACTION BASED UPON NONPAYMENT OF RENT OR ANY OTHER PAYMENT REQUIRED BY TENANT UNDER THIS LEASE.

18.20. The parties have executed this Lease on the date set forth in the first paragraph.

18.21. Tenant agrees to train all school staff in Landlord's Protecting The Mission policies and procedures.

18.22. Shared Rooms. Tenant agrees that all teachers and school staff must vacate all shared rooms by 5:20 p.m. In addition, Tenant may only use walls in shared rooms which are specifically assigned to them by Landlord.

18.23. Windows and doors must not be covered or blocked, except in cases of emergency.

18.24. Landlord's furniture and equipment must not be moved from their assigned rooms without prior written permission of Landlord.

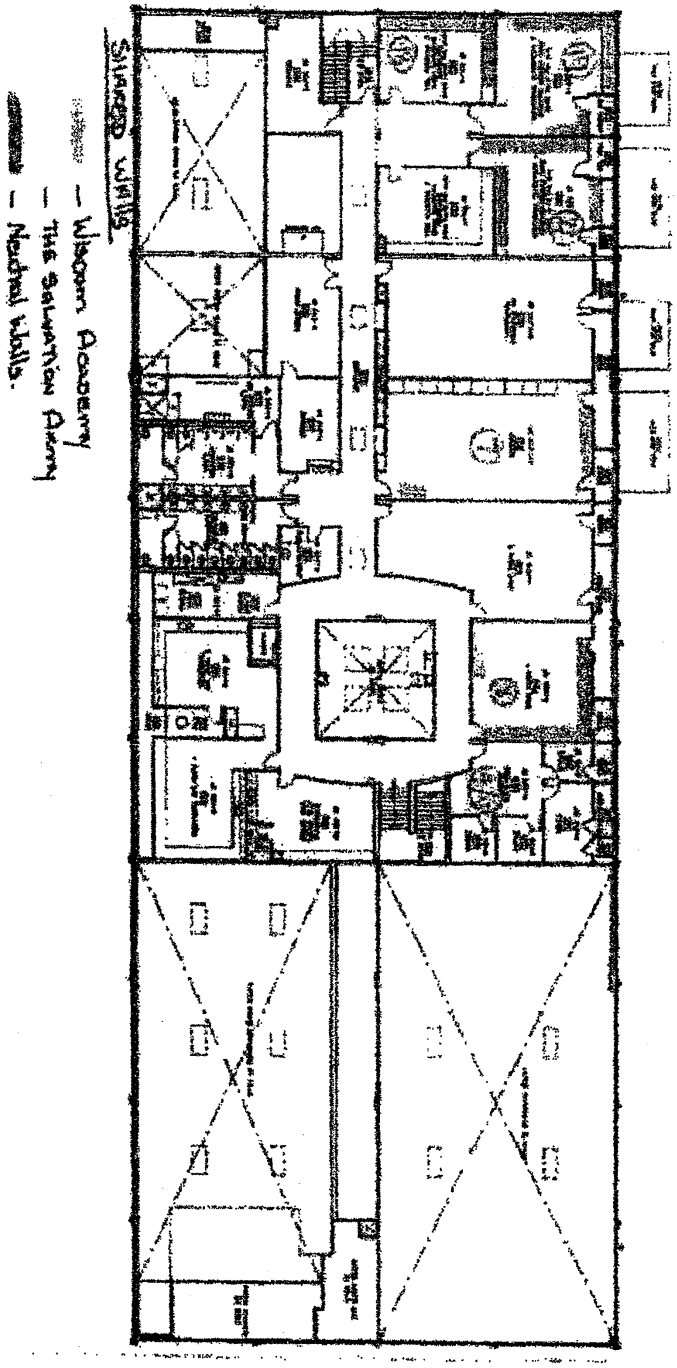
LANDLORD
The Salvation Army,
a California corporation
BY: [signature]
ITS: TREASURER
BY: [signature]
ITS: ASSISTANT SECRETARY
SOUTHERN CALIFORNIA DIVISION
FINANCE COUNCIL
OCT 23 2015

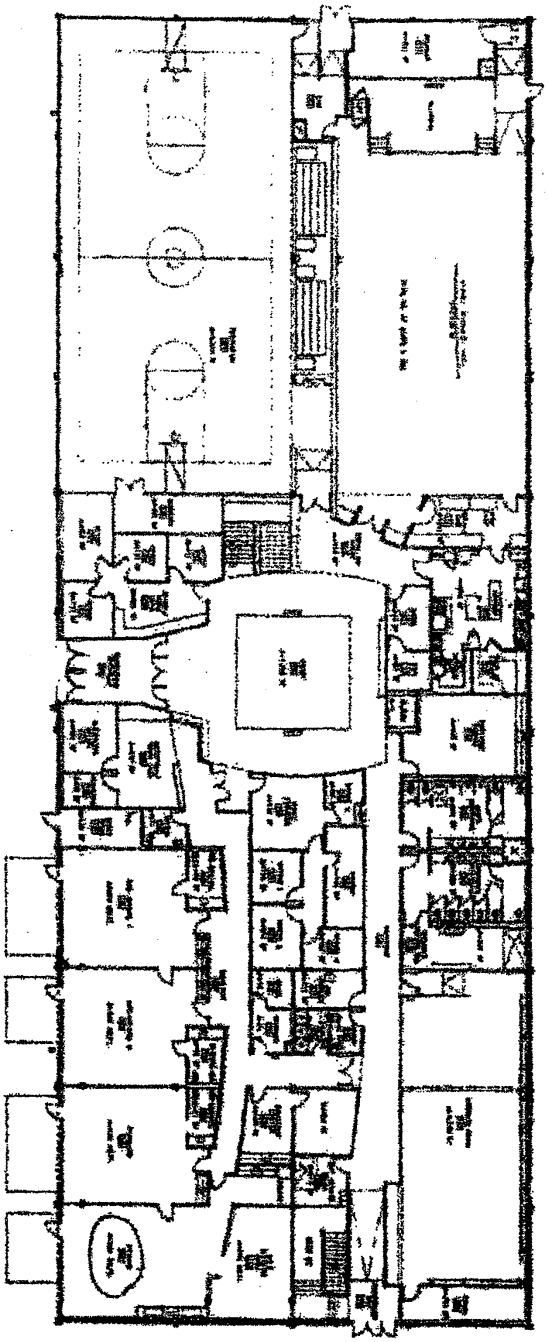
TENANT Wisdom Academy
BY: [signature]
ITS: Executive Director
BY: _____
ITS: _____

14

Schedule 1

		The Salvation Army	Wisdom Academy
Education Room 2 (18)	409.14 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Education Room 3 (19)	519.77 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Education Room 4 (27)	534.70 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Library (7)	1022.80 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Game Room 1 (8)	583.20 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Infant Room	1309 sq ft	Monday thru Friday – 3:00 PM onwards	Monday thru Friday – 7:00 AM to 2:55 PM
Office Suite (4/17)	696.00 sq ft	Space is not being shared with Wisdom Academy.	Space is being used by Wisdom Academy only
Chapel	2851.00 sq ft	Monday thru Friday – 5:00 PM onwards	Monday thru Friday – 7:00 AM to 4:30 PM
Parking Stalls	14 Stalls		Monday thru Friday – 6:45 AM to 4:00 PM


Shared walls
– Wisdom Academy
– The Salvation Army
– Neutral walls.



WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Monday, February 3, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden, Saundra Davis, Kimberly Daniels
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
a. None

VI. **Reports**
a. None

VII. **Closed Session**
a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – **No action was taken.**

VIII. **Open Session**
a. Board Member Resignation Letter – Kimberly Daniels – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
b. Adoption of Student Fee's Policy – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None

Secretary of Board Date President of Board Date

f. Resolution to sell school vehicle – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
h. Wisdom Academy for Young Scientists Annual Financial Audit – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
i. Single Plan for Student Achievement – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
j. Unaudited Actuals Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
k. First Interim Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
l. Updates Regarding FCMAT Audit – Discussion Item

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Single Plan for Student Achievement – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Unaudited Actuals Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. First Interim Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Updates Regarding FCMAT Audit – Discussion Item

XI. The board meeting of WAYS was officially adjourned at 7:19 PM.

Secretary of Board Date

President of Board Date

EXHIBIT 55

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 31 day of JULY, 2012, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to authorize the Executive Director or designee to enter a lease or purchase agreement for a **vehicle for school use** behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board President)

RECEIVED
DEC 14 2012
LACOE
CHARTER SCHOOLS OFFICE

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001
SPECIAL MEETING OF
BOARD OF DIRECTORS
Tuesday, July 31, 2012 4:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, September 27, 2012 at the school of Wisdom Academy for Young Scientists. Board Member, Dorothy Valenti, called this meeting to order at 5:32pm.

II. All members and guest stood and saluted the flag.

III. **Board Members Present**: Eleanor Jones, Cheryl Johnson, Karen Hanyes, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden,
Others in Attendance: Jason Okonkwo, Hallu Haruna/Ball Business Management, Edward Cabil, Karen Horowitz

IV. **Additions to the Agenda**
   a. Discussion: Travel Reimbursement for Board Members

V. **Approval of Minutes**
   a. June 28, 2012 – Amended contract period for Ball Business Management Contract to include period "2011-12 - Approved 5/0

VI. **Reports**
   a. Board Members – Discussion on changes in staff and new staff
   b. Executive Director – Oral Report
   c. Vice Principal(s) – Oral Report
   d. Director of Operations – Oral Report
   e. Ball Business Management – Oral Report, See Attachment

VII. **Discussion/Action Items**
   a. Approval of Early Entrance Evaluation for Kindergarten Policy – Approved 5/0
   b. Approval of Royal Dining Contract – Approved 5/0
   c. Approval of Medina's Proposal for Central Air and Heat System – Approved 5/0
   d. Approval of OCI Development 2012-13 FY Property Lease – Approved 5/0
   e. Approval of Salvation Army 2012-13 FY Property Lease – Approved 5/0
   f. Approval of Amended Executive Director Contract – Approved 5/0
   g. Approval of Revised Fiscal Policy – Approved 5/0
   h. Approval of Resolution to Purchase/Lease a Vehicle for School Business – Approved 5/0
   i. Discussion: Travel Reimbursement for Board Members

VIII. **Closed Session**
   a. Conference with Legal Counsel: Anticipated Litigation (Significant exposure to litigation pursuant to Government Code § 54956.9, subd. (b)): (one potential case) – No Action Taken

IX. **Future Agenda Items**
   a. Amended Fiscal Policy
   b. Travel Reimbursement for Board Members

X. The board meeting of WAYS was officially adjourned at 7:12 PM.

Secretary of Board — Date 10-20-12 — President of Board — Date 10-20-12

Wisdom Academy for Young Scientists

August 6, 2012

To the Finance Authority,

In accordance with Merle Williamson Foundation dba Wisdom Academy for Young Scientists Resolution of Board of Directors dated July 31, 2012 regarding "authorization to lease or purchase a vehicle for school use on behalf of the corporation. I authorize and designate Jason Okonkwo to carry out all business regarding this matter, and to sign on behalf of the organization.

Sincerely,

Edward Cabil
Executive Director

Empowering Students to be Leaders, Change Agents, and True Scientists

; E. Manchester Avenue
_s Angeles, CA 90001
(323) 752-6655 ✦ Fax: (323) 752-6644

8778 S. Central Avenue
Los Angeles, CA 90002
(323) 589-6500 ✦ Fax: (323) 589-6550

e-mail: wisdomacademy4ys@yahoo.com ✦ web: www.wisdomacademy.org

EXHIBIT 56

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the resolution to sell the school vehicle (2011 Lexus RX350) on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Monday, February 3, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Cheryl Johnson, Dorothy Valenti, Armando Espinoza
Board Members Absent: Normen Golden, Saundra Davis, Kimberly Daniels
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. Additions to the Agenda

V. Approval of Minutes
a. None

VI. Reports
a. None

VII. Closed Session
a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – **No action was taken.**

VIII. Open Session
a. Board Member Resignation Letter – Kimberly Daniels – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
b. Adoption of Student Fee's Policy – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None

Secretary of Board Date President of Board Date

000675

f. Resolution to sell school vehicle – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
h. Wisdom Academy for Young Scientists Annual Financial Audit – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
i. Single Plan for Student Achievement – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
j. Unaudited Actuals Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
k. First Interim Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
l. Updates Regarding FCMAT Audit – Discussion Item

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Single Plan for Student Achievement – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Unaudited Actuals Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. First Interim Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Updates Regarding FCMAT Audit – Discussion Item

XI. The board meeting of WAYS was officially adjourned at 7:19 PM.

Secretary of Board Date

President of Board Date

EXHIBIT 57

Gmail

Jason O <mrjason7@gmail.com>

Wisdom Academy : Audit Proposal

Edward Cabil <edcabil@sbcglobal.net> Wed, Oct 23, 2013 at 8:43 AM
Reply-To: Edward Cabil <edcabil@sbcglobal.net>
To: "dvalenti747@yahoo.com" <dvalenti747@yahoo.com>, "armando.espinoza.10@my.csun.edu" <armando.espinoza.10@my.csun.edu>, "johnsoncenter@msn.com" <johnsoncenter@msn.com>, "normanskx@gmail.com" <normanskx@gmail.com>, "saundavis@aol.com" <saundavis@aol.com>, Carol Lee Tolbert <kids@civicpride.net>, "kimberly@ksdanielslaw.com" <kimberly@ksdanielslaw.com>
Cc: Karen Horowitz <klhorowitz@verizon.net>, "deara7@gmail.com" <deara7@gmail.com>, Jason Okonkwo <mrjason7@gmail.com>

Good Morning,

We received an email from our present auditor for an increase in cost that is what I consider way out of line considering the fact that there are several reputable companies who audit charter schools and school districts for much less than the $15,000.00 asking price by our auditor.

Please see the attachments above to view a proposal from a firm that is highly recommended by many in the charter school arena. Our savings of nearly $6,000.00 will help go toward needed computers to meet the mandate of the new law AB484.

Because of the urgency of making a change right away to meet the deadline of audit submissions in December, we can add this item to the agenda at the beginning of the board meeting. Yes, the new audit company said that they would be able to take over and make the deadline if there is no delay on our part, and if there is a delay, they would ask for an extension. We have had to do this before.

Thanks for your kind consideration and cooperation concerning this very important request.

Blessings,
Ed Cabil

4 attachments

2011 Peer Review Report.pdf
65K

Wisdom Academy for Young Scientists Proposal.pdf
3419K

2013 CHARTER SCHOOL LIST.doc
110K

2013 SCHOOL DISTRICT LIST.rtf
170K

EXHIBIT 58

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to approve the auditor selection of Wilkinson Hadley King & Company, LLP on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Monday, February 3, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Armando Espinoza
Board Members Absent: Norman Golden, Saundra Davis, Kimberly Daniels
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
a. None

VI. **Reports**
a. None

VII. **Closed Session**
a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – **No action was taken.**

VIII. **Open Session**
a. Board Member Resignation Letter – Kimberly Daniels – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
b. Adoption of Student Fee's Policy – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
c. 2013-14 Fiscal Year Executive Director Contract 2013-14 – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
d. Commercial Property Lease 2013-14 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None
e. Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – **Approved 3/0**
i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None

Secretary of Board Date President of Board Date

f. Resolution to sell school vehicle – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
g. Selection of auditor WILKINSON HADLEY KING & COMPANY, LLP – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
h. Wisdom Academy for Young Scientists Annual Financial Audit – **Approved 3/0**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
i. Single Plan for Student Achievement – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
j. Unaudited Actuals Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
k. First Interim Financial Report – **Moved to future meeting.**
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None
l. Updates Regarding FCMAT Audit – Discussion Item

IX. **Oral Communication**
   a. None

X. **Future Agenda Items**
   a. Single Plan for Student Achievement – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Unaudited Actuals Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. First Interim Financial Report – **Moved to future meeting.**
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Updates Regarding FCMAT Audit – Discussion Item

XI. The board meeting of WAYS was officially adjourned at 7:19 PM.

Secretary of Board Date

President of Board Date

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EXHIBIT 59

RESOLUTION OF BOARD OF DIRECTORS OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 3 day of February, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Employment Agreement with Edward J. Cabil on behalf of said corporation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board Secretary)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between the above named employee (Mr. Edward Cabil) and the Board of Directors ("Board") of the Merle Williamson Foundation (MWF), located at 706 E. Manchester Avenue, Los Angeles, CA 90001, the holder and operator of The Merle Williamson Foundation (MWF), a California public charter school approved by the Los Angeles Unified School District. MWF desires to hire employees who will assist MWF Principal in achieving the goals and meeting the requirements of the MWF's Charter. The parties recognize that the MWF is not governed by the provisions of the California Education Code except as expressly set forth in the Charter Schools Act of 1992. The Board desires to engage the services of the Employee for purposes of assisting the Principal in implementing the purposes, policies, and procedures of the charter school.

WHEREAS, Merle Williamson foundation and Employee wish to enter into an employment relationship under the conditions set forth herein, the parties hereby agree as follows:

STATUTORY PROVISIONS RELATING TO CHARTER SCHOOL EMPLOYMENT

1. MWF has been established and operates pursuant to the Charter Schools Act of 1992, Education Code section 47600, et seq. MWF has been duly approved by the Los Angeles Unified School Board. A copy of MWF's charter is attached hereto and fully incorporated by reference herein.

2. Pursuant to Education Code section 47604, MWF has elected to be held and operated by MWF, a non-profit public benefit corporation pursuant to the Non-profit Public Benefit Corporation Law of California (Part 2, commencing with section 5110 et seq. of the Corporation Code). As such, MWF is considered a separate legal entity from the Los Angeles Unified School District, which granted the charter. The Los Angeles Unified School Board shall not be liable for any debts and obligations of MWF, and the employee signing below expressly recognizes that he/she is being employed by MWF and not the Los Angeles Unified School Board.

3. Pursuant to Education Code section 47610, MWF must comply with all of the provisions set forth in its charter, but is otherwise exempt from the laws governing school districts except as specified in Education Code section 47610.

4. MWF shall be deemed the exclusive public school employer of the employees at MWF for purposes of Government Code section 3540.1.

EMPLOYMENT AGREEMENT

EMPLOYMENT TERMS AND CONDITIONS:

Duties

Employee will perform such duties as MWF may reasonably assign and Employee will abide by all the school's policies and procedures as adopted and amended from time to time. Employee further agrees to abide by the provisions of MWF's charter.

The employee will be employed as an **Executive Director** with the following general duties: These duties may be amended from time to time at the sole discretion of MWF.

Work Schedule

Work days for the Employee shall be consistent with the applicable calendar of work days for this position for period of July 1, 2013 through June 30, 2014 in accordance with the provisions of this Agreement. Employment is at-will as specified in Section [C] below. This contract will be reviewed for renewal on an annual basis to evaluate and recommend changes here within.

Employee will not render services in person or by electronic means, paid or otherwise, for any other person or entity during contracted work hours with MWF.

The Executive Director may undertake speaking engagements, writing and other professional activities for honorarium, provided these activities do not interfere with his job duties and contracted work hours and provided the Executive Director gives prior notice to the Board with a written schedule of these activities.

Benefits

At the school's expense, the Executive Director shall be afforded such health and other benefits of employment as shall be granted to certificated employees, including entitlement to participate in STRS, except as otherwise set forth in the agreement. The Executive Director is entitled to twenty days of paid time off each school year. These days do not accrue or carryover however can be paid out in wages if unused at the end of the year. The Executive Director is entitled up to ten (10) days of time off each year for personal necessity/illness. The Executive Director must receive a written approval of the Board of Directors to go on an extended vacation and/or leave of absence.

Medical Insurance

The Executive Director shall receive all medical benefits offered to all employees.

Life Insurance

The Board shall provide and pay full premium for a life insurance policy, one and one half (1/2) times the amount of the Executive Director's salary for the term of this contract and if for any reason this contract is terminated this insurance term will also terminated.

EMPLOYMENT AGREEMENT

Long Term Disability Insurance

The Board shall provide and pay full premium for long term disability or the Executive Director for the term of this contract and if for any reason this contract is terminated this insurance term will also terminate.

Compensation.

The Executive Director's gross base salary of $40,010 per year will be based on the salary table approve by the Board and will be paid in twelve equal monthly payments subject to all regular withholdings and proration within a given year based on state date. The Board may increase the annual salary rate any or all three years at any time. The per diem rate of compensation for purposes of this contract shall be the applicable annual salary divided by 230.

Work Year

The Executive Director shall be required to work 230 days per year as designated by the Board for this position. The Executive Director shall notify the Board of his/her vacation schedule.

Executive Director and Board Responsibilities

The Executive Director shall be the Chief Executive Officer of the Charter School. As such, the Executive Director shall have the primary responsibility for the execution of Board policy, whereas the Board shall retain the primary responsibility for formulating and adopting said policy.

Professional Development

The Board shall encourage the continuing professional growth of the Executive Director and agrees to pay (budget and cash flow must be able to afford such a benefit, so Board approval shall be requested) for the professional dues and subscriptions of Executive Director necessary for his continued and full participation in national, regional, state and local association and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of MWF. Such activities may include:

a) To attend local, state, regional and national conferences to learn best practices, evidence-based strategies to improve the charter school instructional program:
b) The operations, programs and other activities conducted or sponsored by local, state, and national school administrator and school board associations.
c) Seminars and courses offered by public or private institutions; and
d) Information meetings with other persons whose particular skills or backgrounds would serve to improve the capacity of the Executive Director to perform his professional responsibilities of MWF.
e) Other Activities, in addition to those items included in A through D above.

Performance Objectives

EMPLOYMENT AGREEMENT

On or before April 1st of each year under this agreement. the parties shall meet to establish the Executive Director's performance objectives for the following school year regarding said performance objectives and working relationships between the Executive Director and the Charter Board.

Evaluation

The Board shall devote a portion of at least one meeting near the end of the fiscal year to discuss and evaluation of the performance and working relationships between the Executive Director and the Board.

Under this agreement, or any extension thereof, the Board shall evaluate the performance of the Executive Director. In the event that a majority of the members of the Board determine that the performance of the Executive Director needs improvement or is unsatisfactory, the Board shall describe in writing, in reasonable detail, said area that needs improvement or said unsatisfactory performance indicating specific instances where appropriate.

The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems such to be necessary or appropriate. A copy of the written evaluation shall be delivered to the Executive Director and he/she shall have the right to make a written response within fifteen (15) days to the evaluation. Within thirty (30) days of the delivered written evaluation to the Executive Director, the Board shall meet with the Executive Director to discuss the evaluation.

The evaluation shall be based on the position's job description and the mutually agreed upon school goals and objectives in accordance with the procedures outlined in the school policies.

Expense Reimbursement

The Board shall reimburse the Executive Director for all documented expenses incurred within the scope of employment in accordance with applicable policies and authorizations.

The Board shall reimburse for mileage at the federal rate of .55 per mile not to exceed $100.00 a month. Executive Director must keep mileage records and submit records for reimbursement.

Business Items

The Board shall provide the Executive Director with the full use of a cellular telephone and an electronic planner (all items will be returned to MWF at the end or termination of the contract) for his use in conducting MWF business.

Other Benefits

The Executive Director shall be entitled to other benefits not listed herein but provided to other certificated employees.

EMPLOYMENT AGREEMENT

Employee Rights

Employment rights and benefits for employment at MWF shall only be as specified in this Employment Agreement, MWF's charter, the Charter Schools Act and MWF's personnel policies, which from time to time may be amended and modified by MWF. Employment rights and benefits may be affected by other applicable agreements. directives or advisories from the California Department of Education or State Board of Education. During the term of this Agreement, Employee shall not acquire or accrue tenure, or any employment rights with the Los Angeles Unified School District or MWF.

Licensure

Employee understands that employment is contingent upon verification and maintenance of any applicable licensure credentials and finger print clearance.

Child Abuse Reporting

California Penal Code section 11166 requires any child care custodian who has knowledge of, or observes, a child in his or her professional capacity or within the scope of his or her employment whom he or she knows or reasonably suspects has been the victim of child abuse to report the known or suspected instance of child abuse to a child protective agency immediately, or as soon as practically possible, by telephone and to prepare and send a written report thereof within thirty-six (36) hours of receiving the information concerning the incident.

By executing this Agreement, the Employee acknowledges he or she is a childcare custodian and is certifying that he or she has knowledge of California Penal code section 11166 and will comply with its provisions.

EMPLOYMENT AT-WILL:

MWF may terminate this Agreement and Employee's employment at any time with or without cause, with or without notice, at MWF's sole and unreviewable discretion. Either party may immediately terminate this Agreement and MWF's employment upon written notice to the other party.

Employee also may be demoted or disciplined and the terms of his or her employment may be altered at any time, with or without cause, at the discretion of MWF. No one other than the Board of MWF has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to the term of this Agreement, and any such agreement must be in writing and must be signed by the Board of MWF and by the affected employee and must specifically state the intention to alter this "at-will" relationship.

Without impacting the at-will nature of the employment relationship, MWF may attempt to remedy and address issues of unsatisfactory performance with the Employee in accordance with MWF's policy on Evaluation Reviews.

EMPLOYMENT AGREEMENT

GENERAL PROVISIONS:

Waiver of Breach

The waiver by either party, or the failure of either party to claim a breach of any provision of this Agreement, will not operate or be construed as a waiver of any subsequent breach.

Assignment

The rights and obligations of the respective parties under the Agreement will inure to the benefit of and will be binding upon the heirs, legal representative's successors and assigns of the parties hereto; provided, however, that this Agreement will not be assignable by either party with prior written consent of the other party.

Governing Law

This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of California.

Partial Invalidity

If any provision of this Agreement is found to be invalid or unenforceable by any court, the remaining provisions hereof will remain in effect unless such partial invalidity or unenforceability would defeat an essential business purpose of the Agreement.

EMPLOYMENT AGREEMENT

ACCEPTANCE OF EMPLOYMENT

By signing below, the Employer declares as follows:

I have read this Agreement and accept employment with MWF on the terms specified herein.

All information I have provided to MWF related to my employment is true and accurate.

A copy of the charter is attached hereto.

This is the entire agreement between MWF and me regarding the terms and conditions of my employment. This is a final and complete agreement and there are no other agreements, oral or written, express or implied, concerning the subject matter of this Agreement.

Edward J. Cabral — *Employee Signature*

02/03/14 — *Date*

401 So. Burnside Ave #K L.A. CA 90036 — *Address*

(323) 855-2146 — *Telephone*

5405 — *Social Security Number*

MERLE WILLIAMSON FOUNDATION APPROVAL:

_____ — *Dated*

_____ — *Authorized MWF Representative*

This Employment Agreement is subject to ratification and approval by the Government Board of Merle Williamson Foundation.

_____

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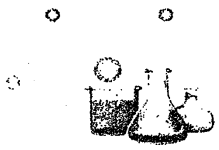
EXHIBIT 60



706 E. Manchester Avenue
Los Angeles, CA 90001
(323) 752-6655

WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS)

DIRECTOR
JOB DESCRIPTION

Qualifications and Experience:

Education:

1. An earned master's degree or advanced degree of at least equivalent standard from an accredited college or university
2. An Elementary Teaching Credential, an administrative degree and an Administration Credential (in progress)

Experience:

1. No fewer than five years of full-time teaching service

Knowledge, skills, Abilities, and Personal Characteristics:

1. Knowledge of and ability to recognize the impact of the WAYS primary school Charter Petition, Personnel Handbook, Evaluation Handbook, and applicable state and federal laws and regulations
2. Ability to organize and direct an educational program that provides for the social, emotional, and intellectual development of the elementary student, kindergarten through fifth grade
3. Capacity to lead, direct, recognize, develop and supervise teachers and staff objectively
4. Understanding of and sensitivity to diversity in the school community
5. Knowledge of the relationship between the Charter School, the authorizing district, the state and federal agencies
6. Ability to communicate effectively with students, parents, peers, other charter schools, district staff, and community representatives, both individually and as a group
7. Knowledge of and skill in effective budgetary processes and school finance.
8. Leadership skill in facilitating group processes, including consensus building and conflict resolution
9. Ability to make formal, public presentations
10. Ability to compose and comprehend written communication
11. Ability to respond quickly in an emergency situation
12. Ability to cope with crisis situation

13. Ability to complete all responsibilities independently and in a timely manner an d assume the responsibilities of the Director of Wisdom Academy for Young Scientists Elementary Charter School, Assistant Director and Coordinator as necessary

Job Purpose:

Serves as the instructional leader and administrator of Wisdom Academy for Young Scientists School and assumes responsibility for the direction of the instructional program and operation of the school plant

Responsible to:

The Executive Director is responsible to the Board of Directors of Wisdom Academy for Young Scientists

Major Job Responsibilities:

1. **Maintain the vision of Wisdom Academy for Young Scientists Elementary School**

   Focus priorities and resources on improving the academic achievement of all students to high standards of excellence by providing leadership and support with continual emphasis on the specific mission of the school

2. **Serve as the instructional leader and chief administrator of Wisdom Academy for Young Scientists School**

- Provide guidance, supervision and assistance in instructional practice while adhering to the policies and practices recommended by the (committees) and the Board of Directors
  - Actively participate on Instruction Committee (and all other committees) sharing ideas, supporting best practices and innovative strategies relevant to the mission of the school
  - Oversees the focus, scheduling, and implementation of professional development activities ensuring alignment with the vision/mission of the Charter School
  - Oversee and monitor the administration and review of periodic performance assessments and state mandated testing
  - Actively participate in the student study team process and attend IEP meetings as needed
  - Monitor progress by entire grade levels and school-wide accomplishments and indentify areas in need of improvement
  - Assume full responsibility for WASC and other accreditation processes, completing all necessary documents
  - Oversee management and maintenance of Wisdom Academy for Young Scientists database in collaboration with database coordinator
  - Oversee state recommended materials adoptions following established protocols
- Ensure compliance with all state and federal programs through proper administration of reporting of
  - CBEDS
  - Fall Survey
  - Bilingual Survey
  - STAR Testing (if and when applicable)
  - CELDT
  - Special Education Program
- Plan and oversee reorganization of classes yearly, ensuring maintenance of class size and equitable composition of classes
- Supervise and evaluate the teaching and classified staff
  - Participate in hiring teachers and other staff
  - Rate in all new hires
  - Evaluate advancement for step and column increases throughout the year for all staff
  - Review yearly salaries for all staff
  - Maintain the highest level of security, confidentiality and integrity with regard to personnel files

- Provide teacher and staff support through intervention, discipline as necessary, and dismissal as warranted

3. Actively participate in the budgeting process for Wisdom Academy for Young Scientists School

- Work with the Operation Director and principal to plan yearly school budget demonstrating a clear understanding of the correlation between the allocation of resources (both human and material) and effective budgeting
- Monitor enrollment and attendance daily, enrolling new students, accounting for students who leave the charter school, and work with the attendance officer (if any) to continuously monitor the ADA rate by class, grade and by tract
- Monitor campus safety, security, and risk management daily collaborating effectively with the Maintenance and Operations Manager/director to remedy all emergencies immediately and any areas of concern in a timely manner
- Monitor and approve all overtime allocations (if any)

4. Oversee the daily operation of the facility

- Responsible for daily safety and security of the site collaborating with the Maintenance and Operations Manager/Director as needed
- Plan capital projects for facilities improvement working in collaboration with the Board of Directors, Maintenance, and Operations Manager/Director
- Oversee EPC Student Information System
- Plan, coordinate and create schedules
  - Daily schedule
  - Recess/lunch play areas and supervision
  - Assignments for paraprofessionals
  - Weekly bulletin
  - Calendar for school year
- Responsible for creation of all communications between home and school
  - Home-School Contract
  - Student Responsibility Code
  - Technology Code of Ethics
  - Homework Policy
  - Textbook Contract
  - Parent Calendar
  - Off-tract Letters (if applicable)
  - Holidays and Vacations
  - Assemblies and other Special Events
  - Opening and Closing Letters to Parents
  - Parent Conference Letters
- Organize and implement an "Emergency Operations Plan"
- Ensure compliance with child abuse reporting procedures
- Responsible student discipline and Opportunity Room (once school(s) occupy separate sites)
- Ensure the maintenance of a clean physical environment that is conducive to good health and safety
- Oversee the quality of the food services program

5. Act as the internal "face and voice" of Wisdom Academy for Young Scientists School

- Attend all board and committee meetings, and any other meetings, events and activities as needed
- Provide guidance, supervision, assistance and leadership for all members of the Wisdom Academy for Young Scientists School staff

- Maintain a school climate that ensures the safety, health and welfare of the students an staff, while continually building a relationship of trust and confidence within the community
- Act as the formal liaison between Wisdom Academy for Young Scientist, parents and community members
  - Attend local community functions related to education as requested
  - Be assessable and available for parent conferences and school-wide events at the school and in the community

6. Ensure the successful transition of the Wisdom Academy for Young Scientists School to the newly adopted leadership structure

- Meet with new leader(s) regularly to review responsibilities
- Receive and act upon reviews of progress from the Board of Directors

EXHIBIT 61

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
April 30, 2013

Board Meeting Agenda Item Description:
f. 2013-14 School Year Employment Agreements

Recommendation:
Approve the 2013-14 School Year Employment Agreements

Background:
The following Summary of Employment Agreements include earning increases, and changes in position status for for nine WAYS employees. WAYS personnel are contracted on an "at-will" annual basis. All personnel are appropriately credentialed for the assignments for which they are being hired. All employment agreements will terminate effective June 30, 2014.

In conservative spending efforts, salary increases for nine employees were not considered in the operating budget, which received Board approval on July 26, 2013. Salary increases for all 9 employees are included in the recommendation for Salary Increases document attached. Significant increases in the salary amounts account for the increased need for staffing, supervision, security, and operational procedures.

All salary increases total $20,168.84. Effective dates will be reflected in the individual employment agreements.

Implication:
In efforts to remain transparent in the practices of WAYS and compliant with all California laws and regulations regarding employment applicable to Charter Schools, WAYS Board shall consider all employment contracts at a public meeting.

By approving the 2013-14 school year employment agreements, the operational needs of the school will be met.

Fiscal Impact:
$20,168.84

Prepared by:
Ed Cabil

Attachments:
2013-14 Salary Increases 2013-14
2013-14 Employment Agreement Template

Notes:

Salary Increases 2013-14 SY										
Employee	**Position**	**Contract Perio**	**Contract Am**	**Increase**	**New Contract Amou**	**Fund**				
Bowman, Franca	Para-Educator	7/29/13-6/2/14	27700	**771.5**	28741.5	2100	General			
Castro, Tanya	Administrative Assistant	7/1/13-6/30/14	40000	**3000**	43000	2400	General			
Lawson, Mary	Para-Educator	7/29/13-6/2/14	27700	**771.5**	28741.5	2100	General			
Lopez, Bernardo	Office Manager	7/1/13-6/30/14	26880	**1120**	28000	2400	Gen-87%; CN-13%			
Moore II, Larry	Administrative Assistant	7/1/13-6/30/14	38000	**1428.64**	39428.64	2400	Gen-50%;Child Nutrition-50%			
Okonkwo, Deara	Vice Principal	7/1/13-6/30/14	75000	**3750**	78750	1300	Gen-63%; ASES-13%;T1-19%;SE=5%			
Okonkwo, Jason	Director of Operations	7/1/13-6/30/14	80000	**4000**	84000	2300	General			
Rollins, Sammie	Plant Manager	7/1/13-6/30/14	35000	**1315.84**	36315.84	2200	General			
Van Leuven, Jon Willem	Special Education Coordinator	7/29/13-6/2/14	43260	**4011.36**	47271.36	1200	Special Education-100 %			
				20168.84						

WAYS000891

EXHIBIT 62

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

MEETING OF WAYS
BOARD OF DIRECTORS

Thursday, August 29, 2013 5:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on **Thursday, August 29, 2013** at the school of Wisdom Academy for Young Scientists. Board Member, **Dr. Dortothy Valenti,** called this meeting to order at **5:31**pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Eleanor Jones, Cheryl Johnson, Norman D. Golden II, Dorothy Valenti, Armando Espinosa, Carol Tolbert, Kimberly Daniels, Saundra Davis

IV. Additions to the Agenda

V. Approval of Minutes
   a. June 6, 2013 – A motion to approve by Eleanor Jones, second by Saundra Davis, a vote was taken. Approved 7/0
   b. June 26, 2013 – A motion to approve by Carol Tolbert, second by Norman Golden, a vote was taken. Approved 7/0

VI. Reports
   a. Ball Business Management – Oral Report/See Handouts
   b. Principals Report – Oral Report/See Handouts

VII. Discussion/Action Items
   a. Wisdom Academy for Young Scientists' Budget for 2013-14 Fiscal Year – A motion to approve by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0 (Ball Business management to explain line item _____)
   b. Certificated Teacher Salary Table for 2013-14 Fiscal Year – A motion to approve by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
   c. Commercial Property Lease 2013-12 Fiscal Year – 706 East Manchester Ave & 8778 South Central Ave Los Angeles, Ca. - A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
   d. Commercial Property Lease 2012-13 Fiscal Year – 7651 South Central Ave Los Angeles, Ca. A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0

Secretary of Board — Date 2-3-14 — President of Board (Vice-Chair) — Date 2-3-14

000787

e. 2013-14 Fiscal Year Executive Director Contract 2013-14 – A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
f. Updates Regarding LACOE Initiated FCMAT Audit – A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0
g. Election of Officers – Carol Tolbert was nominated for Board Chair by Eleanor Jones, a vote was taken. Approved 7/0
h. Formation of the Board's Finance & Development Committee - A motion to table until next meeting by Carol Tolbert, second by Saundra Davis, a vote was taken. Approved 7/0

VIII. Public Communication
a. None

IX. Future Agenda Items

X. The board meeting of WAYS was officially adjourned at 9:00pm.

Secretary of Board Date President of Board Date

2-3-14 Vice-Chair

2-3-14

000669

WISDOM ACADEMY FOR YOUR SCIENTISTS
2013-2014 APPROVED BUDGET

	13-14 APPROVED BUDGET
Total Enrollment	**568.0**
Atrition	**27.0**
Net enrollment	**541.0**
ADA	**468.0**
INCOME	
8011-8096 · Revenue Limit Sources	
8011 · Supplemental Hours	
8015 · Charter School General Purpose - State Aid	1,809,860.1
8096 · In lieu of Property Taxes	634,767.4
Total 8011-8096 · Revenue Limit Sources	2,444,627.6
8100-8290 · Other Federal Income	
8220 · Child Nutrition (Federal)	370,000.0
8221 · Title I, A, Basic Low Income	200,000.0
8222 · Title II, A Teacher Quality	14,296.7
8293 · Title II, D EETT	
8294 · Title III, Limited English (LEP)	
8223 · Education Jobs Fund	
8225 State Fiscal Stabilization	
8297 · Other Federal Income	
Total 8100-8290 · Other Federal Income	584,296.7
8300-8599 · Other State Income	
8311 · Special Ed	200,548.5
8434 · Class Size Reduction (K-3)	176,334.0
8480 · Charter Sch Categorical Blk Gr	323,869.1
8589 · Child Nutrition (State)	14,681.8
8560 · State Lottery Revenue	68,468.4
8545 · Facilities Incentive Grant	
8566 · PE Teachers Incentive	
8551 · Charter School Facilities Incentive	220,000.0
8563 · Art and Music Block Grant	
8564 · After School Education & Safety	112,500.0
8590 · Other State Revenue	6,415.0
Total 8300-8599 · Other State Income	1,122,816.9
8600-8699 · Other Income-Local	
8634 · Food Service Sales	
8660 · Interest Income	3,042.0
8699 · All Other Income	20,000.0
8682 · Grants/Donations	
8672 · Fundraising	
Total 8600-8699 · Other Income-Local	23,042.0
TOTAL INCOME	4,174,783.1
EXPENSE	
1000 · Certificated Salaries	
1100 Teachers Salaries	1,047,352.82
1110 Substitute Teachers	17,325.00
1175 · Teachers - Extra Duty/Stipend	-
1176 · Bonus-Certificated	7,675.00
1200 Certificated Pupil Support	
1300 · Certificated-Executive Director	100,800.00
1300 Certificated - Principal	80,000.00
1900 · Other Certificated	125,150.18
Total 1000 · Certificated Salaries	1,370,628.00
2000 · Classified Salaries	
2100 · Instructional Aides	257,360.00
2500 · Bonus-Classified	5,000.00
2300 · Classified School Administrators	118,000.00
2400 · Clerical/Technical/Office	168,835.00
2900 Other Classified	-
Total 2000 · Classified Salaries	544,195.00
3000 · Employee Benefits	
3101 · STRS	$ 113,076.81
3202 · PERS	
3302 · Medicare	$ 31,594.58

WISDOM ACADEMY FOR YOUR SCIENTISTS
2013-2014 APPROVED BUDGET

	13-14 APPROVED BUDGET
3301 · Social Security (OASDI)	$ 32,651.70
3401 · H & W Payment (medical, dental, vision insur	$ 154,062.86
3501 SUI	$ 98,163.50
3601 · Workers' Compensation	$ 65,103.98
3901 · Other Benefits	$ -
Total 3000 · Employee Benefits	**494,653.43**
4000 · Supplies	
4100 · Textbooks	187,000.00
4200 · Other Books and Reference Materials	5,000.00
4300 · Instructional Materials	30,000.00
4400 · Noncapitalized Furniture/Equipment	7,000.00
4500 · Other Supplies	30,000.00
4330 · Office Supplies	10,000.00
4700 · Food Supplies	10,000.00
Total 4000 · Supplies	**279,000.00**
5000 · Operating Services	
5200 · Travel and Conferences	5,000.00
5300 · Dues and Fees	7,000.00
5400 · Insurance (property, student accident, board)	45,000.00
5500 · Opartions & Housekeeping	50,000.00
5610 · Building Rent	399,990.36
5620 · Equipment Rental	3,000.00
5630 · Repairs and Maintenance	8,650.00
5812 · Pupil Transportaion	10,000.00
5831 · Students Activities	40,000.00
5852 · Contractor-Food Services	360,000.00
5894 · Legal/Audit	31,994.00
5830 · Advertisement/Recruitment	5,000.00
5893 · Permits & Licenses	5,000.00
5836 Fingerprinting	400.00
5840 · LACOE-Expense Reimbursement	10,040.00
5853 · Business Consultants	60,000.00
5850 · Non Instructional Consultants	
5863 · Professional Development	5,000.00
5851 · Instructional Consultants	50,000.00
5856 · Special Ed Expenses	100,000.00
5891 · Bank Service Charge	500.00
5892 Fees & Other Charges	
5890 · Other Services & Operating Expe	128,724.00
5895 · Fundraising Cost	-
5896 · LAUSD-Expense Reimbursement	
5897 · LAUSD-Special Education Cost	7,647.00
5910 · Communications (tele, internet, postage)	32,323.64
5920 · Postage (UPS, Fedex, US Mail)	5,000.00
Total 5000 · Operating Services	**1,370,269.00**
6000 · Capital Outlay	
6200 · Buildings and Improvements	20,000.00
6400 · Equipment	18,000.00
6900 · Furniture	
Total 6000 · Capital Outlay	**38,000.00**
7000 · Other Outgo	
7299 · Oversight Fee	43,568.00
7350 · Debt Service - Interest	30,000.00
Total 7000 · Other Outgo	**73,568.00**
TOTAL EXPENSES	**4,170,313.42**
NET INCOME	**4,469.70**

EXHIBIT 63

WISDOM Academy for Young Scientists Public Charter School
Los Angeles, California

(FOR PUBLIC DISSEMINATION)

OCTOBER 24, 2013 BOARD MEETING NOTES
Meeting Location:
706 E. Manchester Ave.
Los Angeles, CA 90001

OPEN SESSION

Meeting Call to Order At: 5:46 PM By: Carol Lee Tolbert (President)

BOARD MEMBER ATTENDANCE (ABSENT/PRESENT)

Hon. Carol Lee Tolbert, President - Present
Dr. Dorothy Valenti, Vice President - Present
Ms. Kimberly Daniels, Esq. - Present
Hon. Saundra Davis - Present
Mr. Armando Espinoza - Present
Mr. Norman Golden - Present
Mrs. Cheryl Johnson - Present (6:15PM)
Mrs. Eleanor Jones - Present - Resignation

- PLEDGE OF ALLEGIANCE -

OPEN SESSION AGENDA ITEMS

I. READING AND APPROVAL OF BOARD MINUTES

A. Board Minutes for August 29, 2013
Action required (Yes/No): Yes
Motion by: Tolbert - motion to accept as amended
Second by: Davis
Number of votes in favor: 6
Number of votes opposed: 0
Motion adopted (Yes/No): Yes
Follow up required (Yes/No): No
Comments: (1) issue with the $118k line item on the budget that needs further identification and clarification as noted by Armando in prior meeting (2) Exec. Director contract noted in item 'E' should be clarified as there was no contract available for review (3) agenda item 'G' should be adjusted to include Dr. Valenti's election (4) public comment (5) Saundra's name is misspelled (6) item -d- ntoes an incorrect date and should be corrected.

B. Board Minutes for September 26, 2013
Action required (Yes/No): Yes
Motion by: Davis - motion to table since copies are not currently available

Second by: Golden
Number of votes in favor: 6
Number of votes opposed: 0
Motion adopted (Yes/No): N/A
Follow up required (Yes/No): Yes
Comments: Tabled to next meeting in the interest of time by Davis (Moved to November 2013 meeting

II. CONSENT AGENDA ITEMS

A. **Resignation letter from Board member Eleanor Jones** (5:50PM)
Action required (Yes/No): No
Motion by: N/A
Second by: N/A
Number of votes in favor: N/A
Number of votes opposed: N/A
Motion adopted (Yes/No): N/A
Follow up required (Yes/No): No
Comments: Certificate provided to Mrs. Jones in appreciation for her dedication and commitment to the WAYS Board and Charter School

III. NEW BUSINESS

A. **Item 13092615(A):** Errors and Omissions Insurance Policy – The Governing Board received the school's insurance policy coverage. The policy is set to expire on November 1. The Board will consider the renewal of policy w/current carrier to prevent any lapse in coverage. (Action/Discussion) – *Dufour Insurance Services, LLC*
   i. Ms. Dufour's presentation
      1. Notes:
         a. November 1st is the renewal deadline
         b. Current liability policy is with Scottsdale
         c. Incident in 2011 create issue with obtaining different and more reasonably priced coverage
         d. *See* DUFOUR Summary of Proposed Insurance
         e. Crime coverage was not on policy last year but has been added this policy term
         f. Need an updated number of teachers for this academic year
         g. $5 million is standard for a charter school of this size - WAYS insurance has been updated accordingly - (new policy costs the school an addition $4,000) - Broker has guaranteed full coverage
         h. Workers Comp renews in February 2014 (rating of current policy holder may go down to a B+ so if so she plans to move the policy)
         i.
      2. Board Comments:
         a. Davis - is this the insurance for the charter and the board? The general liability policy covers the school and

board from bodily injury. The Directors and Officers liability policy covers management decisions and governance. The E&O coverage is a part of the Directors and Officers liability insurance

b. Espinoza - Why did the insurance not cover the 2011 settlement? To be addressed in closed session
c. Daniels - Break down of coverage/policy limits per claim
d. Johnson - Do we need to compare other insurers? See materials

Action required (Yes/No): Yes
Motion by: Davis moved to accept coverage
Second by: Daniels
Number of votes in favor: 7
Number of votes opposed: 0
Motion adopted (Yes/No): Yes
Follow up required (Yes/No): No
Comments: None

Meeting Convened To Closed Session At: 6:30PM
Motion to go into closed session by Davis

CLOSED SESSION

A. Insurance Policy Payout Claim

B. **The following closed session items are from a special board meeting agenda prepared by/called by board member Armando Espinoza on Tuesday, October 8, 2013 at 6:30 pm for Wednesday, October 9, 2013 at 6:30PM, The meeting was cancelled due to a lack of a quorum.**

a. **1310205:** The anticipated litigation is regarding verbal claims made by the school staff and contractor that a Board Member is making unilateral decisions, without input from a majority of the Board, which risks the potential for legal claims.

b. **1310206:** As of Friday, October 4, 2013, two employment contracts were terminated prematurely by school staff and require immediate Board action. *(The Board heard the parties involved, but was not able to formally conclude the matter.)*

***A DISRUPTION OCCURRED AT THE END CLOSED SESSION BY AN ADMINISTRATIVE EMPLOYEE. NO OTHER BOARD BUSINESS WAS ABLE TO BE CONDUCTED.**

c. **13102067:** The employment contract for the ED is normally decided before July 1, 2013, yet is has been postponed repeatedly.

*Convened To Open Session At: _____

OPEN SESSION

IV. LEASE AGREEMENTS

A. OCI Lease Agreement - 706 E. Manchester Ave., Los Angeles CA
Action required (Yes/No): _____
Motion by: _____
Second by: _____
Number of votes in favor: ____
Number of votes opposed: ____
Motion adopted (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

B. OCI Lease Agreement - 8778 South Central Ave., Los Angeles CA
Action required (Yes/No): _____
Motion by: _____
Second by: _____
Number of votes in favor: ____
Number of votes opposed: ____
Motion adopted (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

V. EDUCATION ADMINISTRATIVE STAFF REPORTS

A. Report - Principal
Action required (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

B. Report - Vice - Principal
Action required (Yes/No): _____
Follow up required (Yes/No): ____
Comments:

VI. OLD BUSINESS

A. **Item 13092609: Election of Governing Board Officers for the 2013-14 School Year**
   i. Item 13092609(b): Election of Secretary (Discussion/Action)
B. **Item 130926109(A):** Formation of the Board's Finance & Budget Committee - To appoint committee members. (Action) – *Board President Tolbert*
C. **Item 13092611:** Status on updating the Certificated Teacher Salary Table for FY 2013-14 (Clarification) – *Board President Tolbert*
D. **Item 13092613:** FCMAT Update - The school is currently undergoing an audit from LACOE. (Informational/Discussion) – *Executive Director, Mr. Cabil*
E. **Item 13092618:** WISDOM Organization Chart – Delineating employee responsibilities and lines of supervisorial authority (Informational/Discussion) - *Executive Director, Mr. Cabil*
F. **Item 13092619:** Request for Charter School Petition Consultant in the amount

not to exceed $8,000. (Discussion/Action) - *Executive Director, Mr. Çabil*

G. **Item 1310201:** Other required Insurance Policy – The Governing Board received the school's insurance policy coverage. The Board will consider the renewal of policy w/current carrier to prevent any lapse in coverage. (Action/Discussion) – *Dufour Insurance Services, LLC*
H. **Item 13092616:** Monthly Budget Update for 2013-14 School Year, and disposition of the unaudited actual financial report for fiscal year ending June 30, 2013 requested from LACOE- (Discussion/Possible Action) - *Bali Business Management*
I. **Item 13092614(A):** Formation of the Board's Teaching and Learning Committee – To appoint committee members. (Action) – *Board President Tolbert*
J. **Item 1310202:** Adoption of a Revised 2013-14 Board Meeting Calendar. (Action) – *Board President Tolbert*

VII. **NEW BUSINESS** (continued)

A. Item **1310203:** Scheduling A Board Retreat – The Retreat is Fourfold: 1) To establish guiding principles and values that will better enable the Board to conduct the business of the school with transparency, efficiency and civility. 2) To review and update the Board's By-Laws that align with the operation of a public charter school rather than the general purposes of a nonprofit organization. 3) To receive training in areas to be identified by board members. 4) Other development purposes identified by Board members. *(Action) – Board Members*
B. Item **1310204:** Update on the arbitration between LACOE and Wisdom Academy

VIII. **FUTURE AGENDA ITEMS**

A. **Item 13092620:** Board Member Recommendations for Future Agenda Items

(THE BOARD WAS UNABLE TO RECONVENE TO OPEN SESSION OFFICIALLY ADJOURN THE MEETING.)

*Motion to Adjourn By*_____*Meeting Adjourned At*_____

**Agenda items in blue were unable to be addressed by the Board due to the disruption caused by the employee.

(Minutes taken by Board Member Daniels and Prepared for distribution by President Tolbert.)

EXHIBIT 64

WISDOM ACADEMY FOR YOUNG SCIENTISTS

REPORT TO THE BOARD OF DIRECTORS

Meeting Date:
February 27, 2013

Board Meeting Agenda Item Description:
b. Performance Based 2013-14 School Year Stipends First Half of Year

Recommendation:
Approve the Performance Based 2013-14 School Year Stipends Round One

Motion: Cook
Second: Valenti Approved 5-0

Background:
Per the Board approved Salary Table for 2013-14 School Year, discretionary performance based stipends are awarded to select employees of Wisdom Academy upon recommendation from the Executive Director.

Implication:
Select Wisdom Academy employees are awarded stipends by performing extra curricular tasks, taking on leadership roles, and good attendance habits. Recognizing these select staff will give them an intrinsic and monetary reward; and furthermore encourage staff to go beyond their call to duty to make a positive contribution to the WAYS community, in efforts to further enrich the lives of the children we serve.

Fiscal Impact:
$14,600 Expense in Employee Bonuses

Prepared by:
Ed Cabil

Attachments:
Performance Based Stipends 2013-14 Round One of Two Summary

Notes:

WAYS Employee Salary Breakdown 2013-14 SY.xlsx

Employee	Teacher of the Year	Attendance Teachers and A	Attendance Support Sta	Leadership 1(Bi- Annual	Leadership 2(Bi- Annual	Masters Degree	Doctorate Degree	Total
Amount	$1,500	$700	$300	$300	$200	$600	$1,200	
Allen, Suzanne								
Alvarez, Justine					X			200
Ambagr, Jennifer		X						700
Anaric, Marytere				X				300
Aparicio, Rubenia		X		X				1000
Armbriste, Donna			X	X				600
Autrey, Deborah				XX				600
Bahena, Erika				X	X			500
Bowman, Franca								
Bronder, Amber				X				300
Cabil, Edward								
Castro, Tanya				XX				600
Croddy, Sheryl		X		XX				1300
Dinole, Jason								
Gallardo, Raquel		X						700
Gomez, Kaylie					X			200
Gordon, Lydia				X				300
Gordon, Ronze								
Hale, Jamica								
Henry, Laural								
Horowitz, Karen								
Hoskins, Beverly				X				300
Jenkins, Edward								
Johnson, Phylicia					X			200
Johnson, Terrence								
Lawson, Danielle								
Lawson, Mary								
Lincoln, Deborah								
Lopez, Bernardo								
Lopez, Sophia			X					300
Lorenzo, Noema								
Mathis, Minitz		X						700
Medel, Erick			X		X			500
Miketta, Diana								
Moore II, Larry								
Morales, Leticia			X					300
Norris, Lavette				X	X			500
Okonkwo, Deare		X		X				1000
Okonkwo, Jason								
Perez, Anita			X					300
Portales-Blair, Lidiane				X				300
Rollins, Sammie			X	X				300
Sam, Olivia								
Santillan, Sanov		X						700
Santos, Nardie								
Skeen, Robin								
Smith, Brian								
Torres, Maria De Los Angeles								
Trice, Kenya		X		X				1000
Van Leuven, Jon Willem		X			X			900
Vargas, Graciela								
Ven, Mary								
White, Yolanda								14600

Performance Based Stipends
2012-13 School Year End

Employee	Teacher of th	Attendance	Leadership 1	Leadership 2	Masters Prog	Total
Anario, Marytere				300		300
Aparicio, Rubenia						
Autrey, Deborah			100		600	700
Bahena, Erika	1000		100			1100
Bronder, Amber			100			100
Castro, Tanya				1000		1000
Croddy, Shery	1000	500	100	300		1900
Davenport, Lindsie				500		500
Dingle, Jason				300		300
Gomez, Kaylie				300		300
Gordon, Lydia				300		300
Guerrero, Marcela			100			100
Hale, Jamica			100		600	700
Henry, Laurel				500		500
Lawson, Danielle				500		500
Lawson, Mary			100			100
Lincoln, Deborah			100			100
Lopez, Sophia			100			100
Lorenzo, Noema						
Mathis, Minita		500		500	600	1600
Navarro, Jovanny			100			100
Nielsen, Sara			100			100
Perez, Anita				300		300
Rollins, Sammie				1000		1000
Sam, Olivia				500		500
Scott II, Fred						
Scott, Sheena			100		600	700
Trice, Kenya			100	500	600	1200
Van Leuven, Jon Willem						
Ven, Mary				500	600	1100
	2000	1000	1300	7300	3600	15200

WAYS000908

Salary Table - Credentialed Teacher

	Base										
Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Salary	42000	43260.00	44557.8	45894.53	47271.36	48689.5	50150.18	51654.68	53204.32	54800.44	56444.45
Annual Increase (3%)	0	1260	1297.8	1336.73	1376.83	1418.14	1460.68	1504.5	1549.64	1596.12	1544.01

										Maximum
Year	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**
Salary	58137.78	59881.97	61678.36	63529.26	65435.13	67398.18	69420.12	71502.8	73647.88	75857.31
Annual Increase (3%)	1093.33	1744.13	1796.45	1850.35	1905.87	1963.05	2021.94	2082.6	2145.08	2209.43

Completed Higher Education Annual Stipend:
Master's - $600
Doctorate - $1200
To qualify for the higher education annual stipend, the teacher must have taught full-time for a full school year.

Annual Increase:
Employees paid on this table can earn an annual salary increase for longevity of service with WAYS. To qualify for the first salary increase, the teacher must have taught full-time for a full school year.

Out of district credentialed teaching experience:
Each year taught at any out-of-school district equates to 0.2/1.0 of a full school year of teaching at WAYS.

Performance based bonuses are not included in the annual stipend.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, February 27, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Monday, February 27, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:14pm.

II. All members and guests stood and saluted the flag.

III. Board Members Present : Cheryl Johnson, Dorothy Valenti, Armando Espinoza, Maria Garcia, Adraine Cook
Board Members Absent: Norman Golden, Saundra Davis,
Others in Attendance: Jason Okonkwo, Edward Cabil, Deara Okonkwo, and other Parents and Staff members of Wisdom Academy.

IV. Additions to the Agenda

V. Approval of Minutes
   a. None

VI. Reports
   a. Principals Report – See Handouts
   b. Finance Report – Bali Business Management

VII. Closed Session
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation. – No action was taken.

VIII. Open Session
   a. Board Member Recruitment – Discussion and Introductions from Prospective Board Members Maria Garcia and Adraine Cook
   b. Board Member Installations – Maria Garcia and Adraine Cook – Approved 3/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. Consideration of the WAYS School Site Council resolution regarding the Board Membership of Saundra Davis (the School Site Council has requested resignation or removal of Board Member Saundra Davis) – Approved 5/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      ii. Oppose – None
   d. Board Member Resignation – Norman Golden – Approved 5/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
      ii. Oppose – None

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

000680

e. Election of Officer: Armando Espinoza, Interim Board Chair – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
f. Performance Based Stipends 2013-14 Round One – Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
g. 2013-14 School Year Employment Agreements – Table to future Board Meeting
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
h. Commercial Property Lease 2013-17– 714 East Manchester Ave. Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
i. Parking Lot Lease 2013-14 Fiscal Year – 720 East Manchester Ave Los Angeles, Ca. Negotiator – Mr. Edward Cabil – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
j. Gateway Business Properties - Buyer Representation Agreement – Tabled to future meeting.
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
k. Payment to McGraw Hill for New Curriculum Textbooks ($163,030.61) – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
l. Adoption of LACOE implemented SIRAS Special Education Information System – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
m. Federal IRS 990 Filing 2012 – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
n. Unaudited Actuals Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
o. First Interim Financial Report – Approved 5/0
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – None
p. Wells Fargo Payroll Systems Agreement - Approved 4/0
   i. In favor – Armando Espinoza, Dorothy Valenti, Adraine Cook, Maria Garcia
   ii. Oppose – Cheryl Johnson
q. Response to Annual Audit findings – Discussion
   i. Discussion by Jason Okonkwo and Halilu of Bali Business Management regarding changes to WAYS Financial Policies in the future Board Meetings.
r. Fundraising: Student Store – Discussion
   i. Discussion by Mr. Cabil

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

s. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
    i. Moved to future meeting.
t. WAYS Board of Directors Training and Retreat – Discussion
    i. Moved to Future Meeting

IX. Oral Communication
    a. None

X. Future Agenda Items
    a. Single Plan for Student Achievement – Moved to future meeting.
    b. Updates Regarding FCMAT Audit including Auditor Communication regarding OSE Business Services vendor – Discussion/Action Item
    c. WAYS Board of Directors Training and Retreat - Discussion

XI. The board meeting of WAYS was officially adjourned at 8: PM.

Secretary of Board — Date 4/25/14

President of Board — Date 4/25/14

EXHIBIT 65

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Friday, April 25, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Friday, April 25, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. The Director of Operations requested that anyone bearing weapons or arms display evidence of authorization to do so. An Oxnard Police Officer accompanied LACOE staff at this meeting and provided his badge. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook
Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil, April Mitchell (LACOE), Zak Memon (LACOE), Oxnard Police Officer (Private Security for LACOE Staff)

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. February 27, 2014, March 13, 2014

VI. **Reports/ Oral Communication**
   a. Bali Business Management – Monthly Financial Report (Hand-outs)
   b. Vice-Principal's Report (Hand-out)

VII. **Open Session**
   a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit – LACOE staff
   Ed. Code section 1241.5 requires that the LACOE superintendent report its findings and recommendations to the governing board of the charter school – Discussion
   b. Selection of Hill, Morgan, and Associates Independent Audit Firm for year-end June 30, 2014
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None

VIII. **Closed Session**
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating Parties: Melita Millennium Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: 706 East Manchester Building; Area Under Negotiation: Updates regarding due diligence – Discussion
   b. Conference with Legal Counsel: One Item – Discussion

IX. **Future Agenda Items**

X. The board meeting of WAYS was officially adjourned at 7:31 PM.

Board Member Date 6-12-14 Board Chairperson Date 6/12/14

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Friday, April 25, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 22, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 3, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit– LACOE staff Ed. Code section 1241.5 requires that the LACOE superintendent report its findings and recommendations to the governing board of the charter school
b. Selection of Independent Audit Firm for year-end June 30, 2014 - Action

VIII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates regarding due diligence.
b. Conference with Legal Counsel/ Potential Litigation: One Item

IX. **Closed Session Report**

X. **Meeting Adjourned**

EXHIBIT 66

From: Lemmo, John C.
Sent: Wednesday, July 09, 2014 3:22 PM
To: 'Brady_Courtney'
Subject: RE: WAYS Charter Petition

Thanks Courtney,

We should wrap this up by tomorrow if possible. I provided everything you asked for on the last status call with Mr. Mainland more than two weeks ago, and this is the first substantive communication from you about the matter at all since then.

Element 10 is beyond the scope of this dispute, which you and I previously discussed. It was never part of the precursor issue conference, and it's not mentioned anywhere in the MOU attachments F and G. Again, WAYS is happy to revise it in a sensible manner, but that's a side issue. Keep in mind that no one has ever been expelled from this school.

I need more explanation about your first two bullets below. The LACOE controller recommended adoption of fiscal policies. Those are material and supersede any non-material provisions in a charter. Remember that job descriptions per se are not required in a charter petition in the first place, so they cannot be material. The MOU attachment F is about and explicitly refers to "current" job descriptions. Charter school organizations can (and typically do) change those descriptions all the time as the organizations grow. That is true for many charters authorized by LACOE. **Why don't we just include a statement in Element 5 that states to the extent anything in a job description is inconsistent with board-adopted fiscal policies, the latter controls?** That should solve that quickly and easily for purposes of the charter document. That said, the school should revise job descriptions to be consistent with board-adopted fiscal policy, and I will advise them to do so if they are not. If there are specifics about job descriptions you want covered in the charter document, just tell me what they are and we'll put that in. You'll need to point to those specifics anyway in an arbitration.

Please confirm whether you agree with my suggestion, or provide specifics and identify which job descriptions you're concerned about.

Thanks.
John

John C. Lemmo

Procopio, Cory, Hargreaves & Savitch LLP
525 B Street, Suite 2200

San Diego, CA 92101
direct dial: (619) 515-3294
direct fax: (619) 398-0162
john.lemmo@procopio.com
www.procopio.com

Please consider the environment before printing this e-mail.

From: Brady_Courtney [mailto:Brady_Courtney@lacoe.edu]
Sent: Wednesday, July 09, 2014 2:39 PM
To: Lemmo, John C.
Subject: WAYS Charter Petition

Good Afternoon John,

There are a few outstanding concerns with the petition as follows:

- The job descriptions in Element 5 contradict the recently adopted fiscal policies.
- The job description for Director of Operations does not appear to provide for proper checks and balances. For example, the Director negotiates contracts with outside agencies and also approves the requisitions and invoices.
- Element 10 has not been revised.

Please let me know if these issues can be resolved quickly. If not, we are prepared to proceed to arbitration.

Thanks,

Courtney M. Brady
Deputy General Counsel
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242
(562) 922-6123
Facsimile: (562) 469-4334

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EXHIBIT 67

WAYS000919

WAYS BOARD ROSTER
2014/2015

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	Member	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Adraine Cook	Member	~~aecook@lasd.org~~ @att.net	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Interim Chair/Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Maria Garcia	Member	cmcmarycg@hotmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cheryl Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/30/14	08/27/14	09/24/14	10/29/14	11/19/14	1/28/15	02/25/15	03/25/15	05/27/15	06/29/14
Time	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm

ject to change. Updated 06/20/14

WAYS000920

WAYS BOARD ROSTER
2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	Member	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Adriane Cook	Member	aecook@lasd.org	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Interim Chair/Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Maria Garcia	Member	cmcmarycg@hotmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cheryl Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/12	1/30/14	02/27/14	03/27/14	04/25/13	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:30pm	5:30pm	5:30pm

000778

*Subject to change. Updated 3/13/14

WAYS000921

WAYS BOARD ROSTER

FY – 2012/2013

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	President	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Karen Haynes	Treasurer	katoant@aol.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Secretary	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Eleanor Jones	Member	eleanor@c-pass.biz	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cherly Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Norman Golden	Member	normanskx@gmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/26/12	08/30/12	09/27/12	10/25/12	11/29/12	1/31/13	02/28/13	03/28/13	04/25/13	03/30/13	06/27/13
Time	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm	4:00pm

*Subject to change.

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WAYS000922

NEOC 4/5/11

WAYS BOARD ROSTER
FY - 2011/2012

Board Member Name	Title	Email Address	Telephone	Address
Edward Cabil	Member	edcabil@sbcglobal.net	323-933-1993	706 E. Manchester Avenue. LA,Ca. 90001
Jonathan Fields	Member	jonathanfields55@yahoo.com	323-377-9937	706 E. Manchester Avenue. LA,Ca. 90001
Karen Haynes	Member	karen.haynes@twcable.com	323-459-5000	706 E. Manchester Avenue. LA,Ca. 90001
Kandee Lewis	Vice President	Kandeele@aol.com	323-787-9252	706 E. Manchester Avenue. LA,Ca. 90001
Alex Love	President	alexlove93@hotmail.com	310-972-9527	706 E. Manchester Avenue. LA,Ca. 90001
Loretta McDonald	Member	lmcdonald@lbmbs.com	310-902-5293	706 E. Manchester Avenue. LA,Ca. 90001
Oliver Ortega	Member	oliverisloco@gmail.com	323-545-8312	706 E. Manchester Avenue. LA,Ca. 90001
Cathy Roby	Treasurer	cathy_roby@yahoo.com	310-488-2489	706 E. Manchester Avenue. LA,Ca. 90001
Tamara Smith	Member	tdsmith0052@yahoo.com	310-333-1982	706 E. Manchester Avenue. LA,Ca. 90001
Adell Walker	Member	Jazz4azz@aol.com	323-630-8886	706 E. Manchester Avenue. LA,Ca. 90001
Dorothy Valenti	Secretary	dvalenti747@yahoo.com	770-882-5252	706 E. Manchester Avenue. LA,Ca. 90001

Date	07/28 - 29/2011	8/19/2011	9/16/2011	10/21/2011	11/18/2011	1/20/2012	2/17/2012	3/16/2012	4/20/2012	5/18/2012	6/22/2012
Location	Board Retreat	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS	WAYS
Time	All Day	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.	3:00 p.m.

000649

WAYS000923

SCHOOL: Wisdom Academy for Young Scientists

2010-11 Board of Directors Contact Information

	Board Member Name	Title	E-mail Address	Telephone		Address
1	Loretta McDonald	Board President	Lbmbs.Inc@gmail.com	Cell Office	310-902-5293	706 E Manchester Avenue Los Angeles, California
2	Adell Walker	Board Secretary	Jazz4azz@aol.com	Cell Office	323-630-8886	706 E Manchester Avenue Los Angeles, California
3	Edward Cabil	Board Member	edcabil@sbcglobal.net	Cell Office	323-933-1993	706 E Manchester Avenue Los Angeles, California
4	Charletha Washington	Board Member	charletha@dededancestudio.com	Cell Office	323-610-4124	706 E Manchester Avenue Los Angeles, California
5	Queen Collins	Board Member	n/a	Cell Office	323-754-1669	706 E Manchester Avenue Los Angeles, California
6	Karen Haynes	Board Member	Karen.haynes@twcable.com	Cell Office	323-459-5000	706 E Manchester Avenue Los Angeles, California
7				Cell Office		
8				Cell Office		
9				Cell Office		
10				Cell Office		

2010-11 BOARD MEETINGS

DATES	07/15-18/2010	09/30/2010	10/28/2010	11/18/2011	01/27/2011	02/24/2011	03/24/2011	04/28/2011	05/26/2011	06/16/2011
LOCATION/ ROOM	Board Retreat	Dance Studio	Dance Studio	Dance Studio	Dance Studio	Dance Studio	Dance Studio	Dance Studio	Dance Studio	Dance Studio
TIME	All Day	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm	6:00pm

CONTACT TO CONFIRM MEETING DATE, TIME & LOCATION: Kendra Okonkwo **Telephone:** 323-752-6655

EXHIBIT 68

WISDOM ACADEMY FOR YOUNG SCIENTISTS
706 E. Manchester Avenue
Los Angeles, CA 90001

SPECIAL MEETING OF
BOARD OF DIRECTORS

Thursday, January 30, 2014 5:30 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, January 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Eleanor Jones, called this meeting to order at 6:28pm.

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dorothy Valenti, Kimberly Daniels, Armando Espinoza
Board Members Absent: Carol Lee Tolbert, Saundra Davis
Others in Attendance: Jason Okonkwo, Edward Cabil

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports**
   a. None

VII. **Closed Session**
   a. ANTICIPATED LITIGATION – One potential item (pursuant to Gov. Code § 54956.9(d)(2).) –
      i. A representative from the schools legal representation firm to advise the Board of Directors regarding one potential item of anticipated litigation.

VIII. **Open Session**
   a. Consideration of and potential action concerning the WAYS School Site Council resolution regarding the Board Membership of Carol Lee Tolbert and Saundra Davis (the School Site Council has requested resignation or removal of Board Members Tolbert and Davis)
      i. Removal of Carol Lee Tolbert as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Kimberly Daniels
         2. Oppose – None
      ii. Removal of Saundra Davis as Board Member
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
         2. Oppose – Kimberly Daniels

IX. **Oral Communication**
   a. Adrienne Cooks – Oral Report
   b. Flora Gomez – Oral Report

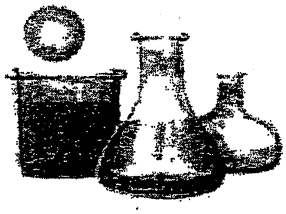
X. **Future Agenda Items**

XI. The board meeting of WAYS was officially adjourned at 7:41 PM.

Secretary of Board / Date — President of Board / Date 2-3-14

69

EXHIBIT 69



BOARD MEMBER OATH OF OFFICE

DRAFT

WISDOM ACADEMY FOR YOUNG SCIENTISTS

OATH OF OFFICE FOR BOARD MEMBERS

As a member of the Board, consistent with my fiduciary duties, I shall consistently strive to promote the best interests of the School as a whole and, to that end, shall adhere to the following ethical standards:

Student-Centered Focus

- I will be continuously guided by what is best for all students of the School.

Equity in Attitude

- I will be fair, just, and impartial in all my decisions and actions.
- I will accord others the respect I wish for myself.
- I will encourage expressions of different opinions and listen with an open mind to others' ideas.

Trustworthiness in Stewardship

- I will keep in mind that, alone, I am not the Board and as such I will not act on behalf of the Board or make representations on behalf of the Board unless specifically authorized to do so.
- I will be accountable to the public by representing School policies, programs, priorities, and progress accurately.
- I will work to ensure prudent and accountable use of School resources.
- I will make no personal promise or take private action that may compromise my performance or my responsibilities.

Honor in Conduct

- I will tell the truth.
- I will not release confidential information.
- I will share my views while working for consensus.
- I will respect the majority decision as the decision of the Board.

DRAFT

- I will base my decisions on fact rather than supposition, opinion, or public favor.

DRAFT

Integrity of Character

- I will refuse to surrender judgment to any individual or group at the expense of the School as a whole.
- I will consistently uphold all applicable laws, rules, policies, and governance procedures.
- I will not disclose information that is confidential by law or that will needlessly harm the School if disclosed.

Commitment to Service

- I will focus my attention on fulfilling the Board's responsibilities of goal setting, policymaking, and evaluation.
- I will diligently prepare for and attend Board meetings.
- I will avoid personal involvement in activities the Board has delegated to the Director.
- I will seek continuing education that will enhance my ability to fulfill my duties effectively.

Adopted:

Amended:

70

EXHIBIT 70

Wisdom Academy for Young Scientists

Governing Board & Staff Retreat 2013

July 26-27, 2013

Retreat Overview

Retreat Goals

Retreat Purpose

A. To ensure the school is adhering to its charter school mission; and is in full compliance with State Education codes and LACOE policy guidelines governing public charter schools in California.

B. To form Board Standing Committees that will provide the required governance and oversight.

Retreat Objectives

1. To review and address LACOE'S written compliance concerns.
2. To review and/or update the school's current mission and vision.
3. To establish the framework for ongoing critical thinking regarding the school's goals and objectives; and how best to achieve them.

AGENDA

DAY ONE
Friday, July 26, 2013
5:30pm – 8:00pm

I. Review of School's Mission
II. Vision Statement Brainstorming
III. Presentation of Student Data
IV. Personnel Report

Wisdom Academy for Young Scientists

Governing Board & Staff Retreat 2013

July 26-27, 2013

AGENDA CONTINUED

DAY TWO
Saturday, July 27, 2013
10:00AM – 3:00PM

I. Governing Board Training (To be facilitated by John Lemmo, Procopio, Cory, Hargreaves & Savitch LLP)
   - Roles and Responsibilities.
   - Brown Act and Corporate Bylaws
   - Conflicts of Interest
   - Public Records
   - Duty of Care
   - Duty of Finance Oversight
   - Duty of Loyalty
   - HR and Employment

II. SWOT Analysis

III. The nomination and/or election of Board officers

IV. The formation of the following Board Standing Committee

Administration/Staff
This area to be facilitated in by Principal, Mrs. Karen Horowitz

- Student Achievement and Instruction
- Finance and Facilities
- 2013-2014 School Year Personnel
- Public Relations and Marketing
- Growth and Expansion

Wisdom Academy for Young Scientists

Governing Board Retreat

Ayres Inn (Orange)
3737 West Chapman Avenue
Orange, CA 92868
(714) 973-9166

WISDOM ACADEMY FOR YOUNG SCIENTISTS
GOVERNING BOARD RETREAT

Wednesday, July 27, 2011

Arrival ..... Hotel check-in 3:00 PM
6:00 PM ..... Social/Get Acquainted/Ice breakers

Thursday, July 28, 2011

Purposes: Strategically Plan for 2011-2013
Build relationships between board members, Administration, Staff
Address meaningful topics and reach common ground

8:00 AM – 9:00 AM ..... Breakfast (Buffet)
9:00 AM – 9:15 AM ..... Welcome/Prayer/Introductions/Order of the Day
President, Alex Love
9:15 AM – 9:25 AM ..... Introduction of Authorizer – Executive Director,
Michael Cureton
9:25 AM – 10:00 AM ..... LACOE Presentation –Introductions/Expectations
10:00 AM – 10:15 AM ..... Break
10:15 AM – 10:30 AM ..... Discussion – Cathy Roby (AA)
10:30 AM – 12:00 Noon ..... Administration – Mickey Cureton/Ms Alake

- MOU
- Lease Agreement
- Roles/Responsibilities/Expectations/Assessment
- Staff Development/Training
- Capacity Building (where most needed)
- Curriculum/Instructional Materials & Supplies

11:15AM – 1:00 PM ..... Lunch / Social time
1:00 PM – 4:00 PM ..... Strategic Planning (SWOT Analysis – SMART Goals)
3:00 PM – 3:15PM ..... Break
3:15PM – 5:00 PM ..... Strategic Planning Cont'd
5:00 PM – 5:30 PM ..... Evaluation - Next Steps
6:30 PM ..... Dinner

Friday, July 29, 2011

Purposes: Inform and educate board on significant topical issues
Review/Evaluate Board's own progress and contribution to organization
Revisit mission, vision, goals of organization and plan for success
Improve governance of WAYS through Strategic Planning

8:00 AM – 9:00 AM.....Breakfast (Buffet)

9:00 AM – 9:15 AM.....Opening/Order of the Day – Alex Love
9:15 AM – 9:30 AM.....Overview-WAYS' mission, vision, goals
Ms Loretta
9:30 PM – 9:45 AM.....Overview Board Manual – Introduction of Attorney,
Lisa Core, Middleton, Young & Minney, Adell Walker
9:45 AM – 2:00 PM.....Facilitated Education & Training – Lisa Core

- Conflict of Interest
- Board Governance 101
- Brown Act
- Roles/Responsibilities
- Charter School Support

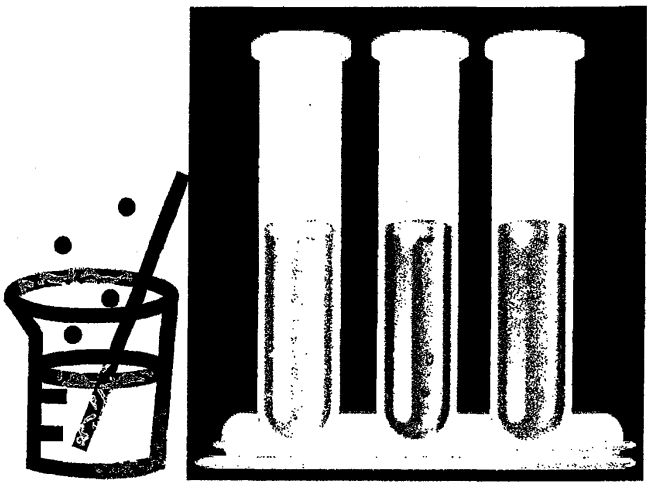
10:00 AM – 10:15 AM.....Break
10:15 AM – 12:00 PM.....Education/Training Cont'd
12:00 PM – 1:00PM.....Lunch/Social Hour
1:00 PM – 2:00 PM.....Training Cont'd – Q&A - Wrap
2:00 PM – 2:15 PM.....Break
2:00 PM – 4:30 PM.....Discussion – Presentations

- Board Self Evaluation/Review, Kandee Lewis (30 min)
- Setting Norms/Ground Rules/Organization Chart – Alex Love (30 min)
- SWOT Analysis -Board (30 min)
- Effective Board Meetings-Loretta McDonald (30 Min)
- Fundraising – Adell Walker (30 min)

4:30 PM – 5:30 PM.....Evaluation/Wrap/Next Steps
5:30 PM.....Dismissal

Mission

To create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, change agents, and true scientists



Thank you, each and every board member, staff, administrators, for your commitment, dedication, and interest in the education of our youth, our legacy. Education Matters! YOU Matter!

WAYS000939

WISDOM ACADEMY FOR YOUNG SCIENTISTS

July 19, 2011

Hello all board members,

The most important element of a board retreat is the planning process. Because the "Board" is ultimately responsible for the ensuing that the school meets the terms of the "charter" and relevant "laws", it is crucial this board understand their responsibilities. The successful board retreats usually have these elements says researcher (Sandra R. Hughes, "*To Go Forward"-the Board Retreat Handbook*, 2009 R)

- Realistic objectives with time allocated for discussion of meaningful topics instead of long list o topics to rush through
- Achievable goals
- Activities geared toward board culture and structure (might need defining)
- Flexibility in schedule/agenda to allow for new ideals/ideas to be explored
- Opportunities to strengthen relationship and socialize (for the benefit of)

As stated before, a well functioning governing board is a necessary condition for the success of a charter school. The failure of charter school governing boards to understand and perform their duties represents one of the most common reasons for charter school failure. The timely education, training and strategic planning of WAYS board members is expected to be successful and you play a vital role in this endeavor.

Please plan to actively participate, get to know one another, voice your opinion and share positives that will enable us to ensure the charter of WAYS remains successful. Dress for the meetings is casual, comfortable (no ties for men, no suits for ladies).

We are looking forward to seeing you in Orange, CA, at the Ayers Inn.

Sincerely,

The Retreat Committee

WISDOM ACADEMY FOR YOUNG SCIENTISTS

GOVERNING BOARD AND ADMINISTRATIVE STAFF
~RETREAT~

July 27-29, 2011

Ayres Inn (Orange, Ca)
3737 West Chapman Avenue
Orange, CA 92868
(714) 973-9166

July 8, 2011

Hello Board Members and Staff!

CAN WE TALK, Plan, Organize and get to know one another at the definitive Ayres Inn Hotel, July 27-29, 2011? We are currently going through some major changes and "growing pains" and are faced with concerns, issues, new charter authorizer, and governing / organizational / administrative / financial concerns and issues that need our immediate attention. We need to hear from you but more importantly, we need your HELP!

Come to the WAYS Retreat to:

- Agree upon the direction of our school
- Move beyond ***crisis management*** and tackle comprehensive and long-term issues that will be critical to the success of our students, teachers, administration and staff
- Achieve ***heighten capacity*** to adapt to ***change***
- Move forward on ***action items*** voted on at last board meeting
- And More!!!

The retreat committee has planned a goals-oriented, exciting, two full days of engaging, challenging, creative activities, team-building exercises, education and training, and fun "poppers" that's guaranteed to benefit the schools' educational productivity, enhancement and sustainability; and, send you home rejuvenated and refreshed for an exuberant 2011-2012 school year. Moreover, the accommodations are bound to please—*affordably*!

The hospitality, healthy, there's space to work, the surroundings, beautiful. COME! Experience the Rewards of addressing meaningful "hot" topics and let's get moving!

Thank you for your Commitment to Education,
The Retreat Committee

RSVP on or before July 9 to: (323) 752-6655

EXHIBIT 71

WAYS
BOARD
RETREAT
2011-12

Wisdom Academy for Young Scientists Governance Workshop

July 29, 2011

Presented by:

Lisa A. Corr, Esq.
Middleton, Young & Minney, LLP
701 University Ave., Suite 150
Sacramento, CA 95825
(916) 646-1400
lcorr@mymlaw.com
www.mymcharterlaw.com

1

Schedule

1. Brown Act
2. Conflicts of Interest/ Non-Profit Duties
3. Effective Governance (including appropriate Board Roles)
4. Overview of the Strategic Planning Process

2

UNDERSTANDING THE BROWN ACT

3

WAYS
BOARD
RETREAT
2011-12

Wisdom Academy for Young Scientists Governance Workshop

July 29, 2011

Presented by:

Lisa A. Corr, Esq.
Middleton, Young & Minney, LLP
701 University Ave., Suite 150
Sacramento, CA 95825
(916) 646-1400
lcorr@mymlaw.com
www.mymcharterlaw.com

1

Schedule

1. Brown Act
2. Conflicts of Interest/ Non-Profit Duties
3. Effective Governance (including appropriate Board Roles)
4. Overview of the Strategic Planning Process

2

UNDERSTANDING THE BROWN ACT

3

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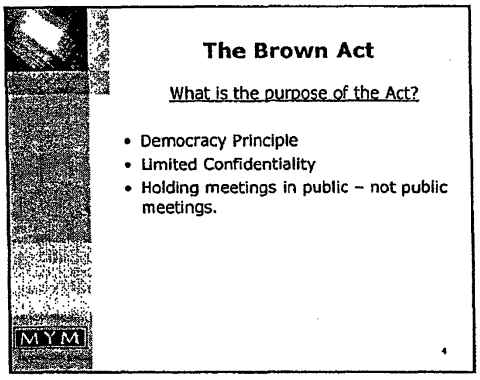
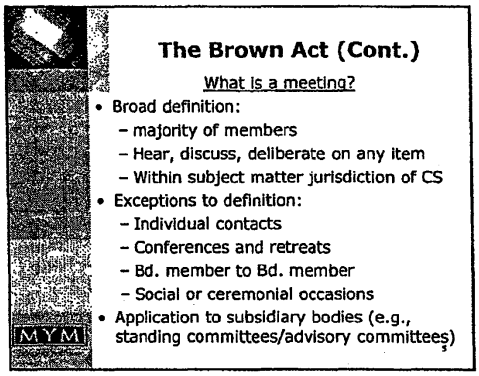
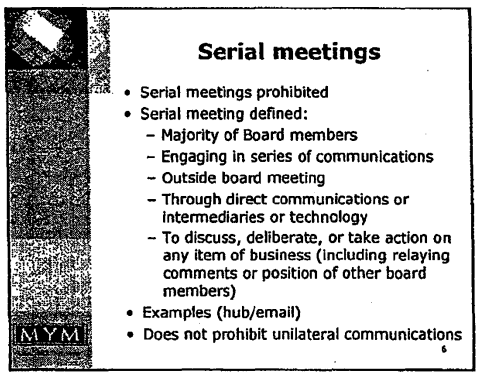


- purpose is to provide transparency to public.
- Public money
- Closed sessions
- Professional Board Meetings





- Do not communicate to the majority of board members, otherwise it will be considered a board meeting.
- Do not share the opinion of another board member's

Telephonic Requirements

- Board members are allowed to participate via telephone if the following requirements are followed:
  - Quorum participates in boundary of school
  - All votes taken by roll call
  - Agenda posted in all locations listing all locations
  - All locations must be fully accessible
  - Full duplexing in each location so that everyone can participate.

MYM

7

The Brown Act (Cont.)

What are the notice & agenda requirements?

- Agenda: A brief description (approx. 20 words) of each matter to be discussed.
- Regular meetings – 72 hours notice
- Special meetings – 24 hours notice
- Emergency meetings (rare – 1 hours notice)
- Cannot discuss non-agenda items – exceptions rarely applied.
- Closed session agenda requirements (safe harbor/announcements)

MYM

8

The public request that the board add items to their agenda

The Brown Act (cont.)

What are the public's rights?

- Public testimony
- Taping or broadcasting
- Conditions of attendance
- Copy of agenda/support materials
- Non-discriminatory facilities
- Request for agenda items

MYM

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- Board cannot respond or talk about items that are not on the agenda.
- All public must be given the opportunity to speak.

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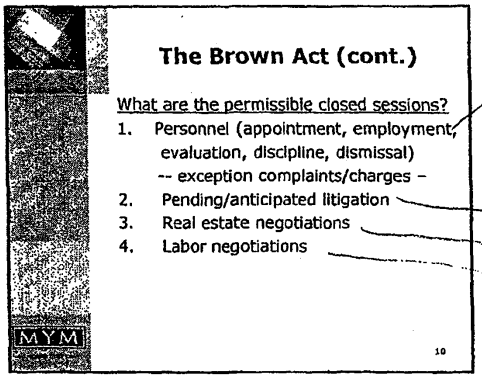
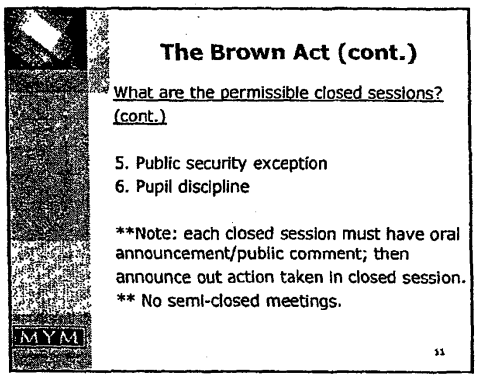
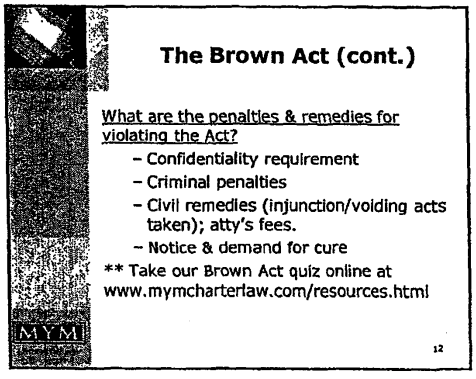


complaints or charges against an employee can be requested to be heard in public within 24 hrs.

- Must have a lawyer present
- all parties' location.
- salaries are public info.





UNDERSTANDING CONFLICT OF INTEREST LAWS

13

What is a Conflict?

Broad Definition:

A *conflict of interest* arises when an individual who has a private interest in the outcome of a contract or a public decision, **participates** in the decision-making process or **influences** or **attempts to influence others** making the contract or decision.

14

California Conflicts of Interest Statutes and Laws Impacting Charter Schools

- Political Reform Act (PRA) (Government Code Section 87100 *et seq.*
- Government Code Section 1090 **Debatable whether applicable to charter schools*
- Corporations Code 5233 (self-dealing transactions)
- Common Law Prohibitions

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Political Reform Act

Political Reform Act (Gov. Code §87100, et seq.) established in 1974.

"Public officials should perform their duties in an impartial manner, free from bias caused by their own financial interests..."

The Fair Political Practices Commission (FPPC) enforces compliance with the Political Reform Act

MYM

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1) Conflicts of Interest Code
2) Form 700 by April 1, 2014
- Entering office
- Leaving office
- Annually

General Compliance Under the PRA

- Identify and avoid participating in/making decisions where there is a conflict of interest
- Adopt and have approved a PRA compliant Conflict of Interest Code
- Public officials file Statements of Economic Interests (Form 700)

MYM

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Identifying and Avoiding Conflicts of Interest

Does the decision involve:

1. A public official (board members, officers and key employees)?
2. Making or participating in making a governmental decision?
3. Does the public official have a qualifying financial interest?
4. Is the financial interest directly/indirectly involved in governmental decision?

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Identifying Conflicts of Interest (cont.)

If a director can answer "yes" to all questions, under the PRA he/she must:

(1) Disclose the conflict on the record
(2) Leave room during discussion and vote and comply with anti-self dealing provisions in bylaws
(3) Abstain from voting*

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A Note Regarding Avoiding Conflicts:

Every local government official and employee must refrain from making or participating in making a government decision that has a reasonably foreseeable material effect on his/her personal financial interests, regardless of whether the individual is required to file a Form 700.

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Conflict of Interest Code

The Political Reform Act requires all local government agencies to adopt a conflict of interest code.

The FPPC has determined that charter schools are local government agencies.

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Most Counties...

- Typically, a charter school adopts its own conflict of interest code
- Code is approved by the appropriate "code-reviewing body" (County Board of Supervisors or FPPC)
- Form 700s are filed either with the code-reviewing body or at the charter school site

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Conflict of Interest Code

3 Required Components of a Code:

- Body of the Code (FPPC suggests incorporating the language of 2 CCR §18730 as the text of your code)
- Exhibit A: Include a list of positions (by title) that must file a Form 700
- Exhibit B: The financial disclosures required of each position listed

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Exceptions (cont.)

- The LA County Board of Supervisors currently will not approve individual charter school's conflict of interest codes, stating that they are covered under their charter authorizer's codes
- Consistent with FPPC advice letters issued (see FPPC opinion, Port of Los Angeles High School, May 6, 2010)

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FPPC Opinion

The FPPC relies on Government Code Section 87301:

"It is the policy of the Act that Conflict of Interest Codes shall be formulated at the most decentralized level possible... Any question of the level of a department which should be deemed an 'agency' for purposes of Section 87300 shall be resolved by the code reviewing body."

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Form 700 – The Law

All officers, board members, and employees who are in a position which entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest must file a Statement of Economic Interests

(Gov. Code § 87302)

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Form 700: Common Non-Reportable Interests

You do not have to report:

- Diversified mutual funds registered with the SEC and certain retirement accounts invested in insurance policies or governmental bonds (ex: most 401K, 403b accounts)
- Savings and checking accounts
- A residence used exclusively as a personal residence (such as a home or vacation house)
- Government salary (including from a charter school)
- Gifts from family members
- Travel paid by your local government agency (charter school)

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Form 700: What Information Must Be Disclosed?

Reportable Interests for Most Charter Schools:

- Category 1: Real property within LAUSD's jurisdiction, or not more than 2 miles outside of the District boundaries.
- Category 2: All investments and business positions (ex: stocks, bonds, business interests)
- Category 3: All income and business positions (ex: Non-government salaries of reporter and spouse/registered domestic partner)

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Form 700: LAUSD Disclosure Categories by Charter School Title

Position	Disclosure Categories
Board members	1,2,3
Exec. Director/Principal	1,2,3
Vice Principal/Curriculum	1,2,3
Human Resources Director	2,3
Chief Business Officer	1,2,3

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Statement of Economic Interest (Form 700)

- Form 700s must be submitted with original signatures – faxes/emails not acceptable
- Document signed under penalty of perjury
- Becomes a public document once filed, and must be made available to the public upon request

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When are Form 700 statements filed?

- Filed upon assuming office or position (within 30 days)
- Once annually (by April 1st)
- Upon leaving the office or position (within 30 days)

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Form 700 Disclosure Period

Annual Statement:

Your annual statement is used for reporting the previous calendar year's economic interests.

Example: Statement filed April 1, 2011 will include information for 2010 (January1st - December 31st)

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Penalties for Failing to File Form 700

1) Criminal charges by the Attorney General or District Attorney for deliberate failure to file.
2) Civil action by FPPC or a private citizen.

If you receive an enforcement letter from the FPPC contact legal counsel immediately!

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Elements of Government Code Section 1090
***Debatable whether applicable to charter schools**

- Public Official
- Public Contract, Sale or Purchase
- Financial Interest – remote interest exception
- Absolute prohibition

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Difference Between the Political Reform Act and Government Code Section 1090

- Political Reform Act: Disclosure and recusal avoids a violation. (Assuming the Board of Directors still consists of a quorum, it may then proceed to take action).
- Government Code Section 1090: Disclosure and recusal does NOT avoid a violation; would effectively prohibit paid employees from serving on board.

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Corp. Provision on Self-Dealing

- For Directors only (all others comply with Conflict of Interest policy).
- Higher standard for approval – will satisfy PRA.
- CS Director shall not have material financial interest in any contract or transaction, unless:
  - Fully disclosed/noted in minutes;
  - Transaction approved by directors without interested directors involvement (should leave room);
  - CS could not obtain a better agreement with reasonable effort;
  - The transaction is for the CS and is fair and reasonable at the time (all findings should be in resolution).

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2 Types of Common Law Prohibitions

1. Common Law Doctrine of Incompatible Offices
   - Public official – not employee
   - Holding two public offices simultaneously
   - That are incompatible with each other (creating divided loyalties); overlapping jurisdictions

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2 Types of Common Law Prohibitions (cont.)

2. Common Law Doctrine – Appearance of Impropriety
   - Public Official
   - Engaging in Transaction
   - Creating an Appearance of Impropriety

   For example, Board member voting on expulsion of child.

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in the case of expelling your own child

What are the Penalties & Remedies for Violating the California Conflicts of Interest Statutes?

- Political Reform Act (Government Code Section 87100 *et seq.*:
  1) Administrative Sanctions (e.g., fines per violation, cease and desist orders, orders to file reports);
  2) Civil Penalties (e.g., injunctions, damages and attorney's fees).
  3) Criminal charges
- District could use alleged violations to attempt to revoke the School.

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What are the Penalties & Remedies for Violating the California Conflicts of Interest Statutes? (cont.)

- Government Code Section 1090:
  1) Criminal penalties (e.g., fine of up to $1,000 or imprisonment in state prison);
  2) Permanent disqualification from holding any office in California; and
  3) Additionally, any contract made in violation of Government Code Section 1090 is void.

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Upcoming Conflict of Interest Statutes

- AB 360

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BOARD GOVERNANCE AND FIDUCIARY DUTIES

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Corporate Fiduciary Duties

- Directors may be personally liable for violating fiduciary duties.
- Duty of Care:
  - To act with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
  - Put another way: Board should make decisions only after it has expended sufficient skill, time, and effort to effectively assess any risk to make a prudent decision.

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Duty of Care (cont.)

- Directors not expected to be experts
  - Director entitled to rely on information prepared by reliable experts, officers, directors and employees
- A director should:
  - Attend meetings regularly
  - Carefully review board materials and minutes
  - Keep informed about issues that impact school
  - Request expert opinions
  - Request additional information

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Duty of Loyalty

- Director acts with undivided loyalty to the corporation (school).
- Must avoid activities that are in competition with the corporation (school).
- May not usurp any business opportunity.
- Must avoid self-dealing transactions – the director's loyalty must lie with the corporation first.

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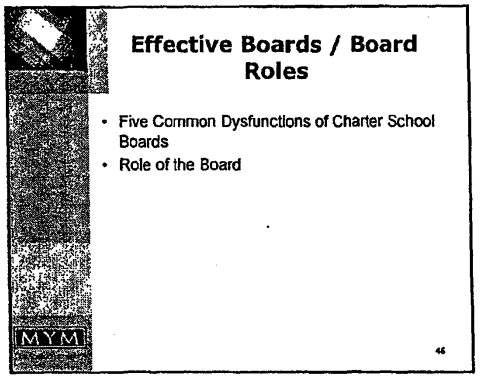
Effective Boards / Board Roles
• Five Common Dysfunctions of Charter School Boards
• Role of the Board
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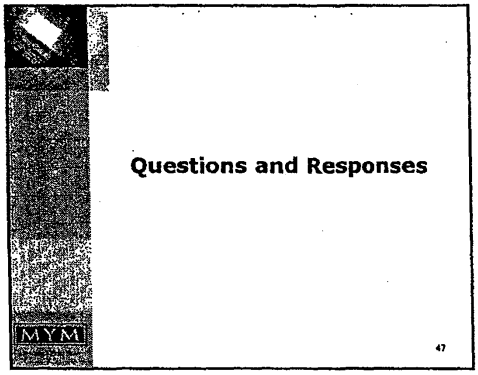
Questions and Responses
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THE FIVE DYSFUNCTIONS OF CHARTER SCHOOL BOARDS

by

Brian L. Carpenter
Executive Director
National Charter Schools Institute

Overview

Bestselling author and executive business consultant Patrick Lencioni is on to something. In his book, *The Five Dysfunctions of a Team*, he explains why business teams of all kinds fail. More importantly, he explains what they need to do to succeed. Though I haven't yet met Lencioni, I credit him with the idea for the title of this essay.

The idea of writing something about school board dysfunctions has been percolating in my mind for some time. As a superintendent of schools in the private sector for twelve years and as a charter school board member the past several years, I have often had a front row seat to the dysfunctional things school boards do. Not that board dysfunction is limited to schools: I have also witnessed dysfunctional behavior as a member of other governing boards. All told, my hands-on experience—or should I say, my seats-on experience—with boards presently totals something in excess of twenty years.

During these years, I've sat through lengthy board discussions about such important things as the color of trim for new offices, how teachers should approach the controversial issue of Santa Claus, and whether a particular student deserved a detention. I've seen shouting matches and power plays that would make Machiavelli blush (and here I should note that names in this paper have been changed to protect the guilty). One board on which I served as superintendent was so divided that one-half of it threatened to sue the other half. And if such provincial behavior weren't depressing enough, I've also seen boards that were flat-out incompetent. In another organization, failure by the board to provide proper financial oversight resulted in an embezzlement case involving the executive director and the FBI. Extreme, yes, but it illustrates how serious problems can arise when boards don't function properly.

Years of such observations have led me to conclude that boards have common dysfunctions. The purpose of this paper is to improve the performance of charter schools by helping board members understand what some of those common dysfunctions are and how to avoid or remedy them.

I'd love to claim originality of thought here, but much of what I will say has been written or said by others—often better than I could write or say it. My desire is that this brief piece will ignite passion in charter school board members to commit themselves to making their boards into models worthy of imitation. For further study, I strongly recommend reading the works of Patrick Lencioni and John Carver, both of whom are listed in the references section of this paper.

Finally, I'd like to dedicate this paper to my friend and mentor, Dr. Bruce Lockerbie. Bruce is chairman and founder of Paideia, an agency that works with schools, churches and non-profit organizations that want to improve their leadership. Thank you, Bruce, for your years of wise counsel and for being the first to provoke serious thought in me on the subject of effective school board leadership.

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Dysfunction #1
Managing vs. Governing

The difference between managing and governing a school is like the difference between coaching an NFL football team and owning one.

Although it's not a perfect analogy, in football, a coach is hired by the owners to run the team—and he's held accountable on the basis of the team's performance. There is no such thing as a successful coach without a winning team.

With perhaps a notable exception or two, the owners of the team do not tell the coach which plays to call or otherwise how to do his job.

In charter schools, the board governs for an owner. But who is the owner? Obviously, the board doesn't own the school as with a football team owner. And it isn't the management company, even if it owns the building. It is *the public* who ultimately owns charter schools.

Thus, charter school boards govern schools in the sense of a trust. This is why board members are sometimes referred to as trustees—people who control something on behalf of the owner. Charter school trustees have the authority to govern the school on behalf of the public.

The management of a school functions similar to a football coaching team. Management in a school has direct supervision of the teachers, staff and students. Management should possess the expertise necessary to run the school on a day-to-day basis. The head administrator should be evaluated by the board as to how well he or she is achieving the objectives of the board, just as a football coach is evaluated according to the objectives of the owner. In essence, the board says *what* it wants; the management determines *how* to achieve it (within board-defined limits).

Whenever a board performs the roles, tasks or responsibilities of management, it becomes dysfunctional.

Consider the following example from a conference I attended a few years ago. A board member in the audience boasted to the rest of the group (mostly other board members) that individual board members in his school conducted teacher evaluations. That's as dysfunctional as it is misguided. School board members aren't usually qualified to evaluate teachers anymore than Wendy's board members are qualified to evaluate restaurant employees.

Even if occasional charter school board members are qualified to do so, performing the role of management puts the board at risk of alienating the school faculty and staff, as well as potentially inviting the entrance of a union (see Carpenter, 2006)—an occurrence the board will likely regret.

Instead of evaluating, hiring and firing personnel, choosing curriculum, selecting test instruments and reviewing routine student discipline matters—all of which are management functions—the board should prescribe the outcomes it wishes to achieve, establish (through policies) the boundaries in which the outcomes are to occur and then hold the management accountable by evaluating those outcomes.

For boards that need further help defining governance responsibilities, I recommend the book, *Boards That Make a Difference* (Carver, 1997). It unpacks the mystery of how to cease managing and start governing.

"charter school boards govern schools in the sense of a trust. This is why board members are sometimes referred to as trustees—people who control something on behalf of the owner. Charter school trustees have the authority to govern the school on behalf of the public."

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"Devising proper lines of authority and requiring that individual board members adhere to them by casting them as board policy can go a long way toward eliminating "loose cannon" problems."

Dysfunction #2
Using Individual vs. Group Authority

Too often, charter school board members mistakenly believe that the authority which the board possesses to govern the school is possessed by each board member individually. It is not. Some board members go so far as to behave as if what they want accomplished individually is the same as what the board wants accomplished. A friend who is an authorizer told me of a comical example of this: A board member ordered the school leader to install a bicycle rack because she wanted her child to ride a bike to school.

In schools in which I've served, *individual* board members have:

- Telephoned me at home (sometimes on weekends) to dispute student discipline matters involving children of their friends
- Spent or encumbered school funds on pet projects without board authorization
- Directed traffic and staff at school drop-off/pick-up time without being asked to do so
- Authorized fundraising
- Polled teachers for opinions about the strategic direction of the school

Quite thankfully, renegades such as these are usually just one person on a board. Even so, one board member who thinks he or she possess the authority of the board—especially if he or she happens to be the chair—can interfere with the effective governing of the entire board.

Such individuals often give directives to school leaders, form cliques, interfere with management, raise issues at the board level that arise from personal agendas, and/or pose as the spokesperson for the staff or parents or some segment thereof.

In reality, the only time a board member possesses authority is when he or she is sitting in a board meeting, as part of the whole board, or when he or she has been duly appointed to act on behalf of the board (such as, being part of a committee—something that should be used sparingly, if at all, since board committees diminish the board's ability to hold the CEO accountable) (Carver, 1997).

In contrast to individuals running around the school imposing their own agendas, a functional board speaks with one voice. It does this only when it passes a resolution (regardless of the actual vote count).

Individual board member opinions which may be stated in board meetings are not binding on the school's administration. How could they be? No matter how talented, there is no superintendent that can simultaneously satisfy multiple individuals with conflicting opinions.

Devising proper lines of authority and requiring that individual board members adhere to them by casting them as board policy can go a long way toward eliminating "loose cannon" problems. Also, new board members should receive an orientation which explains the governing philosophy of the board.

Lastly, waste no time as a board in removing an individual board member who consistently refuses to abide by the policies of the board to act and speak as one. Schools run better without such members.

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Dysfunction #3
Creating "Revolving Door Accountability"

Prior to selecting a CEO, the board should decide what is to be accomplished by the school. Board expert John Carver refers to these accomplishments as "Ends," defined as those things that are to be accomplished, for whom and at what cost. (Carver, 1997).

Only once the board knows what it wants, is it in a position to search for someone whom it may hold accountable to achieve it.

A good starting point for determining ends is for every board member to read the contract that exists between the board and the organization that approves it to operate and receive state funds (i.e., its authorizer or sponsor). These contractually agreed-upon outcomes should be the minimal basis of CEO accountability.

What is more often the practice, however, is that a board hires a CEO without any forethought as to how he or she is to be held accountable. As my friend Bruce Lockerbie says, oftentimes the first job evaluation the CEO gets in such cases is written on a pink-slip. The board then repeats the process with its next CEO, thereby creating a "revolving door" to the school leader's office. This is board caprice, not accountability, and it is highly detrimental to building a good school.

Beyond those outcomes which the board is contractually obligated for the school to achieve (the very essence of the charter school idea), the board should develop additional policy objectives that are consistent with the mission and vision of the school. The CEO should then be delegated with the necessary authority to achieve them. True accountability comes from assessing the school's performance against the pre-defined outcomes.

Besides student achievement, which is clearly the primary deliverable for any charter school leader, the board should also ensure that school finances are being appropriately handled. Every board should receive regular financial statements including balance sheet, statements of cash flow, and income and expense.

It is also advisable for the board to hire *its own* auditor to periodically review these statements and to conduct an annual audit.

If you think this is too expensive, I can assure you it is a bargain compared to dealing with the occasional crooked CEO who steals money, as happened in an organization on whose board I once served. Few of us on the board expressed concern about not receiving good financial reporting until it was too late.

And it's not just embezzlement against which the board should guard. The board also needs to protect the school from incompetent management which can cause a school to close due to insolvency. For a sobering example of this, read the California Charter Academy story in chapter four of *Hopes, Fears, & Reality* (Lake, Hill, 2005).

Finally, if you have a talented CEO who is accomplishing what the board has defined, show your appreciation to him or her. You'll be doing your school a favor since it is well known that talented school leaders are in short supply. Keep the door to the CEO's office voluntarily locked—from the inside.

"A good starting point for determining ends is for every board member to read the contract that exists between the board and the organization that approves it to operate and receive state funds (i.e., its authorizer or sponsor). These contractually agreed-upon outcomes should be the minimal basis of CEO accountability."

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"kids in your school will live with the education they're getting from you for the rest of their lives. Isn't it worth at least half of the board's regular meeting time to discuss how well the school is providing that education?"

Dysfunction #4 Spending Time on Administrivia

I don't recall where I first heard the word "administrivia." Someone coined it to refer to the thousand-and-one details involved in running a school. I like the word because it captures so well, the tendency of school boards to spend unbelievable amounts of time on insignificant things, or at least things that are far less significant than student achievement.

A former superintendent friend once told me that in his observation, school boards spend 75 percent of their time talking about things that really don't matter. By the time they're two hours into this bog, board members are too tired to devote even 15 minutes to talk about improving student performance. This same friend says that if charter schools invert this model and spend 75 percent of every meeting wrestling with the difficult issues of student performance, charter schools would become the most successful schools in the country.

What issues do boards waste their time on, if not discussing student performance? Well, the sky really is the limit. Here's a sample of discussions I've endured:

- Paint colors on exterior classroom doors
- Filling secretarial positions
- Content on classroom bulletin boards
- Cheerleader skirt length
- Selecting a contractor to repaint an exterior sign
- Extra-curricular activities
- Recess protocol
- Tennis court resurfacing
- Restroom usage schedules
- Field trip details

For boards seeking not to waste time on administrivia, I recommend three things.

First, establish a baseline for your board by having someone keep a minute-by-minute running summary of how the board spends its time during two or three regular meetings. Put the findings into one of two columns. One column is for minutes spent on student achievement. The other column is for everything else. Compare the two columns. If your board is spending less than half its time on student achievement, the board is wasting time on administrivia. (Obviously, there are other important topics that boards need to discuss, but they shouldn't consume half of a typical meeting.)

Second, read Patrick Lencioni's book, *Death by Meeting*. It contains some excellent lessons about the structure of meetings. Although the book is geared toward management meetings (not to be confused with board governance meetings), some of Lencioni's ideas and insights are applicable to charter school boards.

Finally, exercise the discipline of taking the long view of things. Ask yourselves as a board if "xyz" issue is going to be of any importance in five years. If it isn't, delegate it to the CEO and move on.

Student achievement will always pass this litmus test because kids in your school will live with the education they're getting from you for the rest of their lives. Isn't it worth at least half of the board's regular meeting time to discuss how well the school is providing that education?

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Dysfunction #5
Not Developing Itself

There was a time when a school board could do its job with little or no expertise required. A hundred years ago, if you could read and cipher, you probably would have been considered well-qualified to help govern a school.

Not anymore.

These days, schools are complex organizations. The list of things about which charter school board members should have a working knowledge include, but are not limited to, the following:

- No Child Left Behind Act (NCLB)
- Individual with Disabilities Education Act (IDEA)
- Sizeable amounts of state-level public school code including your state's charter school requirements
- Financial reporting
- Contractual agreements
- Funding, building, and maintenance of school buildings
- Employment law
- Management companies
- Student achievement and performance measures
- The governance process
- Policy development
- Fund development
- Negotiating skills
- Union tactics
- The politics of school choice
- Marketing
- Media relations

The above sample of items illustrates just how complex the charter school sector is. Regardless, board members have the responsibility to know this stuff. What to do?

The functional board recognizes that it needs to develop itself. To do so, it devotes time in its board meetings and resources for that purpose. It may watch an informative program, discuss a book or invite an outside expert to present information. Board members should also seek to educate themselves outside board meetings by attending an occasional seminar and by staying informed of broader charter school trends.

This doesn't mean that every charter school board member should possess the same depth of knowledge as the school leader. That would be absurd.

It does mean, however, that board members should recognize that they cannot govern properly without a certain level of understanding. It is completely legitimate for boards to invest time and reasonable amounts of school funds necessary to acquire it.

On the charter school board on which I currently serve, the board devoted time for several months to discuss a book on governance which everyone agreed to read. We also regularly invite our school leader to educate us on various issues involving student achievement.

If you're reading this as a charter school board member, that's a good indicator you take your role seriously. But if others on your board aren't developing their knowledge through further training, discussions and reading, their negligence will impede effective governance.

The references at the end of this paper are a good place to start. Pick a resource and resolve as a board to begin spending a few minutes each meeting discussing it. This action alone would improve most boards.

"A hundred years ago, if you could read and cipher, you probably would have been considered well-qualified to help govern a school. Not anymore."

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In Conclusion

The charter school movement is one of the most significant reforms in public education since the origin of American public schools in the 1830s. This reform mechanism was launched when the first charter school opened its doors in 1992. At present, charter school laws have been passed in 40 states plus the District of Columbia. It is estimated that there are close to one million students being served in charters across the country (Hoxby & Rockoff, 2005). Many of those students are low-income minority students for whom the charter school is their best hope for a bright future.

The charter idea is built on the premise that market-like competition for students will improve public education, bring costs down and close the student achievement gap. Many schools are succeeding at all three. More schools need to follow.

The movement is now mature enough that we know what it takes to create a successful charter school. There are many examples across the country including High Tech High, KIPP Academies, North Star Academy, Plymouth Academy, Amistad Academy, and others that have developed the right combination of talented teachers, scientifically validated curricula and teaching methods, data-driven decision-making, visionary school leaders and highly functional boards. Of those aspects that successful schools share, the board is a critical component because the other things are difficult to maintain in the absence of good governance.

Learning to govern well requires effort and dedication on the part of board members. Like anything else, it is a matter of discipline and consistency. By regularly devoting time in the agenda to discuss books, articles or other presentations, board members can deepen their knowledge and thereby increase the board's overall effectiveness. They can avoid the five dysfunctions described in this paper by defining and upholding sound policies.

The resources listed in the section below provide an excellent starting point for any board wishing to improve its effectiveness. In the case of articles cited from *School Reform News* and *Education Next*, the journals themselves are worth subscribing to.

Additionally, many states have fine charter school associations. The cost of membership is a small price to pay for the benefits such organizations provide. Besides serving as clearinghouses for important charter school information, state associations create an invaluable opportunity for schools to link together to have their voices heard. I urge every charter school board to join its state association.

Now that you've read this paper, you can begin leading the improvement of your board. What will your next step be?

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UNDERSTANDING THE BROWN ACT

I. PURPOSE AND SCOPE OF THE ACT

A. Open Access

The Ralph M. Brown Act ("Act") also known as California's "Open Meeting Law," represents the Legislature's determination of the balance between public access to meetings of multi-member legislative bodies on the one hand, and the need for confidential candor, debate and information gathering on the other. Where matters are not subject to the closed session exceptions, the Act requires all deliberative processes by legislative bodies, including discussion and the acquisition of information, to be open and available for public scrutiny.

B. Confidentiality on a Limited Basis

The Legislature has established a presumption in favor of public access. However, the Act also contains specific exceptions from the open meeting requirements where a public entity has demonstrated the need for confidentiality.

II. MEETING DEFINED UNDER THE ACT

A. Broadly Defined

A meeting is any congregation of a majority of the members of the board at the same time and location to hear, discuss, deliberate or take action on any item within the subject matter jurisdiction of the board. The board need not take any action in order for the gathering to be defined as a meeting. (§ 54952.2.)

The following are exceptions to the definition of a meeting:

1. Individual Contacts: Individual contacts between board members and others which do not constitute serial meetings. (§ 54952.2(c)(1).)

2. Conferences and Retreats: Such gatherings which are open to the public that involve issues of interest to the charter school so long as the majority of the board members present do not discuss amongst themselves business of a specific nature under the board's jurisdiction. (§ 54952.2(c)(2)(3)(4).)

3. Social or Ceremonial Occasions: Board members may attend such events where no business of the board is discussed. (§ 54952.2(c)(5).)

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B. Serial Meetings

The Act prohibits a majority of board members from engaging in a series of communications which are conducted outside of board meetings through direct communications, intermediaries or technological devices for the purpose of discussing, deliberating or taking action on matters within the jurisdiction of the board. (§ 54952.2.) However, board members can answer questions or provide information regarding an issue (outside a board meeting) so long as the board member does not communicate to other board members the comments or position of any other members of the board.

The following instances are exempt from the definition of a serial meeting:

a. Individual contacts between board members and persons who are not board members of the charter school. (§ 54952.2.)

b. Teleconferencing which is conducted in accordance with the procedures set forth in Section 54953(b).

c. Writings or other communications made outside of a Board meeting, between individual board members and staff for informational purposes, so long as the Board member or employee does not communicate to members of the Board the comments or positions of any other Board members.

C. Teleconference Meetings

Teleconference meetings may be held under carefully defined parameters. For example, the meeting agenda must specifically identify all teleconference locations and each such location must be fully accessible to members of the public.

D. Writings as Meetings

Especially, in light of today's prevalent use of e-mail, a meeting may inadvertently occur in writing when such writings are exchanged between a majority of the Board. These meetings, although in writing, are still subject to the Act's agenda posting requirements. This is to be distinguished from one-way communication to Board members, not amongst them.

III. NOTICE AND AGENDA REQUIREMENTS

A. Regular Meetings

An agenda containing a brief description (*e.g.*, approximately 20 words) of each matter to be considered or discussed must be posted at least seventy-two (72) hours prior to the meeting. (§ 54954.2) Meetings of advisory or standing committees are deemed to be "regular meetings" for purposes of the Act. (§ 54954(a).)

1. Exceptions to Agenda Requirements: Special procedures permit an entity to proceed on an item not on the agenda in case of emergency circumstances,

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where the need for the action came to the attention of the board after posting of the agenda, or when the matter was continued to a subsequent meeting within five days. (§ 54954.2.)

2. Public Testimony: Every agenda shall provide an opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the body, before or during consideration. (§§ 54954.2(b), 54954.3(a).)

B. Special Meetings

Twenty-four hour notice must be provided to members of the public and media outlets including a brief general description of matters to be considered or discussed. Only the items listed on the special meeting agenda may be considered by the board, or commented upon by the public. (§ 54956.)

C. Emergency Meetings

One hour notice in case of work stoppage that seriously impairs public health, safety or both or in the case of crippling disaster.

D. Closed Sessions

1. Agenda Requirement:

   a. All items to be considered in closed session must be identified in the notice or agenda for the meeting. (§ 54954.2.)

   b. A model ("safe harbor") description for closed session items is recommended by statute in Section 54954.5.

   c. Closed session agenda for personnel matters must specify the title of the position in all instances except discipline, dismissal or release. (§ 54954.5(e).)

   d. Closed session agenda for conferences with real property or labor negotiators must specify the names of designated representatives. (§§ 54954.5(b)(f), 54956.8, and 54957.6.)

2. Oral Announcement: Prior to each closed session, the board must orally announce the subject matter(s) of the closed session. (§ 54957.1.)

3. Reporting Out: If final action is taken in closed session, the board generally must report the action at the conclusion of the closed session. (§ 54957.7.)

E. Adjournments and Continuances

Regular and special meetings may be adjourned to a future date. (§ 54955.) If the meeting is reconvened within five (5) days of the original meeting, matters properly

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placed on the agenda for the original meeting may be considered at the subsequent meeting. When adjournment occurs, notice of the adjournment must be conspicuously posted within twenty-four (24) hours of the adjournment.

F. Location of Meetings

As a general rule, regular and special meetings must be held within the boundaries of the territory over which the Board has jurisdiction. (§ 54954(b).) For charter schools, this likely means meetings must be held within the boundaries of the charter school's granting agency.

IV. RIGHTS OF THE PUBLIC

A. Public Testimony

The public may comment on agenda items before or during consideration by the board. Time must be set aside for public comment on any other matters under the body's jurisdiction not on the agenda. The body may adopt reasonable rules regulating the amount of time for public testimony. (§ 54954.3.)

B. Taping Or Broadcasting

Meetings may be broadcast, audio-recorded or video-recorded so long as the activity does not constitute a disruption of the meeting. (§§ 54953.5, 54953.6.)

C. Conditions To Attendance

The public may not be asked to register or identify themselves or to pay fees in order to attend public meetings. (§§ 54953.3, 54961.)

D. Public Records

Materials provided to a majority of a board which are not exempt from disclosure under the Public Records Act must be provided, upon request, to members of the public without delay. (§ 54957.5.)

E. Non-Discriminatory Facilities

Under the Act, meetings may not be conducted in a facility that excludes persons on the basis of their race, religion, color, national origin, ancestry, or sex, or that is inaccessible to disabled persons or where members of the public may not be present without making a payment or purchase.

V. PERMISSIBLE CLOSED SESSIONS

A. Introduction

1. Narrow Construction: The statutory exceptions to the public meeting requirement of the Act are strictly construed in favor of public access.

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2. Semi-Closed Meetings: In specific circumstances, certain interested members of the public may be admitted to a closed session while the remainder of the public is excluded.

   a. Generally, closed sessions may only involve the membership of the Board plus any additional support personnel who may be required (*e.g.*, attorney in connection with legal advice; supervisor in connection with disciplinary proceeding; labor negotiator in connection with collective bargaining).

   b. If a board admits any other person into a closed session to deliberate on a recommendation to suspend, expel, or otherwise discipline a pupil, the parent or guardian of the pupil, the pupil, and counsel for the pupil shall be allowed to attend. (Education Code § 48918(e).)

3. Secret Ballots: Secret ballots are expressly prohibited under the Act. (§ 54953(c).) The vote or abstention of each individual member must be reported. (§ 54957.1(a).)

4. Confidentiality of Closed Sessions: The Act specifically provides that a person may not disclose confidential information that has been acquired by attending a proper closed session to a person not entitled to receive it, unless the Board authorizes the disclosure. The Act provides remedies for wrongful disclosure including injunctive relief, disciplinary action, referral to grand jury and other available legal remedies.

B. Authorized Closed Sessions

1. Personnel: To consider appointment, employment, evaluation of performance, discipline or dismissal of an employee. An employee must be given at least twenty-four (24) hours prior to written notice of his or her right to have any specific complaint or charge against the employee heard in public. (§ 54957.)

2. Pending Litigation: A board may meet in closed session to receive advice from its legal counsel concerning existing litigation, initiating litigation, or situations involving a significant exposure to litigation as defined by statute. (§ 54956.9.)

3. Real Estate Negotiations: A board may meet in closed session to consider price and terms of payment in connection with the purchase, sale, exchange or lease of real property. (§ 54956.8.)

4. Labor Negotiations: A board may meet in closed session with its negotiator to consider labor negotiations with represented and unrepresented employees. Issues related to budgets and available funds may be considered, although final decisions regarding salaries of unrepresented employees must be made in public. (§ 54957.6.)

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5. Public Security Exception: A board may meet in closed session with the Attorney General, District Attorney, Sheriff, or Chief of Police on matters posing a threat to the security of public buildings and public services or facilities.

6. Pupil Discipline: A public school governing board may meet in closed session to consider the suspension, expulsion, or other disciplinary action of any pupil, unless the pupil requests the hearing be in public. (Education Code §§ 35146, 48918(c).) Hence, final action to expel a pupil may only be taken in public session. (Education Code § 48918(j).)

7. Early Withdrawal From Deferred Compensation Account: The Board may meet in closed session to discuss an employee's application for early withdrawal of funds from a deferred compensation account.

C. Minute Book

The Board may, but is not required to, keep a confidential minute book with respect to matters discussed in closed session. (§ 54957.2.)

VI. PENALTIES AND REMEDIES FOR VIOLATION OF THE ACT

A. Criminal Penalties

The District Attorney may seek misdemeanor penalties against a member of a board who attends a meeting where action is taken in violation of the Act, and where the member intended to deprive the public of information which the member knows or has reason to know the public was entitled to receive.
(§ 54959.)

B. Civil Remedies

Any person or the District Attorney may file a civil lawsuit for injunctive, mandatory or declaratory relief, or to void an action taken in violation of the Act. (§§ 54960, 54960.1.) Attorneys' fees are available to prevailing plaintiffs.

Before a civil lawsuit may be commenced, the plaintiff must demand the entity "cure and correct" the violation. (§ 54960.1.)

1. Demand for cure must be made within thirty (30) days of the violation for action taken in open session in violation of the agenda requirement;

2. For all other alleged violations, demand for cure must be made within ninety (90) days of the alleged violation.

If the agency cures the violation within thirty (30) days, civil suit on the violation is barred.

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UNDERSTANDING NONPROFIT CORPORATION DIRECTOR DUTIES & CONFLICTS OF INTEREST

I. CORPORATIONS CODE DUTY OF CARE

The Corporations Code sets forth the duties a director of a nonprofit corporation owes the corporation. Generally, a director owes his or her corporation a duty of care, a duty of loyalty, and a duty not to compete with the corporation's business.

A. The Duty of Care

The duty of care requires a director to act in a reasonable and informed manner when participating in the board's decision and its oversight of the corporation's management. A director generally satisfies these duties by discharging his or her duties in good faith in the manner of an ordinary prudent person who is pursuing the best interests of the corporation. The duty of care consists of three elements:

1. Good Faith

Good faith generally requires that a director possess an honest belief that his or her actions are intended to be faithful to his or her duties or obligations to the corporation.

2. Ordinary Prudent Person

The director must exercise the diligence of an ordinary prudent person. It is the degree of care, which persons of common prudence generally exercise in their own affairs.

3. Best Interests of Corporation

The director must reasonably believe that the decisions he or she makes are made for the purpose of advancing the corporation's goals or for protecting the corporation.

B. Duty of Inquiry

The duty of care requires that a director be informed and exercise independent judgment. Part of exercising independent judgment is satisfying the duty of inquiry. Generally, the duty of inquiry arises when circumstances indicate that further inquiry is needed. The satisfaction of the duty of care may be accomplished in part with the following activities:

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1. **Regular Attendance of Meetings**

To function effectively, a director needs to be adequately informed. Sporadic attendance of board meetings may not allow directors to obtain all information to be fully informed. A director who attends meetings sporadically should reasonably expect that he or she may need to make inquiry and investigation regarding certain matters before the board.

2. **Attendance at Committee Meetings**

A board of directors typically delegates many important functions to committees. A director appointed to serve on a committee should be active in all the committee's deliberations and other activities.

3. **Assuring the Adequacy of Information**

To satisfy the duty of inquiry, a director needs to have an adequate source of information flow. This information is generally supplied by the corporation's management and staff. When a director suspects that he or she may not have all pertinent information, the director is under a duty to determine what, if any, additional information is needed.

4. **Reliance on Experts, Management, and Staff**

In the ordinary course of business, a director may act in reliance on information and reports received from regular sources the director reasonably regards as trustworthy. It is not a breach of the duty to inquire if a director relies upon information or opinions of staff members, officers, employees, agents, experts, etc., if the director reasonably believes the sources to be reliable and competent.

5. **Experts Retained by the Corporation**

A director may rely on legal counsel, public accountants, or other persons retained by the corporation, as to matters the director reasonably believes are within the professional's competence or expertise.

C. The Duty of Loyalty

A director shall not use a corporate position for individual personal advantage. A director must act in a manner that the director reasonably believes to be in the best interests of the corporation and all of its members, including the members of minority factions, and to administer their corporate powers for the common benefit. The duty of loyalty requires directors to exercise their powers in good

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faith and in the best interests of the corporation, rather than in their own interests or the interests of another entity or third party.

By assuming office, a director acknowledges that with regard to any corporate activity, the best interests of the corporation must prevail over the director's individual interests.

The duty of loyalty also requires a director to avoid conflicts of interest and to avoid disclosing the corporation's confidential matters.

1. **Conflicts of Interest**

The duty of loyalty requires that directors be conscious of the potential for clashes between the director's private interests and the corporation's interests.

A conflict of interest arises whenever a director has a material personal interest in a proposed contract or transaction to which the corporation may be a party. This interest can occur either directly or indirectly. The director may be personally involved in a transaction, as for example voting to contract with a company owned by the director. Some conflicts may be so subtle as to miss detection. For example, the director of an art museum who also collects art is faced with a decision to acquire a particular piece, and that acquisition might then increase the recognition or value of the director's collection. In this example, the director's interest will require disclosure so that the board may determine whether the director's vote is motivated by the best interests of the museum or the personal interests of the director.

2. **Confidentiality**

A director should not in the regular course of business disclose information about the corporation's legitimate activities unless they are already known by the public or are of public record. The individual director should always bear in mind that he or she is not a spokesperson for the corporation. This presumption of confidential treatment should apply to all current information about legitimate board or corporate activities.

D. Corporate Opportunity Doctrine

If a director becomes aware of an opportunity or a transaction that would be of interest or benefit to the corporation, the director must disclose the opportunity to the corporation and permit the corporation to take full advantage of the opportunity.

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II. CONFLICT OF INTEREST STATUTES AND DOCTRINES

A conflict of interest arises when a director who has a private interest in the outcome of a corporate contract or a public decision participates in the decision-making process or influences or attempts to influence others making the contract or decision. In short, a conflict of interest is a clash between a director's duty to his or her office and his or her personal interests.

A. California Government Code Section 1090

California Government Code Section 1090 prohibits a public official from participating in any decision concerning a public contract in which he or she has a private financial interest.

Section 1090 is a flat prohibition which reflects the general policy of this state that public officers shall not have a personal interest in any contract made in their official capacity. Generally, California courts are very rigid in their application of section 1090 and have consistently stated that assuring loyalty on the part of government officials to their offices outweighs other considerations including the hardship of financial loss under a voided contract.

B. Government Code Section 87100 Et Seq.: The Political Reform Act

The Political Reform Act ("PRA") prohibits any public official from making, participating in making, or otherwise using his or her official position to influence a governmental decision in which he or she has a financial interest. Public officials and designated employees of public agencies must disclose any economic interest that may be foreseeably and materially benefited by the public official's decisions.

1. Public Official

The term *public official* applies to elected and appointed officials and to any member, officer, employee, or consultant of a state or local government agency. Generally, the term includes all natural persons who are members, officers, employees, or consultants of a state or local government agency.

2. Government Decision

The PRA applies to any public official who makes, participates in making, or influences the making of a government decision. A public official has decision making authority if he or she may (1) vote on a matter; (2) appoint a person to a position; (3) obligate his or her agency to a course of action; or (4) enter into a contract for the agency. In addition, electing not to act is considered a government decision.

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3. **Economic Interest**

The PRA addresses five categories of interests: (1) business investments; (2) real property interests; (3) sources of income over $250 annually; (4) business positions; and (5) gifts.

C. Penal Code Section 70

Penal Code Section 70 is one of California's oldest prohibitions on official misconduct. Enacted in 1870, Penal Code Section 70 prohibits public officials from knowingly requesting or receiving gratuities or rewards in exchange for performing an official act. In brief, Penal Code Section prohibits public officials from requesting or receiving bribes. A violation of Penal Code Section 70 is punishable in a criminal action as a misdemeanor and can result in imprisonment for up to one year.

D. Common Law Prohibitions

California's common law doctrines derive from a body of law developed through judicial decisions. The common law doctrines require public officials to avoid placing themselves in a position in which personal interests may clash with their duties to their offices.

1. **Common Law Doctrine of Incompatible Offices**

The doctrine of incompatible offices applies in instances in which a public official holds two public offices simultaneously and these two offices clash thereby forcing the public official to divide his or her loyalties.

In some cases, the California legislature has superseded the common law doctrine by statute. For example, Government Code Section 6508 bars the application of the common law doctrine of incompatibility of offices to joint powers agencies.

Finally, the doctrine of incompatible offices does not prohibit a public official from securing employment as employment is not an "office."

2. **Common Law Doctrine of Appearance of Impropriety**

The common law doctrines prohibit not only actual conflicts of interest, but also the *mere appearance* of possible improprieties. The doctrine of Appearance of Impropriety is designed to eliminate temptation, avoid the appearance of impropriety, and to remove the possibility of personal influence.

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E. The California Corporations Code Prohibitions on Conflicts of Interest

The Corporations Code imposes several additional restrictions upon charter schools operating as public benefit nonprofit corporations.

1. Interested Directors

Corporations Code Section 5227 (a) provides that a nonprofit corporation may not have more than 49% of its board of directors composed of interested directors. An interested director is one who (1) receives compensation from the corporation for services rendered to the corporation within 1 year of becoming a board member; and/or (2) is related to someone who receives compensation from the corporation for services rendered within 1 year of becoming a board member. Stated differently, at least 51% of the board of directors must be uninterested.

2. Limitations On Self-Dealing Transactions Between Directors and Corporation

Generally, self-dealing transactions are transactions between a director and the corporation, as for example when a corporation leases facilities from a director. The Corporations Code does not prohibit self-dealing transactions per se as often such transactions can benefit the corporation. Indeed, the board of directors may adopt a self-dealing transaction if it believes the transaction is in the corporation's best interests.

Directors entering into self-dealing transactions, however, should be on guard. Corporations Code section 5231 (c) provides that directors, even unpaid volunteer directors, can become personally liable for a self-dealing transaction.

In addition, a self-dealing transaction can be a breach of a director's statutorily imposed duty of care. Corporations Code Section 5231 (a) charges a director with the duty to engage in corporate business in the good faith belief that he or she is pursuing the best interests of the corporation. A self-dealing transaction gives rise to the charge that the director pursues his own personal interests above the corporation's. Thus, a director presumably breaches his duty by entering into such a transaction.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD REPORT

[INSERT DATE]

TOPIC/ AGENDA ITEM:

PERSONNEL INVOLVED:

ISSUES INVOLVED/FISCAL IMPLICATIONS (IF ANY):

IMPACT ON SCHOOL MISSION, VISION OR GOALS, (IF ANY):

OPTIONS OR SOLUTIONS:

EXECUTIVE DIRECTOR'S RECOMMENDATION:

_____
[NAME]
Executive Director

WISDOM ACADEMY FOR YOUNG SCIENTISTS

OATH OF OFFICE FOR BOARD MEMBERS

As a member of the Board, consistent with my fiduciary duties, I shall consistently strive to promote the best interests of the School as a whole and, to that end, shall adhere to the following ethical standards:

Student-Centered Focus

- I will be continuously guided by what is best for all students of the School.

Equity in Attitude

- I will be fair, just, and impartial in all my decisions and actions.
- I will accord others the respect I wish for myself.
- I will encourage expressions of different opinions and listen with an open mind to others' ideas.

Trustworthiness in Stewardship

- I will keep in mind that, alone, I am not the Board and as such I will not act on behalf of the Board or make representations on behalf of the Board unless specifically authorized to do so.
- I will be accountable to the public by representing School policies, programs, priorities, and progress accurately.
- I will work to ensure prudent and accountable use of School resources.
- I will make no personal promise or take private action that may compromise my performance or my responsibilities.

Honor in Conduct

- I will tell the truth.
- I will not release confidential information.
- I will share my views while working for consensus.
- I will respect the majority decision as the decision of the Board.

- I will base my decisions on fact rather than supposition, opinion, or public favor.

Integrity of Character

- I will refuse to surrender judgment to any individual or group at the expense of the School as a whole.
- I will consistently uphold all applicable laws, rules, policies, and governance procedures.
- I will not disclose information that is confidential by law or that will needlessly harm the School if disclosed.

Commitment to Service

- I will focus my attention on fulfilling the Board's responsibilities of goal setting, policymaking, and evaluation.
- I will diligently prepare for and attend Board meetings.
- I will avoid personal involvement in activities the Board has delegated to the Director.
- I will seek continuing education that will enhance my ability to fulfill my duties effectively.

Adopted:

Amended:

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD GOVERNANCE: BOARD AGENDA AND MEETINGS

Regular Meetings

Regular meetings of the Board shall be held consistent with the calendar for such meetings as established by the Board each year.

If at any time any regular meeting falls on a holiday, (Federal, State or local), such regular meeting shall be held on the next business day.

Special Meetings

Special Meetings may be called on an as-needed basis, consistent with legal requirements.

Notification of Meetings

Not later than 72 hours prior to a regular meeting and not later than twenty-four (24) hours prior to a Special Meeting, the Executive Director shall provide notice of the time and place of the meeting, and the agenda shall be provided to all Board members and those persons or entities who have previously requested notice of such meetings.

Meetings Open To The Public

A. Open Session
All meetings of the Board shall be open to the public except Closed Sessions, as authorized by law.

B. Presentations to the Board/Agenda Items
Any person may address the Board concerning any item on the agenda and may, at the discretion of the Board, be granted five minutes to make a presentation to the Board at the time the specific item is under discussion. The President of the Board may grant additional time for an individual to address the Board if circumstances permit. The total time devoted to presentations to the Board on agenda items shall not exceed one-half hour unless additional time is granted by the Board. The President may curtail individual presentations if repetitive of points raised by others, particularly if it appears the total allotted time may be exceeded.

All presentations shall be heard by the Board prior to the formal discussion of the agenda topic by the Board and consideration of action.

C. Oral Communications

Citizens may address the Board on any item not listed on the Board meeting agenda. Speakers will be limited to three (3) minutes. No more than a total of fifteen (15) minutes shall be devoted to all non-agenda items at a regular meeting. The President may disallow a request to address the Board if repetitive of other speakers, or if the speaker seeks to make a presentation that he or another speaker has made at a previous meeting, particularly if it appears that the total allotted time may be exceeded.

Members of the public attempting to make complaints or charges against a School employee before the Board in open session will be offered the option to meet with staff to file a complaint under the School's established complaint procedures.

D. Disturbance of Meetings

Any person who willfully disturbs any Board meeting will be asked to leave immediately and may be guilty of a misdemeanor punishable by law.

E. Requests to Address the Board

Prior to the beginning of the meeting, citizens seeking to address the Board on an item on the agenda or during time allocated for oral communications shall complete the card, "Request to Address the Board" (located in the Board Meeting Room), and give it to the School Board President or Secretary to the Board.

Minutes of Board Meetings

The minutes of open session meetings of the Board shall record all motions, show the names of Board members making and seconding motions and state the vote upon the motion. The open session minutes shall also record all resolutions, the recommendations of the administration. The minutes shall follow the generally accepted pattern in form.

The original copy of the open session minutes shall be signed by the Secretary of the Board and approved by the Board. Original minutes shall be bound in chronological order, volumed by fiscal year and paged consecutively.

The official minutes of the Board shall be kept in fireproof storage. The following documents shall be bound with the official minutes and referred to in the text of the minutes to which they apply:

- Original copies of all resolutions unless required by other agencies, in which case photocopies of the originals may be substituted;
- Original copy of all budget transfers;
- Copies of any document determined by the Board of Trustees to be attached to the official minutes; and
- Other documents which, in the opinion of the Secretary, are necessary to fully substantiate or record Board of Trustee action.

In addition to the official minutes, an additional copy of all minutes and attached documents shall be maintained in the office of the Secretary of the Board. This set of minutes shall be bound, indexed by those categories detailed above and by subject.

Quorum Requirements

A majority of the voting members of the Board shall constitute a quorum of Board which is necessary for the Board to transact business. All motions, in order to pass, need positive action by at least a majority of the Board. Should there by fewer than a majority of the Board present at any meeting, the meeting shall be adjourned.

Brown Act

The Board shall comply with the Brown Act and other applicable laws of the State of California with regard to open meetings and Board agendas.

Preparation Of School Board Agenda

The Executive Director shall be responsible to prepare the agendas for all special and regular meetings of the Governing Board.

Agenda Posting

Agendas for regular School Board meetings shall be posted 72 hours in advance of such meetings at the School for public preview. Special meeting agendas shall be posted at least 24 hours in advance of such meetings.

Agenda Distribution

The Board agenda with supporting information for a regular School Board meeting should be delivered to Board members as soon as is practicable but preferably 72 hours prior to the meeting. For special Board meetings, the agenda and supporting information should be delivered at least 24 hours prior to the meeting. The Executive Director is responsible for the distribution of Board packets (which include the official agenda and all supporting information).

In addition to provision of agendas, the Board's complete public agendas shall be provided to those persons or parties who have requested to be placed upon the School's mailing list. A fee may be charged for the service of providing agenda.

For purposes of providing proper notice under the law, the Board shall comply with the Americans with Disabilities Act.

Anonymous Letters

It shall be the policy of the Board not to introduce anonymous letters in the agendas for Board meetings.

Executive Director Duties Concerning Agendas

1. The Executive Director shall include on the agenda all items known to him/her to require action by the Board and other topics containing information necessary for the Board to carry out its responsibilities.

2. The Executive Director shall include on the agenda items which relate to school business as are requested for inclusion by the President of the Board. If an individual Board member would like an item included on the agenda, he or she must submit a request to the Board President for inclusion.

3. The Executive Director is responsible for preparing all supporting information which may accompany each agenda topic originating from the administration or the Board.

Requests for Agenda Items

Citizens who request to have a topic on the agenda are encouraged to submit, in writing, supporting information detailing their reason for having the topic placed on the agenda and what is being requested of the Board. This is intended to provide background information for Board members to decide whether to include the topic on the Board's agenda.

Board Action/Voting

1. The Board may only take action on items formally listed on the School Board agenda except in emergency or other circumstances as authorized by law.

2. When there is a tie vote on the agenda topic under consideration, the item shall be resubmitted to the Board at its next regular meeting.

Adopted:

Amended:

WISDOM ACADEMY FOR YOUNG SCIENTISTS

THE ROLES OF THE BOARD AND ADMINISTRATION

INTRODUCTION

Recognizing that charter schools are governed by boards, not by individual board members, and the relationship between the Board and the Administration is crucial to the effective operation of the school, this policy clarifies the Board's and the Administration's primary roles in governing and operating the School.

The Board's primary roles include:

1. Adopting, evaluating and updating School policies consistent with the law and the School's mission.

2. Providing direction to administration pursuant to established policies.

3. Involving the community, parents/guardians, students and staff in developing a common vision for the School focused on learning and achievement and responsive to the needs of all students.

4. Maintaining accountability for student learning by adopting the School's curriculum and monitoring student progress.

5. Hiring and supporting the Administration so that the vision, goals and policies of the School can be effectively implemented.

6. Conducting regular and timely evaluations of the Administration based on the vision, goals and performance of the School, and ensuring that the Administration holds School personnel accountable.

7. Adopting a fiscally responsible budget based on the School's vision and goals, and regularly monitoring the fiscal health of the School.

8. Ensuring that a safe and appropriate educational environment is provided to all students.

9. Consulting with the Administration on his or her recommendations and acting upon them.

10. Exercising control of the School in accordance with the State and Federal Constitution, and applicable laws and regulations.

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11. Following the adopted grievance or complaint procedures contained in School policy to handle parent, community or third party complaints or employee grievances and/or complaints.

12. Providing adequate housing, equipment, supplies and other facilities for the operation of the School.

13. Hearing communications, written and/or oral, from citizens and organizations on matters of administration, finance, organization, policy and program.

The Administration's primary roles include:

1. Promoting the success of all students and supporting the efforts of the Board to keep the School focused on learning and achievement.

2 Valuing, advocating and supporting the School and all stakeholders.

3. Recognizing and respecting the differences of perspective and style on the Board and among staff, students, parents and the community and ensuring that the diverse range of views inform Board decisions.

4. Acting with dignity, treating everyone with civility and respect, and understanding the implications of demeanor and behavior.

5. Working with the Board as a "governance team" and assuring collective responsibility for building a unity of purpose, communicating a common vision and creating a positive organizational cultural.

6. Understanding the distinction between Board and staff roles, and respecting the role of the Board as the representative of the community.

7. Understanding that authority rests with the Board as a whole; providing guidance to the Board to assist in decision-making; and providing leadership based on the direction of the Board as a whole.

8. Communicating openly with trust and integrity including providing all members of the Board with equal access to information, and recognizing the importance of both responsive and anticipatory communications.

9. Accepting leadership responsibility and accountability for implementing the vision, goals and policies of the School.

Each individual Board member shall:

1. Keep learning and achievement for all students as the primary focus.

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2. Recognize and respect differences of perspective and style on the Board and among staff, students, parents and the community.

3. Act with dignity and understand the implications of demeanor and behavior.

4. Keep confidential matters confidential.

5. Participate in professional development and commit the time and energy necessary to be an informed and effective leader.

6. Understand the distinctions between Board and administration roles, and refrain from performing management functions that are the responsibility of the Administration and staff.

7. Comply with legal responsibilities related to conflicts of interest

8. Understand that authority rests with the Board as a whole and not with individuals.

Adopted:

Amended:

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EVALUATING YOUR MEETINGS

After a meeting, evaluate what happened so that you can plan better meetings in the future. The following checklist helps you identify mistakes and avoid future ones:

- **Was a detailed meeting agenda provided so that everyone knew what was supposed to happen?**
- **Did everyone receive sufficient notice of the meeting so they could plan to attend?**
- **Did the President follow the agenda?**
- **Did the President keep the discussion on track? Or, did members raise and discuss unrelated issues?**
- **Was there adequate time to conduct the business on the agenda?**
- **Did members listen to the discussion and wait their turn to speak? Or, was cross-talk allowed to disrupt and distract the business at hand?**
- **Did the members and the President follow the rules of parliamentary procedure when considering recommendations to the Board? Or did they make up the rules as they went along?**
- **Did the President allow speakers to make their statements? (The President should interrupt only to call the meeting to order, to call time, or to redirect the discussion to the business at hand.)**
- **Were any decisions made in haste and without sufficient consideration?**
- **Were any hidden agendas at work in the discussion?**
- **Was there discord in the meeting? Was it resolved? If so, how was it resolved?**
- **Did the members see alternative courses of action? Were any presented?**
- **Did all members participate in the discussion? If some didn't, did the President try to bring them into the discussion? If they still didn't participate, did anyone try to find out?**
- **Did the secretary have enough information to develop minutes?**
- **Was the room comfortable for the meeting? Or was it too hot, too cold, too large, too small, too noisy, too bereft of chairs of tables, or deficient in any other way?**
- **Was the seating arrangement appropriate for the meeting?**
- **How much time was spent on student achievement versus other matters?**
- **Were there any other problems that could be identified and corrected in future meetings?**

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Wisdom Academy for Young Scientists

Charter School Governance: Brown Act, Conflicts of Interest and Best Practices for Board Members and Officials

July 27, 2013 Governing Board and Staff Retreat

John C. Lemmo
Procopio Cory Hargreaves & Savitch, LLP

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Topics we'll cover

A. Roles and Responsibilities
B. Running public meetings (Brown Act and corporate Bylaws)
C. Public access to records
D. Duty of Care – informed decision-making
E. Duty of Financial Oversight
F. Duty of Loyalty (conflicts, confidentiality)
G. HR and Employment issues for boards

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Roles and Responsibilities

Charter Provisions:

- Board of Directors has legal and fiduciary responsibility for the charter school. Typically, the Board is responsible for providing fiscal accountability by approving and monitoring the budget
- Directors nominated in accordance with bylaws and relevant board policies
- Sometimes charter will include board member requirements

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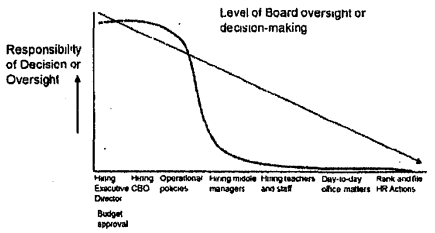
Typical Charter and Bylaws Requirements

Board approves:
- Major educational and operational policies
- Major contracts
- Annual budget
- Evaluates CEO and maybe CBO
- Ensures long-term viability

CEO or Executive Director:
- In charge of day-to-day operations
- Selection of all other staff

When does Board get involved?



Holding meetings

Boards take action at "meetings"

Do we have to comply with Brown Act (opening meeting law)?
- Most charters and/or bylaws require compliance (if not in charter, arguably not required)
- For WAYS: Yes, you comply with Brown Act. Your charter requires it. Required for all LACOE-authorized charters

- Sometimes charter bylaws are <u>not</u> consistent with the Brown Act (when inconsistent, Brown Act controls)

Holding meetings

What is a meeting?

"Any congregation of a majority of the members of a legislative body ... to hear, discuss, or deliberate, or take action on any item."

You may not, "outside a meeting ... use a series of communications ... directly or through intermediaries, to discuss, deliberate, or take action ...."

Gov. Code sec. 54952.2

Holding Board Committee Meetings

- Brown Act applies to committees created by board even if just advisory
  - "Ad hoc" committees are ***exempt***, but must be board members less than quorum, limited existence (until purpose fulfilled)
  - Applies to "standing" board committees (e g . finance committee, executive committee, facilities committee)
  - Board can delegate some authority to standing or ad hoc committees, but committee authority strictly limited to the four corners of that delegation
  - "Executive" committees can sometimes be helpful, but are unnecessary for most schools
- Consider this: Brown Act is ***inapplicable*** to school working groups set up by Executive Director
  - **Much more flexible mechanism**

Holding meetings

- Brown Act "types" of meetings
  - "Regular" meetings require 72 hour posting of notice
  - "Special" meetings require 24 hours notice
  - "Emergency" meetings (unlikely for charter schools)
  - Teleconferencing
    - Posting agenda
    - Notice in agenda

Holding meetings

- Brown Act much more restrictive than Nonprofit Corporations Law
- Under Corporations Code, bylaws can allow:
  - Action by unanimous written consent (but appointment of Board members this way violates Brown Act)
  - Brown Act allows a majority to call a meeting, but is otherwise silent on quorum

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Holding meetings

- Brown Act limits meeting to posted agenda:
  - Brief general description of business to be transacted (20 words or less)
  - Posted in publicly accessible place
  - New for 2012: post on website if you've got one
  - Suggest consent agenda for routine items
  - Don't create "information only" vs. "action" items if you want flexibility
  - Adding items to regular agenda

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Holding meetings

- Brown Act limits closed sessions:
  - Statutory basis must be identified, such as. . .
    - Litigation (identify matter)
    - Personnel evaluation, termination (identify position)
    - Collective bargaining strategy (identify negotiators)
    - Real estate negotiations (identify property)
  - Not for budget discussions, general planning

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Holding meetings

- Rights of public
  - Speak *before* action taken on any item (including closed session)
  - Attend meeting without having to "sign in"
  - publicly accessible location (with disabled access)
  - May criticize the school, employees and board
  - Can be time limited and required to identify themselves
  - At regular meeting to address board on something *not* on agenda
    - Non-agenda public comment is ***not*** required at special meetings

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Public access to records / responding to requests

- Public Records Act uses Brown Act definition of who is covered
  - All records subject to inspection and copying unless exempt
  - Burden on school to justify withholding records
- Obligation under Charter Schools Act to "promptly respond" to "reasonable inquiries"

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What are exempt records?

- Lots of ***exempt*** records for schools:
  - Student records (FERPA)
  - Personnel and medical records
  - Pending litigation
  - Preliminary drafts
- But emails, and material kept in ordinary course of business may be public

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Fiduciary duties of directors

Directors owe fiduciary duties to the "corporation"—

- duty of care
- duty to provide financial oversight
- duty of loyalty

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Duty of a fiduciary

- Act with care, skill, prudence and diligence
- Under the circumstances
- Of a prudent person acting in a like capacity
- With familiarity with those matters, and
- Considering the background and experience of the director

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Board members can be personally liable for

- Acting outside course and scope of duties (such as involvement in management, rather than policy-making)
- Breaching fiduciary duties
- Conflicts of interest creating personal benefit
- Intentional or willful misconduct

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Potential liabilities of board members

- Broad nonprofit law immunity for volunteer board members
- Check for D&O insurance

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What a board Member needs to know

Duty of Care

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Business Judgment Rule

Courts will *refuse to review* the actions of Board in managing the corporation unless there is some allegation of conduct that (1) violates (a) the directors' duty of *care*, (b) duty of *loyalty*, or (c) duty of *good faith*; or (2) that the decisions of the directors' lacks a rational basis.

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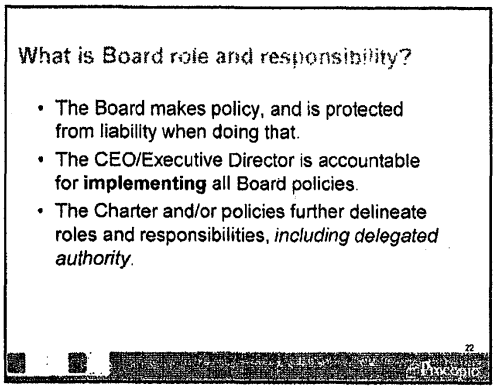
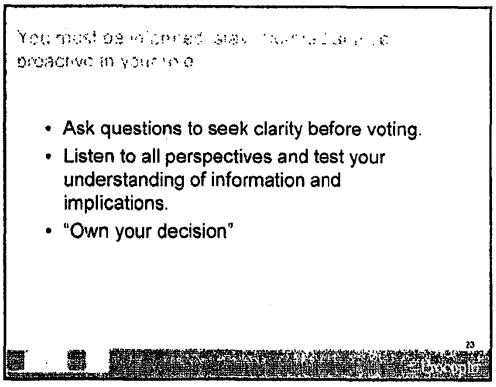
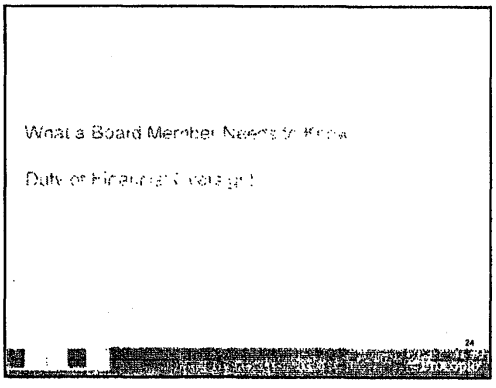

What is Board role and responsibility?
• The Board makes policy, and is protected from liability when doing that.
• The CEO/Executive Director is accountable for **implementing** all Board policies.
• The Charter and/or policies further delineate roles and responsibilities, *including delegated authority*.


proactive in your role
• Ask questions to seek clarity before voting.
• Listen to all perspectives and test your understanding of information and implications.
• "Own your decision"


Duty of Prudence (Care)

Charter School Finances
Why is this important?

- Charter schools face unique challenges requiring them to have one foot in larger business world and the other foot in public school finance world.
- Unique business model because strictly service-oriented, with limited financing sources
- Annual budget is blueprint for school year, setting spending priorities and goals

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Charter School [illegible] Audits

- Required annually by Charter Law.
- It validates the schools reported finances.
- Audits are also used to validate the charter schools internal controls.
- Depending on the charter – the school can choose its own auditor or must use one assigned by authorizer.
- Board must approve Audit Agreement in Spring of the each year.
- Board must approve the audit prior to submittal to oversight agencies.

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What a Board Member Needs to Know

Duty of Loyalty

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Duty of Loyalty

Individuals in a position of public trust must avoid conflicts of interest which prevent them from fulfilling their duties in an impartial manner.

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Duty of Loyalty

Corporate assets subject to "charitable trust"

- Disposition of assets should be described in Articles of Incorporation, and can also be defined by historic practices
- enforceable by Attorney General
- consider when transferring assets, merging or winding up corporation

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Duties of Directors

- Directors' duty of loyalty
  - Conflicts of interest must avoided
    - disclosure of personal financial interests
    - disclosure of duties to other corporations
    - "interested" directors can't be majority
  - Corporate opportunities must be kept for corporate benefit

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Nonprofit directors' "self-dealing" transactions

- Majority of Board must affirm "fairness" of transaction
- Is it "material" to business of corporation?
- Must disclose and disqualify

...***but wait***, there's more!

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Charter Schools and the Political Reform Act

- Fair Political Practices Commission says charters subject to Political Reform Act
- Requires school to adopt conflict code
- Requires annual financial disclosures by designated officials (the "***Form 700***")
- Requires disclosure, disqualification from any decision that may affect material financial interests
- Code reviewed by either County Board of Supervisors or FPPC
- LA County says LAUSD-chartered schools must report under LAUSD's conflict code but the FPPC has approved a simple "model code" for charter schools

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Conflicts of Interest and Penalties

- Financial effect can be as little as $250
- Interests of spouse and dependents count
- Civil and criminal penalties for violation
- No defense or indemnity by school or insurers

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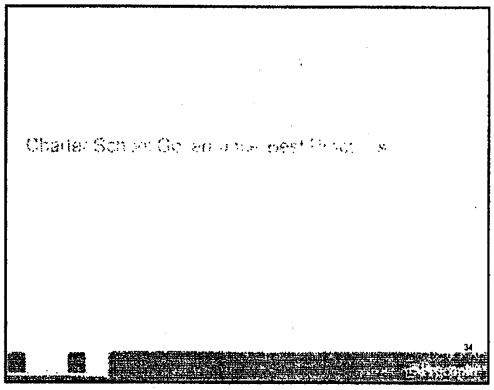
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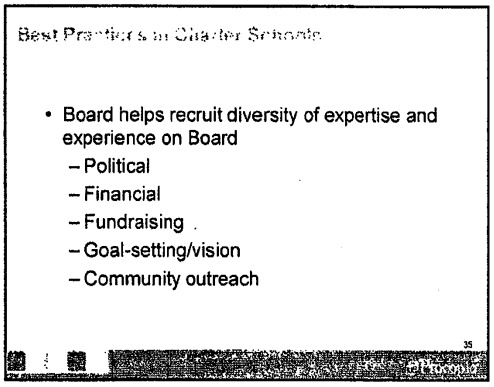
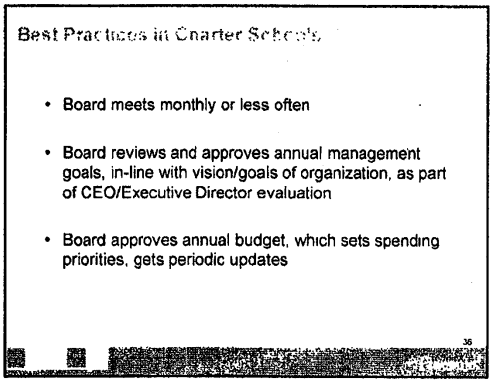

Best Practices in Charter Schools
• Board helps recruit diversity of expertise and experience on Board
– Political
– Financial
– Fundraising
– Goal-setting/vision
– Community outreach
35


Best Practices in Charter Schools
• Board meets monthly or less often
• Board reviews and approves annual management goals, in-line with vision/goals of organization, as part of CEO/Executive Director evaluation
• Board approves annual budget, which sets spending priorities, gets periodic updates
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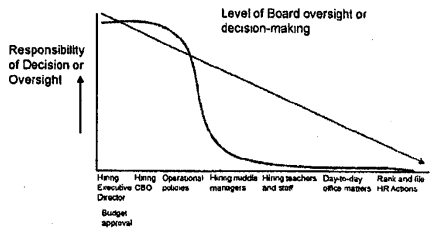
Best Practices in Charter Schools

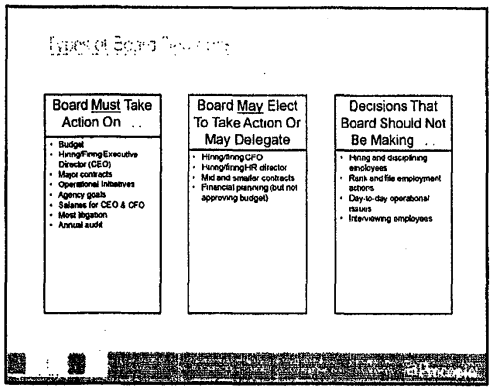
- Board approves only major policies, and those legally-mandated, such as:
  - Harassment Policy
  - Admissions/Discipline policy
  - Conflict of Interest Code

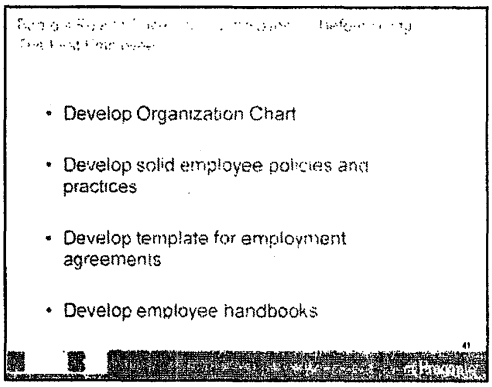
Best Practices in Charter Schools

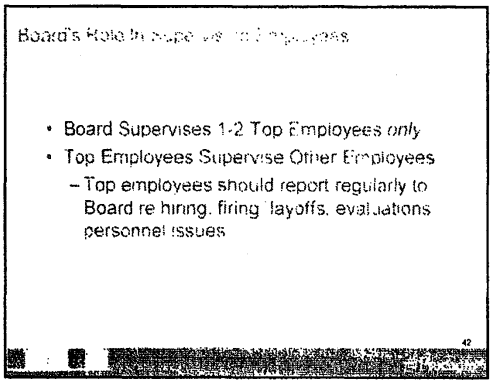
- Management provides complete and timely communication on key issues
  - Agenda materials conform to mutual expectations
  - Periodic updates via "Friday Letter" or other vehicles
  - All Board members get the same info at same time

What does Board oversight look like?




Board Must Take Action On . .
• Budget
• Hiring/Firing Executive Director (CEO)
• Major contracts
• Operational initiatives
• Agency goals
• Salaries for CEO & CFO
• Most litigation
• Annual audit
Board May Elect To Take Action Or May Delegate
• Hiring/firing CFO
• Hiring/firing HR director
• Mid and smaller contracts
• Financial planning (but not approving budget)
Decisions That Board Should Not Be Making . .
• Hiring and disciplining employees
• Rank and file employment actions
• Day-to-day operational issues
• Interviewing employees


• Develop Organization Chart
• Develop solid employee policies and practices
• Develop template for employment agreements
• Develop employee handbooks
41


• Board Supervises 1-2 Top Employees only
• Top Employees Supervise Other Employees
– Top employees should report regularly to Board re hiring, firing, layoffs, evaluations personnel issues
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Employee Communication

- Important for Employees To Be Able To Speak To Board
- First Amendment Right To Speak At Board Meetings
- No Retaliation

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Investigation Policy

- Policy to Handle Complaints Against Top Administrators or Board Members
- Neutral, Third-Party Investigator
- Prompt Investigation
- Document

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Brown Act and Personnel Issues

- Personnel Issues Must Be Properly Agendized
- Brown Act permits Closed Session for appointment, employment, evaluation of performance, discipline or dismissal of employees
- If Board hears specific charges or complaints against employee, must give employee
  - 24 hours written notice
  - Right to have matter heard in open session
  - Otherwise, any action taken is void

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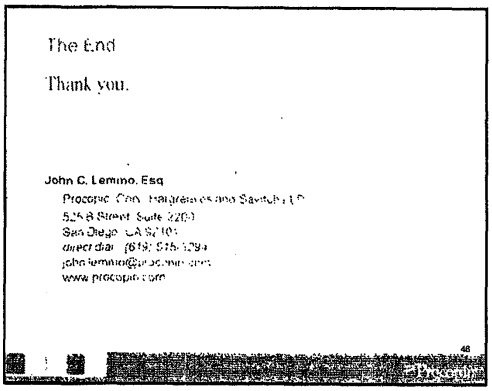
The End
Thank you.
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EXHIBIT 72

Gmail by Google

Jason O <mrjason7@gmail.com>

Extension

Samyr Codio <scodio@aol.com> Thu, Dec 27, 2012 at 10:28 PM
To: lin_nancy@lacoe.edu
Cc: mrjason7@gmail.com, clemjr@gmail.com

Good evening Nancy,

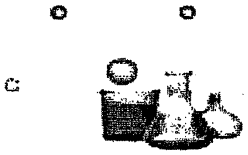
I contacted the Ms. Lavar, State Controller Office Division of Audits - Single Audits Unit on November 30 and informed them that will need some additional time to complete the audit engagement. On December 17, I emailed and contacted State Controller's Office...they granted us seven to ten business days to complete the audit. We are waiting for the legal confirmation from the attorney and payroll analysis from the business management firm and the Internal Revenue Services. The information should come to us any day from now.

We anticipate on completing and submitting the final report to you on or before January 4. If you have any questions, please call Clem Payne or myself. Thank you for your patience and understanding.

Samyr
323.296.4366 office
310.741.3161 cell

Clem Payne
626.354.2834 cell

EXHIBIT 73



Wisdom Academy for Young Scientists

A California Public Charter School
706 E. Manchester Avenue • Los Angeles, CA • 90001-3631
(323) 752-6655 • FAX (323) 752-6644

Parent and Student Handbook

Home-School Contract
Student Responsibility Code
Homework Policy
Technology Responsibility Code
Textbook Contract
Parent Volunteer/Participation Contract
After School Program Agreement and Handbook

Members of the Wisdom Academy for Young Scientists community (students, teachers, administrators, staff, parents, and community members) are committed to our goal of creating a transformational learning climate in which students are empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Attached are copies of the Home-School Contract, Student Responsibility Code, Homework Policy, Technology Responsibility Code, and Textbook Contact. Please read and discuss the codes and contracts with your child and keep them for future reference.

PLEASE SIGN AND RETURN THE LAST PAGE TO YOUR CHILD'S TEACHER.

Keep all pages except the parent/student sign-off page for future reference.

For additional information, please call the Office at (323) 752-6655.

Home-School Contract

The mission of Wisdom Academy for Young Scientists is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

All members of the Academy community are responsible for the school wide vision:

The **students** of the Academy will actively seek learning opportunities by working cooperatively, thinking critically, and striving to master rigorous academic standards.

The **students, parents and employees** of the Academy will collaboratively establish and model the highest standards for student achievement, positive self-esteem, pro-social values, and respect for cultural diversity.

The **employees** of the Academy will demonstrate their belief in the value of lifelong learning and model the appropriate and desired behaviors and attitudes expected of students.

The **Academy community** will work cooperatively and collaboratively to create a child-centered environment in which all partners are empowered by their own sense of ownership and responsibility to the school.

The **Academy community and partners** will maintain the highest level of integrity in fiscal management while seeking all available resources and using them effectively to support the instructional program.

The Home-School contract identifies the responsibilities of all members of the school community in the realization of this vision.

Communications and Parent Involvement

Wisdom Academy for Young Scientists will:

Not discriminate against any students on the basis of ethnicity, national origin, religion, gender, sexual orientation, race or disability.

Be nonsectarian in its programs, admission policies, employment practices, and all other operations, and shall not charge tuition.

Comply with the Public Records Act, the Federal Educational Privacy Act (FERPA), and all laws establishing minimum age for public school attendance.

Help parents develop parenting skills to meet the basic obligations of family life to foster conditions at home which emphasize the importance of education and learning: provide parent education workshops, field trip learning experiences and opportunities for leadership through participation on the school site council.

Promote school-to-home and home-to-school communication about school programs and student's progress: make home visits; provide monthly reports regarding behavior and school/ home work; and make every effort to accommodate parents for conferences and school wide activities (e.g., by providing translators, wheelchair access, etc., as needed). Other accommodations will be made as requested and if reasonable and possible to encourage participation by all parents.

Involve parents, with appropriate training, in instructional and support roles at the school.

Provide parents with strategies and techniques for assisting their children with learning activities.

Prepare parents to actively participate in school decision making and develop their leadership skills.

Parents/Guardians will:

Actively participate in parent/teacher conferences, parent involvement activities, home visits and parent education opportunities.

Volunteer at the school site. Possibilities include:

Assisting with enforcement of school uniform policy.

Contacting other parents for meetings.

Complete and return all necessary school forms and documents.

Attend the Parent Orientation Meeting (attendance is mandatory).

Homework/Classwork

Wisdom Academy for Young Scientists will:

Provide a list of supplies needed at home. (This may be in the form of a Teacher's wish list).

Provide appropriate homework on a daily/weekly basis in a variety of subject areas.

Communicate with parents as needed regarding completion of homework and classwork.

Parents/Guardians will:

Provide appropriate materials for students to use (list to be provided by teacher).

Assure that students complete homework regularly, neatly, in compliance with the Homework Policy and return it to school (see attached).

Review and sign all homework.

Come to school to conference with the teacher or other school personnel as needed.

Obtain a folder and/or backpack for the child (except preschool and K: folders will be provided).

For those students using a "rolling" backpack, ensure that the backpack is a reasonable size and used to carry school materials only.

Behavior

Wisdom Academy for Young Scientists will:

Provide a system of behavior guidelines (Student Responsibility Code - attached).

Conduct Citizenship Assemblies to recognize students.

Communicate with parents on a monthly basis, or more frequently as needed.

Document problem behavior in order to report accurately to parents.

Maintain a working and learning environment that is free from sexual harassment.

The Parents/Guardians will:

Support the school wide discipline policy, including the classroom teacher's discipline plan.

Reward and praise students at home for appropriate behavior during school.

Follow through with any problem behaviors noted by the teacher.

Visit the school as needed.

Assure that students adhere to the Wisdom Academy for Young Scientists Student Responsibility Code, including during after school hours, on field trips, and during intersession.

Attendance

Wisdom Academy for Young Scientists will:

Maintain accurate records.

Call home if the student is absent more than 2 days.

Provide parents with Independent Study materials when the student is absent and if requested by parents.

The Parents/Guardians will:

Assure that students come to school rested, well fed, and appropriately dressed in the approved student uniform as per the Student Responsibility Code.

Make every effort to ensure students attend school every day and arrive on time.

Ensure the return of Independent Study materials prior to the student's return to class

Notify the office if there is a change of home address and/or phone number within 24 hours of the change and complete and return new emergency cards.

Notify the attendance office when the child is absent and provide appropriate documentation for the reason for the absence. If a child is repetitively absent, he or she may be withdrawn from school. The Parent Council will meet with the parents of students that are repetitively absent to review whether or not the student will be withdrawn on a case by case basis.

Materials/school property

Wisdom Academy for Young Scientists will:

Issue appropriate materials for use by the student in class and for completing homework.

Note the condition of materials upon issuance to students.

The Parents/Guardians will:

Assure that students do not destroy materials or property.

Ensure that students do not bring destructive materials to school.

Pay for any damages to materials and/or property incurred by the students. Pay for any lost or damaged books or materials.

Ensure that all materials loaned to the student will be returned and in the condition issued.

Health and Safety

Wisdom Academy for Young Scientists will:

Provide supervision during arrival and dismissal times.

Keep all gates to the campus locked during the school day, with entry into the school accessible only through the main office.

Provide Campus Security Aides.

Continuously update emergency procedures and maintain emergency supplies.

Release students only to persons on the Emergency Card. When students are checked out during the school day, they will be released only to an adult on the Emergency Card, and for safety reasons will be called from their classrooms when the adult (18 years or older) arrives to take them home. Children under 18 may not check students out from school or from the after school program.

Maintain an attractive, clean school environment which will include clean classrooms as well as clean bathrooms.

Parents/Guardians will:

Avoid double parking in front of any dismissal areas, drive into the parking lots, or block driveways to drop off or pick-up children.

Not block morning traffic by dropping off students on the side walk in front of the school

Use the parking lot provided located at 722 E. Manchester Ave., for drop off and pick up when escorting your children to and from school.

For the protection of our students, use the parking lot provided for visitor parking located at 722 E. Manchester Ave., and avoid entering the school parking lot.

Not drop off students on the opposite side of the street and allow them to cross unsupervised.

Not allow students to walk or run through the parking lots.

Not allow and/or encourage students to purchase ice cream, candy, etc. from vendors within two blocks of the school (after dismissal).

Not allow the riding of bicycles, scooters, skateboards, roller blades/skates on the school grounds at any time.

Not allow weapons of any kind at school. Bringing or possession of any weapon is grounds for expulsion from the school.

Ensure that students do not carry or use medication on campus without written consent from a physician which has been presented to the school nurse and documented in the student's health records. Such approved medication is to be kept ONLY in the main office.

Follow the school's procedures for visitation and classroom observations:

A) Check in at the Office to request a classroom observation (a maximum of 20 minutes per day, unless other provisions have been established with the classroom teacher and approved by the Directors) or entry on to the campus.

B) Obtain a visitor's permit prior to the observation or entry which has been approved by a Director.

C) During classroom observations, enter and leave the classroom as quietly as possible, not conversing with students, the teacher, or the teacher assistant, and not interfering with the instructional program in any manner.

D) Visit only the classroom or area approved for visitation. As per federal guidelines related to the school's meals program.

Children who are not enrolled at the school are not to be on the campus unless prior approval by a Director has been obtained.

Check out through the Office when leaving.

Maintain accurate and current records of persons to whom the school may release students.

Late pick-up of students will result in the following consequences:

A) Letter home to remind parents.

B) Will be charged one dollar per minute after 5:45 pm

C) Conference with After School Program Director

D) Three (3) late pick-ups will result in dismissal from the after school program

E) Report to appropriate social services.

Uniform Complaint Process

Wisdom Academy for Young Scientists recognizes its responsibility for ensuring compliance with applicable state and federal laws and regulations governing educational programs. The following procedures will be followed to resolve conflicts in a timely manner:

Parent(s) meet with a Director.

If not resolved, the individuals involved will meet and collectively prepare a written proposal for resolution and submit to parent(s).

If not resolved, parent(s) may submit concern in writing to Wisdom Academy for Young Scientists Governing Board

The School Governing Board will meet and render a final decision on the matter.

Continued non-adherence to the Home-School Contract will result in a review by the Governing Board. The Board may recommend disenrollment from the school.

Student Responsibility Code

Proper student behavior in school is an essential element of the total school program. California Code 48921 states: "All students shall comply with regulations, pursue the required course of study, and submit to the authority of teachers of the school."

The teacher acts legally in place of the parent while the child is in school. The teacher is the authority figure in the implementation of the intended curriculum.

General School Rules

Students are to arrive at school no earlier than 7:00 a.m. to eat breakfast.

Students may only bring to school items which are to be used for legitimate educational purposes in the classroom.

Students may not bring to school or possess at school:

Drugs (including prescription medications*) or dangerous objects or weapons (including matches, caps, firecrackers, knives, etc.). It is illegal to bring these to school and such action may result in expulsion.

Markers or paint in any form unless approved by the classroom teacher. Art supplies needed in the classroom will be provided by the school.

Extraneous items such as radios, tape or CD players, Gameboys (or any other type of electronic device including cellular phones and pagers), toys, playing or trading cards, balls, skateboards, or pets. These items may distract students from learning and the school cannot be held responsible for personal items of value.

Gum, candy, sodas, or other junk food or beverages.

Money, except that which is needed for participation in school-sponsored sales or find raising activities (please monitor the money your child brings for snacks).

*Prescription medications may be brought to school by a parent as needed, but oily with a doctor's note to be kept on file in the nurse's office. Whenever this is necessary, the parent must see the school nurse personally.

Bicycles, scooters, skateboards, shoe skates, etc., may not be ridden on the school grounds.

Students may not be in parking areas at any time. Parents may not drive into the parking areas or block entrances and exits to drop off their children.

Dress Code

Uniforms

Students are to be dressed appropriately for the weather, Wisdom-approved student uniform. Please remember that proper hygiene is essential to ensure a student's positive self-esteem.

All students are required to wear the approved Wisdom Academy for Young Scientists student uniform.

For boys: Dark blue pants, or shorts; plain white or navy shirt with Wisdom logo.

For girls: Dark blue pants, shorts, skort or skirt; plain white or navy blouse or shirt, with Wisdom logo.

Pullover tops with hoods may not be worn.

The WAYS plaid uniform is displayed in the Main Office along with a sample of all other acceptable uniforms. No other plaid is approved or acceptable. – All shirts must be plain white, or navy and in good condition. Wisdom Academy for Young Scientists T-shirts may only be worn during field trips.

Students are to wear appropriate shoes for school. Open sandals, thongs, high heels, slippery flats or other types of foot wear deemed to be a safety hazard to the student (or to other students) are NOT appropriate for school and may not be worn to school.

Only Wisdom Academy sweaters, jackets or blazers may be worn during cold weather. Winter wear must be labeled with the child's name, preferably on the inside of the neckline or collar.

Students may wear hats outside for recess, lunch and P.E. for protection from the sun. Hats may not contain any sports logos or inappropriate images, and along with hoods may not be worn inside the classroom.

Grooming

Students are to come to school clean, neat, and with hair combed in a style and/or color that is not distracting or disruptive to school activities (no Mohawks, spiked hair, glitter in hair, or hair dyed an unnatural color such as green, orange, purple, etc.).

Students are NOT to wear or bring make-up; stick-on or artificial nails or nail polish; gang attire including, but not limited to hairnets, spiked bracelets, gang insignias, gloves, other stimulating paraphernalia, clothing or jewelry which promotes substance abuse or other illegal/dangerous activities, and tattoos.

Students may not wear long dangling earrings. Boys may not wear earrings of any kind.

Rules of Student Behavior

STUDENTS ARE EXPECTED TO:

1. Respect the authority of their teachers and the other adults at the school.
2. Respect and be courteous to other students.
3. Respect ALL property.
4. When prompted to do so, stop all activities, wait for the whistle, WALK to the class line, and follow the teacher to the classroom in an orderly manner.
5. Eat lunch and play in assigned areas.
6. Use appropriate table manners while eating in the cafeteria area.

7. Follow the Physical Education rules of games and of good sportsmanship.
8. Walk, not run, at any time on campus except during physical education activities.
9. Use school books, playground equipment, and all other educational materials with care.
10. Keep textbooks, other materials and equipment in good condition, and replace (pay for) any damaged or lost book, materials or equipment.
11. Use computers, the Internet and other technology resources appropriately as specified in the Technology Responsibility Code (see attached). If computers are damaged, parents are responsible for the replacement of pans, or the entire computer, if necessary.

STUDENTS may NOT:

1. Fight.
2. Flay roughly, push, shove, or hit other students.
3. Use profane language and/or gestures.
4. Intimidate, extort; harass and/or do bodily harm to any person.
5. Be disrespectful to any adults or monitors.
6. Trade or sell any kind of items on the school grounds, or bring such items to school.
7. Throw or shoot objects.
8. Throw paper, candy or gum wrappers, cans or trash on the school grounds, on the bathroom floors, or anywhere to and from home.
9. Play, run, or yell in the lunch area or between buildings.
10. Jump over, climb on, or move benches that are on the playground.
1. Push or shove in line.
11. Deface or damage any school property.

General Discipline Procedures

Students who do not live up to theft responsibilities and who violate the school rules may expect some consequences for their behavior. These may include the following:

Warnings

Loss of privileges

Isolation within the classroom or in other supervised areas

Notices to parents by telephone or letter

Request for parent conference

Detention after school (with advance notice to the parent if detention is for more than 10 minutes)

Suspension from school

Expulsion from the Academy

The consequences outlined above may be taken in the event that a child does not follow the school dress code. In addition, a parent may upon occasion be called and asked to bring a change of shoes and/or clothes to school, especially in cases in which the shoes/ clothes worn by the student cause a safety hazard, a disruption of the school's activities, or the student is not dressed in the approved Wisdom uniform.

Serious misconduct in violation of the California Education Code is grounds for suspension from class or from school. Such misconduct occurs if a student has:

Threatened, attempted, or caused physical injury to another person.

Possessed, used, sold, furnished, or been under the influence of any controlled substance, alcoholic beverage, or intoxicant of any kind.

Offered, furnished, or sold any substitute substance represented as a controlled substance or intoxicant of any kind.

Committed or attempted to commit robbery or extortion.

Stolen or attempted to steal school or private property.

Possessed or used tobacco or any product containing tobacco or nicotine products, including clove cigarettes.

Committed an obscene act or engaged in habitual profanity or vulgarity.

Unlawfully possessed, offered, furnished, or sold any drug paraphernalia.

Disrupted school activities or willfully defied the valid authority of school personnel.

Knowingly received stolen school or private property.

Homework Policy

The students of the Academy will actively seek learning opportunities by working cooperatively, thinking critically, and striving to master rigorous academic standards. Therefore our students will:

Listen carefully and follow the directions provided by the teacher,

Make sure they understand and record assignments before leaving the classroom.

Turn in neat, accurate and complete assignments on time.

Set aside a study place and time at home or school

Assume responsibility for taking care of books and materials.

The employees of the Academy will demonstrate their belief in the value of lifelong learning and model the appropriate and desired behaviors and attitudes expected of students. The teachers, administrators and staff of the Academy believe homework provides extra practice in fundamental skills, reinforces good work habits, and can increase student achievement In order to meet the needs of our students, all teachers will:

Explain all homework assignments and check for understanding before dismissing the students.

Assign homework based on classroom instruction in a variety of subject areas on a daily/weekly basis.

Check homework and give prompt feedback to students and parents if students are not fulfilling their homework responsibilities.

Provide a list of supplies needed at home (see attached).

The Academy community will work cooperatively and collaboratively to create a child- centered environment in which all partners are empowered by their own sense of ownership and responsibility to the school. All Academy parents will demonstrate an interest in their child's homework and monitor work habits. Parents will:

Check homework assignments each night and assure that students complete homework regularly, neatly, and return it to school on time.

Provide a quiet place (a learning center) and time for homework, free from distractions,

Communicate with the teacher if most assignments are too difficult or time consuming.

Provide appropriate materials for students to use.

The Homework Plan

Academy teachers are committed to taking measures to improve student achievement. Teachers will work collaboratively with students, parents, and each other to implement the following school wide Homework Plan. This plan will provide all students with weekly and off-track homework assignments in the core academic areas. It also encourages students to acquire good work habits and organizational skills.

Students will use binders to organize homework materials at school and at home.

Students in grades K-1 will receive a standardized weekly homework sheet/ newsletter. The homework assignments will be standards-based and include all the core academic areas (reading, writing, spelling and mathematics). Teachers may assign homework form other subject areas, depending on the instructional focus.

Students in grades 2-5 will utilize a day planner or standardized weekly homework log to record all homework assignments. Assignments will be standards-based and include all the core academic areas (reading, writing, spelling, mathematics and science). Teachers may assign homework form other subject areas, and weekend homework depending on the instructional focus.

HOMEWORK POLICY/POLIZA PARA LA TAREA

The following guidelines are our standards for each grade level/Las siguientes gulas son nuestras normas para cada nivel de grado:

Kindergarten: *20 minutes + 1 story read to students (Later in the school year, if/when child is able to read, your child may read I story to parent/adult.)

Kínder: **20 minutos + 1 cuento que sea leído a los estudiantes (Mas adelante en el ano, siempre y cuando el niño pueda leer, el niño puede leer 1 cuento a un padre o adulto.)

First Grade: 15 - 20 minutes + 10 minutes of oral reading to parent/adult (beginning of the school year, parent/adult may read to child; later in the school year, child should read to parent/adult.)

Primer Grado: 15 - 20 minutos +10 minutos de lectura oral a un padre o adulto (Al principio del ano escolar, un padre o adulto puede leerle al niño; después en el ano escolar, el Sb debe leer a un padre o adulto.)

Second Grade:20- 25 minutes + 15 minutes of oral reading to parent/adult Segundo Grado: 20- 25 minutos + 15 minutos de lectura oral a un padre o adulto

Third Grade: 20- 25 minutes + 15 minutes of oral reading to parent/adult. Tercer Grado: 20 - 25 minutos + 15 minutos de lectura oral a un padre o adulto

Fourth Grade: 30- 35 minutes + 20 minutes of oral reading to parent/adult. Cuarto Grado: 30 - 35 minutos + 20 minutos de lectura oral a un padre o adulto

Fifth Grade: 35 -40 minutes + 20 minutes of oral reading to parent/adult.

Quinto Grado: 35 - 40 minutos + 20 minutos de Lectura oral a un padre o adulto

Technology Responsibility Code

The Purpose of Technology at Wisdom Academy for Young Scientists

Computers are used to support learning and enhance instruction. One of the most powerful tools of technology is the Internet, which is a network of networks that allows millions of people, organizations, and businesses to interact. We must all understand that access to the Internet is an educational benefit to the students, but that the school, staff members, and students do not have control over the content of the information found on the Internet. In order to provide the optimum learning experience and still safeguard all students from inappropriate content, we have established the following policy.

School's Responsibility

The school uses safeguarded passwords to insure the smooth and functional access to technology. If these passwords fall into the wrong hands and are used inappropriately, damage may be incurred.

The school is utilizing an Internet filter (iPrism) which eliminates most of the problems relating to inappropriate websites. This must not lead to a false sense of security because there is no such thing as a perfect filter.

Staff Responsibility

Staff members have the responsibility to uphold the school's technology policies, Policies, consequences, and remedies are in place to insure that all staff members participate in both enriching the students' education through technology and protecting students from improper activities and material.

Parent Responsibility

Parents are encouraged to monitor computer use at home and support the school's technology policies. If at any time there is a situation that seems questionable, we request that parents communicate with the school as soon as possible in order to eliminate any escalating problems. By working as a team, we can promote the computer's maximum benefit in the classroom.

Student Responsibility

If a student discovers a secure password, it is his/her responsibility to inform a staff member. If the password is used or shared, disciplinary action will be taken.

If repeated attempts to access inappropriate websites are discovered, then disciplinary action will be taken.

Teachers will instruct students as to their personal responsibility to avoid questionable websites. Specific instructions will be given about what to do if they accidentally find themselves at an inappropriate website.

Students should not give out any personal information over the Internet. Students should not use the computer to perform any inappropriate action.

Failure to follow this policy may result in the following disciplinary action:

Parental notification
Student's computer privileges revoked
Suspension
Removal of the computer from the student's workstation
School privileges/activities revoked
Expulsion

Student Textbook Contract

Contrato de Estudiantes sobre Libros Escolares

Textbooks and school materials are an important part of your education. You will be issued books for different subjects. To be sure that the books available for you, we want you to follow the following guidelines. *Los Libres y materiales escolares son una parte importante para tu educación. Tú recibirás libros en diferentes materias. Para asegurarnos que los libros estén disponibles para ti, quisiéramos que sigas las siguientes reglas.*

1. Do not lend your books to other children. *No prestes tus libros a otros estudiantes.*
2. You are expected to keep your books in good condition. You will be responsible for replacing any damaged book. *Se espera que mantengas los libros en buenas condiciones. Tú serás responsable de reemplazar libros dañados.*
3. There will be a charge for any lost books. Report any loss immediately to your teacher. *Se cobrará el costo de cualquier libro perdido. Reporta cualquier pérdida inmediatamente al maestro/a.*

Parent Volunteer/Participation Contract

One of the most important factors in running a successful, vibrant school is parental involvement. Parents are asked to commit to thirty (30) volunteer hours per school year. Parent volunteering is defined as providing a positive support to all stakeholders of the WAYS community. Volunteers are essential to the support of the school and to moderate operating costs. Fundraising and community involvement are important and integral aspects of the Wisdom Academy for Young Scientists school community. The parent volunteer/participation contract is an agreement that you are making with us that you will take the opportunity to invest in your child's school and the lives of the children your child comes in contact with on a day-to-day basis.

Parents as Leaders

Parents will be given the opportunity to join the Wisdom Academy for Young Scientists Parent Advisory Council. The council works in conjunction with the School Site Council to plan and execute the major activities of the school. Positions on the council include, President, Vice-President, Secretary, Treasurer, Sergeant at Arms, Classroom Representative, and Fundraising Chair.

Monthly Family Nights

All WAYS families are required to attend a minimum of 7 out of the 9 monthly Family Night meetings held every third Wednesday of each school month, September – May. Occasionally Family Night meetings are combined with other school activities/events which must allow for flexibility in the date of the event. Parents receive volunteer credit for participating in Family Night meetings.

Suggestions for Successful Volunteering

Read your weekly newsletters and bulletins
Attend monthly Parent Information & Grade Level Meetings
Take a TB test and submit the results to the school.
Join the WAYS Parent Advisory Council or a leadership activities such as serving as a parent representative on the school board of directors, or participating in other school committees
Get to know other parents
Keep a personal log of your volunteer hours
Be sure to sign in and out at the main office and in your child's classroom when volunteering or attending school events
Communicate regularly with your child's teacher to inquire about volunteer opportunities
Office support
Fundraising activities
Breakfast and lunch distribution
Field trip and special events supervision and assistance
Arrival and dismissal supervision
Yard supervision

Confidentiality

Confidentiality is of the utmost importance in your association with teachers and students. What you see and hear at the school is private. You are in a unique position when you volunteer in the classroom to have information that is not to be shared. Students you observe in the classroom or the school cannot be discussed with other parents, faculty or staff. You may not discuss a child even with that child's parents. You must always refer any questions regarding students at WAYS to the child's teacher or the principal.

Language/Behavior

Remember we are all - teachers, staff and volunteers - role models for the children around us. "Little eyes" are watching, listening and learning appropriate behavior from our actions. Cussing, inappropriate language or discussions are not allowed on campus or on fieldtrips. Conduct or speech, which violates commonly accepted standards of the school district and which, under the circumstances, has no redeeming social value.

Classroom Disruptions and Cell Phones

Please conduct all private conversations outside of the classroom. Teachers need the attention of the students to direct the instruction. Extraneous conversations distract from the task at hand. Remember that conversations in the hallways are distracting as well.

No Smoking

Schools are tobacco free zones. This means you may not even bring tobacco products on campus in your purse or pockets. You may not smoke on fieldtrips or at off-campus school sponsored events. Smoking and possession of tobacco products are prohibited in all school buildings and property, including school parking lots, playgrounds, school buses and vehicles. "Tobacco products" include cigarettes, cigarette papers, cigars, smoking tobacco, and non-smoking tobacco.

Discipline

Volunteers are not to discipline students. Discipline is solely the responsibility of WAYS Staff. The volunteer always works under the direction of the teacher to help, and not replace WAYS Staff.

On fieldtrips when you are the adult supervising a group of children and the teacher is unavailable, volunteers may appropriately address safety or behavior issues. It is the responsibility of the volunteer to inform the teacher as soon as possible about these issues. However, any consequences for behavior are the responsibility of the teacher, not the volunteer.

Students treat volunteers with respect

Adults are respectful to children and children are always expected to be respectful in return. If on any occasion you are treated disrespectfully, tell the teacher or the principal as soon as possible. Elementary age children are still learning appropriate behavior and this is an opportunity to re-teach respect.

WISDOM ACADEMY for YOUNG SCIENTISTS

AFTER SCHOOL EDUCATION AND SAFETY (ASES) PROGRAM HANDBOOK

Program Introduction

The After School Education and Safety Program (ASES) program provides an opportunity to merge school reform strategies with community resources in efforts to improve assistance to students and broaden the base of support for education in the critical hours after school that parents can rely upon throughout the school year.
The ASES Program is created through partnerships between schools and local community resources to provide literacy, academic enrichment, and safe, constructive alternatives for students in kindergarten through grade five.

Program Elements

The ASES Program collaborates and integrates with the regular school day and other extended learning opportunities while providing a safe physical and emotional environment, opportunities for relationship building, and promotes active student engagement by providing the following elements:

- An educational and literacy element, which includes tutoring and homework assistance in the core academic subjects: language arts, mathematics, history and social science, science, and computer training.
- An educational enrichment element, which includes an array of programs and activities to support positive youth development such as supervised and instructed recreational activities to advance fitness, including an assortment of performing arts.

All participating children can expect:

- Safety – basic health and safety is a top priority. ***Parents/guardians must sign their children out daily, upon picking up any child(ren).***
- Eyes-on supervision at all times.
- Kind and respectful communication throughout the program.
- Staff interacting with children at all times.
- Staff on time and prepared with daily program schedules, lesson plans, adequate materials and supplies.

Registration

To attend the program, a child must be enrolled at Wisdom Academy for Young Scientists.
Registration for the 2010-2011 ASES will be accepted beginning Aug 26th 2009. The required registration forms and must be completely filled out and submitted to the school main office. There is open enrollment throughout the school year.
It is the intent of the California Legislature that elementary school students participate in the **full program everyday** the program is in operation.
For the safety and security of all children, enrollment information is to be kept current. The parent/guardian is asked to notify the school main office immediately regarding any change of information on forms, such as emergency persons, names, employers, and phone numbers.

Program Days & Hours of Operation

The ASES Program operates every day school is in session, and on minimum schedule days.
The ASES Program begins immediately upon the conclusion of the regular school day and operates until 6:00pm prompt.
Children may not be picked up at any time during the program unless in the case of a family or medical emergency, appointment, or Early Dark Policy, with adequate written notice or contract.
Normal **dismissal and pick-up time** is 6:00pm. Please advise us when you or the person that will be picking the child up will be running late.

Release of Children

All children must be signed out of the program daily by their parent/guardian or an authorized person. Persons picking up children may be required to present acceptable photo identification for photocopying before being allowed to leave with the child. Children who walk from school will be signed out at the time they leave campus by an ASES Program staff member.
Children who walk from school must meet the following conditions to be considered for **"Walker Status"**:

- Any child walking home alone from the program must be at least eight (8) years of age.
- A child under eight (8) years of age cannot be dismissed from the program to walk alone.
- A child who is eight (8) years of age or older can be the escort for children under the age of eight (8) years, with signed permission of the parent(s) or legal guardian.
- Walkers will be dismissed before dusk.
- Any child who is allowed to walk must have written permission (Walker Authorization) signed by the parent(s) or the guardian of the child.

Early Release Policy

All students enrolled in the ASES Program is expected to participate in the full program everyday that the program is in session.
Unauthorized instances or an unacceptable pattern of unauthorized early program departures violates the statutes of the ASES program risks the student(s) eligibility to participate and may result in expulsion from the ASES Program.
Excusable early releases include: family/medical emergencies, doctor appointments, and early dark days. Early dark early release remains exclusive to those families that walk from school on the days that dusk sets early. A written request for early dismissal must be submitted to the ASES Program staff upon releasing any student(s).

Late Pick-Up

We understand that problems occasionally arise that could prevent you from picking up your child on time. In that event, please call the school or ASES Program Coordinator as soon as you know you will be late and let us know who will be picking up your child or when you will arrive.

If the program staff has not heard from you by 6:15pm, the persons on your authorized pick-up lists will be contacted to come and pick up your child immediately. In the event that we are unable to contact you or any of the authorized persons list by 6:30pm, the local police may be contacted.
First occurrence: Written warning.
Second occurrence: Suspension from program.
Third occurrence: Loss of afterschool program privileges.
Parents or authorized persons are required by state law to sign children out of the after-school program. Picking up your child without signing them out the program can result in loss of the program privileges.

Child Custody/Communication

Safety and well-being of each child is the primary goal of the school. During the school year, a family situation can arise changing who the child lives with and who is authorized to take the child from school. If one guardian request that the other guardian be removed from the emergency card and authorized persons list, a legal document may be required explaining why this is to occur and a emergency card and pick up list must be updated. If this does not happen, the child will be released to whoever is authorized to take the child.

Health and Safety

Every time there is an accident in which a child is injured at in the ASES Program, a written Accident/Incident Report must be completed and given to the families on the day of the incident.
For serious wounds, such as a cut, possible sprain or fracture, a bump on the head, or loosening of teeth, the family will be notified immediately and an incident report will be completed. No child should ever go home with an injury without the families being informed.
In the event of a very serious injury, such as a potential broken bone, Emergency Services (911) will be immediately contacted, and then the family will be notified. If a child needs to go to the hospital, the ASES Program Coordinator and or School Principal should accompany the family and child with the child's most recent medical record. If neither representative are able to accompany the child, a call to the family to follow up on the well being of the family and child will be placed.

Snacks

All enrolled children will be provided a healthy snack, milk and/or juice each day. Children are permitted to bring their own snack and drink, only if the snack is nutritious. Junk food including candy, chips, soda, gum etc. will be confiscated. The ASES Program staff must be advised of all children's' allergies immediately.

Students Responsibilities

We require all students to be responsible and follow school policies and rules as defined in the Parent/Student Handbook. If there is a behavior situation, it will be handled in the following manner:

- A warning will be issued to the student.

- The child may be asked to do a "time out" from activities.
- The child may be suspended or expelled from the program.

The child's parent/guardian will be notified in the event of any of the three listed above.
Homework: The After School Program will have a designated homework time for those students with homework. A staff member will be assigned to the homework group for supervision and questions.
Participation: Children are required to participate in all other activities, unless there is a medical or parental request that the student should not participate in particular activities.

Personal Property

Children's personal property including, coats, clothing, school bags, etc. are the child's responsibility. Although the program attempts to help children stay organized, we cannot be responsible for lost personal property. Lost & found items will be placed in a designated area.
Children should not bring toys, jewelry, electronics, and more than $5 to the program without checking with the staff. Toy guns or other weapons are strictly prohibited and can result in expulsion from the program.

Behavior Management

Children are entitled to a pleasant and safe environment at the program. The After School Program cannot serve children who display continual disruptive behavior. Disruptive behavior is defined as verbal or physical activity that may include, but not limited to, behavior that:

- Inflicts physical or emotional harm on self, other children, or staff.
- Threatens the safety of other through actions or words.
- Damages others or school property.
- Ignores or repeatedly disobeys the rules which guide behavior during the program, thereby endangering self and others
- Disobeys the regular school rules.

If a child cannot adjust to the program setting and behave appropriately, the privilege of After School Program may be revoked.

Suspension/Termination Procedure

Failure to adhere to the policies and rules defined in the Parent/Student Handbook will be grounds for termination and will be determined by the After School Program Coordinator and/or the School Principal.
Additional Information & In case of late pick up
Please contact the **Main Office at 323.752.6655** or,
Wisdom Academy for Young Scientists Vice **Principal, Karen Horowitz at 323.752.6655**
The After School Program Coordinator, **Mr. Jason Okonkwo at 323.253.8907**

WAYS ASES Early Release Policy and Form

Authorization for Early Release:

Attendance and Early Release Policy
In accordance with the California Education Code Section 8483(a)(1)(2)(3), the following attendance and early release regulations for the After School Education and Safety Program (ASES) are required:

Elementary School Students
It is the intent of the California Legislature that elementary school pupils participate in the full day of the after school program every day during which pupils participate. If an elementary school pupil is unable to attend the after school program for the full day every day, the parent / guardian must complete and submit for approval a request for early release specifying the days and hours the pupil will attend and the reason(s) for requesting early release. Priority for enrollment will be given to students who can attend the full day every day. Non-compliance with the attendance and early release policy may result in disenrollment from the program.

ASES AFTER SCHOOL HOURS:
Program Duration: 2:45-6:00pm
Pick-Up: 6:00-6:20pm
Early Release Pick-Up: 4:30-4:45pm

ASES Requirements Ed Codes

ASES Req. Program Hrs. of Operation	**EC Section 8483 (a)(1)**
AM / PM - LATE ARRIVAL	**EC Section 8483 (1)(a)(1)**
EARLY RELEASE	**EC Section 8483 (a)(2)**
WAITING LIST POLICY	**First come, first serve.**

The following are acceptable reasons for late arrival and early release from the ASES

Reason(s) for Requesting Early Release:

1. Parallel Program 2. Family Emergency 3. Family Needs 4. Medical Appointment
5. Weather Conditions 6. Medical Emergency 7. Other Conditions 8. Transportation

Wisdom Academy for Young Scientists

Parent/Student Sign-Off Page

Home-School Contract/*Contrato Casa-Escuela*

Student Responsibility Code/*Código de Responsabilidad del Estudiante*

Homework Policy/*Póliza para la Tarea*

Technology Responsibility Code/*Código de Responsabilidad Sobre Tecnología*

Textbook Contract/*Contrato de Libros Escolares*

Parent Volunteer/Participation Contract/*Padres Voluntarios Contracto de Participación*

Afterschool Program Family Handbook/ *Programa después de Escuela y Manual*

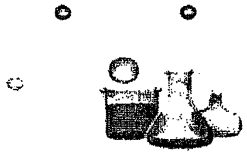
I have read the Home-School Contract and accept all "Parent/Guardian" responsibilities as identified in the document. Additionally, my child and I have discussed the Student Responsibility Code, Homework Policy, Technology Responsibility Code, and Textbook Contract and agree to support and cooperate by following all the cited rules. We agree to follow the guidelines for textbooks and pay for any lost or damaged books.

He leído el Contrato Casa-Escuela y aceptó todas las responsabilidades del "Padre/ Guardián" identificados en el documento. Adicionalmente, mi hijo/a y yo hemos discutido el Código de Responsabilidad del Estudiante, Póliza para la Tarea, Código de Responsabilidad Sobre Tecnología, et Contrato de Libros Escolares. Nosotros estamos de acuerdo en apoyar y cooperar siguiendo las reglas.

Parent's/Guardian's Signature/*Firma de Padre/Guardián* Date/*Fecha*

Student's Signature/*Firma del Estudiante* Date/*Fecha*

Name of Teacher/*Maestro/a* Grade/*Grado*



WISDOM ACADEMY for YOUNG SCIENTISTS

AFTER SCHOOL EDUCATION AND SAFETY (ASES) PROGRAM HANDBOOK

2013 - 2014

Program Introduction

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The ASES Program is created through partnerships between schools and local community resources to provide literacy, academic enrichment, and safe, constructive alternatives for students in kindergarten through grade five.

Program Elements

The goals, objectives, and outcomes of ASES are clearly defined and measurable. The program will successfully address the needs and risk factors of the targeted population. The program is an integration of four components: **A**cademics, **S**elf-Esteem & Leadership Building, **E**nrichment and **P**hysical & Health Education to achieve its mission. ASES will unite each of the four components to improve the lives of high-risk families and traditionally labeled low-performing students. Our project will address the needs of 240 at-risk youth predominantly African-American and Latino, in grades 2nd – 5th. Our hours of operation will be five days a week, Monday – Friday and from 2:45 p.m. – 6:00 p.m.

Table of Measurable Objectives

Objective	Number
Provide a safe, drug-free, supervised after school program	All
Deliver services and significant, expanded learning opportunities	All
Assist students in meeting state standards in academic subjects through rigorous tutoring	1
Increase parental involvement in students' education	6
Reduce conflict and violence	All
Engage students in vigorous physical activity	5

1. Component 1 - Academics:

Collaboration between our staff and the school's is key to the success of the **Academic Component** of the ASES. Homework Help will be aligned with teachers to ensure that the Academic component of ASES is effective. Students will be engaged in learning activities that are consistent with what they are learning in the classroom. The goal is to assist students in meeting state standards in academic subjects through rigorous tutoring.

The Academic component of ASES consists of Homework and Tutoring Sessions from 60 – 80 minutes every day. Homework and Tutoring Sessions' structure is as follows:

Every session will begin with an Introduction to engage students in the learning goal. The Introduction will serve as an Icebreaker or Attention Getter which includes sing-alongs and educational raps, mock trials and debates, video clips, and recitation of poems. At the start of the session students will write and state their learning objective. Following the introduction, students will complete their homework while staff works with small groups on learning objective. 2 small groups will be worked with intensively per session; thus groups will rotate every other day. For example, a class of 20 will have 4 small groups with 5 students/group. Groups 1 and 2 will be pulled out to work with on Monday and Wednesday and Groups 3 and 4 will work in small groups on Tuesday and Thursday. Fridays will be used as assessment days. To conclude the Academic Session, students will write a reflection of what they learned; furthermore, they will have the opportunity to share their written reflection with peers to build oral and communication skills.

Introduction: 5 – 10 min

Interdependent HW/Study Time: 30 – 45 min

Closure: 10 – 15 min

2. Component 2: Self Esteem

ASES will work to build the self-esteem of the participants through facilitating student-led clubs and organizations. Student clubs will include STEM Club, Creative Writers, Theatre, Choir, Student Government, and Music. Students will be encouraged to design and run the clubs in an effort to build their leadership skills. The **Self Esteem and Leadership Workshops** will occur twice a week on Mondays and Wednesdays from 30 – 45 minutes.

3. Component 3: Enrichment

The Enrichment component will promote global awareness by offering foreign language classes for students. The classes may be offered twice a week for 30 – 45 minutes. Foreign language classes will include Spanish (Mexico), Mandarin (China), Igbo (Nigeria) and French (Europe).

4. Component 4: Physical Education

Before young people can learn, they must be healthy. Educational Research Service (1999) reported that scientific studies suggest moderate, vigorous physical activity, such as quality physical education programs, contributes to a student's ability to learn by enhancing the development of brain synapses and the motor-related functioning of the cerebellum (Black, 1994). The report further documents that physical exercise can reduce many problems adolescents face such as stress, depression, disease, and excess weight. Structured physical education can teach values, conflict resolution, and teamwork while improving physical conditioning (Steinberg, 1993). It can contribute to feelings of self worth and positive goal setting.

Students will partake in organized recreational activities to promote healthy lifestyles and physical fitness. Students will join a dance and sport and participate in that activity for the semester and will have the opportunity to try a different physical exercise activity during the following term. Exercise activities will include track (via WAYS Literacy & Fitness Park), dance, basketball, aerobics, and flag football. P.E. activities will occur daily for one (1) hour.

The following table identifies the location for each P.E. activity:

P.E. Activity	Location
Dance	Dance Studio

Basketball	Black Top
Track	WAYS Literacy & Fitness Park
Aerobics	Gymnasium Play Area
Flag Football	WAYS Literacy & Fitness Park

5. Health Education:

Our curriculum will incorporate instruction on the food pyramid components and benefits of eating nutritious foods. Students will be taught about daily vitamin requirements and nutritional data on product packaging. The program will also incorporate creative learning activities about nutrition. Students will plan snacks with the nutrition requirements. In addition, teachers, students, parents, and businesses will be encouraged to advocate good nutrition practices. Program activities will include sponsoring Food and Fun festivals, teaching the effects of junk food, involving students in meal planning (e.g., students will develop healthy menus using culturally diverse foods and cook and serve the meals), and incorporating nutrition into activities (e.g., sending students to the grocery store to purchase healthy foods for senior citizens).

6. Family Involvement

Parental involvement is critical to a child's academic, physical, and emotional success, so both high-risk students and their families will be targeted. Parents will be involved as

partners in every aspect of the planning and implementation of ASES including serving on committees; attending orientation sessions; chaperoning educational field trips; attending monthly parent nights; and volunteering as teacher helpers, tutors, readers, and mentors. This is a significant challenge, but parental participation is crucial.

The ASES Program collaborates and integrates with the regular school day and other extended learning opportunities while providing a safe physical and emotional environment, opportunities for relationship building, and promotes active student engagement by providing the following elements:

- An educational and literacy element, which includes tutoring and homework assistance in the core academic subjects: language arts, mathematics, history and social science, science, and computer training.
- An educational enrichment element, which includes an array of programs and activities to support positive youth development such as supervised and instructed recreational activities to advance fitness, including an assortment of performing arts.

All participating children can expect:

- Safety – basic health and safety is a top priority. ***Parents/guardians must sign their children out daily, upon picking up any child(ren).***
- Eyes-on supervision at all times.
- Kind and respectful communication throughout the program.
- Staff interacting with children at all times.
- Staff on time and prepared with daily program schedules, lesson plans, adequate materials and supplies.

- SCHEDULE

Time	Activity
2:45pm – 3:00pm	Sign-In/Attendance
3:00pm – 3:20pm	Health Education/Snack
3:20pm – 4:30pm	Homework Help/Tutoring
4:30pm – 5:30pm	Physical Education
5:30pm – 6:00pm	Academic Enrichment
6:00pm	Pick-Up/Sign Out
6:30pm	ASES Closed

Registration

To attend the program, a child must be enrolled at Wisdom Academy for Young Scientists.

Registration for the 2013-2014 ASES will be accepted before the school year begins on August 13, 2013. The required registration forms and must be completely filled out and submitted to the school main office. There is open enrollment throughout the school year.

It is the intent of the California Legislature that elementary school students participate in the **full program everyday** the program is in operation.

For the safety and security of all children, enrollment information is to be kept current. The parent/guardian is asked to notify the school main office immediately regarding any change of information on forms, such as emergency persons, names, employers, and phone numbers.

Program Days & Hours of Operation

The ASES Program operates every day school is in session, and on minimum schedule days.

The ASES Program begins immediately upon the conclusion of the regular school day and operates until 6:00pm prompt.

Children may not be picked up at any time during the program unless in the case of a family or medical emergency, appointment, or Early Dark Policy, with adequate written notice or contract.

Normal **dismissal and pick-up time** is 6:00pm. **Please advise us when you or the person that will be picking the child up will be running late.**

Release of Children

Student Release Policy

All children must be signed out of the program daily by their parent/guardian or an authorized person. Persons picking up children may be required to present acceptable photo identification for photocopying before being allowed to leave with the child. Persons picking up children must sign the Sign-out Sheet. The Sign-out Sheet form must indicate the time in which the child was released from the ASES Program. Children who walk from school will be signed out at the time they leave campus by an ASES Program staff member.

The ASES Programs supervisor must ensure that the sign-out sheets are completed entirely, including the time in which each child was released from the ASES program.

Children who walk from school must meet the following conditions to be considered for **"Walker Status"**:

- Any child walking home alone from the program must be at least eight (8) years of age.
- A child under eight (8) years of age cannot be dismissed from the program to walk alone.
- A child who is eight (8) years of age or older can be the escort for children under the age of eight (8) years, with signed permission of the parent(s) or legal guardian.

- Walkers will be dismissed before dusk.
- Any child who is allowed to walk must have written permission (Walker Authorization) signed by the parent(s) or the guardian of the child.

Early Release Policy

All students enrolled in the ASES Program are expected to participate in the full program everyday that the program is in session.

Unauthorized instances or an unacceptable pattern of unauthorized early program departures violates the statutes of the ASES program risks the student(s) eligibility to participate and may result in expulsion from the ASES Program.

Excusable early releases include: family/medical emergencies, doctor appointments, and early dark days. Early dark early release remains exclusive to those families that walk from school on the days that dusk sets early. A written request for early dismissal must be submitted to the ASES Program staff upon releasing any student(s).

Late Pick-Up

We understand that problems occasionally arise that could prevent you from picking up your child on time. In that event, please call the school or ASES Program Coordinator as soon as you know you will be late and let us know who will be picking up your child or when you will arrive.

If the program staff has not heard from you by 6:00pm, the persons on your authorized pick-up lists will be contacted to come and pick up your child immediately. In the event that we are unable to contact you or any of the authorized persons list by 6:30pm, the local police may be contacted.

First occurrence: Written warning.

Second occurrence: $1 Per Minute

Third occurrence: Suspension from program.

Fourth occurrence: Loss of afterschool program privileges.

Parents or authorized persons are required by state law to sign children out of the after-school program. Picking up your child without signing them out the program can result in loss of the program privileges.

Child Custody/Communication

Safety and well-being of each child is the primary goal of the school. During the school year, a family situation can arise changing who the child lives with and who is authorized to take the child from school. If one guardian request that the other guardian be removed from the emergency card and authorized persons list, a legal document may be required explaining why this is to occur and a emergency card and pick up list must be updated. If this does not happen, the child will be released to whoever is authorized to take the child.

Health and Safety

Every time there is an accident in which a child is injured at in the ASES Program, a written Accident/Incident Report must be completed and given to the families on the day of the incident.

For serious wounds, such as a cut, possible sprain or fracture, a bump on the head, or loosening of teeth, the family will be notified immediately and an incident report will be completed. No child should ever go home with an injury without the families being informed.

In the event of a very serious injury, such as a potential broken bone, Emergency Services (911) will be immediately contacted, and then the family will be notified. If a child needs to go to the hospital, the ASES Program Director and or School Principal should accompany the family and child with the child's most recent medical record. If neither representative are able to accompany the child, a call to the family to follow up on the well being of the family and child will be placed.

Snacks

All enrolled children will be provided a healthy snack, milk and/or juice each day. Children are permitted to bring their own snack and drink, only if the snack is nutritious. Junk food including candy, chips, soda, gum etc. will be confiscated. The ASES Program staff must be advised of all children's' allergies immediately.

Students Responsibilities

We require all students to be responsible and follow school policies and rules as defined in the Parent/Student Handbook. If there is a behavior situation, it will be handled in the following manner:

- A warning will be issued to the student.
- The child may be asked to do a "time out" from activities.
- The child may be suspended or expelled from the program.

The child's parent/guardian will be notified in the event of any of the three listed above.

Homework: The After School Program will have a designated homework time for those students with homework. A staff member will be assigned to the homework group for supervision and questions.

Participation: Children are required to participate in all other activities, unless there is a medical or parental request that the student should not participate in particular activities.

Personal Property

Children's personal property including, coats, clothing, school bags, etc. are the child's responsibility. Although the program attempts to help children stay organized, we cannot be responsible for lost personal property. Lost & found items will be placed in a designated area.

Children should not bring toys, jewelry, electronics, and more than $5 to the program without checking with the staff. Toy guns or other weapons are strictly prohibited and can result in expulsion from the program.

Behavior Management

Children are entitled to a pleasant and safe environment at the program. The After School Program cannot serve children who display continual disruptive behavior. Disruptive behavior is defined as verbal or physical activity that may include, but not limited to, behavior that:

- Inflicts physical or emotional harm on self, other children, or staff.
- Threatens the safety of other through actions or words.
- Damages others or school property.
- Ignores or repeatedly disobeys the rules which guide behavior during the program, thereby endangering self and others
- Disobeys the regular school rules.

If a child cannot adjust to the program setting and behave appropriately, the privilege of After School Program may be revoked.

Suspension/Termination Procedure

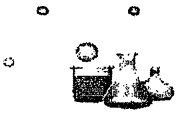
Failure to adhere to the policies and rules defined in the Parent/Student Handbook will be grounds for termination and will be determined by the After School Program Coordinator and/or the School Principal.

Additional Information & In case of late pick up :
Please contact the **Main Office at 323.752.6655** or,

After School Program Director, **Ms. Donna Armbrister at: (323) 309-4449**

Wisdom Academy for Young Scientists

Master Plan for ENGLISH LEARNERS



Wisdom Academy for Young Scientists Master Plan for English Learners

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Program Position Statement

The purposes of the Program are to develop fluency in speaking, reading, and writing in English in each student whose primary language is not English (identified as English learners or ELs) and to provide equal opportunity for academic achievement. The role of District administration, general education teachers, and support staff are written into the EL Master Plan to ensure the commitment of all personnel to provide the best possible educational services for ELs.

Program Goal

The fundamental goal of the Program is for English learners to develop proficiency in English and in the grade level California Content Standards as rapidly and as effectively as possible. As a result, ELs will make appropriate progress through the curriculum as they acquire competence in English. ELs are reclassified as fluent English proficient (RFEP) after meeting established state and school criteria to ensure that these students have overcome language barriers, have recouped any academic deficits incurred in other areas of the curriculum, and have demonstrated English-language proficiency and academic achievement comparable to their native English speaking peers.

Initial Identification, Parental Notification of Instructional Program Options, Assessment and Program Placement and Reclassification

Initial Assessment

When new students register at Wisdom Academy for Young Scientists, their parents or guardians complete the state-mandated Home Language Survey (see questions below).

1. Which language did your child learn when he or she first began to talk?

2. What language does your child most frequently use at home?

3. What language do you use most frequently to speak to your child?

4. Name the language most often spoken by the adults at home.

These questions are used to determine a student's home language status as follows:

- English Only (EO)
  - If the answers to the four questions on the HLS are "English", the child is classified as English Only.

- Possible English Learner (EL)
  - If the answers to any of the first three questions on the HLS indicate a language other than English, or a combination of English and another language, the child is assessed to measure his or her level of English proficiency.

However, if the parent's response to the first three questions on the HLS is English, and the response to the fourth question is other than English, then reasonable doubt may exist as to the student's home language. The school's administrator/designee must research the student's home language background using the following indicators, as well as consultation with the student's parent:

- Parent/guardian requires an interpreter to communicate in English
- Parent/guardian speaks to their child in a language other than English
- The HLS is completed in a language other than English (including spelling the word "English" in another language; e.g. inglés)
- Student initiates interaction with their parents/guardians in a language other than English
- It is revealed that the child, while their parent/guardian is at work, is under the care of a person(s) who speaks a language other than English
- Student, after having been enrolled in the Mainstream English Program designed for students with fluent-English proficiency for a reasonable length of time, demonstrates a lack of comprehension regarding instruction and classroom/school routines conducted in English

If an initially enrolling student is indentified as a possible English learner, the student is referred to the Coordinator of English Learner Programs for mandated English proficiency testing using the California English Language Development Test (CELDT). This will take place within 30 calendar days of initial enrollment.

The results will indicate if the student qualifies as an English learner (EL). Students with overall scores of Beginning (1), Early Intermediate (2), or Intermediate (3) or with an overall score of Early Advanced (4) or Advanced (5) with any subtest lower than Intermediate (3) will be identified as English Learners. Students who score Early Advanced (4) or Advanced (5) overall and Intermediate (3) or higher on all sub-tests will be identified as Initial Fluent English (IFEP-Not an English Learner, but another language exists in the home).

English learners have information regarding language placed in the student's cumulative folder at the school site. The purpose of the EL folder is to assist teachers, parents, and administrators with program placement and development, student monitoring, and reclassification. The following items are placed in the EL folder:

- Home Language Survey
- Official CELDT Scores
- Copies of parent notification letters
- Placement program information
- English Language Development (ELD) progress reports
- Reclassification checklist and form, upon reclassification
    - Parent Exemption Waiver, if applicable

Language Proficiency Assessments

1. WAYS will use the California English Language Development Test (CELDT) when appropriate* for three purposes (instituted by *Education Code* sections 313 and 60810[d]):

a. To identify students who are English learners.

b. To determine the level of English proficiency in listening, speaking, reading, and writing of students who are limited English proficient.

c. To assess the progress of limited English proficient students in acquiring the skills of listening, speaking, reading, and writing in English.

* Sometimes students with significant disabilities are unable to take the CELDT because of the severity of the disability. Using the Participation Criteria for the Alternate Assessments, the IEP team determines if a student can participate in the CELDT or requires an alternate assessment—the results and designation will be posted on the Performance Profile and the student's IEP.

2. CELDT testing for new students who are potentially EL will occur within 30 days of initial enrollment, or prior to class placement whenever possible. The EL administrative designee shall score tests for initial identification of ELs (for immediate program placement) prior to sending the completed booklets to the contractor for official scoring. The scores will be used for unofficial purposes only. For continuing ELs, WAYS shall submit the annual assessment booklets to the contractor for scoring during the annual assessment window, July 1–October 31. Results of the annual assessments typically arrive in January of each year.

3. CELDT results for identified ELs indicate proficiency levels aligned with English Language Development (ELD) Standards in strands of listening, speaking, reading, and writing. The Overall CELDT is used to make a placement recommendation to an appropriate instructional program. Parent notification of initial CELDT results and consultation on program options precedes formal placement. Students continuing in the EL Program will take the CELDT, as appropriate, each year during the annual administration window until they qualify for reclassification.

Parent Notification

1. A notification of assessment results, program placement, and an explanation of the program options for ELs (i.e., Structured English Immersion and English Language Mainstream) is provided to parents or guardians at the time of initial identification within 30 calendar days. Parents are invited to a school meeting where school personnel will guide parents through interpreting CELDT results, program options, and the various educational strategies and educational materials to be used in each program. In addition, parents will learn about reclassification guidelines.

2. Parents of all identified students will be given written notification annually of the results of their student's CELDT and State academic assessments. Such information will be provided in the language best understood by the parents per California Education Code 48985. Parents will be invited to a school meeting where parents will learn about program options, program options, and the various educational strategies and educational materials to be used in each program. In addition, parents will learn about reclassification guidelines.

3. When a student is a candidate for reclassification as Fluent English Proficient, parents will be invited to a school meeting where they will have the opportunity to provide input about their child's readiness for reclassification. Parents will be informed of how their child will be monitored academically for the two years following reclassification.

Parent Notification Letters

See Addendum A for Parent Notification Letters

See Addendum F for Parent Notification of English Proficiency and Program Options

Reclassification

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Reclassification procedures utilize multiple criteria in determining whether to classify a pupil as proficient in English including, but not limited to, all of the following:

- Assessment of language proficiency using an objective assessment instrument including, but not limited to, the California English Language Development Test or CELDT. Students need an overall score of Early Advanced (4) or Advanced (5) in all domains (listening, speaking, reading, and writing). Students may take an alternative test as specified by the IEP if the board approves an alternative test.
- Comparison of the pupil's performance in basic skills against an empirically established range of performance and basic skills based upon the performance of English proficient pupils of the same age that demonstrate to others that the pupil is sufficiently proficient in English to participate effectively in a curriculum designed for pupils of the same age whose native language is English. Students need to achieve a minimum score of 325 on the latest CST or CMA in English language arts and math.
- Participation of the pupil's classroom teachers and any other certificated staff with direct responsibility for teaching or placement decisions of the pupil to evaluate the pupil's curriculum mastery.
- Parental opinion and consultation, achieved through notice to parents or guardians of the language reclassification and placement including a description of the reclassification process and the parents opportunity to participate, and encouragement of the participation of parents or guardians in the reclassification procedure including seeking their opinion and consultation during the reclassification process.

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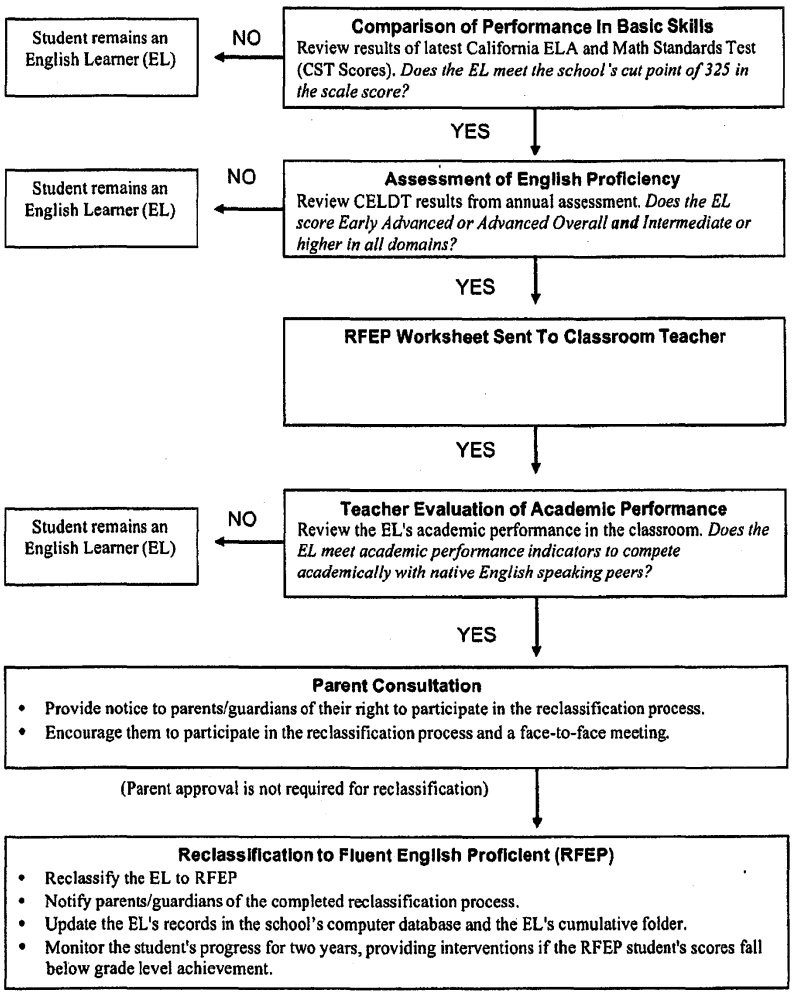
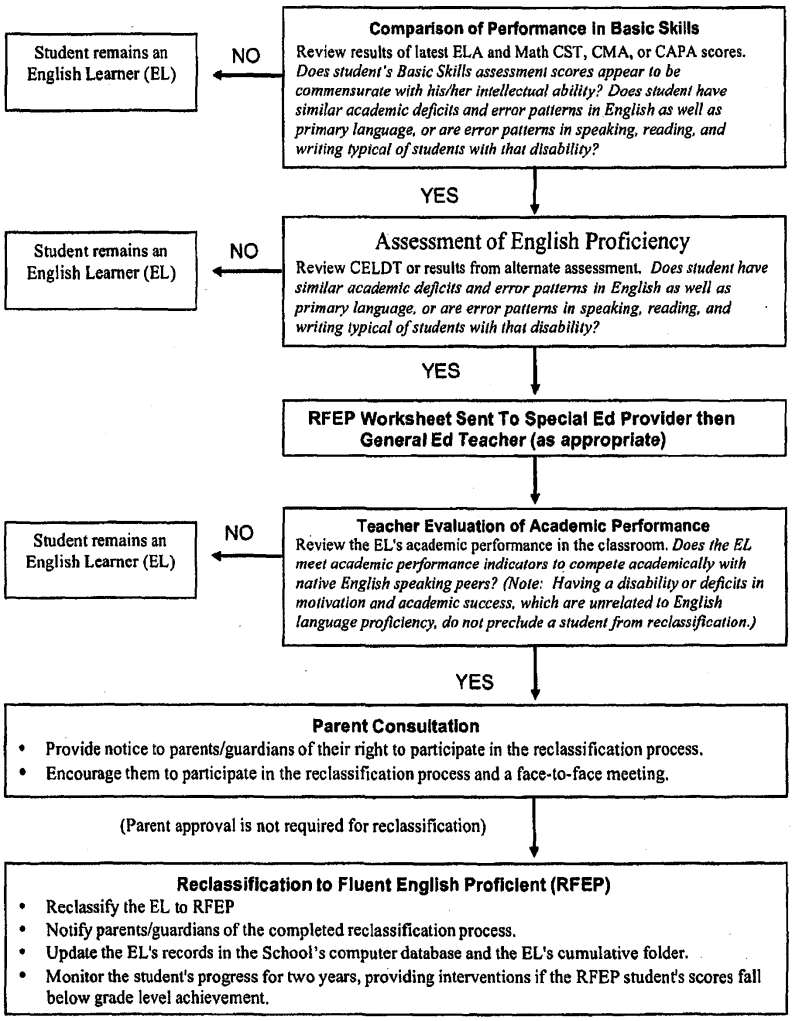
See Addendum K for Reclassification Worksheet
Addendum L for English Learner with Special Needs Reclassification Worksheet

Reclassification forms will be maintained in the student's cumulative file. Reclassified students are monitored for two years to ensure they are making adequate academic progress in all core curricular areas. A Reclassification 2-Year Monitoring Plan will be completed and communicated to parents annually for two years.

Reclassification Process Flow Chart



Reclassification Process for Sped/EL Flow Chart



nstructional Program Options:

VAYS offers two program options to English Learners: Structured English Immersion and English Language Mainstream. Each of these options is designed to ensure that students acquire English-language proficiency and cademic achievement.

Special Education Services for English Learners—The IEP team will determine an appropriate educational program to insure that the student receives English language development, access to the core curriculum, and any other services and supports determined by the IEP team to be necessary. The IEP will also include linguistic goals to address the student's area of need.

Structured English Immersion (SEI)

Students with less than reasonable fluency, scoring at the Beginning (1), Early Intermediate (2), or Intermediate (3) levels on the CELDT are placed in a Structured English Immersion (SEI) Program unless a waiver has been granted for an Alternative Program or the parent has requested another program (*EC 306*). This program requires a properly credentialed teacher with and EL authorization and includes ELD. Instruction in the core curriculum is designed for each level of English proficiency and may include Specially Designed Academic Instruction in English (SDAIE) and/or primary language support. Parents may request that their children be exempted from a specific instructional setting (SEI or ELM) (CCR, Title 5, section 11301 (b)).

See Addendum G: Request to Change English Learner Placement

However, districts still have an obligation to ensure that students receive ELD and access to other core content areas from teachers who are qualified to provide such instruction (Castañeda v. Pickard, 1981).

English Language Mainstream (ELM)

An EL shall be transferred from an SEI program to an English Language Mainstream program when the pupil has acquired a reasonable level of English proficiency (*EC 305*). ELs with a CELDT level of Early Advanced (4) and Advanced (5) are placed in English Language Mainstream unless a waiver has been granted for an Alternative Program. This program requires a properly credentialed teacher authorized to work with English Learner students. ELD continues to be part of the program until the student is reclassified.

Alternative Programs

Parents are informed of their right to submit a waiver for placement in an alternative program other than Structured English Immersion or English Language Mainstream. Alternative programs include Basic Bilingual or Dual Immersion.

Basic Bilingual Program
This program is designed to provide grade-level instruction in the primary language while students acquire English. Language arts, mathematics, social studies, and science are first taught in the primary language. As students increase their English proficiency, teachers decrease the amount of instruction provided in the primary language. In addition to primary language instruction, ELD instruction is provided on a daily basis. Currently, Wisdom does not offer this program. This program does require a parental exception waiver.

Dual Language Program
This program is designed to provide grade-level content instruction in English and in a target language. Instruction is provided in two languages beginning in kindergarten and continuing for a minimum of six years. Both English learners and English proficient students receive access to the core curriculum as well as instruction for language development in the two languages. English learners are also provided with daily ELD instruction. The goal is the development of bilingualism and biliteracy. Currently Wisdom does not offer this program. This program does require a parental exception waiver.

Waiver for Alternative Program

When waivers are granted, English learners ten years or older can be placed directly in an Alternative Program. When waivers are granted for English learners less than ten years of age, students are required to participate in a Structured English Immersion/English language classroom for a thirty calendar day period.

Schools must grant parental exception waivers unless the school principal and educational staff have substantial evidence, such as formal assessments, that the alternative program requested by the parent/guardian would not be better suited to the student. When 20 waivers have been granted at a given grade level, a basic bilingual class must be offered. When 20 or more waivers have been granted at two consecutive grade levels, the school may offer a basic bilingual class. The waiver must be requested annually and in person. It expires at the end of each school year. In cases where the waiver is denied, the parent must be informed in writing and advised of his/her right to appeal the denial.

The school principal will inform parents about the availability of alternate programs at neighboring schools. Availability depends upon the number of parents/guardians requesting the waivers. If less than 20 parents/guardians request and are granted a waiver, then your child's name will be placed on a waiting list until there are enough students to form a class. Students may transfer to a neighboring school that offers these instructional programs, provided that space is available. No transportation will be provided by the District.

III. Three Types of Waivers

311[a] Children Who Already Know English
This waiver is for English learners who already possess reasonable fluency in English language skills whose parents/guardians want to enroll them in the Dual Language Program because it would be in the best interest of the overall educational development of the student.

311[b] English Learners Age Ten (10) or Older
This waiver is for English learners age ten and older whose parents/guardians want to enroll them in the Basic Bilingual Program or Dual Language Program because it better meets their child's academic needs.

311[c] English Learners with Special Needs
This waiver is for English learners whose parents/guardians want to enroll them in a Basic Bilingual Program or Dual Language Program because of educational, psychological, or physical reasons.

IV. Steps to Request a Waiver

Step 1
Parents request a waiver at their child's school.

Step 2

Parents submit the completed parental exception waiver request in person to the principal and ask for a copy.

Step 3
Parents may submit a parental exception waiver in person during the first 30 calendar days in which their child is enrolled in a SEI Program. At the end of the mandatory 30-day placement period, the school must provide a written response to this request within 10 days.

Parents may submit a parental exception waiver after the initial 30-day mandatory SEI placement period at any time during the school year. The school must provide a written response to the request within 20 days.

V. Steps to Appeal a Denial of a Waiver Request
If the school principal denies a waiver request, parents may appeal the decision in the following manner:

Step 1
Parents conference with the principal.
Parents receive a copy of the completed Parental Exception Waiver Denial form.
Parents have the right to see the test results and other information that the school used to make the decision to deny the waiver request.
Parents not satisfied with the result of the conference with the principal, may continue the appeal process by moving to Step 2.

Step 2
Parents conference with the Executive Director to discuss concerns and ask for solutions.
The Executive Director may be able to facilitate a transfer for the child to attend a school that offers the program requested.
Parents who are not satisfied with the results of the conference and wish to appeal the Executive Director's decision, may continue the appeal process through the Wisdom Academy for Young Scientists Board of Directors and/or the court system.

English Learner Waiver Program

See Addendum B for information provided to parents, including letters and waiver

Instructional Services for English Learners

English Language Development

ELD is a component of all program options for English Learners through all CELDT levels at a minimum of 30 minutes per day by a credentialed teacher. During ELD instruction, Our English learner students receive instruction according to the California English Language Development Standards. In addition, Wisdom utilizes the ELD curriculum provided with our English language arts curriculum, Wonders. Wisdom utilizes the supplemental materials combined with a variety of instructional strategies to ensure the success of our EL students. These strategies include:

- Collaboration with parent and in grade level teams using RTI Success
- Modified Lessons for all five proficiency levels,
- Differentiated Instruction specific to English Learners in the general education setting
- SDAIE Strategies
- Thinking maps
- Culturally relevant lessons
- SMART Boards and Document Cameras that allow for visual support

The ELD curriculum caters to the four domains of English Language Development, listening, speaking, reading and writing through rich hands–on experiences to develop complete English fluency.

Author
Deleted: <#>At WAYS we believe in defining and meeting the needs of all subgroups. In addition to utilizing the supplemental materials Open Court Provides for English Language Development, WAYS will utilize supplemental materials combined with a variety of instructional strategies to ensure the success of our students identified as English Language Learners. These strategies include:

Author
Deleted: Beginning and Intermediate students

Ensuring Access to Core Academic Content

State and Federal regulations require that an intervention plan must be implemented to assist ELs while they are acquiring English if they are not making benchmarks in the core subjects. The site-developed intervention plan is available to assist ELs as necessary in recouping academic deficits incurred while learning English. Schools utilize a variety of learning opportunities to provide additional support. These opportunities may include Universal Access and/or Differentiated Instruction during school, before-and-after school programs, intensified strategies such as SDAIE; and intervention programs that facilitate student mastery of the grade-level Essential Standards.

To facilitate WAYS' process to identify ELs in need of an Intervention Plan, a Catch-Up Plan is developed in the fall for each student in Structured English Immersion and English Language Mainstream programs to determine which core areas show a deficit. The Catch-Up Plan pinpoints missed benchmarks in the core curriculum, including ELD. The Intervention Plan identifies the current support services and the intervention opportunities available for students. The Catch-Up Plan and Intervention Plan are reviewed with the parent and modified if necessary to include parental input. The student is then provided with the intervention programs/services as specified in the Intervention Plan. The student's progress is carefully monitored throughout the school year. Adjustments and modifications to the plan are made when necessary.

English Learners have access to Special Education services just as all other students at WAYS. Careful review by the SST takes place to identify potential interference between the primary language and English to determine if lack of academic proficiency is due to language difference or a disability. Specific criteria such as time in U.S., preliminary primary language proficiency, and attendance are used to prevent under or over identification of ELs in Special Education. If it is determined through an evaluation, that a student requires special education services, an Individualized Education Program (IEP) is developed. Instructional decisions related to student's language acquisition status must be described in the IEP. When students qualify for Special Education services, culturally and developmentally appropriate goals and objectives are written based on the student's needs.

See Addendum I for Catch Up Plan
See Addendum J for Intervention Plan

Family and Community Involvement

WAYS strongly supports the involvement of all parents, including parents of ELs, in the educational process of their children. Research shows that parental involvement benefits the child as evidenced by higher academic achievement.

ELAC and DELAC

Per state requirements, Wisdom will also maintain a District-Level English Learner Advisory Committee (DELAC) when 51 or more English Learners are enrolled. Due to the structure of the school, the DELAC will serve the same purpose as an English Learner Advisory Committee (ELAC). Parents or guardians of English Learners not employed by Wisdom will make up a majority (51 percent) of the committee. Parents and guardians will be trained on the various responsibilities of the DELAC. Composition requirements, elections, major tasks, and training must meet state requirements described in the Categorical Program Monitoring (CPM) guide. Minutes of meetings where these items are on the agenda need to reflect discussions held.

The DELAC will advise Wisdom on programs and services for English learners, including revising the master plan for English learners, conducting district-wide needs assessment, establishing goals for programs and services of English learners, reviewing Wisdom's reclassification procedures and reviewing the written notifications required to be sent to parents and guardians.

School Site Council

Each school has a site council comprised of educators and parents. Their role is to develop and approve their Single Plan for Student Achievement (SPSA), recommend it to the local governing board for approval, monitor implementation of the plan, and evaluate the results.

Communication with Parents

Ongoing clear and timely communication is provided as follows:

1. School/Parent/Student Information

Information related to school and parent programs, meetings, and other activities will be distributed to parents in a format and, to the extent practicable, in a language the parents understand. Information may also include an explanation of the curriculum, academic assessment, and proficiency levels students are expected to meet and how parents can support their child academically. At a minimum, annual conferences, reports on student progress, access to staff, and opportunities to volunteer and observe the educational program will be provided. WAYS also does voice call outs in both languages.

2. Translation

Wisdom maintains constant communication with parents and guardians and, in order to include all families, Wisdom makes every effort to provide translated documents. Wisdom provides parents with information on school and parent activities in a format and, to the extent practicable, in a language the parents can understand. When 15 percent or more of students enrolled at Wisdom speak a single primary language other than English, as determined by the Home Language Survey from the preceding year, all notices, reports, statements and records sent to parents of such students are written in English and the primary language.

Author
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Program Monitoring, Evaluation and Accountability

Program Monitoring Methods

Evaluation of the School's English Learner Program is measured in a variety of ways.

Annual Measurable Achievement Objectives (AMAOs)	Assessments
English Language Proficiency AMAO 1: Percent of ELs Making Annual Progress in Learning English	CELDT
English Language Proficiency AMAO 2: Percent of ELs Attaining the English Proficient Level	CELDT
Academic Achievement AMAO 3: Meeting AYP Requirements for the EL Subgroup at the District Level	CST, CMA

English Language Proficient on CELDT

A student is defined as meeting the English proficient level on the CELDT if both of the following criteria are met:

- Overall performance level of Early Advanced or Advanced and
- Domain performance level scores at the Intermediate level or above
  - For K–1, the listening and speaking domains need to be at the Intermediate level or above.
  - For grades two through five, all four domains need to be at the Intermediate level or above.

1: Percent of ELs Making Annual Progress in Learning English

Reflects the percentage of ELs making annual progress on the CELDT. There are three ways for ELs to meet the annual growth target on the CELDT depending upon what level they were at on the previous year CELDT. ELs at the Beginning, Early Intermediate, and Intermediate levels are expected to gain one performance level per year. ELs at the Early Advanced or Advanced level, who are not yet English proficient, are expected to achieve the English proficient level on the CELDT. ELs at the English proficient level are expected to maintain that level.

Previous Year CELDT Overall Performance Level	Annual Growth Target
Beginning	Early Intermediate Overall
Early Intermediate	Intermediate Overall
Intermediate	Early Advanced Overall
Early Advanced or Advanced, but not at the English proficient level on the CELDT. One or more domains is below Intermediate (listening and speaking domains for K–1) (listening, speaking, reading, and writing for grades 2–5).	Achieve the English proficient level. (Overall proficiency level needs to remain at Early Advanced or Advanced level and all domains need to be at the intermediate level or above. In K–1, just the listening and speaking domains need to be at the Intermediate level.)
Early Advanced or Advanced and at the English proficient level on the CELDT	Maintain English proficient level on the CELDT

2 – Percent of ELs Attaining the English Proficient Level on the CELDT

The AMAO 2 measures the extent to which ELs are attaining the English proficient level on the CELDT at a given point in time. In California, two cohorts have been established for the AMAO 2: (1) ELs who have been in language instruction educational programs for less than 5 years and (2) ELs who have been in language instruction educational programs for five years or more.

English Learner Progress Report

Wisdom principals and teachers also evaluate student performance through an addendum to the report card called English Language Learner Progress Report. Students who are recommended for the SEI program, will receive the regular report card and in addition, the English Language Learner Progress Report for language arts. The English Language Learner Progress Report identifies English Language Development Standards that students at the less than reasonable fluency stages are working towards.

English Learner students who are recommended for the ELM program will receive the regular report card because they have reasonable fluency and are working towards mastering the English Language Arts standards. Students who receive the English Language Learner Progress Report are graded on their developmental areas in the four domains: listening, speaking, reading, and writing.

See Addendum C: English Language Learner Progress Reports

ELD Monitoring System—An ELD monitoring system has been established:

- **EL Placement**—English Learners will be placed according to language proficiency levels for ELD instruction. Site staff will evaluate class lists to certify that all EL students are correctly placed in classes of similar CELDT levels and grade level.
- **ELD Instruction**—Class schedules will be evaluated to ensure uninterrupted blocks of time for ELs to receive explicit ELD instruction daily. Assistant Superintendent of Learning Support and Principals will monitor through walkthroughs and lesson plans that ELD instruction is provided through all CELDT levels at a minimum of 30 minutes per day by a credentialed teacher. District and site administrators and teachers will use ELD observation forms to evaluate the effectiveness of lesson delivery in ELD and to assist with planning.
- **Parent Survey**—Results from the annual parent survey, conducted through DELAC, will be used to amend policies and practices to improve parent involvement and student achievement.

Meeting State and Federal Compliance Requirements

Authorization to Teach English Learners

State and Federal laws require all teaching personnel assigned to instruct ELs be qualified to apply the appropriate instructional strategies including English Language Development (ELD), and Specially Designed Academic Instruction in English (SDAIE). The school provides ongoing training opportunities for teachers to become qualified in these appropriate instructional strategies for EL students.

STAFFING

English Learners are taught by highly qualified teachers with State and Federal approved authorizations. Most commonly, teachers possess a Bilingual or Cross-Cultural, Language, and Academic Development (BCLAD, CLAD) credential. However, the following authorizations have been approved by the California Commission on Teacher Credentialing:

- Multiple Subject Teaching Credential with English Learner Authorization or CLAD Emphasis
- Multiple Subject Teaching Credential with a BCLAD Emphasis
- Bilingual Crosscultural Specialist Credential
- CLAD Certificate
- BCLAD Certificate
- Language Development Specialist (LDS) Certificate
- Bilingual Certificate of Competence (BCC)
- Supplementary Authorization in English as a Second Language (ESL)
- University or District Internship Credential with English Learner Authorization Site administrators monitor the placement of ELs in classrooms with properly credentialed teachers.

TRAINING

1. WAYS teachers and administrators are provided training opportunities to support English Learners including the following:

1. Guided Language Acquisition Design (Project GLAD) training
2. ELD Curriculum Training
3. Intervention programs in ELA/math (Common Core)
4. Assistance and support to Special Educators serving English
5. Learners in ELD and ELA instruction
6. Professional Learning Communities focused conversations on ELs

Curriculum coaches will provide support (e.g., lesson planning for ELs, modeling, feedback from observations) Other personnel (paraprofessionals, counselors, and administrators) are provided with ongoing training opportunities in SDAIE strategies, preview/review strategy, frontloading strategy, providing academic support, EL Program Placement, Universal Access, Differentiated Instruction.

The school also provides ongoing training for administrators and staff on procedures relating to initial identification, assessment, placement, parental rights and informed consent, including the waiver process. The training will also include sensitivity to parents, including how to make parents feel welcome, and how to ensure that they are truly informed and enabled to take an active role in the process of deciding on an appropriate program for their child. The persons to be trained include principals and school office managers, EL resource teachers, teachers, paraprofessionals, and other staff as necessary.

Addendum A: Parent Notification Letters

Sample Parent/Guardian Notification Letter for Annual Assessment Results
English learners Who Have Not Yet Reached Proficiency in English

NOTE:
Before this letter is distributed, be sure to insert the information required in the brackets and in bold.

Dear Parents or Guardians:

State and federal laws require all school districts in California to give a state test of English proficiency each year to every student who has previously been identified as an English learner. In California, the name of this test is the California English Language Development Test (CELDT). The results of the CELDT help to measure how each student is progressing toward proficiency in English in the areas of listening, speaking, reading, and writing.

Your child has been given the CELDT for the current school year, and the results are attached. Based on your child's performance on this test, **[he or she]** will continue to receive English language instructional support to become more proficient in English for continued success in the school's academic program. Your child will be placed in classroom where English is the principal language of instruction with strategies designed to support understanding of English, also known as Structured English Immersion. In addition, your child will receive daily instruction in English during English Language Development (ELD time). Students continue in this program until they demonstrate proficiency on the CELDT and adequate progress on the California Standards Test for English–language arts (given as part of the Standardized Testing and Reporting [STAR] Program), with input from the child's teacher and parents.

As you look at your child's CELDT results for this year, it is important to remember that these results are only one measure of your child's progress toward English language fluency. Students also show progress through trimester Benchmarks and periodic assessments.

You are invited to request a meeting at school where your child's CELDT results and instructional program will be explained. The meeting will be held on **[date and time here]**. For more information, please call **[put contact information here]**.

You are encouraged to be involved in your child's education. You are welcome to volunteer at the school and to participate on the school's District English Learner Advisory Committee (DELAC). If you have any questions regarding the CELDT or your child's instructional placement, or if you wish to observe the classroom, please contact the school office at **[put school office number here]** during school hours.

Sincerely,

_____ _____
Superintendent/Principal Date

Sample Parent/Guardian Notification Letter for Annual Assessment Results - English Learners Who Have Not Yet Reached Proficiency in English (Spanish Version)

NOTE: **Before this letter is distributed, be sure to insert the information required in the brackets and in bold.**

Estimados padres de familia o tutores:

Las leyes estatales y federales requieren que todos los distritos escolares de California apliquen cada año una prueba estatal de dominio del inglés a los estudiantes previamente identificados como estudiantes de inglés como segunda lengua (conocidos en inglés como *English learners*). En California esta prueba se llama la Prueba para Medir el Desarrollo del Inglés en California (conocida, por sus siglas en inglés, como la prueba CELDT). Los resultados de la prueba CELDT ayudan a medir el progreso de cada estudiante hacia el dominio del inglés en las áreas de comprensión auditiva, expresión oral, lectura y expresión escrita.

Su hijo/a ha participado en la prueba CELDT correspondiente al presente año escolar, y los resultados están adjuntos. De acuerdo con el rendimiento que demostró en esta prueba, continuará recibiendo apoyo instructivo en el idioma inglés para continuar con éxito en el programa académico de la escuela. Su hijo/a recibirá instrucción en inglés con estrategias diseñadas para apoyar la comprensión de inglés, también conocido como inmersión de inglés estructurado (conocido en inglés como Structured English Immersion). Adicionalmente, su hijo/a recibirá instrucción de inglés diariamente durante la hora del desarrollo de inglés (English Language Development o ELD). Los estudiantes continuarán en este programa hasta que demuestren dominio de inglés en CELDT y progreso adecuado en el examen estatal, con el consejo del maestro y los padres.

Al revisar los resultados de la prueba CELDT de su hijo/a correspondientes a este año, es importante recordar que estos resultados son sólo una medida del progreso de su hijo/a hacia el dominio del idioma inglés. Los estudiantes también demuestran progreso durante las evaluaciones al final del trimestre.

Le invitamos a una junta en la escuela, donde se le explicarán los resultados de la prueba CELDT y el programa instructivo de su hijo/a. La junta será **[date and time here]**. Para más información, por favor llame a **[put contact information for Spanish-speaking staff person here]**.

Le alentamos a que tome parte en la educación de su hijo/a. Le invitamos a que se ofrezca como voluntario en la escuela y a participar en el Comité Asesor para los Estudiantes de Inglés como Segunda Lengua (conocido, por sus siglas en inglés, como DELAC). Si tiene alguna pregunta acerca de la colocación educacional de su hijo/a o si desea observar las actividades del salón de clase, llame a la oficina de la escuela al **[put school office number here]** durante el horario escolar.

Atentamente,

_____ _____

Superintendente/Director Fecha

Sample Parent/Guardian Notification Letter for Initial Identification of English Learners- Students Identified As English Learners

NOTE:
Before this letter is distributed, be sure to insert the information required in the brackets and in bold.

Dear Parents or Guardians:

State and federal laws require all school districts in California to give a state test of English proficiency to students whose primary language is not English. A student's primary language is identified on a home language survey, which is completed by the parents or guardians upon registering their child in a California public school for the first time. In California, the name of the state test is the California English Language Development Test (CELDT). The results of the CELDT help to measure how each student is progressing toward proficiency in English in the areas of listening, speaking, reading, and writing.

When your child enrolled in our school, **[he or she]** was given the CELDT, and the results are attached. These test results have identified **[him or her]** as an English learner. Your child will be assigned to an appropriate English language instructional support program based on the results. The goal of this program is to help your child become proficient in English and succeed in the school's academic curriculum. Your child will be placed in classroom where English is the principal language of instruction with strategies designed to support understanding of English, also known as Structured English Immersion. In addition, your child will receive daily instruction in English during English Language Development (ELD time). Students continue in this program until they demonstrate proficiency on the CELDT and adequate progress on the California Standards Test for English–language arts (given as part of the Standardized Testing and Reporting [STAR] Program), with input from the child's teacher and parents.

You are invited to request a conference at school where your child's CELDT results and details of the English language instructional support program will be explained. To schedule your conference, call **[put contact information here]**.

You are welcome to volunteer at the school and to participate on the school's District English Learner Advisory Committee (DELAC). If you have any questions regarding your child's instructional placement or wish to observe the classroom, please contact the school office at **[put school office number here]** during school hours.

Sincerely,

_____ _____
Superintendent/Principal Date

Sample Parent/Guardian Notification Letter for Initial Identification of English Learners - Students Identified as English Learners Spanish Version)

NOTE: **Before this letter is distributed, be sure to insert the information required in the brackets and in bold.**

Estimados padres de familia o tutores:

Las leyes estatales y federales requieren que todos los distritos escolares de California apliquen una prueba estatal de dominio del inglés a los estudiantes cuya lengua materna no es el inglés. El idioma principal del estudiante se identifica en una encuesta de lengua materna contestada por los padres de familia o tutores al matricular a su hijo/a por primera vez en una escuela pública de California. En California esta prueba se llama la Prueba para Medir el Desarrollo del Inglés en California (conocida, por sus siglas en inglés, como la prueba CELDT). Los resultados de la prueba CELDT ayudan a medir el progreso de cada estudiante hacia el dominio del inglés en las áreas de comprensión auditiva, expresión oral, lectura y expresión escrita.

Cuando su hijo/a se matriculó en nuestra escuela se le aplico la prueba CELDT, y los resultados están adjuntos. Estos resultados lo han identificado como estudiante de inglés como segunda lengua (conocido en inglés como *English learner*). Su hijo/a será asignado a un programa instructivo apropiado de apoyo en lengua inglesa basado en los resultados. La meta de este programa es ayudar a su hijo/a a dominar el inglés y a obtener un resultado satisfactorio en el currículo académico de la escuela. Su hijo/a recibirá instrucción en inglés con estrategias diseñadas para apoyar la comprensión de inglés, también conocido como inmersión de inglés estructurado (conocido en inglés como Structured English Immersion).. Adicionalmente, su hijo/a recibirá instrucción de inglés diariamente durante la hora del desarrollo de inglés (English Language Development o ELD). Los estudiantes continuarán en este programa hasta que demuestren dominio de inglés en CELDT y progreso adecuado en el examen estatal, con el consejo del maestro y los padres.

Le invitamos a que solicite una conferencia en la escuela, donde se le explicarán los resultados de la prueba CELDT y el programa instructivo de apoyo en lengua inglesa de su hijo/a. Para fijar la fecha de su conferencia, comuníquese con **[put contact information for Spanish-speaking staff person here].**

También le invitamos a que se ofrezca como voluntario en la escuela y a participar en el Comité Asesor para los Estudiantes de Inglés como Segunda Lengua (conocido, por sus siglas en inglés, como ELAC). Si tiene alguna pregunta acerca de la colocación educacional de su hijo/a o si desea observar las actividades del salón de clase, llame a la oficina de la escuela al **[put school office number here]** durante el horario escolar.

Atentamente,

_____ _____

Superintendente/Director Fecha

Sample Parent/Guardian Notification Letter for Annual Assessment Results
English Learners Being Considered for Reclassification

NOTE:
Before this letter is distributed, be sure to insert the information required in the brackets and in bold.

Dear Parents or Guardians:

State and federal laws require all school districts in California to give a state test of English proficiency each year to every student who is identified as an English learner. In California, the name of this test is the California English Language Development Test (CELDT). The results of the CELDT help to measure how each student is progressing toward proficiency in English in the areas of listening, speaking, reading, and writing.

Your child has been given the CELDT for the current school year, and the results are attached. Based on your child's performance on this test, **[he or she]** may be reclassified as fluent English proficient (RFEP). In addition to the CELDT results, criteria used to make this decision include an evaluation of your child's academic performance by the teacher, your opinion as the parents or guardians about his/her proficiency in English, and your child's performance on the California Standards Test for English–language arts (given as part of the Standardized Testing and Reporting [STAR] Program).

You are invited to attend a special meeting at the school to discuss the reclassification process and the recommended program for your child on **[date]** at **[time]** in **[location]**. Please contact the school office at **[phone number]** to tell us whether or not you are able to attend. Questions about the CELDT or your child's results also should be directed to the same number.

We urge you to attend this important meeting and continue to be actively involved in your child's learning.

Sincerely,

_____ _____
Superintendent/Principal Date

Sample Parent/Guardian Notification Letter for Annual Assessment Results - English Learners Being Considered for Reclassification (Spanish Version)

NOTE: **Before this letter is distributed, be sure to insert the information required in the brackets and in bold.**

Estimados padres de familia o tutores:

Las leyes estatales y federales requieren que todos los distritos escolares de California apliquen cada año una prueba estatal de dominio del inglés a todos los estudiantes identificados como estudiantes de inglés como segunda lengua (conocidos en inglés como *English learners*). En California esta prueba se llama la Prueba para Medir el Desarrollo del Inglés en California (conocida, por sus siglas en inglés, como la prueba CELDT). Los resultados de la prueba CELDT ayudan a medir el progreso de cada estudiante hacia el dominio del inglés en las áreas de comprensión auditiva, expresión oral, lectura y expresión escrita.

Su hijo/a ha participado en la prueba CELDT correspondiente al presente año escolar, y los resultados están adjuntos. De acuerdo con el rendimiento que demostró en esta prueba, podrá ser reclasificado como estudiante con dominio competente del inglés (conocido en inglés como *reclassified fluent English proficient* o, por sus siglas en inglés, como RFEP). Además de los resultados de la prueba CELDT, los criterios usados para tomar esta decisión incluyen una evaluación del rendimiento académico de su hijo/a realizada por el maestro, su opinión, como padre de familia o tutor, sobre la competencia de su hijo/a en inglés y el rendimiento de su hijo/a en la Prueba de los Estándares Académicos de California en Lengua y Literatura en Inglés (conocida en inglés como *California English–Language Arts Standards Test)* y aplicada como parte del Programa de Exámenes y Reportes Estandarizados (conocido, por sus siglas en inglés, como el Programa STAR).

Le invitamos a asistir a una junta especial en la escuela para discutir el proceso de reclasificación y el programa recomendado para su hijo/a el **[put date in Spanish here]** a las **[put time in Spanish here]** en **[put location in Spanish here]**. Llame a la oficina de la escuela al **[put phone number here]** para indicar si podrá asistir. Si tiene alguna pregunta sobre la prueba CELDT o los resultados de su hijo/a, llame al mismo numero.

Le instamos a asistir a esta importante junta y a que continúe participando activamente en el aprendizaje de su hijo/a.

Atentamente,

_____ _____

Superintendente/Director Fecha

Sample Parent/Guardian Notification Letter for Initial Identification of English Learners
Students Initially Identified as Fluent English Proficient (IFEP)

Dear Parents or Guardians:

State and federal laws require all school districts in California to give a state test of English proficiency to students whose primary language is not English. A student's primary language is identified on a home language survey, which is completed by parents or guardians upon registering their child in a California public school for the first time. In California, the name of the state test is the California English Language Development Test (CELDT). The results of the CELDT help to measure how each student is progressing toward proficiency in English in the areas of listening, speaking, reading, and writing.

When your child enrolled in our school, **[he or she]** was given the CELDT, and the results are attached. These test results have identified **[him or her]** as initially fluent English proficient (IFEP). This means that your child will be assigned to a regular academic program and will not need to participate in an English language instructional support program. The school will continue to monitor the student's CST scores and in-class performance for two years to ensure the success of the child.

You are encouraged to be involved in your child's education. If you have any questions regarding your child's instructional placement or CELDT results, please contact the school office at **[school phone number]** during school hours.

Sincerely,

_____ _____
Superintendent/Principal Date

Sample Parent/Guardian Notification Letter for Initial Identification of English Learners - Students Initially Identified as Fluent English Proficient (IFEP) (Spanish Version)

NOTE: **Before this letter is distributed, be sure to insert the information required in the brackets and in bold.**

Estimados padres de familia o tutores:

Las leyes estatales y federales requieren que todos los distritos escolares de California apliquen una prueba estatal de dominio del inglés a los estudiantes cuya lengua materna no es el inglés. El idioma principal del estudiante se identifica en una encuesta de lengua materna contestada por los padres de familia o tutores al matricular a su hijo/a por primera vez en una escuela pública de California. En California esta prueba se llama la Prueba para Medir el Desarrollo del Inglés en California (conocida, por sus siglas en inglés, como la prueba CELDT). Los resultados de la prueba CELDT ayudan a medir el progreso de cada estudiante hacia el dominio del inglés en las áreas de comprensión auditiva, expresión oral, lectura y expresión escrita.

Cuando su hijo/a se matriculó en nuestra escuela se le aplicó la prueba CELDT, y los resultados están adjuntos. Estos resultados lo han identificado como estudiante que inicialmente domina el inglés competentemente (conocido en inglés como *fluent English proficient* o, por sus siglas en inglés, como IFEP). Esto significa que su hijo/a será asignado a un programa académico normal y que no tendrá que participar en un programa instructivo de apoyo en lengua inglesa. La escuela seguirá de monitorear los resultados de los exámenes estatales y desempeño en el salón del estudiante por dos años para asegurar el éxito del niño.

Le alentamos a que tome parte en la educación de su hijo/a. Si tiene alguna pregunta acerca de la colocación educacional de su hijo/a o de los resultados de la prueba CELDT, llame a la oficina de la escuela al **[put school phone number here]** durante el horario escolar.

Atentamente,

_____ _____

Superintendente/Director Fecha

Sample Parent/Guardian Notification Letter for Annual Assessment Results
English Learners Who Took an Alternate Assessment

NOTE:
Before this letter is distributed, be sure to insert the information required in the brackets and in bold.

Dear Parents or Guardians:

State and federal laws require all school districts in California to give a state test of English proficiency each year to every student who is identified as an English learner, including students with disabilities. In California, the name of the required state test is the California English Language Development Test (CELDT). The results of the CELDT help to measure how each student is progressing toward proficiency in English in the areas of listening, speaking, reading, and writing.

Your child's individualized education program (IEP) team determined that **[he or she]** was unable to take one or more parts of the test due to identified disabilities. To ensure full participation in the CELDT, however, the IEP has identified an alternate assessment to help your child complete the test. Your child was given the CELDT and/or the alternate assessment for the current school year, and the IEP team has compiled the results for your review.

As you look at your child's CELDT results for this year, it is important to remember that these results only are one measure of your child's progress toward English language fluency. Students also show progress through trimester Benchmarks and periodic assessments.

You are invited to request an IEP meeting at **[insert place, date, and time]** where the results of the CELDT and/or the alternate assessment and your child's English language instructional support program will be explained. To confirm your attendance at the meeting, please call **[put contact information here]**.

You are encouraged to be involved in your child's education. You are welcome to volunteer at the school and to participate on the school's District English Learner Advisory Committee (DELAC). If you have any further questions about the CELDT or your child's instructional program at any time during the school year, feel free to contact your child's teacher or bring them up for discussion at an IEP meeting.

Sincerely,

_____ _____
Superintendent/Principal Date

Sample Parent/Guardian Notification Letter for Annual Assessment Results - English Learners Who Took an Alternate Assessment (Spanish Version)

NOTE: **Before this letter is distributed, be sure to insert the information required in the brackets and in bold.**

Estimados padres de familia o tutores:

Las leyes estatales y federales requieren que todos los distritos escolares de California apliquen cada año una prueba estatal de dominio del inglés a todos los estudiantes identificados como estudiantes de inglés como segunda lengua (conocidos en inglés como *English learners*), incluidos los estudiantes con discapacidades. En California esta prueba se llama la Prueba para Medir el Desarrollo del Inglés en California (conocida, por sus siglas en inglés, como la prueba CELDT). Los resultados de la prueba CELDT ayudan a medir el progreso de cada estudiante hacia el dominio del inglés en las áreas de comprensión auditiva, expresión oral, lectura y expresión escrita.

El equipo del programa de educación individualizado (IEP) de su hijo/a determinó que éste/a no pudo tomar una o más partes de la prueba debido a discapacidades identificadas. Sin embargo, para garantizar la participación plena en la prueba CELDT, el IEP ha identificado una evaluación alternativa para ayudar a su hijo/a a completar la prueba. Su hijo realizó la prueba CELDT y/o evaluación alternativa correspondiente al presente año escolar y el equipo del IEP ha recopilado los resultados para que usted los examine.

Al revisar los resultados de su hijo/a en la prueba CELDT de este año es importante acordarse de que estos resultados son sólo una medida del progreso de su hijo/a hacia el dominio del idioma inglés. Los estudiantes también demuestran progreso durante las evaluaciones al final del trimestre.

Le invitamos a que solicite una reunión con el IEP en **[put place, date, and time in Spanish here]**, donde se le explicarán los resultados de la prueba CELDT y/o evaluación alternativa, así como el programa instructivo de apoyo en lengua inglesa de su hijo/a. Para confirmar su asistencia a la reunión, llame al **[put contact information in Spanish here].**

Le alentamos a que tome parte en la educación de su hijo/a. Le invitamos a que se ofrezca como voluntario en la escuela y a participar en el Comité Asesor para los Estudiantes de Inglés como Segunda Lengua (conocido, por sus siglas en inglés, como ELAC). Si tiene alguna pregunta más acerca de la prueba CELDT o del programa de instrucción de su hijo/a durante el transcurso del año escolar, no dude en comunicarse con el maestro de su hijo/a, o de mencionar la pregunta en una reunión con el IEP para su discusión.

Atentamente,

_____ _____

Superintendente/Director Fecha

Addendum B: English Learner Waiver Program

Parental Exception Waivers Information Letter

Dear Parent/Guardian,

Wisdom Academy for Young Scientists (Wisdom), in compliance with Title 5, California Education Code 300-340, instructs English learners in a Structured English Immersion Program. However, if you would like your child to be placed in an alternative program, the California Education Code (310 and 311) gives parents/guardians of English learners the right to request an Alternative Program of instruction for their child using a parental exception waiver. When waivers are granted, English learners ten years or older can be placed directly in an Alternative Program. When waivers are granted for English learners less than ten years of age, students are required to participate in a Structured English Immersion/English language classroom for a thirty calendar day period.

The Wisdom Master Plan currently offers parents/guardians of K-12 students the following two instructional programs:
1. Structured English Immersion (SEI) Program
2. Mainstream English

Parents are notified of their right to request a Basic Bilingual or Dual Immersion Alternative Program.

Below are descriptions of the SEI, Basic Bilingual, and Dual Language program options.

I. Program Descriptions

Structured English Immersion Program (SEI)
This program is designed to provide instruction in English for English learners (ELs). Students receive instruction overwhelmingly in English with primary language support in order to acquire the academic English they need to meet grade level content standards. In addition, English Language Development (ELD) instruction is provided on a daily basis. The Alternative program requires initial enrollees under the age of 10 to be placed in an SEI classroom for the first 30 days of instruction. This program does not require a parental exception waiver.

Basic Bilingual Program
This program is designed to provide grade-level instruction in the primary language while students acquire English. Language arts, mathematics, social studies, and science are first taught in the primary language. As students increase their English proficiency, teachers decrease the amount of instruction provided in the primary language. In addition to primary language instruction, ELD instruction is provided on a daily basis. Currently, Wisdom does not offer this program. This program does require a parental exception waiver.

Dual Language Program
This program is designed to provide grade-level content instruction in English and in a target language. Instruction is provided in two languages beginning in kindergarten and continuing for a minimum of six years. Both English learners and English proficient students receive access to the core curriculum as well as instruction for language development in the two languages. English learners are also provided with daily ELD instruction. The goal is the development of bilingualism and biliteracy. Currently Wisdom does not offer this program. This program does require a parental exception waiver.

II. Program Availability
Schools must grant parental exception waivers unless the school principal and educational staff have substantial evidence, such as formal assessments, that the alternative program requested by the parent/guardian would not be better suited to the student. When 20 waivers have been granted at a given grade level, a basic bilingual class must be offered. When 20 or more waivers have been granted at two consecutive grade levels, the school may offer a basic bilingual class. The waiver must be requested annually and in person. It expires at the end of each school year. In cases where the waiver is denied, the parent must be informed in writing and advised of his/her right to appeal the denial.
The school principal will inform you about the availability of alternate programs at your local school or at neighboring schools. Availability depends upon the number of parents/guardians requesting the waivers. If less than 20 parents/guardians request and are granted a waiver, then your child's name will be placed on a waiting list until there are enough students to form a class. Students may transfer to a neighboring school that offers these instructional programs, provided that space is available. No transportation will be provided by the District.

III. Three Types of Waivers

311[a] Children Who Already Know English
This waiver is for English learners who already possess reasonable fluency in English language skills whose parents/guardians want to enroll them in the Dual Language Program because it would be in the best interest of the overall educational development of the student.

311[b] English Learners Age Ten (10) or Older
This waiver is for English learners age ten and older whose parents/guardians want to enroll them in the Basic Bilingual Program or Dual Language Program because it better meets their child's academic needs.

311[c] English Learners with Special Needs
This waiver is for English learners whose parents/guardians want to enroll them in a Basic Bilingual Program or Dual Language Program because of educational, psychological, or physical reasons.

IV. Steps to Request a Waiver

Step 1
Request a waiver at your child's school.

Step 2
Submit the completed parental exception waiver request in person to the principal and ask for a copy.

Step 3
You may submit a parental exception waiver in person during the first 30 calendar days in which your child is enrolled in a SEI Program. At the end of the mandatory 30-day placement period, the school must provide a written response to this request within 10 days.
You may submit a parental exception waiver after the initial 30-day mandatory SEI placement period at any time during the school year. The school must provide a written response to the request within 20 days.
If you do not receive a response to your parental exception waiver request, schedule a meeting with the principal.

V. Steps to Appeal a Denial of a Waiver Request
If the school principal denies your waiver request, you may appeal the decision in the following manner:

Step 1
Ask for a conference with the principal to discuss why your waiver request was denied.
Ask for a copy of the completed Parental Exception Waiver Denial form.

Ask to see the test results and other information that the school used to make the decision to deny your waiver request.
If you are not satisfied with the result of your conference with the principal, then you may continue the appeal process by moving to Step 2.

Step 2
Ask for a conference with the Executive Director.
Give the Local District Superintendent a copy of the completed Parental Exception Waiver Denial form and any other information you received about your child. Explain your concerns and ask for solutions. The Executive Director may be able to facilitate a transfer for your child to attend a school that offers the program you requested.
If you are not satisfied with the results of the conference and wish to appeal the Executive Director's decision, you may continue the appeal process through the Wisdom Academy for Young Scientists Board of Directors and/or the court system.

Wisdom Academy for Young Scientists

_____ _____ _____/_____/_____
Student's Name Grade Date of Birth:

_____ _____ 20_____/20_____
School Site Teacher School Year

PARENTAL EXCEPTION WAIVER REQUEST (Basic Bilingual Program)

I believe that Structured English Immersion will not meet my child's educational needs. I request a waiver which will allow my child to be instructed in his/her primary language while acquiring English (Basic Bilingual Program).
The alternative programs have been thoroughly described to me. I understand the waiver must be requested annually and in person. It expires at the end of each school year. I request that my child be placed in the alternative course of educational study indicated below (please check one):

_____ Basic Bilingual Program

Choose one of the waiver options below (please check one):

	My child is ten years old or older. (*5 CCR 311[b]*)
	My child has special needs. (*5 CCR 311[c]*) I understand that my child must participate in Structured English Immersion for thirty days during the first year of enrollment in California schools. I request the alternative program due to the special needs of my child (check below): ___ Educational Needs ___ Emotional/Psychological Needs ___ Physical Needs

_____ _____
Parent/Guardian Signature Date

FOR SCHOOL USE ONLY *(Place completed waiver request in Master Plan Folder)*
___ Waiver request granted. The student has been placed on the waiting list.

___ Waiver request granted. The student has been placed in the following *Master Plan Program for English Learners:* _____

___ Waiver request denied. The parent has been informed in writing of the reason(s) for the denial of the waiver and has been informed of the procedures for appeal.

_____ _____
Principal's Signature

Date

Wisdom Academy for Young Scientists

_____ _____ _____/_____/_____
Nombre del Estudiante Grado Fecha de Nacimiento:

_____ _____ 20_____/20_____
Escuela Maestro/a Año Escolar

SOLICITUD DE EXENCIÓN (Programa Bilingüe Básico)

Creo que el programa de Inmersión Estructurada en el Inglés no podrá satisfacer las necesidades educativas de mi hijo/a. Solicito una exención que permita que a mi hijo/a se le imparta instrucción en su idioma materno mientras que adquiere inglés (Programa Bilingüe Básico). Se me han explicado los programas alternativos completamente.
Entiendo que la exención debe ser solicitada anualmente y en persona. La exención expira al final de cada año escolar.
Solicito que asignen a mi hijo en el curso alternativo de estudio educativo indicado (por favor indique uno):

___ **Programa Bilingüe Básico**

Escoja una de las opciones para exención debajo.

	Mi hijo tiene diez años o más de edad. (*5 CCR 311[b]*)
	Mi hijo tiene necesidades especiales. (*5 CCR 311[c]*) Entiendo que, el primer año de matrícula en las escuelas de California, mi hijo debe participar en inmersión estructurada en el inglés durante treinta días. Solicito una exención al programa alternativo debido a las necesidades especiales de mi hijo que he marcado: ___ Necesidades Educativas ___ Necesidades Emocionales/Psicológicas ___ Necesidades Físicas

_____ _____
Firma del Padre/Tutor Fecha

PARA USO ESCOLAR SOLAMENTE *(Colocar la exención completada en el fólder del Plan Maestro)*
___ Solicitud de exención aprobada. El estudiante está en la lista de espera.

___ Solicitud de exención aprobada y el estudiante ha sido asignado al programa _____ del *Plan Maestro para Alumnos de Inglés.*

___ Solicitud rechazada. Al padre se le ha informado por escrito la(s) razón(es) por la(s) cual(es) se ha rechazado la solicitud de exención y se le ha informado cuáles son las procedimientos para apelar.

_____ _____
Firma de Director(a) Fecha

Wisdom Academy for Young Scientists

Student's Name _____ Grade _____ Date of Birth: ____/____/____

School Site _____ Teacher _____ School Year 20____/20____

PARENTAL EXCEPTION WAIVER REQUEST (Dual Language Program)

I believe that Structured English Immersion will not meet my child's educational needs. I request a waiver which will allow my child to receive instruction in English and in the target language (Dual Language Program). The alternative programs have been thoroughly described to me. I understand the waiver must be requested annually and in person. It expires at the end of each school year. I request that my child be placed in the alternative course of educational study indicated below (please check one):

___ Dual Language Program

Choose one of the waiver options below (please check one):

	My child has good English skills. (*5 CCR 311[a]*)
	My child is ten years old or older. (*5 CCR 311[b]*)
	My child has special needs. (*5 CCR 311[c]*) I understand that my child must participate in Structured English Immersion for thirty days during the first year of enrollment in California schools. I request the alternative program due to the special needs of my child (check below): ___ Educational Needs ___ Emotional/Psychological Needs ___ Physical Needs

_____ _____
Parent/Guardian Signature Date

FOR SCHOOL USE ONLY *(Place completed waiver request in Master Plan Folder)*
___ Waiver request granted. The student has been placed on the waiting list.

___ Waiver request granted. The student has been placed in the following *Master Plan Program for English Learners*: _____

___ Waiver request denied. The parent has been informed in writing of the reason(s) for the denial of the waiver and has been informed of the procedures for appeal.

_____ _____
Principal's Signature Date

Wisdom Academy for Young Scientists

_____ _____ _____/_____/_____
Nombre del Estudiante Grado Fecha de Nacimiento:

_____ _____ 20_____/20_____
Escuela Maestro/a Año Escolar

SOLICITUD DE EXENCIÓN (Programa en Dos Idiomas)
Creo que el programa de Inmersión Estructurada en el Inglés no podrá satisfacer las necesidades educativas de mi hijo/a. Solicito una exención que permita que a mi hijo/a se le imparta instrucción en inglés y en el idioma objetivo (Programa en Dos Idiomas [Dual]). Se me han explicado los programas alternativos completamente. Entiendo que la exención debe ser solicitada anualmente y en persona. La exención expira al final de cada año escolar. Solicito que asignen a mi hijo en el curso alternativo de estudio educativo indicado (por favor indique uno):

___ Programa en Dos Idiomas

Escoja una de las opciones para exención debajo.

	Mi hijo posee buenas destrezas en el inglés. (*5 CCR 311[a]*)
	Mi hijo tiene diez años o más de edad. (*5 CCR 311[b]*)
	Mi hijo tiene necesidades especiales. (*5 CCR 311[c]*) Entiendo que, el primer año de matrícula en las escuelas de California, mi hijo debe participar en inmersión estructurada en el inglés durante treinta días. Solicito una exención al programa alternativo debido a las necesidades especiales de mi hijo que he marcado: ___ Necesidades Educativas ___ Necesidades Emocionales/Psicológicas ___ Necesidades Físicas

_____ _____
Firma del Padre/Tutor Fecha

PARA USO ESCOLAR SOLAMENTE *(Colocar la exención completada en el fólder del Plan Maestro)*
___ Solicitud de exención aprobada. El estudiante está en la lista de espera.

___ Solicitud de exención aprobada y el estudiante ha sido asignado al programa _____ del *Plan Maestro para Alumnos de Inglés.*

___ Solicitud rechazada. Al padre se le ha informado por escrito la(s) razón(es) por la(s) cual(es) se ha rechazado la solicitud de exención y se le ha informado cuáles son las procedimientos para apelar.

_____ _____
Firma de Director(a) Fecha

Wisdom Academy for Young Scientists

PARENTAL EXCEPTION WAIVER DENIAL FORM

_____ _____ _____/_____/_____
Student's Name Grade Date of Birth:

_____ _____ 20_____/20_____
School Site Teacher School Year

Master Plan Requested: ___ Basic Bilingual ___ Dual Immersion

On _____, you requested a Parental Exception Waiver under Title 5, California Code of Regulations:

___ 311[a] Children who already know English
___ 311[b] English learners age ten or older
___ 311[c] English learners with special needs

Your request for the Parental Exception Waiver has been denied for the following reason(s):

_____
_____
_____

The following student assessments were reviewed in making the decision (documentation attached):

_____
_____
_____

You may contact the Executive Director at _____ to schedule an appointment to appeal the denial of your parental waiver request. If you need more information regarding the appeal process, you may contact the Coordinator of English Learner Programs at _____.

_____ _____
Parent/Guardian Signature Date

Addendum C: English Language Learner Progress Reports

Wisdom Academy for Young Scientists

English Language Learner Progress Report • Grade K

Student Name _____ Grade ____ School Year _____ School _____

Teacher _____ Comments _____

Trimester 1	2	3	Listening & Speaking in English
			Beginning—Uses a few words, answers some questions, uses common social greetings.
			Early Intermediate—Begins to be understood with inconsistent grammar; communicates basic needs.
			Intermediate—Understood, using mostly standard grammar; asks and answers questions; retells stories.
			Early Advanced—Uses consistent standard English grammar; actively participates and initiates conversations.
			Advanced—Negotiates and initiates conversations; listens attentively to stories and information.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Teacher: Complete "Reading" and "Writing" sections only if appropriate for individual kindergarten student.

Trimester 1	2	3	Reading in English
			Beginning— Reads simple words; retells simple stories using visuals. Responds nonverbally or with a few words to stories and directions. Answers comprehension questions using a few words; draws pictures of setting and characters.
			Early Intermediate— Begins self-correcting errors; communicates basic needs; reads simple words, phrases, and sentences. Responds with phrases, simple sentences, or visuals to factual information; follows simple directions; identifies basic sequence of text. Identifies setting and characters using simple sentences; recites simple poems.
			Intermediate—Recognizes sound/symbol relationships and basic word rules. Self-corrects errors; uses decoding skills to read more complex words; recognizes simple prefixes and suffixes. Follows multistep directions; writes short captions for drawings. Answers factual questions using simple sentences; reads short poems
			Early Advanced—Uses phonics, and phonemic awareness to derive meaning in oral and silent reading. Self-monitors and corrects errors; recognizes simple antonyms and synonyms. Answers factual questions about cause and effect relationships; identifies main idea. Identifies literary elements and beginning, middle, and end of a story.
			Advanced—Self-monitors and corrects errors; reads narrative texts aloud with appropriate pacing, intonations, and expression. Uses a variety of comprehension strategies; makes predictions. Compares and contrasts literary elements.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Trimester 1	2	3	Writing in English
			Beginning—Copies the alphabet and writes a few commonly used words. Uses some capital letters and periods.
			Early Intermediate—Writes key words and simple sentences about an event or character. Uses question marks.
			Intermediate—Writes short paragraphs. Uses standard word order, with inconsistent grammar and punctuation.
			Early Advanced—Writes narratives with more detail; some grammatical rules. Consistent use of conventions and some correct spelling; some editing.

			Advanced—Writes short narratives using the writing process and correct grammatical forms. Consistent use of conventions and some correct spelling.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Wisdom Academy for Young Scientists

Informe del progreso del alumno en vías de saber inglés • Grado K

Nombre del alumno _____ Grado _____ Año escolar _____ Escuela _____

Maestro _____ Comentarios _____

Trimestre 1	2	3	Comprensión auditiva y dicción en inglés
			Nivel inicial—Utiliza pocas palabras; contesta algunas preguntas; utiliza saludos sociales comunes.
			Nivel preintermedio—Empieza a hacerse a entender al hablar con incoherente gramática; comunica sus necesidades básicas.
			Nivel intermedio—Se le entiende cuando habla; aplica en mayor parte la gramática convencional; hace y contesta preguntas; relata cuentos.
			Nivel preavanzado—Utiliza coherente gramática del inglés convencional; activamente participa e inicia conversaciones.
			Nivel avanzado—Intercambia e inicia conversaciones; escucha atentamente a cuentos e información.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Maestro: Háganse las secciones de "Lectura" y "Escritura" solamente si son apropiadas para el alumno de kindergarten individual.

Trimestre 1	2	3	Lectura en inglés
			Nivel inicial—Lee palabras sencillas; relata los cuentos simples utilizando visuales. Responde sin palabras o con pocas palabras sobre los cuentos o direcciones. Contesta preguntas que comprueban su entendimiento con pocas palabras; hace dibujos sobre la escena y los personajes.
			Nivel preintermedio—Empieza a corregir sus propios errores; comunica sus necesidades básicas; lee palabras, frases y oraciones simples. Responde con frases y oraciones simples, o con visuales sobre la información factual; sigue direcciones simples; identifica la secuencia básica de un texto. Identifica la escena y los personajes utilizando oraciones simples; recita poemas simples.
			Nivel intermedio—Reconoce la relación entre el sonido y la grafía y las reglas básicas de las palabras. Corrige sus propios errores; utiliza destrezas para leer palabras más complejas; reconoce prefijos y sufijos. Sigue direcciones de varios pasos; escribe pies de ilustraciones en sus dibujos. Contesta preguntas factuales con oraciones simples; lee poemas cortos.
			Nivel preavanzado—Utiliza la fonética y conocimiento fonémico para extraer significado en la lectura oral y silenciosa. Autovalora y corrige sus errores; reconoce antónimos y sinónimos simples. Contesta preguntas factuales sobre la relación de causa y efecto; identifica la idea principal. Identifica los elementos literarios y la sucesión de un cuento.
			Nivel avanzado—Autovalora y corrige sus propios errores; lee textos narrativos en voz alta con adecuado paso, entonación, y expresión. Utiliza una variedad de estrategias para entender la lectura; hace predicciones. Compara y contrasta los elementos literarios.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Trimestre 1	2	3	Escritura en inglés
			Nivel inicial—Copia el abecedario y escribe algunas palabras comunes. Utiliza algunas letras mayúsculas y puntos finales.
			Nivel preintermedio—Escribe palabras claves y oraciones simples sobre un acontecimiento o un personaje. Utiliza signos de interrogación.
			Nivel intermedio—Escribe párrafos cortos. Utiliza la sintaxis básica de las palabras en la oración, con coherente gramática y puntuación.
			Nivel preavanzado—Escribe narraciones con más detalles; algunas reglas gramaticales. Constante uso de las convenciones y algunos errores en ortografía; poca corrección
			Nivel avanzado—Escribe narraciones cortas siguiendo los pasos del proceso de redacción y correctas formas gramaticales. Sistemático uso de las convenciones; algunas correcciones ortográficas.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Make copies for Cum and Parents

Wisdom Academy for Young Scientists

English Language Learner Progress Report • Grades 1–2

Student Name _____ Grade _____ School Year _____ School _____

Teacher _____ Comments _____

Trimester 1	2	3	Listening & Speaking in English
			Beginning—Uses a few words, answers some questions, uses common social greetings.
			Early Intermediate—Begins to be understood with inconsistent grammar; communicates basic needs.
			Intermediate—Understood, using mostly standard grammar; asks and answers questions; retells stories.
			Early Advanced—Uses consistent standard English grammar; actively participates and initiates conversations.
			Advanced—Negotiates and initiates conversations; listens attentively to stories and information.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Trimester 1	2	3	Reading in English
			Beginning—Reads simple words; retells simple stories using visuals. Responds nonverbally or with a few words to stories and directions. Answers comprehension questions using a few words; draws pictures of setting and characters.
			Early Intermediate—Begins self-correcting errors; communicates basic needs; reads simple words, phrases, and sentences. Responds with phrases, simple sentences, or visuals to factual information; follows simple directions; identifies basic sequence of text. Identifies setting and characters using simple sentences; recites simple poems.
			Intermediate—Recognizes sound/symbol relationships and basic word rules. Self-corrects errors; uses decoding skills to read more complex words; recognizes simple prefixes and suffixes. Follows multistep directions; writes short captions for drawings. Answers factual questions using simple sentences; reads short poems
			Early Advanced—Uses phonics, and phonemic awareness to derive meaning in oral and silent reading. Self-monitors and corrects errors; recognizes simple antonyms and synonyms. Answers factual questions about cause and effect relationships; identifies main idea. Identifies literary elements and beginning, middle, and end of a story.
			Advanced—Self-monitors and corrects errors; reads narrative texts aloud with appropriate pacing, intonations, and expression. Uses a variety of comprehension strategies; makes predictions. Compares and contrasts literary elements.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Trimester 1	2	3	Writing in English
			Beginning—Copies the alphabet and writes a few commonly used words. Uses some capital letters and periods.
			Early Intermediate—Writes key words and simple sentences about an event or character. Uses question marks.
			Intermediate—Writes short paragraphs. Uses standard word order, with inconsistent grammar and punctuation.
			Early Advanced—Writes narratives with more detail; some grammatical rules. Consistent use of conventions and some correct spelling; some editing.
			Advanced—Writes short narratives using the writing process and correct grammatical forms. Consistent use of conventions and some correct spelling.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Make copies for Cum and Parents

Wisdom Academy for Young Scientists
Informe del progreso del alumno en vías de saber inglés • 1ro y 2do Grados

Nombre del alumno _____ Grado _____ Año escolar _____ Escuela _____

Maestro _____ Comentarios _____

Trimestre 1	2	3	Comprensión auditiva y dicción en inglés
			Nivel inicial—Utiliza pocas palabras; contesta algunas preguntas; utiliza saludos sociales comunes.
			Nivel preintermedio—Empieza a hacerse entender con inconsistente gramática; comunica las necesidades básicas.
			Nivel intermedio—Se le entiende; en mayor parte utiliza gramática convencional; hace y contesta preguntas; relata cuentos.
			Nivel preavanzado—Utiliza consistentemente las convenciones gramaticales del inglés; participa activamente en conversaciones e inicia conversaciones.
			Nivel avanzado—Intercambia e inicia conversaciones; escucha cuentos e información atentamente.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Trimestre 1	2	3	Lectura en inglés
			Nivel inicial—Lee palabras sencillas; relata cuentos simples utilizando visuales. Responde en una manera no verbal o con pocas palabras sobre los cuentos y las direcciones. Contesta preguntas que comprueban su comprensión utilizando pocas palabras; hace dibujos de la escena y de los personajes.
			Nivel preintermedio—Empieza a reconocer y a corregir sus propios errores; comunica las necesidades básicas; lee palabras, frases y oraciones simples. Responde con frases y oraciones simples, o visuales para la información factual; sigue direcciones simples; identifica la secuencia básica de un texto. Identifica la escena y los personajes utilizando oraciones simples; recita poemas sencillos.
			Nivel intermedio—Reconoce la relación entre el sonido y la grafía y las reglas básicas de las palabras. Autocorrige sus errores; emplea sus destrezas para descifrar las palabras complejas de la lectura y prefijos y sufijos. Sigue las direcciones de varios pasos; escribe pies de ilustraciones en sus dibujos. Contesta preguntas factuales con oraciones simples; lee poemas cortos.
			Nivel preavanzado—Utiliza fónica, y tiene conocimiento fonémico para extraer significado en la lectura oral o personal (en silencio). Autovalora y corrige sus errores; reconoce antónimos y sinónimos sencillos. Contesta preguntas factuales sobre la relación entre causa y efecto; identifica la idea principal. Identifica los elementos literarios y la sucesión de un cuento.
			Avanzado—Sigue su propia lectura y corrige los errores; lee textos narrativos en voz alta con adecuado paso, entonación, y expresión. Utiliza una variedad de estrategias para comprender la lectura; hace predicciones; compara y contrasta los elementos literarios.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Trimestre 1	2	3	Escritura en inglés
			Nivel inicial—Copia el abecedario y escribe algunas palabras comunes. Utiliza algunas letras mayúsculas y el punto final.
			Nivel preintermedio—Escribe palabras claves y oraciones sencillas sobre un suceso o un personaje. Aplica el signo de interrogación.
			Nivel intermedio—Escribe párrafos cortos. Usa la sintaxis básica de las palabras con inconstante gramática y puntuación.
			Nivel preavanzado—Escribe narraciones con más detalles; algunas reglas gramaticales. Constante uso de las convenciones y alguna correcta ortografía; poco para corregir.
			Nivel avanzado—Escribe narraciones cortas siguiendo los pasos del proceso de redacción y las correctas reglas gramaticales. Constante uso de las convenciones y algunos errores ortográficos.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

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Wisdom Academy for Young Scientists

English Language Learner Progress Report • Grades 3–5

Student Name _____ Grade ____ School Year _____ School _____

Teacher _____ Comments _____

Trimester 1	2	3	Listening & Speaking in English
			Beginning—Begins to speak with a few words or sentences; answers simple questions.
			Early Intermediate—Begins to be understood, inconsistent grammar; communicates basic needs; follows multistep oral instructions.
			Intermediate—Understood when speaking using mostly standard grammar and pronunciation; asks and answers questions; actively participates in social conversations; retells stories.
			Early Advanced—Uses consistent standard English grammar; actively participates and initiates conversations; identifies main points of more complex information across content areas.
			Advanced—Uses appropriate ways of speaking and writing that vary based on purpose, audience, and subject.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Trimester 1	2	3	Reading in English
			Beginning—Recognizes sound/symbol relationships. Begins self-correcting errors; produces and reads simple words and phrases; retells simple stories using visuals. Responds to stories; identifies different characters and settings.
			Early Intermediate—Uses contextual clues to derive meaning. Answers factual comprehension questions; identifies text features; identifies main events of the plot; describes what a character is like; recites simple poems.
			Intermediate—Self-corrects errors made when reading aloud; creates a dictionary using self-generated words; recognizes some common roots and affixes; uses decoding skills to read aloud with appropriate pacing, intonation, and expression. Identifies the speaker and the main problem of a plot and how it is resolved.
			Early Advanced—Uses standard dictionary; recognizes words that sometimes have multiple meanings; uses some common roots and affixes. Asks and responds to comprehension questions; distinguishes between fact, opinion, inference, cause/effect. Identifies and describes figurative language.
			Advanced—Applies knowledge of common roots and affixes; uses common idioms; reads narrative and expository texts aloud with appropriate pacing, intonations, and expression. Describes main ideas.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

Trimester 1	2	3	Writing in English
			Beginning—Writes familiar phrases and simple sentences using a few standard grammatical forms. Copies words used in the classroom; uses capital letters.
			Early Intermediate—Writes short narrative stories with inconsistent standard grammatical forms. Uses capital letters to begin a sentence and for proper nouns, periods at ends of sentences, and some commas appropriately.
			Intermediate—Writes paragraphs that develop a central idea with consistent use of standard English grammatical forms some inconsistent use of conventions.
			Early Advanced—Writes a detailed summary of a story, multiparagraph narratives, and expository compositions.
			Advanced—Writes persuasive compositions. Uses complete sentences, correct word order and the conventions.
			Student Effort O = Outstanding G = Good N = Needs Improvement U = Unsatisfactory

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Wisdom Academy for Young Scientists
Informe del progreso del alumno en vías de saber inglés • 3ro a 5to Grados

Nombre del alumno _____ Grado _____ Año escolar _____ Escuela _____

Maestro _____ Comentarios _____

Trimestre 1	2	3	Comprensión auditiva y dicción en inglés
			Nivel inicial—Empieza a hablar con algunas pocas palabras u oraciones; responde a preguntas sencillas.
			Nivel preintermedio—Empieza a hacerse entender al hablar; inconstante gramática; comunica sus necesidades básicas; sigue instrucciones orales de varios pasos.
			Nivel intermedio—Se le entiende cuando habla utilizando, en mayor parte, gramática y pronunciación convencional; hace y contesta preguntas; activamente participa en conversaciones sociales; relata cuentos.
			Nivel preavanzado—Consistentemente utiliza gramática convencional del inglés; activamente participa e inicia conversaciones; identifica los puntos importantes de información más compleja sobre temas académicos.
			Nivel avanzado—Utiliza formas apropiadas para hablar y escribir que varían conforme al propósito, la audiencia, y la materia.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Trimestre 1	2	3	Lectura en inglés
			Nivel inicial—Conoce la relación entre el sonido y la grafía. Empieza a autocorregirse; produce y lee palabras y frases sencillas; relata cuentos simples utilizando visuales. Verbalmente responde acerca de los cuentos; identifica diferentes personajes y escenas.
			Nivel preintermedio—Utiliza claves del contexto para extraer significado. Contesta preguntas factuales que comprueban su entendimiento; identifica rasgos textuales; identifica los acontecimientos de la trama; describe cómo es un personaje; recita poemas simples.
			Nivel intermedio—Autocorrige sus errores cuando lee en voz alta; genera un diccionario utilizando las palabras que más utiliza; reconoce algunas raíces comunes y afijos; utiliza destrezas para descifrar y lee en voz alta con adecuado paso, entonación, y expresión. Identifica al hablante y el problema principal de una trama y cómo se desenlaza.
			Nivel preavanzado—Utiliza un diccionario común; reconoce las palabras que a veces tienen varios significados; utiliza algunas raíces comunes y afijos. Hace y responde preguntas que comprueban su entendimiento; distingue entre un hecho, opinión, inferencia, causa y efecto. Identifica y describe expresiones retóricas.
			Nivel avanzado—Aplica su conocimiento de raíces comunes y afijos; utiliza modismos comunes; lee narraciones y textos expositivos con adecuado paso, entonación, y expresión. Describe las ideas principales.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

Trimestre 1	2	3	Escritura en inglés
			Nivel inicial—Escribe frases comunes y oraciones sencillas con formas gramaticales convencionales. Copia palabras que se aplican en el salón de clase; utiliza letras mayúsculas.
			Nivel preintermedio—Escribe cuentos narrativos cortos con inconstantes formas gramaticales convencionales. Utiliza letras mayúsculas para empezar una oración y nombres propios, puntos finales al final de las oraciones, y algunas comas aplicadas correctamente.
			Nivel intermedio—Escribe párrafos que desarrollan una idea central con el uso constante de las formas gramaticales básicas en inglés y con poca constancia del uso de convenciones.
			Nivel preavanzado—Escribe un resumen detallado de una historia, narraciones de varios párrafos, y composiciones expositivas.
			Nivel avanzado—Escribe composiciones persuasivas. Emplea oraciones completas, correcta sintaxis y las convenciones.
			Esfuerzo del alumno: O = Sobresaliente G = Buen esfuerzo N = Necesita mejorar U = Insatisfactorio

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Addendum D: Administrative Regulation

Administrative Regulation

Education For English Language Learners

Instruction

Definitions

English Learner means a student who does not speak English or whose native language is not English and who is not currently able to perform ordinary classroom work in English, also known as a limited English proficient or LEP child. (Education Code 306)

English language classroom means a classroom in which the language of instruction used by the teaching personnel is overwhelmingly the English language, and in which such teaching personnel possess a good knowledge of the English language. (Education Code 306)

English language mainstream classroom means a classroom in which the students either are native English language speakers or already have acquired reasonable fluency in English. (Education Code 306)

Sheltered English immersion or structured English immersion means an English language acquisition process in which nearly all classroom instruction is in English but with the curriculum and presentation designed for students who are learning the language. (Education Code 306)

Bilingual education/native language instruction means a language acquisition process for students in which much or all instruction, textbooks, and teaching materials are in the student's native language. (Education Code 306)

Identification and Assessment

Upon enrollment, each student's primary language shall be determined through use of a home language survey. (5 CCR 11307)

Within 30 calendar days of their initial enrollment, students who are identified as having a primary language other than English, as determined by the home language survey, and for whom there is no record of results from an English language development test shall be assessed using the California English Language Development Test (CELDT). (5 CCR 11511)

All students shall have sufficient time to complete the CELDT as provided in the directions for test administration. (5 CCR 11516)

Any student with a disability shall take the CELDT with those accommodations for testing that the student has regularly used during instruction and classroom assessment as delineated

in the student's individualized education program (IEP) or Section 504 plan that are appropriate and necessary to address the student's individual needs. (5 CCR 11516.5)

(cf. 6159 - Individualized Education Program)
(cf. 6164.6 - Identification and Education under Section 504)

The district shall notify parents/guardians of their child's results on the CELDT within 30 calendar days. (5 CCR 11511.5)

(cf. 5145.6 - Parental Notifications)

Within 90 days of initial enrollment, students identified as having limited English proficiency shall be further assessed for primary language proficiency in comprehension, speaking, reading and writing. The Superintendent or designee shall develop criteria for determining student needs on the basis of these assessments. (former Education Code 52164.1, 62002)

Before students are enrolled in a program for English language learners, parents/guardians shall receive information about the program and their opportunities for parental involvement. This information shall include the fact that an individual student's participation in the program is voluntary on the part of the parent/guardian. (Education Code 52173)

Not later than 30 calendar days after the beginning of the school year, each parent/guardian of a student participating in, or identified for participation in, a language instruction program supported by federal Title III funds shall receive notification of the assessment of his/her child's English proficiency. The notice shall include all of the following: (Education Code 440; 20 USC 6312)

1. The reason for the student's classification as English language learner

2. The level of English proficiency

3. A description of the program for English language development instruction, including a description of all of the following:

   a. The manner in which the program will meet the educational strengths and needs of the student

   b. The manner in which the program will help the student develop his/her English proficiency and meet age-appropriate academic standards

   c. The specific exit requirements for the program, the expected rate of transition from the program into classrooms not tailored for English language learner students, and the expected rate of graduation from secondary school if Title I funds are used for students in secondary schools
   d. Where the student has been identified for special education, the manner in which the program meets the requirements of the student's IEP

4.

Information regarding a parent/guardian's option to decline to allow the student to become enrolled in the program or to choose to allow the student to become enrolled in an alternative program

Information designed to assist a parent/guardian in selecting among available programs, if more than one program is offered

Parent/guardians also shall be notified of the results of any reassessments. (Education Code 52164.3)

Parental Exception Waivers

At the beginning of each school year, parents/guardians shall be informed of the placement of their children in a structured English immersion program and shall be notified of an opportunity to apply for a parental exception waiver. (Education Code 310; 5 CCR 11309)

A parent/guardian may request that the district waive the requirements of Education Code 305, pertaining to the placement of a student in a structured English immersion program if the one of the following circumstances exists:

1. Students who already know English: The student already possesses good English language skills, as measured by standardized tests of English vocabulary comprehension, reading and writing, in which the student scores at or above the state average for his/her grade level or at or above the fifth-grade average, whichever is lower. (Education Code 311(a))

2. Older students: The student is age 10 years or older, and it is the informed belief of the school principal and educational staff that an alternate course of study would be better suited to the student's rapid acquisition of basic English skills. (Education Code 311(b))

3. Students with special needs: The student already has been placed, for a period of not less than 30 calendar days during that school year, in an English language classroom and it is subsequently the informed belief of the school principal and educational staff that the student has special physical, emotional, psychological or educational needs and that an alternate course of educational study would be better suited to the student's overall educational development. (Education Code 311(c))

The parent/guardian shall personally visit the school to apply for the waiver. (Education Code 310)

Upon request for a waiver, the Superintendent or designee shall provide to the parents/guardians: (Education Code 310, 311; 5 CCR 11309)

1. A full written description, and a spoken description upon request, of the intent and content of the structured English immersion program, any alternative courses of study and all educational opportunities offered by the district and available to the student, and the educational materials to be used in the different educational program choices

2. For a request for waiver pursuant to Education Code 311(c) for students with special

needs, notification that the student must be placed for a period of not less than 30 calendar days in an English language classroom and that the Superintendent must approve the waiver pursuant to Governing Board guidelines

Pursuant to Education Code 311(b) and 311(c), the principal and educational staff may recommend a waiver to a parent/guardian for a student 10 years or older and a student with special needs. Parents/guardians shall be informed in writing of any recommendation for an alternative program made by the principal and staff and shall be given notice of their right to refuse to accept the recommendation. The notice shall include a full description of the recommended alternative program and the educational materials to be used for the alternative program as well as a description of all other programs available to the student. If the parent/guardian elects to request the alternative program recommended by the principal and educational staff, the parent/guardian shall comply with district procedures and requirements otherwise applicable to a parental exception waiver, including Education Code 310. (5 CCR 11309)

When evaluating waiver requests pursuant to Education Code 311(a) for students who already know English and other waiver requests for those students for whom standardized assessment data are not available, other equivalent assessment measures may be used. These equivalent measures may include local assessments, local standards and teacher evaluations.

Parental exception waivers pursuant to Education Code 311(b) for students 10 years or older shall be granted if it is the informed belief of the principal and educational staff that an alternate course of educational study would be better suited to the student's rapid acquisition of basic English language skills. (Education Code 311)

Parental exception waivers pursuant to Education Code 311(c) for students with special needs shall be granted if it is the informed belief of the principal and educational staff that, due to the student's special physical, emotional, psychological or educational needs, an alternate course of educational study would be better suited to the student's overall educational development. (Education Code 311)

The principal shall consider all waiver requests made pursuant to Education Code 311(c) for students with special needs and shall submit a rationale of the decision regarding the waiver to the Superintendent or designee. When determining whether or not to recommend the approval of the waiver request, the principal shall assume that the facts justifying the request attested by the parent/guardian are a true representation of the child's condition.

Each waiver shall be considered on its individual merits with great deference given to parental preference for student placement.

The principal or designee shall act upon all parental exception waivers within 20 instructional days of submission to the principal. However, parental waiver requests pursuant to Education

Code 311(c) for students with special needs shall not be acted upon during the 30-day placement in an English language classroom. These waivers shall be acted upon no later than 10 calendar days after the expiration of that 30-day English language classroom placement or within 20 instructional days of submission of the waiver to the principal, whichever is later.

(5 CCR 11309)

All parental exception waivers shall be granted unless the principal and educational staff have determined that an alternative program offered at the school would not be better suited for the overall educational development of the student. (5 CCR 11309)

Individual schools in which 20 students or more of a given grade level receive a waiver shall be required to offer such a class; otherwise they must allow the students to transfer to a public school in which such a class is offered. (Education Code 310)

Students wishing to transfer shall be subject to the district's intradistrict and interdistrict attendance policies and administrative regulations. Students wishing to transfer to another district shall also be subject to the receiving district's interdistrict attendance policies and administrative regulations.

In cases where a parental exception waiver pursuant to Education Code 311(b) or (c) is denied, the parent/guardian shall be informed in writing of the reason(s) for the denial and advised that he/she may appeal the decision to the Board if the Board authorizes such an appeal, or to the court. (5 CCR 11309)

Waiver requests shall be renewed annually by the parent/guardian. (Education Code 310)

Reclassification/Redesignation

The district shall continue to provide additional and appropriate educational services to English language learners for the purposes of overcoming language barriers until the English language learners have: (5 CCR 11302)

1. Demonstrated English language proficiency comparable to that of the district's average native English language speakers

2. Recouped any academic deficits which may have been incurred in other areas of the core curriculum as a result of language barriers

English language learners shall be redesignated as fluent English proficient when they are able to comprehend, speak, read and write English well enough to receive instruction in the regular program and make academic progress at a level substantially equivalent to that of students of the same age or grade whose primary language is English and who are in the regular course of study. (Education Code 52164.6)

The following measures shall be used to determine whether an English language learner shall be reclassified as fluent English proficient: (5 CCR 11303)

1. Assessment of English language proficiency utilizing the CELDT as the primary criterion, and objective assessment of the student's English reading and writing skills

2. Participation of the student's classroom teacher and any other certificated staff with direct responsibility for teaching or placement decisions

3. Parent/guardian opinion and consultation during a redesignation interview

   Parents/guardians shall receive notice and a description of the redesignation process, including notice of their right to participate in the process. Parent/guardian participation in the process shall be encouraged.

4. Comparison of performance in basic skills, including performance on the English- Language Arts section of the California Standards Test

5. Objective data on the student's academic performance in English

In considering whether there is a need for WAYS to provide a special language service outside of the regular program and whether the alternative program is likely to be effective, OCR examines some important issues listed below.

- **Whether a district has identified all LEP students who need special language assistance.**

  A school district must be able to account for all of its LEP students. A small district may be able to do this informally. A large district, or one with a great number of students whose first language or home language is not English, must have a formal system for objectively identifying students whose limited proficiency in speaking, reading, writing, or understanding English denies them the opportunity to meaningfully participate in the regular education environment and achieve high academic standards.

- **Whether a district can ensure the placement of LEP students in appropriate programs.**

  Once a school district has identified students who need assistance, it must determine what types of assistance are warranted.

- **Whether all LEP students who need a special language assistance program are being provided such a program.**

  A school district must ensure that all LEP students receive English-language development services.

- **Whether a district has taken steps to modify a program for LEP students when that program is not working.**

  If the district's alternative language services program is not successful after a reasonable time period, the district must take steps to determine the cause of the program's failure and modify it accordingly.

- **Whether a district ensures that LEP students are not misidentified as students with disabilities because of their inability to speak and understand English.**

  If national-origin minority students are not proficient in speaking, reading, writing, or understanding English, testing them in English may not demonstrate their ability or achievement skills. Steps must be taken so that LEP students are not assigned to special education classes because of their lack of English language proficiency, rather than because they have a disability. Such steps may include assessing the student in his or her own language, making sure that accurate information regarding the student's language skills is taken into account in evaluating assessment results, and comparing results obtained when a part of the assessment is repeated in the student's first language.

- **Whether a school district ensures that parents who are not proficient in English are provided with appropriate and sufficient information about all school activities.**

  School districts have a responsibility to notify effectively national-origin minority parents of school activities that are called to the attention of other parents. Notices, to be effective, may have to be provided in a language other than English.

Addendum E: Home Language Survey

School Use Only—If the answer to any of the 4 questions on the Home Language Survey is not English, see administrator _____ ID# _____

STUDENT INFORMATION School _____ Grade _____

Last Name (Legal) _____ First Name (Legal) _____ Middle Name (Legal) _____

Student Birth Date _____ Parent Name _____ Telephone _____

SCHOOLS STUDENT HAS ATTENDED

Last School Attended _____ **Address** _____ **City** _____ **State** _____ **Zip Code** _____ **Phone** ( )

When was your child first enrolled in a **U.S. and/or California School?**

U.S. school ___/___/___ (month / day / year) **California school** ___/___/___ (month / day / year)

What was the **most recent California school attended?** _____ (school / district)

Has your child attended a La Mesa-Spring Valley school before? ☐ **Yes** ☐ **No** **Year**_____**Grade** ____

Has your child attended this school before? ☐ **Yes** ☐ **No**

HOME LANGUAGE SURVEY

In what language do you prefer to receive phone calls and notices? ☐ English ☐ Spanish

1. Which language did your child learn when he or she first began to talk? _____
2. What language does your child most frequently use at home? _____
3. What language do you use most frequently to speak to your child? _____
4. Name the language most often spoken by the adults at home. _____

ETHNICITY/RACE

Part A. Is this student Hispanic or Latino? ***(Select only one)***

☐ No, not Hispanic or Latino
☐ Yes, Hispanic or Latino (5)

The definition of Hispanic/Latino ethnicity is "a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race."
–From www.cde.ca.gov/ds/td/lo/refaq.asp

The above part of the question is about ethnicity, not race. No matter what you selected above, **please continue to answer the following** by marking one or more boxes to indicate what you consider the student's race to be.

Part B. What is this student's race? ***(Select one or more)***

Asian
☐ Chinese (2-01)
☐ Japanese (2-02)
☐ Korean (2-03)
☐ Vietnamese (2-04)
☐ Asian Indian (2-05)
☐ Laotian (2-06)
☐ Cambodian (2-07)
☐ Hmong (2-08)
☐ Other Asian (2-99)
☐ Filipino (4)

☐ Black or African American (6)
☐ White (7)
☐ American Indian or Alaska Native (1)

Native Hawaiian or Other Pacific Islander
☐ Hawaiian (3-01)
☐ Guamanian (3-02)
☐ Samoan (3-03)
☐ Tahitian (3-04)
☐ Other Pacific Islander (3-99)

What are the definitions of the federal race categories?
"American Indian or Alaska Native: A person having origins in any of the original peoples of North and South America (including Central America), and who maintains a tribal affiliation or community attachment.
Asian: A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
Black or African American: A person having origins in any of the Black racial groups of Africa.
Native Hawaiian or Other Pacific Islander: A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
White: A person having origins in any of the original peoples of Europe, the Middle East, or North Africa."
–From www.cde.ca.gov/ds/td/lo/refaq.asp

MIGRANT WORK—Are you now engaged in migrant work, or have you been engaged in migrant work (moved and worked seasonally in agricultural, lumber or fishery related jobs) in the last three years? ☐ Yes ☐ No

School Use Only—If the answer to any of the 4 questions on the Home Language Survey is not English, see administrator _____ ID# _____

INFORMACIÓN DEL ESTUDIANTE Escuela _____ Grado _____

Apellido (Legal)	Nombre de pila (Legal)	Segundo nombre (Legal)
Fecha de nacimiento	Padre de familia—Apellido	Teléfono

ESCUELAS A LAS QUE HA ASISTIDO EL ALUMNO

Última escuela que asistió	Domicilio	Ciudad	Estado	Zona Postal	Teléfono ( )

¿Cuándo fue inscrito primero en una **escuela de EUA o una escuela de California**?

Escuela de EUA ___ / ___ / ___ (mes / día / año) **Escuela en CA** ___ / ___ / ___ (mes / día / año)

¿Cuál es la escuela de California a la que ha asistido más recientemente? _____ (escuela/ distrito)

¿Ha asistido su niño previamente a una escuela de La Mesa-Spring Valley? ☐ **Sí** ☐ **No** **Año** _____ **Grado** ____

¿Ha asistido su niño previamente a esta escuela? ☐ **Sí** ☐ **No**

ENCUESTA DEL IDIOMA QUE SE HABLA EN CASA

¿En qué idioma prefiere recibir las llamadas telefónicas y avisos? ☐ Inglés ☐ Español

1. ¿Qué idioma aprendió su hijo cuando empezó a hablar? _____
2. ¿Qué idioma habla su hijo en casa con más frecuencia? _____
3. ¿Qué idioma utiliza usted más frecuente para hablar con su niño? _____
4. ¿Qué idioma hablan los adultos con más frecuencia en casa? _____

ETNIA / RAZA

Parte A. ¿Este alumno es hispano o latino? ***(Marque sólo una)***
- ☐ No es hispano ni latino
- ☐ Sí es hispano o latino (5)

La definición de Hispano / Latino es "una persona de cultura u origen cubano, mexicano, puertorriqueño, suramericano, centroamericano, o cualquier otra cultura u origen español, sin importar la raza". (De: cde.ca.gov/ds/td/lo/refaq.asp)

La parte anterior de la pregunta es sobre la etnia, no la raza. No importa cuál de las casillas haya marcado arriba, **por favor siga contestando las preguntas siguientes** y marque una o más de las casillas, para indicar la que usted considera que es la raza del alumno.

Parte B. ¿Cuál es la raza del alumno? ***(Marque uno o más)***

Asiático
- ☐ Chino (2-01)
- ☐ Japonés (2-02)
- ☐ Coreano (2-03)
- ☐ Vietnamita (2-04)
- ☐ Nativo de Asia (2-05)
- ☐ Laosiano (2-06)
- ☐ Camboyano (2-07)
- ☐ Otro asiático (2-99)
- ☐ Filipino (4)

- ☐ Negro o afroamericano (6)
- ☐ Blanco / Anglosajón (7)
- ☐ Indiamericano (1)

Nativo hawaiano otros archipiélagos del Pacífico
- ☐ Hawaiano (3-01)
- ☐ Nativo de Guam (3-02)
- ☐ Samoano (3-03)
- ☐ Tahitiano (3-04)
- ☐ Otros archipiélagos del Pacífico (3-99)

¿Cuáles son las definiciones de las categorías raciales federales?

"Amerindio o nativo de Alaska: Una persona oriunda de cualquiera de las poblaciones nativas originales de Norteamérica, Sudamérica (incluyendo Centroamérica), que mantenga su afiliación tribal o sus lazos comunitarios.

Asiático: Una persona oriunda de cualquiera de las poblaciones nativas originales del Lejano Oriente, Sudeste de Asia o el Subcontinente Indio. Por ejemplo, Cambodia, China, India, Japón, Corea, Malasia, Paquistán, las Filipinas, Tailandia y Vietnam.

Negro o Afroamericano: Una persona oriunda de cualquiera de los grupos raciales negros de África.

Nativo de Hawai u Otro isleño del Pacífico: Una persona oriunda de cualquiera de las poblaciones originales de Hawai, Guam, Samoa u otras islas del Pacífico.

Blanco: Una persona oriunda de cualquiera de las poblaciones nativas originales de Europa, el Medio Oriente o el Norte de África." –De www.cde.ca.gov/ds/td/lo/refaq.asp

TRABAJO MIGRATORIO—¿Trabaja Ud. o ha trabajado bajo trabajo migratorio (mudanza y trabajo de agricultura temporal, o trabajos de industria forestal o trabajos relacionados a la pesca) en los últimos tres años? ☐ Sí ☐ No

Addendum F: Parent Notification of English Proficiency and Program Options

Wisdom Academy for Young Scientists

Student ID# _____ For Office Use Only: Waiver Requested? ☐ Yes ☐ No

Faxed to School _____ Teacher _____

Parent Notification of English Proficiency and Program Options

To the parents of: _____ **School:** _____ **Grade:** _____ **Date:** _____

The District is required to determine the English Language Proficiency of students whose enrollment records indicate that another language other than English is spoken in the home. These students are tested in English using the **California English Language Development Test (CELDT).** Whenever possible, they are also tested in the primary (home) language you indicated when registering.

☐ OFFICIAL ☐ UNOFFICIAL	CELDT Levels/Scores (English Proficiency)	TEST YEAR _____ TEST GRADE _____

Listening:	☐Beginning	☐Early Intermediate	☐Intermediate	☐Early Advanced	☐Advanced	**Scale**
Speaking:	☐Beginning	☐Early Intermediate	☐Intermediate	☐Early Advanced	☐Advanced	**Scale**
Reading:	☐Beginning	☐Early Intermediate	☐Intermediate	☐Early Advanced	☐Advanced	**Scale**
Writing:	☐Beginning	☐Early Intermediate	☐Intermediate	☐Early Advanced	☐Advanced	**Scale**
Overall: Scale	☐ Beginning	☐ Early Intermediate	☐ Intermediate	☐ Early Advanced	☐ Advanced	

Pre-Kindergarten				K–8th Grade									Other Spanish Assessments	
Spanish Pre-LAS 2000		Language Scale 1–5		Spanish LAS Links Level 1–5									IPT	
Oral Level		Reading/Writing		L		S		R		W		O	WCM	

Student Classification

Based on the assessment results, your child will be classified as a/an:

Spec.Ed. _____
RSP _____
Speech

☐ **Fluent-English Proficient Student – NO SPECIAL PLACEMENT IS REQUIRED**

☐ **IFEP** – Academically and Linguistically Proficient in English:
School/District: _____

☐ **RFEP** – Reclassified Date _____ School/District

☐ **English Language Learner (EL)** Eligible to receive support in a Structured-English Immersion classroom, English Language Mainstream, or Alternative (primary language) program. **Placement Options:**

☐ **Structured English Immersion (SEI) – Specially-Credentialed Teacher at** _____ **School.**

☐ **English Language Mainstream (ELM) – Specially-Credentialed Teacher at** _____ **School.**

☐

☐ Contingent on parent's completion of Waiver Application process at _____ **School.**

_____ _____
Language Assessment Department Personnel Date

PARENT/GUARDIAN'S ACKNOWLEDGMENT OF RECEIPT AND UNDERSTANDING:

I acknowledge that I have been shown my child's CELDT and primary language assessment results. EL instructional program options were explained to me and I understand the placement options.

_____ _____ _____
Parent or Guardian (Print Name) Parent or Guardian (Signature) Date

For Office Use Only ☐Returning ☐Transfer Previous School: _____ Previous District: _____

Levels/Scales: L ☐ S ☐ R ☐ W ☐ O ☐ YEAR ☐

☐ E/O Instruction per Parent (Initial) ☐ No transportation for Bilingual per Parent (Initial) ☐ No Space for Bilingual per School

☐ PEI ☐ PBI ☐ Parent Letter Sent Home ☐ Parent Letter Given at School Site ☐ E/O at Previous School ☐ Cleanup – Date _____

EXPLANATION OF LANGUAGE TEST SCORE RESULTS

English Language Assessment using the California English Language Development Test (CELDT)	**Beginning (Level 1)** Student may demonstrate little or no receptive or productive English skills. **Early Intermediate (Level 2)** Student continues to develop receptive and productive English skills. **Intermediate (Level 3)** Student begins to tailor the English language skills to meet communication and learning demands with increasing accuracy. **Early Advanced (Level 4)** Student begins to combine the elements of the English language in complex, cognitively demanding situations and is able to use English as a means for learning in content areas. **Advanced (Level 5)** Student communicates effectively with various audiences on a wide range of familiar and new topics to meet social and learning demands.

STUDENT CLASSIFICATION

English Learner (EL)	Initial Fluent English Proficient (IFEP)	Reclassified Fluent English Proficient (RFEP)
Student has limited ability to speak and/or read and write in the English language. Special placement required.	Student demonstrates full English Language proficiency in listening, speaking, reading, and writing. No special placement is required.	Previous English Learner who has met academic proficiency in English. No special placement is needed.

Note: English testing to be completed within 30 days of enrollment. Spanish primary language testing to be completed within 90 days of enrollment.

PROGRAM MODELS

SHELTERED / STRUCTURED ENGLISH IMMERSION (SEI)

1. Students are clustered with appropriately certificated teachers.
2. English Language Development (ELD) instruction is provided daily to facilitate English language acquisition.
3. The core curriculum is taught using Specially Designed Academic Instruction in English (SDAIE) using ELD strategies such as Guided Language Acquisition Design (GLAD). Teachers use a variety of techniques including content-based English Language Development (ELD), Total Physical Response (TPR), and sheltered instruction to ensure that concepts are comprehensible and meaningful to students.

ENGLISH LANGUAGE MAINSTREAM PROGRAM (ELM)

1. Academic instruction is in English and is targeted for students who are native English speakers or who have acquired considerable fluency in conversational English.
2. ELD instruction is provided daily to build academic language needed for success in school.
3. The core curriculum is taught similarly to all students in the classroom with special attention to the acquisition of more formal English needed to succeed in high school and beyond.

Wisdom Academy for Young Scientists

Nº de ID del alumno _____ For Office Use Only: Waiver Requested? ☐ Sí ☐ No

Mandado por FAX a la escuela _____ Maestro(a) _____

Notificación a los padres de familia respecto al nivel de aptitud del idioma inglés y opciones de programas

Para los padres o tutor legal del alumno: _____ **Escuela:** _____ **Grado:** _____ **Fecha:** _____

El Distrito es requerido a determinar el nivel de aptitud del idioma inglés de los alumnos cuyos expedientes indican haber otro idioma que se habla en casa aparte del idioma inglés. Estos alumnos son evaluados en inglés utilizando la **Evaluación del Aprendizaje Progresivo del Idioma Inglés de California (California English Language Development Test; CELDT, por sus siglas en inglés).** Cuando es posible, ellos también son evaluados en su lengua materna (idioma que se habla en casa) que usted indicó en la inscripción.

☐ OFICIAL ☐ NO OFICIAL

Niveles / Puntuación de la aptitud en inglés conforme a la CELDT

AÑO DE PRUEBA _____
FECHA DE PRUEBA _____

Comprensión auditiva (L):	☐ Inicial	☐ Preintermedio	☐ Intermedio	☐ Preavanzado	☐ Avanzado	**Escala**
Expresión oral (S):	☐ Inicial	☐ Preintermedio	☐ Intermedio	☐ Preavanzado	☐ Avanzado	**Escala**
Lectura (R):	☐ Inicial	☐ Preintermedio	☐ Intermedio	☐ Preavanzado	☐ Avanzado	**Escala**
Escritura (W):	☐ Inicial	☐ Preintermedio	☐ Intermedio	☐ Preavanzado	☐ Avanzado	**Escala**
TOTAL GLOBAL (O):	Inicial	Preintermedio	Intermedio	Preavanzado	Avanzado	

Pre-Kindergarten		Kindergarten a 8vo Grado		Otras evaluaciones en español
Español Pre-LAS 2000	Escala de lenguaje 1-5	**Español LAS Links - Niveles**		IPT
Nivel Oral	Lectura / Escritura	L S R W O		WCM

Clasificación del alumno conforme a su nivel de inglés

Conforme a los resultados de la evaluación, su niño será clasificado como:

Educación Programa de Habla	Recursos y	Especial Especializados Lenguaje

☐ **Alumno que domina el idioma inglés (IFEP/RFEP) –**
NO REQUIERE ASIGNACIÓN EN UN ÁMBITO EDUCATIVO ESPECIAL

☐ **IFEP** – Académicamente y lingüísticamente competente en inglés: Escuela / Distrito

☐ **RFEP** – Fecha de la reclasificación _____ Escuela / Distrito _____

☐ **Estudiante de inglés como segunda lengua (EL).** Elegible para recibir apoyo en un salón de clase de enseñanza contextualizada; clases regulares en inglés o; programa alternativo (bilingüe). **Opciones de la asignación del ámbito educativo:**

☐ **Programa de enseñanza contextualizada para el aprendizaje del inglés (Structured English Immersion; SEI) – Maestros con credenciales especializadas en la escuela:** _____

☐ **Programa regular en inglés (English Language Mainstream; ELM) – Maestros con credenciales especializadas en la escuela:** _____

☐ **Programa Alternativo—Bilingüe/(Bi)Alfabetismo (ALT-BB) - Maestros bilingües con credenciales especializadas**

☐ **Sujeto a la solicitud de exoneración realizada por el padre(madre) de familia en la escuela:** _____

_____ _____
Personal del Departamento de Evaluaciones de Idiomas Fecha

ACUSE DE RECIBO Y ENTENDIMIENTO DEL PADRE(MADRE) DE FAMILIA / TUTOR LEGAL:

Consto que se me han mostrado los resultados que mi niño(a) obtuvo en la Evaluación del Aprendizaje Progresivo del Idioma Inglés de California (CELDT, por sus siglas en inglés) y de la evaluación de la lengua materna. Las opciones de programas para la enseñanza de los alumnos aprendiendo inglés como segunda lengua se me explicaron y entiendo las opciones de la asignación del ámbito educativo. En caso que tenga preguntas sé que puedo llamar al Departamento de Evaluación de Idiomas (en inglés, Language Assessment Department) al (619) 668-5700 Ext. 6400

_____ _____ _____
Nombre del padre(madre) de familia o tutor legal (en letra de molde) Firma del padre(madre) de familia o tutor legal Fecha

For Office Use Only ☐ Returning ☐ Transfer Previous School: _____ Previous District: _____

Levels/Scales: L [ ] S [ ] R [ ] W [ ] O [ ] YEAR [ ]

☐ E/O Instruction per Parent (Initial) ☐ No transportation for Bilingual per Parent (Initial) ☐ No Space for Bilingual per School

☐ PEI ☐ PBI ☐ Parent Letter Sent Home ☐ Parent Letter Given at School Site ☐ E/O at Previous School ☐ Cleanup – Date _____

EXPLICACIÓN DE LOS NIVELES DE LAS PRUEBAS

Prueba de inglés
Valoración del idioma inglés empleando la Evaluación del Aprendizaje Progresivo del Idioma Inglés de California (California English Language Development Test; CELDT, por sus siglas en inglés)

Definiciones de los niveles de competencia rendidos en ambas pruebas:

Inicial (Nivel 1)
El alumno muestra pocas o ninguna destreza receptiva o productiva en inglés.

Preintermedio (Nivel 2)
El alumno sigue desarrollando destrezas receptivas y productivas en inglés.

Intermedio (Nivel 3)
El alumno empieza a elaborar sus destrezas en el idioma inglés para cumplir las exigencias de comunicación y del aprendizaje con creciente exactitud.

Preavanzado (Nivel 4)
El alumno empieza a combinar los elementos del idioma inglés en situaciones que exigen las destrezas cognitivamente complejas y puede utilizar el idioma inglés como medio para aprender las materias académicas.

Avanzado (Nivel 5)
El alumno se comunica eficazmente con varias audiencias sobre una amplia variedad de temas conocidos y nuevos para cumplir las exigencias sociales y del aprendizaje.

CLASIFICACIÓN DEL ALUMNO CONFORME A SU NIVEL DE INGLÉS

Estudiante de inglés como segunda lengua (EL)	**Alumno que domina el idioma inglés (Initial Fluent English Proficient; IFEP)**	**Reclasificación de un alumno que domina el idioma inglés (Reclassified Fluent English Proficient; RFEP)**
Habilidad limitada del alumno al hablar y(o) leer y escribir en inglés. Se requiere asignación en un ámbito educativo especial.	El alumno muestra dominar el inglés completamente en términos de entender auditivamente, hablar, leer y escribir. No se requiere asignación en un ámbito educativo especial.	Previamente estudiante de inglés como segunda lengua que es competente al nivel académico en inglés. No se requiere asignación en un ámbito educativo especial.

ATENCIÓN: **La evaluación en inglés será realizada dentro de los 30 días después de haberse matriculado. La evaluación del idioma español materno será realizada dentro de los 90 días de la matrícula.**

MODELOS DE PROGRAMAS

PROGRAMA DE ENSEÑANZA CONTEXTUALIZADA PARA EL APRENDIZAJE DEL INGLÉS (SEI)

1. Los alumnos son asignados con maestros con credenciales apropiadas.
2. Diariamente se imparte el aprendizaje progresivo del idioma inglés (English Language Development; ELD).
3. El currículo fundamental se enseña utilizando los métodos de la enseñanza académica especialmente diseñada en inglés (Specially Designed Academic Instruction in English; SDAIE, por sus siglas en inglés) utilizando las estrategias del aprendizaje progresivo del idioma inglés (English Language Development; ELD) tal como Guided Language Acquisition Design (GLAD). Los maestros utilizan una variedad de técnicas incluyendo la enseñanza de ELD basada en el currículo académico; métodos de Respuesta Física Total (Total Physical Response; TPR), y enseñanza apoyada para garantizar que los conceptos sean comprensibles y significativos para los alumnos.

PROGRAMA REGULAR EN INGLÉS (ELM)

1. La enseñanza académica es en inglés y orientada para los alumnos angloparlantes de nacimiento o quienes han adquirido considerable fluidez para conversar en inglés.
2. Diariamente se imparte la enseñanza formal de ELD para aumentar el lenguaje académico necesario para triunfar en la escuela.
3. El currículo académico fundamental se enseña de igual manera a todos los alumnos en el salón de clase y se enfoca en la adquisición del inglés más formal necesario para ser exitoso en la escuela preparatoria y más allá.

Addendum G: Request to Change English Learner Placement

Wisdom Academy for Young Scientists

REQUEST TO CHANGE ENGLISH LEARNER PLACEMENT

School Year			
Student Name	School	Age	Grade
Street	Zip Code	Phone	
Most Current Overall CELDT Level ☐ Beginning ☐ Early Intermediate ☐ Intermediate ☐ Early Advanced ☐ Advanced			

My child is currently receiving services in the following instructional program setting:

☐ Structured English Immersion (SEI)
For students with less than reasonable fluency in English

☐ English Language Mainstream (ELM)
For students with reasonable fluency in English

Please place my child in the following instructional program setting:

☐ Structured English Immersion (SEI)
For students with less than reasonable fluency in English

☐ English Language Mainstream (ELM)
For students with reasonable fluency in English

Please describe below why you want this change:

_____

_____

_____

I understand that by requesting this placement, my child will continue to receive English Language Development and it is the responsibility of the classroom teacher to provide appropriate services. I also understand that until my child is reclassified, my child is still considered an English Learner and will continue to receive English Language Development, regardless of their class placement.

_____ _____
Parent Signature Date

_____ _____
Principal Signature Date

Wisdom Academy for Young Scientists

SOLICITUD PARA CAMBIAR LA ASIGNACIÓN EDUCATIVA DEL ESTUDIANTE DE INGLÉS

Ciclo escolar			
Nombre del alumno	Escuela	Edad	Grado
Domicilio	Zona Postal	Teléfono	
El nivel actual obtenido en la Evaluación del Aprendizaje del Idioma Inglés de CA (CELDT)			
Inicial _____ Preintermedio _____ Intermedio _____ Preavanzado _____ Avanzado _____			

Mi niño actualmente recibe servicios en los siguientes ámbitos educativos:

Programa de enseñanza contextualizada para el aprendizaje del inglés (Structured English Immersion; SEI)
Para los alumnos con un bajo nivel de fluidez en inglés

☐ Programa regular en inglés (English Language Mainstream; ELM)
Para los alumnos con un nivel razonable de fluidez en inglés

Favor de asignar a mi niño en el siguiente programa educativo:

☐ Programa de enseñanza contextualizada para el aprendizaje del inglés (Structured English Immersion; SEI)
Para los alumnos con un bajo nivel de la fluidez en inglés

☐ Programa regular en inglés (English Language Mainstream; ELM)
Para los alumnos con un nivel razonable de la fluidez en inglés

Favor de explicar por qué solicita el cambio de la asignación educativa:

_____

_____

_____

Entiendo que al solicitar esta asignación del ámbito educativo, mi niño continuará recibiendo enseñanza de inglés y que el maestro del salón de clase tiene la responsabilidad de proveer los servicios adecuados. También entiendo que mi niño es considerado ser un estudiante de inglés y que seguirá recibiendo enseñanza de inglés sin importar la asignación de su ámbito educativo hasta que sea clasificado como alumno que domina el idioma inglés.

_____ _____
Firma del padre(madre) de familia / Tutor legal Date

_____ _____
Firma del Director(a) Date

Addendum H: Score Ranges for CEDLT, CST ELA and CST Math

CUT SCORES / RANGES for CELDT, CST ELA, and CST MATH

CALIFORNIA ENGLISH LANGUAGE DEVELOPMENT TEST (CELDT) OVERALL SCORES					
Grade	**Beginning**	**Early Intermediate**	**Intermediate**	**Early Advanced**	**Advanced**
K	180 - 351	352 - 399	400–448	449 - 497	498 - 598
1	184 - 358	359 - 405	406– 453	454 - 506	507 - 598
2	215 - 396	397 - 446	447–495	496 - 539	540 - 635
3	230 - 414	415 - 459	460– 513	514 - 556	557 - 700
4	230 - 432	433 - 472	473– 530	531 - 574	575 - 700
5	230 - 437	438 - 482	483– 538	539 - 586	587 - 700
6	248 - 441	442 - 491	492– 551	552 - 601	602 - 741
7	248 - 446	447 - 501	502– 555	556 - 609	610 - 741
8	248 - 452	453 - 509	510– 568	569 - 622	623 - 741

CALIFORNIA STANDARDS TEST – ENGLISH LANGUAGE ARTS					
Grade	**Far Below Basic**	**Below Basic**	**Basic**	**Proficient**	**Advanced**
2	150 - 261	262 - 299	300 - 349	350 - 401	402 - 600
3	150 - 258	259 - 299	300 - 349	350 - 401	402 - 600
4	150 - 268	269 - 299	300 - 349	350 - 392	393 - 600
5	150 - 270	271 - 299	300 - 349	350 - 394	395 - 600

CALIFORNIA STANDARDS TEST – MATHEMATICS					
Grade	**Far Below Basic**	**Below Basic**	**Basic**	**Proficient**	**Advanced**
2	150 - 235	236 - 299	300 - 349	350 - 413	414 - 600
3	150 - 235	236 - 299	300 - 349	350 - 413	414 - 600
4	150 - 244	245 - 299	300 - 349	350 - 400	401 - 600
5	150 - 247	248 - 299	300 - 349	350 - 429	430 - 600

Addendum I: Catch Up Plan

Wisdom Academy for Young Scientists

Catch-Up Plan Benchmarks For English Learners
ELEMENTARY (Grade 2)

STUDENT INFORMATION							
School Year		Student ID					
Last Name		First Name					
School		Grade		Teacher			
Special Ed Status		First US Enrollment Date			Number of Years in US School		

English Learners have an annual growth target based on their previous CELDT score:

- ELs with an overall CELDT 1, 2, or 3 must gain one proficiency level.
- ELs with an overall CELDT 4 or 5 must reach the English proficient level by bringing all skills (listening, speaking, reading, and writing) up to intermediate level (3) or higher.
- ELs at English proficient level are expected to maintain that level.

CELDT Overall		
Listening		
Speaking		
Reading		
Writing		

Key:
CIRCLE the **number of years** a student has been enrolled in a U.S. school.
Using the overall CELDT Score, circle the assessment performance level.

	Number of Years Enrolled in a U.S. School	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years+
		Expected Levels ↓	Expected Levels ↓	Expected Levels ↓	Expected Levels ↓	Expected Levels ↓	Expected Levels ↓
ASSESSMENT	CELDT Overall Level	Beginning	Early Intermediate	Intermediate	Intermediate	Early Advanced	Early Advanced / Advanced
ASSESSMENT	HM Summative	Below	Below	Approaching	Approaching	Proficient	Advanced
ASSESSMENT	2nd Grade Reading Level Assessment	Beg. 2nd N/A	N/A	N/A	N/A	Level I →	Level I or higher

If the child is not meeting the expected levels, an Intervention Plan is required.

Wisdom Academy for Young Scientists

Plan para alcanzar los normas de los alumnos aprendiendo inglés (ELs)
Primaria y Secundaria (Grado 2)

Información del estudiante							
Año escolar		# de ID					
Apellido		**Nombre**					
Escuela		Grado		Maestro			
Estatus de Ed. Especial		Primera fecha de inscripción en EEUU			Número de años en una escuela de EE.UU.		

Los alumnos aprendiendo inglés como segunda lengua tienen un objetivo de superación anual basado en sus puntajes previos de CELDT.

- ELs con un CELDT global de 1, 2 ó 3 deben obtener un nivel de competencia.
- ELs con un CELDT global de 4 ó 5 deben alcanzar el nivel de competente en inglés, elevando todas las destrezas (comprensión auditiva, expresión oral, lectura y escritura) hasta el nivel intermedio (3) o más alto.
- Se espera que los ELs de nivel competente en inglés mantengan ese nivel

CELDT Global		
Comprensión auditiva		
Expresión oral		
Lectura		
Escritura		

Clave:
CIRCULE el número de años que el alumno ha estado inscrito en una escuela de los EE.UU.
Usando los puntajes globales de CELDT circule los nivele del rendimiento en las pruebas.

	# de años en una escuela de EE.UU.	1 Año	2 Años	3 Años	4 Años	5 Años	6 Años o más
		Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓
Evaluaciones	CELDT Nivel Global	Inicial	Pre-Intermedio	Intermedio	Intermedio	Pre-Avanzado	Pre-Avanzado / Avanzado
Evaluaciones	HM Sumativo	Por debajo	Por debajo	Aproximándose al básico	Aproximándose al básico	Competente	Avanzado
Evaluaciones	2 do Grado Prueba de lectura - Nivel	Inicial de 2do N/A	N/A	N/A	N/A	→ Nivel I	Nivel I ó mayor

Si el alumno no está logrando los niveles esperados, se requiere un Plan de Intervención.

Wisdom Academy for Young Scientists

Catch-Up Plan Benchmarks For English Learners
ELEMENTARY (Grades 3–5)

STUDENT INFORMATION							
School Year		Student ID					
Last Name		First Name					
School		Grade		Teacher			
Special Ed Status		First US Enrollment Date			Number of Years in US School		

English Learners have an annual growth target based on their previous CELDT score:

- ELs with an overall CELDT 1, 2, or 3 must gain one proficiency level.
- ELs with an overall CELDT 4 or 5 must reach the English proficient level by bringing all skills (listening, speaking, reading, and writing) up to intermediate level (3) or higher.
- ELs at English proficient level are expected to maintain that level.

CELDT Overall*		
Listening		
Speaking		
Reading		
Writing		
CST ELA*		
CST Math		
CMA ELA		
CMA Math		

Key:
CIRCLE the number of years a student has been enrolled in a U.S. school.
Using the overall CELDT and CST Scores, circle the assessment performance levels.

	Number of Years Enrolled in a U.S. School	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years+
		Expected Levels ↓	Expected Levels ↓	Expected Levels ↓	Expected Levels ↓	Expected Levels ↓	Expected Levels ↓
ASSESSMENTS	CELDT Overall Level	Beginning	Early Intermediate	Intermediate	Intermediate	Early Advanced	Early Advanced / Advanced
	CST or CMA—ELA	Far Below Basic	Below Basic	Basic	Basic	Proficient	Proficient / Advanced
	CST or CMA–Math	Far Below Basic	Below Basic	Basic	Basic	Proficient	Proficient / Advanced

If the child is not meeting the expected levels, an Intervention Plan is required.

* If CELDT overall is 4 or 5 and CST scaled score is 325 or higher, consider reclassification.

Original—Cum/EL Folder 2 copies made: 1—Parent, 1—Principal

Wisdom Academy for Young Scientists

Plan para alcanzar los estándares de los alumnos que están aprendiendo inglés (ELs)
Primaria (Grados 3–5)

Información estudiantil							
Año escolar		# de ID					
Apellido		**Nombre**					
Escuela		Grado		Maestro			
Estatus de Ed. Especial		**Primera fecha de inscripción en EEUU**			Número de años en una escuela de EE.UU.		

Los alumnos que están aprendiendo inglés (ELs) tienen un objetivo de superación anual basado en sus puntajes previos de CELDT.

- ELs con un CELDT global de 1, 2 ó 3 deben obtener un nivel de competencia.
- ELs con un CELDT global de 4 ó 5 deben alcanzar el nivel de competente en inglés, elevando todas las destrezas (comprensión auditiva, habla, lectura y escritura) hasta el nivel intermedio (3) ó más alto.
- Se espera que los ELs de nivel competente en inglés mantengan ese nivel

CELDT Global*		
Comprensión auditiva		
Expresión oral		
Lectura		
Escritura		
CST ELA*		
CST Matemáticas		
CMA ELA		
CMA Matemáticas		

Clave:
CIRCULE el número de años que el alumno ha estado inscrito en una escuela de los EE.UU.
Usando los puntajes globales de CELDT y la Prueba de estándares en español (STS) circule los niveles del rendimiento en las pruebas.

Evaluaciones	# de años en una escuela de EE.UU.	1 Año	2 Años	3 Años	4 Años	5 Años	6 Años o más
		Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓	Niveles esperados ↓
	CELDT Nivel Global	Inicial	Pre Intermedio	Intermedio	Intermedio	Pre Avanzado	Pre Avanzado / Avanzado
	CST o CMA—ELA	Muy por debajo del básico	Por debajo del básico	Básico	Básico	Competente	Competente / Avanzado
	CST o CMA–MAT.	Muy por debajo del básico	Por debajo del básico	Básico	Básico	Competente	Competente / Avanzado

Si el alumno no está logrando los niveles esperados, se requiere un Plan de Intervención.

* Si el puntaje general en la CELDT es 4 ó 5 y el puntaje escalado en la CST es 325 ó mayor, considérese la reclasificación.

Original—Expediente Cum/Carpeta EL hacer 2 copias: 1—Padres, 1—Director(a)

Addendum J: Intervention Plan

Wisdom Academy for Young Scientists
Intervention Plan

Student _____ Grade _____
Teacher _____ Date _____

Based upon last year and the beginning of this year's achievement information, your child demonstrated performance that was below grade-level standards. He/she is currently receiving the following support services:

Current Support Services

- ☐ English Language Development
- ☐ Individualized Educational Program (IEP)
- ☐ 504 Plan
- ☐ Other _____

In addition, to help your child improve his/her academic performance, the following interventions are recommended:

Intervention Recommendations

Academic

English Language Arts

- ☐ Core Program Differentiation Options:
  - ☐ Extra Support Handbook
  - ☐ English Learners Handbook
- ☐ Intervention (in addition to core):
  - ☐ Medallion's Toolbox
  - ☐ Fluency Lab/Read Naturally
  - ☐ Rewards
  - ☐ Other _____
- ☐ Intensive Intervention Program
  - ☐ Fast Track
  - ☐ Read 180
  - ☐ Portals

Mathematics

- ☐ Core Program Differentiation Instruction and Intervention (in addition to core) Options:
  - ☐ Everyday Math (EDM) Differentiation Options - Part 3
  - ☐ EDM Differentiation Handbook
  - ☐ EDM English Learners Handbook
  - ☐ Multilingual Handbook
- ☐ Intensive Intervention Program
  - ☐ iPass
  - ☐ Number Worlds

Academic *(continued)*

- ☐ Oasis Reading Tutor
- ☐ Everyone a Reader
- ☐ Modified Assignments
- ☐ Newcomer Group
- ☐ Recess Study Group
- ☐ Other _____

Attendance

- ☐ Attendance Letter #1, #2, #3
- ☐ School Attendance Review Team (SART)
- ☐ School Attendance Review Board (SARB)

Other

- ☐ Health Referral
- ☐ Student Assignment Planner
- ☐ Alternative Recess
- ☐ Behavior/Study Contract
- ☐ Other _____

Comments _____

➔ I will support my child's participation in the intervention programs marked above. ☐ yes ☐ no

_____ _____
Parent Signature Date

Principal Signature _____

Wisdom Academy for Young Scientists

Plan de Intervención de la Escuela

Alumno(a) _____ Grado _____

Maestro(a) _____ Fecha _____

Basado en la información de aprovechamiento del año pasado y del principio de este año, su niño(a) mostró tener un rendimiento de por debajo de las normas del nivel de grado. Su niño(a) actualmente está recibiendo los siguientes apoyos.

Actuales servicios de apoyo

- ☐ Aprendizaje de inglés (ELD)
- ☐ Programa de Educación Individualizada (IEP)
- ☐ Programa de asesoría
- ☐ Plan 504
- ☐ Otro _____

Además, para ayudar a su niño a mejorar su rendimiento académico, se recomiendan las siguientes intervenciones:

Recomendaciones para la intervención

Académica

Disciplinas lingüísticas en inglés

- ☐ Opciones diferenciales del programa fundamental:
  - ☐ Guía sobre el apoyo extra
  - ☐ Guía sobre estudiantes de inglés
- ☐ Intervención (además del currículo común):
  - ☐ Medallion's Toolbox (Herramientas)
  - ☐ Fluency Lab (Laboratorio para fluidez)/leer naturalmente
  - ☐ Rewards (Premios)
  - ☐ Otro _____
- ☐ Programa de intervención intensiva
  - ☐ Fast Track
  - ☐ Read 180
  - ☐ Portals

Matemáticas

- ☐ Opciones de programa de enseñanza fundamental e intervención diferencial (además del común):
  - ☐ Opciones diferenciales para matemáticas cotidianas (EDM) - Parte 3
  - ☐ Guía diferencial para matemáticas cotidianas
  - ☐ Guía de EDM para estudiantes de inglés
  - ☐ Guía multilingüe
- ☐ Programa de intervención intensiva
  - ☐ iPass
  - ☐ Number Worlds (Mundos numéricos)

Académica *(continuación)*

- ☐ Tutor de lectura (Oasis Reading Tutor)
- ☐ Todos son lectores (Everyone a Reader)
- ☐ Asignaturas modificadas
- ☐ Grupo de recién llegado
- ☐ Grupo de estudio durante el recreo
- ☐ Otro _____

Asistencia

- ☐ Carta sobre la asistencia #1, #2, #3
- ☐ Equipo de Revisión de Asistencia Escolar (SART)
- ☐ Consejo Administrativo de Revisión (SARB)

Otro

- ☐ Recomendación sobre la salud
- ☐ Agenda para las asignaturas del alumno
- ☐ Recreo alternativo
- ☐ Contrato de estudio o superación conductual
- ☐ Programa *Second Step*
- ☐ Otro _____

Comentarios _____

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➔ Apoyaré la participación de mi niño(a) en los programas de intervención susodichos marcados. ☐ sí ☐ no

_____ _____

Firma del padre(madre) de familia / Tutor legal Fecha

Firma del Director(a) _____

Addendum K: Reclassification Worksheet

ELEMENTARY RECLASSIFICATION WORKSHEET
English Learner to Fluent English Proficient (RFEP)

Student Name: _____Grade: _____School: _____

District Entry Date: _____Teacher: _____

Parent Name:_____

Address:_____

We are pleased to inform you that your child has successfully completed all of the requirements necessary to be reclassified from English Learner to Fluent English Proficient. Based on multiple measures of academic data, your child has developed sufficient English language skills to achieve academically in a Mainstream English program. The minimum requirements for reclassification are listed below, along with your child's scores.

Multiple Criteria	Minimum Requirements	Your Child's Scores
CELDT (California English Language Development Test)	Overall score of Level 4 or 5 AND Listening Level 3 or higher Speaking Level 3 or higher Reading Level 3 or higher Writing Level 3 or higher	Overall ____ Listening ____ Speaking ____ Reading ____ Writing ____
CST (California Standards Test) **CMA** (California Modified Assessment) • Language Arts • Math	Scale Score of 325 or higher in Language Arts and Math (Basic Level or higher)	Language Arts Proficiency____ Scale Score Math Proficiency ____ Scale Score ____
Teacher Approval Scale – Low, Average, or High • Verbal Expression • Reading • Writing • Math	Average or High	Verbal Expression ____ Reading ____ Writing ____ Math ____

Teacher supports reclassification? Yes ___No ___Teacher Signature _____

Comments:

Parent supports reclassification? Yes___No ___Parent Consulted_____ by mail phone in person
Date

Parent Comments:

EL Designee Signature _____ Date _____

Principal Signature _____Date _____

Reclassification date to be effective: _____**or** To be reviewed next year ___by _____

Formulario correspondiente a la reclasificación de alumnos de *escuela primaria* que han alcanzado el nivel competente del idioma inglés (RFEP)

Nombre del alumno: _____ Grado: _____ Escuela: _____

Fecha en la cual ingresó al Distrito: _____ Maestro(a): _____

Nombre del padre de familia: _____

Domicilio: _____

Nos complace informarle que su hijo(a) ha realizado todos los requisitos necesarios para ser reclasificado de alumno en vías de saber inglés (English Learner) a un alumno que domina el idioma inglés (Fluent English Proficient). Basado en múltiples fuentes de datos académicos, su hijo(a) ha desarrollado suficientes destrezas en el idioma inglés para triunfar académicamente en un programa de inglés regular. Los mínimos requisitos para reclasificar y las puntuaciones de su niño(a) son las siguientes:

Criterio determinante	Mínimos requisitos		Puntuación del nivel de su niño	
CELDT (Evaluación del Aprendizaje Progresivo del Idioma Inglés de California)	Nivel general	4 ó 5	Total	_____
	Comprensión auditiva	3 ó mayor	Comprensión auditiva	_____
	Expresión verbal (hablar)	3 ó mayor	Expresión verbal (hablar)	_____
	Lectura	3 ó mayor	Lectura	_____
	Redacción	3 ó mayor	Redacción	
CST (Pruebas de las normas de California) **CMA** (Evaluación Modificada de California) • Disciplinas lingüísticas en inglés • Matemáticas	Puntuación escalada de 325 ó mayor en: Disciplinas lingüísticas en inglés y matemáticas (nivel *suficiente* o mayor)		Aptitud en disciplinas lingüísticas Puntuación escalada Aptitud en matemáticas Puntuación escalada	_____ _____ _____
Aprobación docente Escala – bajo, promedio, o alto • Expresión verbal • Lectura • Escritura • Matemáticas	Promedio o alto		Expresión verbal (Hablar) Lectura Escritura Matemáticas	_____ _____ _____ _____

¿Aprueba la reclasificación el maestro de disciplinas lingüísticas? Sí ____ No ____ Firma del maestro(a): _____

Comentarios del maestro(a):

¿Aprueba el padre(madre) de familia la reclasificación? Sí _____ No _____

El padre de familia fue consultado en _____ (Fecha) por correo ☐ por teléfono ☐ en persona ☐

Comentario del padre(madre) de familia:

Firma del maestro(a) responsable a reclasificar _____ Fecha _____

Firma del Director _____ Fecha _____

La reclasificación se efectuará a partir del _____ o se volverá a revisar el próximo ciclo escolar Sí ☐ No ☐ por _____

Addendum L: English Learner with Special Needs Reclassification Worksheet

English Learner with Special Needs Reclassification Worksheet

Name: _____ D.O.B. _____ Grade: _____ Date of Meeting:

Primary Disability: _____ Secondary Disability:

Summary of English language development services received:

1. **Assessment Results of Language Proficiency**
   (Note: The CDE regulations allow the IEP team to designate that a student take an alternate assessment to CELDT if appropriate)

   Language Proficiency Assessment Taken: ☐ CELDT or ☐ Alternate Assessment

   Current School Year Data Date: _____

   ☐ CELDT Overall Score: _____ Listening: _____ Speaking: _____Reading: _____Writing: _____

   ☐ Alternate Assessment (ALPI) Overall Score: _____Listening: _____Speaking: _____

   ☐ Other Alternate Assessment: _____Listening: _____ Speaking: _____ Reading: _____Writing: _____

   Previous School Year Data Date: _____

   ☐ CELDT Overall Score: _____ Listening: _____ Speaking: _____Reading: _____ Writing: _____

   ☐ Alternate Assessment (ALPI) Overall Score: _____Listening: _____ Speaking: _____

   ☐ Other Alternate Assessment: Listening: _____Speaking: _____ Reading: _____ Writing: _____

   Student met language proficiency level criteria as assessed by CELDT? ☐ Yes ☐ No

   Note: Overall proficiency level must be early advanced or higher, listening must be intermediate or higher, speaking must be intermediate or higher, reading must be intermediate or higher, and writing must be intermediate or higher.

   If student's overall proficiency level was in the upper end of the intermediate level, did the reclassification team review other informal measures of proficiency and determine that it is likely the student is proficient in English? ☐ Yes ☐ No

   If student took alternate assessment(s), answer the following questions:
   Does the reclassification team feel the student's disability impacts the ability to manifest English proficiency? ☐ Yes ☐ No
   If so, in what areas: ☐ Listening ☐ Speaking ☐ Reading ☐ Writing

   Note: Possible indicators: Student has similar academic deficits and error patterns in English as well as primary language, or error patterns in speaking, reading, and writing are typical of students with that disability versus students with language differences, etc.

   Comments: _____

   _____

   Does the reclassification team feel it is likely the student has reached an appropriate level of English proficiency? ☐ Yes ☐ No

2. Teacher Evaluation

Note: Having incurred deficits in motivation & academic success unrelated to English language proficiency (i.e. disability) do not preclude a student from reclassification.

Evaluation was based on: ☐ Classroom performance ☐ Districtwide assessments ☐ IEP Goal Progress ☐ Other: _____

Comments: _____

_____

_____

Does the Reclassification Team feel teacher input/evaluation warrants possible reclassification? ☐ Yes ☐ No

3. Parent Opinion and Consultations was solicited through:

☐ Letter to Parent
☐ Parent Conference
☐ Other _____

_____

Does the Reclassification Team feel parent input warrants possible reclassification at this time? ☐ Yes ☐ No

Comments: _____

_____

4. Comparison of Performance in Basic Skills

Note: CST score in English/language arts (ELA) must be at least beginning of basic level to midpoint of basic - each district may select exact cut point; for pupils scoring below the cut point, determine whether factors other than English language proficiency are responsible and whether it is appropriate to reclassify the student.

Assessment taken: ☐ CST ☐ CMA

English/Language Arts Score _____

Student met the Performance on CST criteria? ☐ Yes ☐ No

If student took CMA, did he/she perform at the beginning basic level to the midpoint of basic in ELA? ☐ Yes ☐ No

If performance in basic skills criteria based on CST or CMA was not met, answer the following questions to help determine if "factors other than English language proficiency are responsible for limited achievement in ELA"

☐ Student's Basic Skills assessment scores appear to be commensurate with his/her intellectual ability due to a disability such as an intellectual disability, language and speech impairment, etc., versus a language difference, and primary language assessments indicate similar levels of academic performance (if available and applicable) or,

☐ Error patterns noted mirror the patterns of errors made by students with a particular disability versus a peer with language differences, and student manifests language proficiency in all other areas

Does the Reclassification Team feel analysis of Performance in Basic Skills (ELA) warrants reclassification? ☐ Yes ☐ No

Does the reclassification team feel the student should be reclassified at this time based on analysis of the four criteria above? ☐ Yes ☐ No

Signatures of Reclassification Team Members:

Date: _____ (optional)	Date: _____ Classroom Teacher
Date: _____ Education Case Manager (optional)	Date: _____ EL Representative
Date: _____	Date: _____ Other

Wisdom Academy for Young Scientists

Personnel Handbook Acknowledgement

By my signature below, I acknowledge that I have received a copy of Wisdom Academy for Young Scientists' Personnel Handbook, on the date indicated below and agree to my at-will employment as described below. I acknowledge that it is my responsibility to read and review the Personnel Handbook carefully. I also acknowledge that it my responsibility to ask for clarification if I do not understand any of the policies included in the Personnel Handbook.

I understand that the Personnel Handbook contains important information regarding Wisdom Academy for Young Scientists' expectations, policies and guidelines and that I am expected to comply with these expectations, policies and guidelines at all times. I understand that the Personnel Handbook does not provide a binding contract, but provides guidelines for personnel concerning some of Wisdom Academy for Young Scientists' policies.

Just as I am free to terminate the employment relationship with Wisdom Academy for Young Scientists at any time, Wisdom Academy for Young Scientists, in its sole discretion, also reserves the right to modify or terminate the employment relationship with me at any time for any or no reason. Further, there is no agreement, express or implied, written or verbal, between the employee and Wisdom Academy for Young Scientists for any specific period of employment, for continuing or long-term employment, or for guaranteed terms and conditions of employment

Other than Wisdom Academy for Young Scientists School Director with the ratification of WAYS' Board of Directors , no other entity or person has the authority to modify this personnel handbook.

Employee Name (printed) Employee Signature

Date

(PLEASE RETURN TO WISDOM ACADEMY FOR YOUNG SCIENTISTS SCHOOL DIRECTOR)

WISDOM ACADEMY FOR YOUNG SCIENTISTS

EMPLOYEE HANDBOOK

2013-2014

SCHOOL YEAR

Welcome to Wisdom Academy for Young Scientists

Handbook Use and Purpose

This Handbook is designed to help employees get acquainted with Wisdom Academy for Young Scientists ("WAYS"). It explains some of our philosophies and beliefs, and describes, in general terms, our employment guidelines. We hope that this Handbook will serve as a useful reference document for employees throughout their employment at WAYS. Employees should understand, however, that this Handbook is not intended to be a contract (express or implied), nor is it intended to otherwise create any legally enforceable obligations on the part of WAYS or its employees. In no way does the Handbook replace the official plan documents (i.e., health insurance, retirement plan, etc.) or insurance contracts, which will govern in all cases.

Because WAYS is a growing and changing organization, it reserves full discretion to add to, modify, or delete provisions of this Handbook, or the policies and procedures on which they may be based, at any time without advance notice. WAYS also reserves the right to interpret any of the provisions set forth in this Handbook in any manner it deems appropriate.

No individual other than the School Director, with the ratification of WAYS' Board of Directors, has the authority to enter into any employment or other agreement that modifies WAYS' policies. Any such modification *must* be in writing.

Employees must sign the acknowledgment form at the back of this Handbook, tear it out, and return it to the School Director.

At-Will Status Employment

It is the policy of WAYS that all employees are employed at will for an indefinite period. Accordingly, either WAYS or the employee can terminate this relationship at any time, for any reason, with or without cause, and with or without notice.

Nothing contained in this Handbook, employment applications, WAYS memoranda or other materials provided to employees in connection with their employment shall require WAYS to have "cause" to terminate an employee or otherwise restrict WAYS' right to terminate an employee at any time for any reason. Statements of specific grounds for termination set forth in this Handbook or elsewhere are not all-inclusive and are not intended to restrict WAYS' right to terminate at will. No WAYS representative is authorized to modify this policy for any employee or to make any representations to employees or applicants concerning the terms or conditions of employment with WAYS that are not consistent with WAYS' policy on "at will" employment except the School Direct with the ratification of WAYS' Board of Directors.

This policy shall not be modified by any statements contained in this Handbook or employee applications, WAYS memoranda, WAYS agreements, or other materials provided to employees in connection with their employment. Further, none of those documents, either singly or combined, nor any employment practices shall create an express or implied contract of employment for a definite period, nor an express or implied contract concerning any terms or conditions of employment.

Equal Opportunity Employer

WAYS is an equal opportunity employer. It is the policy of WAYS to afford equal employment and advancement opportunity to all qualified individuals without regard to race, creed, color, religion, national origin, ancestry, sex, sexual orientation, age, physical or mental disability, marital status, citizenship status, medical condition, or any other legally protected status. This policy extends to all employees and to all aspects of the employment relationship, including the hiring of new employees and the training, transfer, promotion, compensation and benefits of existing employees

Any employee who is disabled as defined by applicable law and needs an accommodation in order to perform the essential functions of his or her position must advise WAYS. Upon verification of the disability and of the need for an accommodation, WAYS will explore what accommodations may be effective and their reasonableness.

Policy Against Sexual Harassment

All employees should be able to work in an atmosphere free of sexual harassment. WAYS will not condone or tolerate sexual harassment of any type by any employee. This policy applies to all employee actions and relationships, regardless of position or gender. WAYS will promptly and thoroughly investigate any complaint of sexual harassment and take appropriate corrective action, if warranted.

Sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexually suggestive nature constitute sexual harassment when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of employment.

2. Submission to or rejection of such conduct is used as the basis for personnel decisions, including but not limited to appraisals, promotion, salary increases, and termination.

3. Such behavior has the purpose or effect of interfering with an individual's performance on the job or creating an intimidating, hostile or offensive working environment.

Each supervisor has the responsibility to maintain a work place free from any form of sexual harassment. Consequently, should supervisors become aware of any conduct that may constitute sexual harassment or other prohibited behavior, immediate action should be taken to address such conduct.

Employees are expected to behave in a positive and professional manner and to contribute to a productive work environment that is free from harassing or disruptive activity.

Prohibited conduct by anyone includes but is not limited to:

- Sexual flirtations, touching, advances or propositions;
- Verbal abuse of a sexual nature;
- Graphic or suggestive comments about dress or body;
- Sexually degrading words;
- The display in the workplace of sexually suggestive or offensive objects or pictures.

Any employee who has experienced or is aware of a situation, which is believed to be sexually harassing, has a responsibility to report the situation immediately to the individual's supervisor and/or to the appropriate human re, source representative. A Sexual Harassment Complaint Form may be obtained from your manager or the human resources representative. The School Director and the individual's supervisor will conduct an immediate investigation into the allegation(s) and determine whether the allegations have merit. A written report, including findings related to the allegations, will be completed. In all cases, when the allegation(s) is determined to be valid, appropriate remedial action will be taken immediately and may include disciplinary action up to and including termination.

If the alleged sexual harassment involves the employee's supervisor or School Director, or if the employee is not satisfied with the outcome of the investigation, the employee should bring the matter to the attention of the President of Wisdom Academy for Young Scientists Board of School Directors.

All complaints of sexual harassment will be investigated promptly, objectively and as confidentially as possible. Employees are required to cooperate in any investigation. Retaliation against any employee for filing a complaint or participating in an investigation is strictly prohibited and shall be cause for termination.

Personnel Files

At the time of your employment, a personnel file is established for you. Please keep your supervisor advised of changes that should be reflected in your personnel file. Such changes

include: change in address, telephone number, marital status, number of dependents and person(s) to notify in case of emergency. Prompt notification of these changes is essential and will enable WAYS to contact you should the change affect your other records.

You have the right to inspect certain documents in your personnel file, as provided by law, in the presence of a WAYS representative, at a mutually convenient time. No copies of documents in your file may be made with the exception of documents you have previously signed. You may add your comments to any disputed item in the file. WAYS will restrict disclosure of your personnel file to authorized individuals within WAYS. A request for information contained in the personnel file must be directed to your supervisor. Only the School Director is authorized to release information about current or former employees. Disclosure of information to outside sources will be limited. However, WAYS will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations or as otherwise legally required.

THE PROFESSIONAL ENVIRONMENT OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

General Professional Expectations

At WAYS, we regard the work we do as being of the utmost importance. Therefore, we have very high expectations for professionalism and performance of each one of our employees. All employees should treat all individuals, students, teachers, School Directors, volunteers, and family members, with respect and approach all situations as opportunities to learn.

PROFESSIONAL DEVELOPMENT AT WISDOM ACADEMY FOR YOUNG SCIENTISTS

In pursuit of our mission to serve and prepare our students for college or a career of their choice, all teachers are expected to keep their professional training and knowledge current through ongoing courses and workshops in education. The School Director will work with teachers to develop Professional Development Plans (PDP). This may be accomplished at local colleges and universities, professional workshops, and conferences.

Each year all teachers shall complete up to five (5) days of coursework, seminars, or workshops related to their PDP. WAYS will reimburse the teacher up to a pre-determined maximum of funding. Your supervisor must approve reimbursed professional development in advance. In order to fulfill this requirement, teachers are required to include documentation of completed coursework in their Professional Development Plan.

All new teachers are required to complete one approved three-hour course in cardiopulmonary Resuscitation (CPR) and one approved three-hour course in first aid before the first official day of school. All continuing teachers are required to take a refresher course in both CPR and first aid. Teachers will make their own arrangements for such training and will provide documentation of completion and cost to the school. As allowed by the school's budget, the school will reimburse the teacher for the cost of the course (s) up to a maximum of $75.00 for a 6-hour CPR/First Aid course, and up to $40.00 for a CPR refresher course.

Professional Development Plans

All instructional and professional staff will create and maintain a Professional Development Plan containing the professional goals for continuous improvement of each employee and all relevant documents delineating past and current development. After an initial meeting between the employee and her/his supervisor – at which time mutual goals are reviewed and a professional growth program is developed – the employee will maintain the PDP, and include samples of their

work. Teachers will include samples of classroom or schoolwork, observation records, personal reflections, and any other material deemed appropriate as evidence of continuous improvement.

Professional Development Institute (PDI)

In the creation and development of a highly professional environment, faculty and appropriate staff will participate in a two-week professional development institute (PDI) before the first day of school with students. PDI activities may take place on and off site and may require overnight arrangements.

EMPLOYMENT AT WISDOM ACADEMY FOR YOUNG SCIENTISTS

Licensure and Certification

Core Teaching Staff
All teaching staff, further defined by the terms of the charter as "core" teachers, including substitutes shall be certified by the Commission On Teacher Credentialing with a valid credential and shall be required to pass the CBEST. However, teachers-in-training who are working toward a credential and others with specialized and appropriate experience may also be retained if their skills and abilities will further the educational mission of the Charter School and if they are in the process of securing a credential.

Non-Core Teaching Staff
Non-core teachers are not required to hold credentials but must demonstrate subject knowledge and the ability to work well with students, as well as the ability to carry out the roles and responsibilities as stated in their specific job description.

Other Staff, and Consultants
All other staff must demonstrate the abilities necessary to effectively carry out their responsibilities and do not require a California Teaching Credential.

Performance Standards and Evaluations

Each employee shall be evaluated by his/her supervisor on an annual basis based on criteria set forth by the employee's job responsibilities. Results shall be in writing and included in the employee's personnel file. Favorable performance evaluations do not guarantee increases in salary or promotions, or even continued employment. Failure to provide performance evaluations will not prevent WAYS from terminating an employee's employment.

Work Schedule

Teachers are on a ten-month work year and begin official duties on the first day of the Professional Development Institute. Administrators are on a twelve-month work year. The number of months worked each year by other employees may vary. Daily work schedules will vary and will be set by the employees' supervisors, departments or by contract.

WAYS' school year calendar (including holidays) is similar to LAUSD's single track schedule.

Meal and Rest Breaks

WAYS provides hourly employees with meal and rest breaks according to applicable laws. Currently nonexempt (hourly) employees working a shift of between 5 and 10 hours on any given workday will receive at least a 30-minute unpaid meal break. A nonexempt (hourly)

employee working a shift of 6 hours or less may waive their meal period if both WAYS and the employee consent to the waiver in writing.

A nonexempt (hourly) employee working a shift of 3 ½ hours or more also is given a 10-minute paid rest break per every 4 hours worked. In practical terms, this means that a nonexempt (hourly) employee who works 8 hours in one day is given two 10-minute rest breaks in addition to the 30-minute unpaid meal break. A full-time nonexempt (hourly) employee who works an 8-hour day should typically take one rest break mid-morning, and one rest break mid-afternoon. Employees should make every effort to take their rest breaks. Rest break time may not be combined with meal break time. Employees who work less than 3 ½ hours in a day are not entitled to a rest break.

If any employee is prevented from taking his/her meal and rest breaks as provided by this section, please report it immediately to the Principal or the School Director.

Timekeeping Procedures

All nonexempt (hourly) employees must record the time their work begins and ends, as well as the beginning and ending time of each meal break on a WAYS time sheet/card or other prescribed method for payroll, benefit, vacation and illness leave tracking purposes. Nonexempt (hourly) employees must also record any departure from work for any non-work-related reason.

Exempt employees, including all faculty must record their attendance on a WAYS time sheet/ card or other prescribed method for payroll, benefit, vacation and sick leave tracking purposes.

It is each employee's responsibility to sign their own time record to certify the accuracy of all time recorded. Failure to complete and sign a time sheet/card in a timely manner will result in disciplinary action. In addition, incomplete attendance reporting may result in the delay of the availability of the subsequent pay check or direct deposit. Errors should be reported immediately to the School Director, who will attempt to correct legitimate errors. Altering, falsifying, and tampering with time records, or recording time on another employee's time record is prohibited and subject to disciplinary action, up to and including termination of employment.

Teacher-Student Interactions

Boundaries Defined

For the purposes of this policy, the term "Boundaries" is defined as acceptable professional behavior by staff members while interacting with a student. Trespassing beyond the Boundaries of a student/teacher relationship is deemed an abuse of power and a betrayal of public trust.

Acceptable and Unacceptable Behavior

Some activities may seem innocent from a staff member's perspective, but some of these can be perceived as flirtation or sexual insinuation from a student or parental point of view. The purpose of the following lists of acceptable and unacceptable behaviors is not to restrain innocent, positive relationships between staff and students but to prevent relationships that could lead to, or may be perceived as, sexual misconduct.

Staff members must understand their own responsibilities for ensuring that they do not cross the Boundaries as written in this policy. Disagreeing with the wording or intent of the established Boundaries will be considered irrelevant for any required disciplinary purposes. Thus, it is critical that all employees study this policy thoroughly and apply its spirit and intent in their daily activities.

Unacceptable Behaviors

(These lists, and any subsequent lists, are not meant to be all-inclusive, but, rather illustrative of the types of behavior addressed by this policy.)

a. Giving gifts to an individual student that are of a personal and intimate nature
b. Kissing of ANY kind
c. Any type of unnecessary physical contact with a student in a private situation
d. Intentionally being alone with a student away from the school
e. Making, or participating in, sexually inappropriate comments
f. Sexual jokes, or jokes/comments with sexual double-entendre
g. Seeking emotional involvement (which can include intimate attachment) with a student beyond the normative care and concern required of an educator
h. Listening to or telling stories that are sexually oriented
i. Discussing inappropriate personal troubles or intimate issues with a student in an attempt to gain their support and understanding
j. Becoming involved with a student so that a reasonable person may suspect inappropriate behavior
k. Giving students a ride to/from school or school activities without parent permission.
l. Being alone in a room with a student at school and with the door closed
m. Allowing students in your home without signed parent permission for a pre-planned and pre-communicated educational activity which must include another educator, parent, or other responsible adult
n. Remarks about the physical attributes or physiological development of anyone.
o. Excessive attention toward a particular student
p. Sending e-mails, text messages, Facebook responses, or letters to students if the content is not about school activities

Acceptable and Recommended Behaviors

a. Obtaining parents' written consent for any after-school activity on or off campus (exclusive of tutorials)
b. Obtaining formal approval (site and parental) to take students off school property for activities such as field trips or competitions
c. E-mails, text-messages, phone conversations, and other communications to and with students must be professional and pertain to school activities or classes (communication should be initiated via school-based technology and equipment.
d. Keeping the door open when alone with a student
e. Keeping reasonable space between you and your student
f. Stopping and correcting students if they cross your own personal boundaries
g. Keeping parents informed when a significant issue develops about a student
h. Keeping after-class discussions with a student professional and brief
i. Asking for advice from senior staff or administrators if you find yourself in a difficult situation related to Boundaries
j. Involving your supervisor if conflict arises with a student
k. Informing your Assistant Principal about situations that have the potential to become more severe
l. Making detailed notes about an incident that could evolve into a more serious situation later

m. Recognizing the responsibility to stop unacceptable behavior of students and/or co-workers
n. Asking another staff member to be present if you will be alone with any student who may have severe social or emotional challenges (and you are not the assigned case educator)
o. Asking another staff member to be present, or within close supervisory distance, when you must be alone with a student after regular school hours
p. Giving students praise and recognition without touching them in questionable areas; giving appropriate pats on the back, high-five's, and handshakes are appropriate
q. Keeping your professional conduct a high priority during all moments of student contact
r. Asking yourself if any of your actions which go contrary to these provisions are worth sacrificing your job and career

Reporting

When any staff member becomes aware of a staff member having crossed the Boundaries specified in this policy, he or she must report the suspicion to the Principal or the School Director promptly. All reports shall be confidential. Prompt reporting is essential to protect students, the suspected staff member, any witnesses, and the school as a whole. Employees must also report to the administration any awareness of, or concern about, student behavior that crosses Boundaries, or any situation in which a student appears to be at risk for sexual abuse.

Investigating

The Principal or School Director will promptly investigate and document the investigation of any allegation of sexual misconduct, using such support staff or outside assistance as he or she deems necessary and appropriate under the circumstances. Throughout this fact-finding process, the investigating administrator, and all others privy to the investigation, shall protect the privacy interests of any affected student(s) and/or staff member(s), including any potential witnesses, as much as possible. The Principal or School Director shall promptly notify the Governing Board in closed session of the existence and status of any investigations. Upon completion of any such investigations, the Principal or School Director shall report to the Governing Board any conclusions reached. The Principal or School Director shall consult with WAYS legal counsel, as appropriate, prior to, during, and after conducting any investigation.

Consequences

Staff members who have violated this policy will be subject to appropriate disciplinary action, and, where appropriate, will be reported to authorities for potential legal action.

Compliance With Child Abuse Reporting Law

California Penal Code section 11166 requires any teacher or child care custodian who has knowledge of, or observes, a child in his or her professional capacity or within the scope of his or her employment whom he or she knows or reasonably suspects has been the victim of child abuse to report the known or suspected instance of child abuse to a child protective agency immediately, or as soon as practically possible, by telephone and to prepare and send a written report thereof within thirty-six (36) hours of receiving the information concerning the incident.

All employees of WAYS will comply with California Penal Code requirements regarding reporting of, or reasonable suspicion of, child abuse to a child protective agency immediately or as soon as practically possible by telephone and to prepare and send a written report thereof within 36 hours of receiving the information concerning the incident.

Compensation and Benefits

Faculty and Staff Compensation

Individual faculty and staff salaries will be determined each year according to WAYS' staffing needs and budget availability.

Faculty and Staff Benefits

WAYS will provide health insurance coverage for current staff provided such coverage is commercially or otherwise available at reasonable cost. WAYS will pay the cost of such coverage for full time employees. Part time employees working at least 20 hours per week may also request such coverage at their own expense. No staff member will receive paid health benefits beyond their term of employment.

Medical Plans

Eligibility
An Employee is eligible for medical coverage if she/he is a full-time or part-time employee working for WAYS who has been employed by WAYS for at least 30 days. "Full-time" employee means that you are hired to work at least 40 regular hours per week. "Part-time" employee means that you are hired to work at least 20 regular hours per week. Temporary and internship employees are not eligible to participate in the plans. The WAYS plan does not cover the cost of medical coverage for part-time employees or for dependents.

When Coverage Starts
Your coverage will begin 30 days after your first day of official employment, where possible. Your enrollment form must be submitted to the Principal or the School Director as soon as possible. This form serves as a request for coverage, and authorizes any payroll deductions necessary to pay for your coverage.

Cost of Coverage
The current cost for coverage under the plan is available from the Principal or the School Director. This cost may change from time to time.

Eligibility
You are eligible for dental coverage if you are a full-time or part-time regular employee working for WAYS who has been employed by WAYS for at least 30 dyas. "Full-time" employee means that you are hired to work at least 40 regular hours per week. "Part-time" employee means that are hired to work at least 20 regular hours per week. Temporary and internship employees are not eligible to participate in the plans. The WAYS plan does not cover the cost of medical coverage for part-time employees or for dependents.

When Coverage Starts
Your coverage will begin 30 days after your first official day of employment, where possible. Your enrollment form must be submitted to the Principal or the School Director. This form serves as a request for coverage, and authorizes any payroll deductions necessary to pay for your coverage.

Payroll Information

Payroll Withholdings

All Federal, State, and Social Security taxes will be automatically deducted from paychecks. Every deduction from your paycheck is explained on your check voucher. If you do not understand the deductions, ask the School Secretary to explain them to you. Federal Withholding Tax deduction is determined by the employee's W-4 form. The W-4 form should be completed upon hire and it is the employee's responsibility to report any changes in filing status to the School Secretary and to fill out a new W-4 form. You may change the number of withholding allowances you wish to claim for Federal Income Tax purposes at any time by filling out a new W-4 form and submitting it to your supervisor.

At the end of the calendar year, a "withholding statement" (W-2) will be prepared and forwarded to each employee for use in connection with preparation of income tax returns. The W-2 shows Social Security information, taxes withheld and total wages.

Overtime Pay

Whether an employee is exempt from or subject to overtime pay will be determined on a case-by-case basis and will be indicated in the employee's job description or employment contract. Employees may be required to work beyond the regularly scheduled workday or workweek as necessary. Only actual hours worked in a given workday or workweek will apply in calculating overtime. Your supervisor must previously authorize all overtime work. WAYS provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law as follows:

For employees subject to overtime, all hours worked in excess of eight (8) hours in one workday or forty (40) hours in one workweek shall be treated as overtime. The workday begins at 12:01 a.m. and ends at midnight twenty-four (24) hours later. Workweeks begin each Sunday at 12:01 a.m. Compensation for hours in excess of forty (40) for the workweek or in excess of eight (8) and not more than twelve (12) for the workday, and for the first eight (8) hours on the seventh consecutive day in one workweek, shall be paid at a rate of one and one-half times the employee's regular rate of pay. Compensation for hours in excess of twelve (12) in one workday and an excess of eight (8) on the seventh consecutive workday of the workweek shall be paid at double the regular rate of pay.

Exempt employees may have to work hours beyond their normal schedules, as work demands require. No overtime compensation will be paid to these exempt employees.

Paydays

Paydays are scheduled on the 14th and the last day of each month. If you observe any error in your check, please report it immediately to your supervisor.

Wage Attachments and Garnishments

Under normal circumstances, WAYS will not assist creditors in the collection of personal debts from its employees. However, creditors may resort to certain legal procedures such as garnishments, levies or judgments that require WAYS, by law, to withhold part of your earnings in their favor.

You are strongly encouraged to avoid such wage attachments and garnishments. If WAYS is presented a second garnishment request concerning you, your managers will discuss the situation with you.

Workers' Compensation

All employees at WAYS are protected under the State of California's Workers' Compensation Laws. This benefit covers accidental injuries or occupational illnesses that are caused by, arise out of, or occur in the course of employment at the School.

If a staff member is injured, no matter how slightly, the injury must be reported immediately to the Personnel Department. The proper steps to follow in the case of an injury or exposure to hazardous materials are listed below. The proper steps to follow in the case of an injury or exposure to hazardous materials are listed below.

1. Report the injury to the School Director within five days of the injury.
2. The School Director will provide the employee with a claim form within 24 hours of knowledge of the injury.
3. The employee takes necessary paperwork and goes to the approved medical center unless they have submitted a predesignation form to name their own doctor as their medical care provider in case of a work-related injury.
4. After the appointment, the employee must return the "pink" copy of the doctor's report to the School Director.
5. The employee's job duties will be modified to adhere to the doctor's requests.
6. The employee cannot return to full/unrestricted duty without the doctor's written consent. When written consent is given the file will be considered closed.

More information is available from the School Director.

LEAVES AND ABSENCES

Holidays

Holidays will occur in accordance with the school calendar. At this time, WAYS does not compensate employees for any holidays

Sick Leave

All salaried employees will accrue one-half day of sick leave each month, up to a maximum of five (5) days of sick leave per academic year. These days are set aside for employees to use due to illness of the employee or the employee's family member or domestic partner. If not used during the year, sick leave will not carry over.

Vacation

At this time, WAYS does not provide its employees with paid vacation.

Family and Medical Leave/California Family Rights Act

Pursuant to the Family Medical Leave Act and the California Family Rights Act (collectively, the "FMLA"), eligible full-time employees may take up to 12 weeks unpaid leave per rolling 12-month period for their own Medical Leaves or to care for an ill child (including a biological, foster, or adopted child, a stepchild, or legal ward of the employee), parent, parent-in-law (including parent of a domestic partner), spouse, domestic partner, or sibling to care for an active duty member of the Armed Forces who is the employee's spouse, son, daughter or parent and who is undergoing medical treatment, recuperation or therapy, in outpatient status or on the temporary disability retired list for serious injury or illness, or for a qualifying exigency arising out of the fact that the employee's spouse, son, daughter or parent is on active duty (or has

been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation..

FMLA benefits are available to a full-time employee only after the employee has been working at WAYS for a total of at least twelve (12) months and has worked at least 1,250 hours in the 12 month period before the date the employee wants to begin his or her leave. In order to request leave under this policy, employees should fill out an Employee Time-Off Request Form as soon as the employee is aware of the need for such leave. These forms can be obtained from the Principal or the School Director.

WAYS will maintain, for up to a maximum of 12 workweeks of FMLA leave, any group health insurance coverage that an employee was provided before the leave on the same terms as if the employee had continued to work. In some instances, WAYS may recover premiums it paid to maintain health coverage if the employee does not return to work following medical leave.

If an employee is on FMLA leave, but is not entitled to continued paid coverage, the employee may continue his or her group health insurance coverage through WAYS in conjunction with federal or state COBRA guidelines by making monthly payments to WAYS for the amount of the relevant premium. Please contact the Principal or School Director for further information.

Under most circumstances, upon return from FMLA leave, an employee will be reinstated to his/her previous position, or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, during and upon return from an FMLA leave, employees have no greater right to reinstatement than if they had been continuously employed rather than on leave. For example, if an employee would have been laid off had he or she not gone on FMLA leave, or if his or her position has been eliminated during the leave, then the employee will not be entitled to reinstatement.

If an employee is returning from FMLA leave taken for the employee's own serious health condition, but the employee is unable to perform the essential functions of his or her job because of a physical or mental disability, WAYS will attempt to reasonably accommodate the employee. The employee's use of FMLA leave will not result in the loss of any employment benefit that the employee earned or was entitled to before using FMLA leave.

Certification by Health Care Provider

WAYS requires an employee seeking to take FMLA leave to provide certification as noted below, within 15 days of any request for such leave. WAYS reserves the right to request additional re-certification from the health care provider should there be a need to extend the duration of the leave.

If the leave request is for the employee's own serious health condition, the employee must provide a certification from the health care provider indicating:

- Commencement date of the serious health condition
- Probable duration of the condition
- Confirmation that this serious health condition does not allow the employee to either work at all or to perform one or more of the essential functions of his or her position.

If the leave request is to care for a sick spouse, child or parent, the employee must provide a certification from the health care provider indicating:

- Commencement date of the serious health condition
- Probable duration of the condition

- Estimated amount of time for care by the health care provider and
- Confirmation that the employee's presence is needed for the treatment of the serious health condition.

If both parents work for WAYS, and they request simultaneous leave for the birth, adoption or foster care of a child, WAYS will grant no more than a total of 12 weeks of FMLA leave for each employee.

If the leave was for an employee's own serious health condition, WAYS will require the employee to provide certification from a health care provider that the employee is fit to return to work. Employees may not return to work without such certification.

Return from Family/Medical Leave

Under most circumstances, employees will be reinstated to their original job or to an equivalent job upon their return from FMLA leave. An equivalent job would be one which has the same pay, benefits and other employment terms and conditions. Employees will also not lose any employment benefit that they had earned prior to going on FMLA leave. However, they do not have a greater right to this reinstatement than if they had been regularly employed. For example, if an employee's job is eliminated whether or not the employees is on leave, and there is no equivalent job, then the employee would not be entitled to reinstatement.

Reinstatement after FMLA leave may be denied to certain salaried "key" employees under the following conditions: (a) an employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the work site at which the employee worked at the time of the leave request; (b) the refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to the School's operations; (c) the employee is notified of WAYS' intent to deny reinstatement at the time WAYS determines the denial is necessary; and (d) if the leave has already begun, WAYS gives the employee a reasonable opportunity to return to work following the notice described previously.

Family/Medical Leave Carryover

If an employee is granted an approved leave under FMLA, it will be counted as part of the 12 work week entitlement in a 12 month period. The 12 month period is measured forward from the date the employee's first family/medical leave began. Successive 12 month periods commence on the date of the employee's first use of such leave after the preceding 12 month period has ended. Employees may not carryover any unused leave from one 12 month period to the next.

Intermittent Family/Medical Leave

Employees may take FMLA leave in shorter blocks of time if the reason for your leave is the employee's own serious health condition or that of the employee's spouse, child or parent and your health care provider certifies that this is medically necessary. The shortest block of time that an employee may take is one hour at a time.

Substitution of Other Available Leave for FMLA Leave

An employee taking FMLA leave must substitute any available sick days (pursuant to WAYS' Sick Leave policy) and may substitute any available vacation days for his or her leave. The substitution of sick pay or vacation pay for FMLA leave does not extend the total duration of the leave to which the employee is entitled.

Pregnancy Disability Leave

WAYS complies with the requirements of the California Pregnancy Disability Act, in addition to other family and medical leaves required by law. WAYS will give each female employee an unpaid leave of absence of up to four months, as needed, for the period(s) of time the employee is actually disabled by pregnancy, childbirth or related medical conditions.

Eligibility

To be eligible, the employee must be disabled by pregnancy, childbirth or a related medical condition and must provide appropriate medical certification concerning the disability.

Reasons to Take Leave

The employee is entitled to take up to four months of pregnancy disability leave if the employee is actually disabled by her pregnancy, childbirth or a related medical condition. This includes time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, recovery from childbirth and any related medical condition. Generally, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her job without undue risk to herself, the successful completion of her pregnancy, or to other persons because of pregnancy or childbirth, or because of any medically recognized physical or mental condition that is related to pregnancy or childbirth (including severe morning sickness).

Length of Pregnancy Disability Leave

Pregnancy disability leave may be taken in one or more periods, but not to exceed four months total. "Four months" means the number of days the employee would normally work within four months. For a full time employee who works five eight-hour days per week, four months means 88 working and/or paid eight-hour days of leave entitlement based on an average of 22 working days per month for four months.

Pregnancy disability leave is not counted as leave taken under the California Family Rights Act.

Periodic absences for pregnancy-related illness of limited duration taken prior to an actual leave may be subtracted from the four months of disability leave for pregnancy.

Pregnancy disability leave may be taken intermittently or on a reduced leave schedule when medically advisable, as determined by the employee's healthcare provider. If an employee requires intermittent leave or leave on a reduced leave schedule that is foreseeable based on planned medical treatment, the employee may be transferred temporarily to an available alternative position for which he or she is qualified that has equivalent pay and benefits that better accommodates recurring periods of leave than the employee's regular position. WAYS will also require written notice of a foreseeable leave request except in case of an emergency.

Pay During Pregnancy Disability

An employee on pregnancy disability leave must use all accrued paid sick leave and may use any or all accrued vacation during the otherwise unpaid leave period. The receipt of vacation pay, sick leave pay or state disability insurance benefits will not extend the length of pregnancy disability leave.

Employee Benefits

WAYS will maintain health coverage (if applicable) and continue to pay its share of the premium. The employee is responsible to pay her portion of the premium as well (if applicable). Benefits do not accrue while on pregnancy disability leave, but begin accruing once the employee returns from the leave. An employee on pregnancy disability leave remains an employee of WAYS and a leave will not constitute a break in service for purposes of longevity and/or seniority. When an employee returns from pregnancy disability leave, she will resume her benefits in the same manner and the same level as provided with the leave began, without any new qualification period, physical exam, etc.

Medical Certifications

An employee requesting a pregnancy disability leave must provide medical certification from her healthcare provider on a form supplied by WAYS, which may be obtained from the School Director. Failure to provide the required certification in a timely manner (within 15 days of the leave request) may result in a denial of the leave request until such certification is provided.

Requesting and Scheduling Pregnancy Disability Leave

An employee should request pregnancy disability leave by completing a Request for Leave form and submitting it to the Principal or School Director for approval. Employees should provide not less than thirty (30) days or if such notice is not possible, as soon as is practicable if the need for the leave is foreseeable. Failure to provide such notice is grounds for denial of the leave request, except if the need for pregnancy disability leave was an emergency and was otherwise unforeseeable.

Where possible, employees must make a reasonable effort to schedule foreseeable planned medical treatments so as not to unduly disrupt the WAYS' operations.

In most cases, WAYS will respond to a pregnancy disability leave request within two days of acquiring knowledge that the leave qualifies as pregnancy disability and, in any event, within ten days of receiving the request. If a pregnancy disability leave request is granted, WAYS will notify the employee in writing and leave will be counted against the employee's pregnancy disability leave entitlement. This notice will explain the employee's obligations and the consequences of failing to satisfy them.

Return to Work

Upon timely return at the expiration of the pregnancy disability leave period, an employee is entitled to the same position unless the employee would not otherwise have been employed in the same position (at the time reinstatement is requested) because of legitimate business reasons unrelated to the pregnancy disability leave or if the means to preserve the position would substantially undermine WAYS' ability to operate the business safely and efficiently.

If the employee is not reinstated to the same position, she must be reinstated to a comparable position unless there is no comparable position available or filling the available position with the returning employee would substantially undermine WAYS' ability to operate the business safely and efficiently.

When a request for pregnancy disability leave is granted to an employee, WAYS will provide the employee with a guarantee to reinstate the employee to the same position or to a comparable position, unless justified by law. The guarantee will be provided in writing if requested by the employee.

Before an employee will be permitted to return from a pregnancy disability leave of 30 work days or more, the employee must obtain a certification from her healthcare provider that she is able to resume work. If the employee can return to work with limitations, WAYS will evaluate those limitations, and if possible, will accommodate the employee as required by law.

Drug and Alcohol Rehabilitation Leave

WAYS will reasonably accommodate an employee who voluntarily enters and participates in an alcohol or drug rehabilitation program, including potentially providing unpaid leave to participate in the program. WAYS will not pay for the costs incurred in attending a rehabilitation program. An employee who wishes to identify him/herself as an individual in need of the assistance of an alcohol or drug rehabilitation program may contact the Principal or School Director. WAYS will take all reasonable steps necessary to maintain the employee's privacy in this situation. The employee may use yearly sick leave, if any, during requested leave.

Nothing in this policy shall prohibit WAYS from refusing to hire or from discharging an employee who, because of his or her current use of alcohol or drugs, is unable to perform his/her duties or cannot perform the duties in a manner that would not endanger his/her health or safety or the health or safety of others.

Bereavement Leave

Employees who regularly work 20 or more hours per week may be granted up to three (3) days of paid bereavement leave if they suffer the loss of an immediate family member. This time may also be used for handling death-related personal affairs. The employee may also be granted up to one full day of paid leave to attend the funeral of a relative who is not in the employee's immediate family.

Employees who work less than 20 hours per week are entitled to unpaid leave to attend the funeral of an immediate family member or other relative.

Any school employee who requires more than three (3) days of bereavement leave must submit a written request to the School Director and must receive written approval from his/her supervisor prior to the taking of any leave.

Jury Duty/Witness Duty

Regular full-time and part-time non-exempt employees will be excused from work for required duty as a juror or witness, but this time shall be unpaid.

All employees should notify the School Director immediately when they receive notice to report for jury or witness duty. Employees must show proof of jury or witness service. On any day of jury service in which an employee is excused entirely or in sufficient time to permit him/her to return to work for a minimum of one-half (1/2) of his/her regularly scheduled work day, s/he will be required to report to work.

Military Leaves of Absence

Military leaves of absence will be granted without pay in accordance with State and Federal Law. However, in order to be eligible, employees must submit verifications from the appropriate military authority.

Time Off for Voting

If circumstances prevent an employee from voting during non-working hours, the employee may be given up to 2 hours paid time off to vote. The employee should give at least two (2) workdays notice of the need to take time off to vote. In order to receive paid time off, the employee must provide his or her supervisor with a copy of his or her ballot stub when the employee returns to work.

Assistance for Victims of Domestic Violence

An employee who is the victim of domestic violence will be given a reasonable amount of time off without pay to obtain court relief and obtain other assistance to help ensure the health, safety, or welfare of the employee or the employee's children. Employees must provide WAYS with reasonable notice for the need for such time off. Employees must also provide satisfactory documentation of the need for such leave, as may be required by WAYS.

Time Off to Attend Child's School Discipline

Any employee who is a parent or legal guardian of a child that has received written notice from the child's school requesting his or her attendance at a disciplinary conference is entitled to take unpaid leave to attend the conference. Please contact your supervisor to determine eligibility and scheduling before taking any leave to attend a disciplinary conference.

Time Off for Victims of Crime or Domestic Violence

Employees who are victims of domestic violence or sexual assault will be given time off as necessary in accordance with the law. Employees may be required to provide reasonable advanced notice of the need for time off if feasible and documentation establishing the right to such time off may be requested. WAYS will take all reasonable steps to maintain the confidentiality of any employee requesting crime victim/domestic violence leave. Please notify your supervisor of your need to seek relief as far in advance as possible. If applicable, an employee may use yearly sick leave for these purposes.

Time Off for Victims of Crime

An employee who is a victim of certain crimes (violent felonies, felony thefts and serious felonies as defined by law) or is an immediate family member of a victim, is a registered domestic partner of a victim or the child of a registered domestic partner of a victim will be given time off as necessary in accordance with the law. Employees may be required to provide reasonable advanced notice of the need for time off if feasible and documentation establishing the right to such time off may be requested. WAYS will take all reasonable steps to maintain the confidentiality of any employee requesting crime victim leave. Please notify your supervisor of your need for time off as far in advance as possible. As applicable, an employee may use accrued vacation leave or sick leave for crime victim leave purposes.

Time Off for Volunteer Firefighters

Employees who perform emergency duties as volunteer firefighters, reserve peace officers or emergency rescue personnel will be given time off as necessary in accordance with the law. Employees are requested to alert the Principal or School Director of their status as volunteer firefighters, reserve peace officers or emergency rescue personnel so that WAYS will have advanced notice of the employee's potential need to leave WAYS in the event of an emergency. Any time an employee must perform emergency duties, he/she must notify his/her supervisor before leaving work.

STANDARDS OF CONDUCT

Punctuality and Attendance

Any employee who is unable to report for work on any particular day must call their supervisor at least one hour before the start of the scheduled workday. If an employee fails to report to work without notification to their supervisor, the school may consider that employee has abandoned his/her employment and has voluntarily terminated the employment.

Any teacher who is unable to report for work must arrange for a substitute teacher for the duration of the absence. The substitute selected must be from the WAYS substitute pool. The employee must inform his/her supervisor with the name and contact information of the designated substitute prior to their scheduled absence.

Upon returning to work after an absence for any reason, the employee must complete an absence form and turn it in to their supervisor by the end of the workday on which the employee returns. If an employee is absent for medical reasons for more than ten (10) working days, the employee must, immediately upon his or her intended day of return to work, provide the supervisor with a physician's statement certifying that the employee is able to return.

Arrangement for Substitutes

Once teachers know of their anticipated absence, they are required to call their supervisor and then make arrangements for substitutes using designated individuals from the WAYS Substitute Pool.

Personal Appearance and Conduct

Employees are expected to wear clothing appropriate for the nature of our business and the type of work performed. Because each employee is a representative of WAYS in the eyes of the public, each employee must report to work properly groomed, wearing appropriate clothing and maintaining a professional appearance that sets a good example for WAYS students.

Smoking

All WAYS buildings and facilities are no-smoking facilities.

WAYS/Personal Property

All WAYS property – including desks, storage areas, work areas, file cabinets, credenzas, computer systems (including laptops), office telephones, cellular telephones, modems, facsimile machines, duplicating machines, and vehicles – must be used properly and maintained in good working order. They must be kept clean and are to be used only for work-related purposes.

WAYS reserves the right to inspect desks/workstations, as well as any contents, effects or articles that are in desks. Such inspection can occur at any time, with or without advance notice or consent.

Employees are discouraged from bringing personal property of the types noted above to school. The need for such equipment should be brought to the attention of the School Director for review and/or action. Likewise, damaged or broken equipment should be reported as soon as noted so that repairs or replacements can be provided. Terminated employees should remove any personal items at the time they leave the school. Personal items left in the workplace are subject

to disposal if not claimed at the time of an employee's termination.

HEALTH AND SAFETY AT WISDOM ACADEMY FOR YOUNG SCIENTISTS

Health and Safety Requirements for Employment

Tuberculosis Test
Before the first day of employment, all employees must have a tuberculosis test as described in Education Code 49406. The current physician's statement must be on file in the office before the first day of employment. Failure to provide documentation on time may result in immediate termination.

Criminal Background Check
All first year employees without credentials must submit fingerprints to the Department of Justice and Federal Bureau of Investigation for the purpose of obtaining a criminal record summary as required by Education Code Section 44237. Such fingerprints must be submitted prior to employment and are a condition of employment. Criminal record summaries will be maintained by the administration in a secured file separate from personnel files, as required by Section 44237.

First-Aid and CPR Training
All individuals working unsupervised with children or in a classroom setting (i.e. core teachers, advisors, non-core teachers, School Directors) must receive, renew, and maintain basic first-aid and CPR certification by the first day of school for students.

Security Protocols

WAYS has developed guidelines to maintain a secure school site. Be aware of unknown persons loitering in walkways, entrances, and exits of the school. Report any suspicious persons or activities to office staff. Secure your classroom or office at the end of each day. When Called away from your classroom for an extended length of time, do not leave students, valuable or personal articles unattended. The security of our facility is directly related to the health and safety of our students and our colleagues. Employees must immediately notify a school administrator when school facilities keys are missing or if security access or codes have been breached.

Emergency Plans

Appropriate fire exit and earthquake preparedness drills will be administered at least two times per year. In the case of an actual emergency, teachers are responsible for staying at the school site (or evacuation staging area) until they are released by a school administrator. During an emergency, teachers must always have a roster of students under their direct supervision.

Accident/Incident Reporting

It is the duty of every employee to immediately or as soon as is practical report any accident or injury occurring during school activities or on the WAYS premises so that arrangements can be made for medical or first aid treatment, as well as for investigation and follow-up purposes.

Reporting Fires and Emergencies

It is the duty of every employee to know how to report fires and other emergencies quickly and accurately. Employees should report any such emergency to office staff or school administrators. In addition, all employees should know the local emergency numbers.

Guests and Visitors

All guests and visitors must report to the main office to sign in and receive a guest pass to enter Wisdom Academy for Young Scientists.

INFORMATION AND COMMUNICATION

Use of WAYS Technology and Other Property

WAYS' technical resources, such as its computer system, voice mail system, and e-mail, fax machines, printers, photo copiers, laptops and mobile telephones are provided for use in WAYS business, and are to be reviewed, monitored, and used only for business purposes, except as provided in this policy. Employee computer data, voice mail messages, and e-mail transmissions may be reviewed by WAYS. Employees should understand that they have no right of privacy as to any information or file maintained in or on WAYS' property or transmitted or stored through WAYS' computer systems, voice mail, e-mail, or other technical resources. All bills and other documentation related to the use of WAYS equipment or property are the property of WAYS and may be reviewed and used for purposes that WAYS considers appropriate.

Messages stored and/or transmitted by voice mail or e-mail must not contain content that may reasonably be considered offensive or disruptive to any employee. Offensive content would include, but not be limited to, sexual comments or images, racial slurs, gender-specific comments or any comments or images that would offend someone on the basis of his or her age, sexual orientation, religious or political beliefs, national origin, or disability.

Use of Social Media

Social media can be a valuable and powerful means of communication. The Society recognizes the importance of the Internet in shaping public thinking about the Society and our current and potential services, employees, partners, volunteers, donors and customers. The Society is also committed to supporting your right to interact knowledgeably, responsibly and socially in the blogosphere and on the Internet through blogging and participation in social media sites.

Posting During Work Time

WAYS understands that employees may from time to time engage in online social media activities at work for legitimate work related purposes, and that these activities may be helpful for WAYS affairs. You are, however, prohibited from engaging in personal posting during work time, unless specifically authorized by the Principal or School Director. Further, personal social media activity should be kept distinct from professional social media activity, and communications with purely personal social media sites should be conducted from personal email accounts only.

No Expectation Of Privacy

Because our organization retains the right (but not the obligation) to monitor all files and messages stored on and transmitted through WAYS' electronic devices (such as desktop computers, laptop computers, blackberries, personal digital assistances, and cell phones), remember you have no reasonable expectation of privacy regarding social media accessed

through these devices, even if you have used a private account and/or password.

Speak For Yourself, Not WAYS
Unless you have been authorized by the Principal or School Director, your postings should not comment on behalf of WAYS or represent that such authority has been granted. Therefore your postings should express your own opinion, not WAYS' information, positions, strategies or opinions. Make certain that your choice of words does nothing to suggest that you are representing the WAYS' official position, unless you have been authorized by the Principal or School Director to do so.

Protect Confidential Information
Do not post confidential information about WAYS, our employees, our students or any other party. Remember that most student information is protected by the Family Educational Rights and Privacy Act, including any and all information which might identify the student.

Respect WAYS policies
Your postings should not violate any other applicable policy of WAYS.

Be respectful of others.
Please be professional and respectful of others in your communications. You may be subject to discipline up to and including termination for posting or displaying comments about competitors, volunteers, coworkers, supervisors, students, parents or WAYS that are false, defamatory, libelous, tortious, vulgar, obscene, threatening, intimidating, harassing, invasive of the privacy of others, or a violation of the organization's workplace policies against discrimination, harassment, or hostility on account of age, race, religion, sex, ethnicity, nationality, disability, or other protected class, status, or characteristic.

Report inappropriate conduct appropriately.
If you feel that employees of our organization are, have been, or will be engaged in any inappropriate conduct regarding the use of social media, please discuss your concerns with your supervisor. Employees are urged to use internal channels, rather than social media, to resolve workplace concerns. This may spare both you WAYS the unintended repercussions of false, half-true, or misleading allegations.

Policy Limitation.
WAYS respects the rights of employees to communicate with one another or with third parties for purposes protected by law, including concerted activity protected by state and federal laws and the National Labor Relations Act. Nothing in this policy will be interpreted to prohibit such communications, nor shall any employee suffer any adverse job action due to such communications.

Media Relations

It is our goal to give the press a clear, consistent, and up-to-date message about our school and its programs and vices. Since information about our activities change often, it is easy to provide the press with information that may be inaccurate or misleading.

All calls from newspapers, magazines, or radio and television reporters should be immediately referred to the School Director of Development and Community Assets.

ENDING EMPLOYMENT

Dismissal, Discipline, and Termination of Employment

All employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet WAYS' standards, the employee may be subject to discipline, up to and including termination.

By way of example (but by no means is this intended to be an exhaustive list), the following constitute grounds for discipline and/or termination:

- Unsatisfactory performance,
- Unfit for service, including the inability to appropriately instruct or associate with students;
- Insubordination;
- Falsifying or concealing information on employment records, employment information, an employment application, time record, or other WAYS record;
- Willfully or maliciously making false statements regarding any coworker or WAYS, making threats or using abusive language toward fellow employees, supervisors, students, parents, or visitors;
- Theft or the deliberate or careless damage or destruction of WAYS property, or the property of WAYS employees, students or anyone on WAYS property;
- Possessing weapons on WAYS property at any time or while acting on behalf of WAYS;
- Violation of WAYS' Policy Against Harassment;
- Excessive absenteeism
- Violating any safety, health, security, or school policy, rule or procedure;
- Refusal to comply with any federal or state regulation or law, or refusal to comply with any WAYS policy or procedure.
- Possession of or being under the influence of illegal drugs or alcohol while performing any professional duties or when publicly representing WAYS, such as a professional conference;
- Engaging in criminal conduct whether or not related to job performance;
- Gross negligence leading to the endangerment or harm of a child or children;

Discipline may range from verbal or written reprimands, unpaid or paid suspension to termination depending upon the nature and severity of the offense, and at the sole discretion of the School Director and/or the WAYS Board of Directors. The rules set forth above are

intended to provide employees with some guidelines regarding expected conduct and performance that might lead to discipline and/or termination. Employees should be aware that conduct not specifically listed also might result in disciplinary action, up to and including termination.

Any employee may submit a grievance regarding dismissal, discipline, and termination pursuant to the grievance process outlined in the Grievance section of these policies.

Exit Interviews

All employees who leave employment at Wisdom Academy for Young Scientists will take part in an exit interview with their supervisor to reflect upon their challenges and growth while employed at Wisdom Academy for Young Scientists. Information shared during an exit interview will be treated as confidential and acted upon in a timely and appropriate manner.

Wisdom Academy
For
Young Scientists

SAFETY PLAN

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SAFETY PLAN

Statement of Purpose

The Wisdom Academy for Young Scholars' mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists. A comprehensive Safety Plan helps to ensure a safe school environment, thereby enhancing the learning experience and improving student academic achievement. This plan is implemented to protect the safety of students and staff and to provide emergency preparedness and guidelines. This plan addresses the following objectives:

- Protect the safety and welfare of students and staff.
- Provide for a safe and coordinated response to emergency situations.
- Protect the school's facilities and property.
- In the case of an emergency, allow the school to restore normal conditions with minimal confusion in the shortest time possible.
- Provide for coordination between the school and local emergency services when necessary.

This Safety Plan consists of the following Sections:

I. Staffing

II. General Policies and Procedures for Handling Safety and Specific Emergency Situations

III. Drugs, Alcohol and Tobacco

IV. Child Abuse Reporting

V. Campus "Coming and Going"

VI. Harassment Policy-Appendix A

VII. Disciplinary, Suspension & Expulsion Policy-Appendix B

VIII. Incident Report-Appendix C

This plan encompasses a broad range of potential safety issues and major emergencies. Such incidents may include earthquake, hazardous materials, widespread power outage, and similar events affecting normal operations at the school.

I. Staffing

A. Employee Preparedness

A number of measures are taken on an ongoing basis to ensure that school staff is prepared to respond immediately and appropriately to disasters. These include:

1. Review of this Plan and any other emergency policies and procedures;
2. Review of an employee's role during an emergency;
3. Knowledge of how to conduct and evaluate required drills;
4. Familiarity with the layout of buildings, grounds and all emergency procedures;
5. Review of the location of all emergency exits, fire extinguishers, fire alarms and emergency equipment and supplies;
6. Attend update training in first aid, CPR, use of fire extinguishers and search and rescue as necessary.

B. Employee Responsibilities

At the beginning of each school year, all instructional and non-instructional staff will be asked by the Wisdom Academy for Young Scholars ("School") Director, or his/her designee, to identify those with special skills or experience that may be helpful during an emergency. These employees may be asked to fulfill certain emergency management roles (i.e., first aid, CPR, search & rescue and/or fire extinguisher training & certification).

Instructional staff is responsible for the following:

1. Present instruction to students about emergency preparedness plans for the site and student responsibilities in case of a major emergency;
2. Keep attendance sheets readily accessible at all times in order to check attendance in the event of evacuation;
3. Update the contents of classroom emergency kit and keep it in a safe, accessible location;
4. Participate fully in fire, earthquake and evacuation drills;
5. Have planned activities for students for use during periods of confinement during an emergency situation.

The Director, or his/her designee, is responsible for the following:

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1. Assign employees to roles and responsibilities for an emergency, taking into consideration the skills, abilities and normal functions of employees;

2. Ensure that all employees are familiar with the site maps and evacuation plans and are trained in emergency response and preparedness roles and responsibilities;

3. Update the list of employees who are trained in first aid, CPR, the use of fire extinguishers, and search and rescue. Arrange for update training as necessary;

4. Update as necessary the site floor plan showing evacuation routes and the location of assembly areas, emergency supplies and equipment, fire extinguishers, fire alarm pulls, master electrical panels, and main water and gas shut off valves;

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5. Ensure that emergency procedures are posted in classrooms, hallways, school office, cafeterias and employee lounges;

6. Update the list of any disabled students or employees or those who may need evacuation assistance or other special assistance;

7. Test the site warning system and ensure that the system's signal(s) is recognized and understood by employees and students;

8. Conduct an inventory of all emergency supplies and equipment and replace used or outdated supplies and equipment;

9. Maintain a list of emergency phone numbers in a readily accessible location.

C. Employee/Student Special Needs

Staff with temporary or permanent impairments of sight, hearing or mobility may self-identify indicating what assistance may be required in the event of an emergency. Students with special needs are identified at the beginning of each school year. Parents are asked to provide written information/ instructions concerning specific needs.

Those areas of the school that have employees and/or students with permanent mobility impairments should maintain any necessary evacuation device on each floor where such employees and/or students are located.

D. Emergency On-Site Personnel

Staff emergency phone contacts will be kept on file at the school office. Staff with specific training in emergency response, safety, CPR, etc. will also be noted on a list kept at the school.

E. Notification List

In the event of an emergency or safety risk, the following personnel will be notified as appropriate:

Personnel Emergency Telephone Number List

	Ext. #	Home #	Mobile #
Director			
School Secretary			
Emergency or Safety Designee			

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Teachers with CPR or First Aid (list by name):

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Outside Emergency Telephone Number List

	Ext. #	Telephone #
Police Dept.	911	
Ambulance	911	
Sheriff's Dept.	911	
Fire Dept.	911	
Hazardous Materials	911	
Others:		

II. General Policies and Procedures for Handling Safety and Specific Emergency Situations:

The purpose of the safety and emergency sections of this Plan is to provide safety and emergency preparedness and response instructions to protect the safety and well being of students and staff at the time of an emergency. Specific goals include:

1. Protect the safety and welfare of students and staff;
2. Provide for a safe and coordinated response to emergency situations;
3. Protect the school's facilities and property;
4. Enable the school to restore normal conditions with minimal confusion in the shortest time possible;
5. Provide for interface and coordination between the school and local authorities and resources.

A. Emergencies

In the case of an emergency, the general policy is that actions should be taken to allow the school to remain in operation to the extent possible. The situation should be addressed to minimize interruption of normal operations at the school, and students will usually be cared for until regular dismissal time. Where an emergency situation poses a serious threat to the safety and well being of students and staff, evacuation will occur until any danger has passed. When necessary, school may be dismissed by he Director, or his/her designee.

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- **Fire:**

In the case of a school fire, the following procedures should be implemented:

1. Sound building fire alarm.
2. Notify Fire Department by dialing 911. The Fire Department is to be notified of any fires larger in size than a wastebasket. The Fire Department should be given the following information:
    - School name and phone number.
    - Building address, including nearest cross street(s).
    - Exact location of the fire within the building.
3. Have students and staff evacuate the building in accordance with established procedures.
4. Evacuate to outdoor assembly area.
5. All doors leading to the fire should be closed. Do not re-enter the area for belongings. If the area is full of smoke, students and staff should be instructed to crawl along the floor, close to walls, thus making breathing easier and providing direction. Before opening any door, place a hand one inch from the door near the top to see if it is hot. Be prepared to close the door quickly at the first sign of fire to avoid the spread of fire.
6. Clear access routes for emergency vehicles. Remain at a safe distance from the fire and away from fire fighting equipment.
7. Render first aid as necessary.
8. Check attendance. Remain with students.

- **Medical Emergency**:

Medical emergencies and accidents can occur at any time and may involve a student or employee. Some emergencies may only require first aid care, while others may require immediate medical attention. When in doubt, it is better to err on the side of caution and dial 911.

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1. Medical emergencies involving any student or employee must be reported to he Director, or his/her designee. Dial 911 or direct someone to do so. Provide the following information:

    - School name and phone number.
    - Building address, including nearest cross street(s).
    - Exact location within the building.
    - Your name and phone number.
    - Nature of the emergency.
    - Do not hang up until advised to do so by dispatcher.

2. Notify the school office that an individual has been injured and an ambulance has been called.

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3. Ask someone to dispatch a first aid/CPR trained employee to the victim.
4. Stay calm. Keep victim warm with a coat or blanket.
5. Do not move the victim unless there is danger of further injury. Do not give the victim anything to eat or drink.
6. Draft written incident report and submit it to School Director, or his/her designee, before the end of the next workday.

- **Earthquakes:**

Earthquakes strike without warning and the major shock is usually followed by numerous after shocks, which may last for weeks or months. An earthquake's effect on buildings will vary from building to building.

The major threat of injury during an earthquake is from falling objects and debris, and many injuries are sustained while entering or leaving buildings. Therefore, it is important to remain inside the building and quickly move away from windows, glass, partitions and shelves. In the case of an earthquake, the following procedures should be followed:

1. Take cover under a sturdy desk or table, in a doorway, or against an inside wall until the shaking stops. Give DROP AND COVER command.
2. After shaking stops, check for injuries, and render first aid.
3. If ordered by he Director, or his/her designee, evacuate.
4. Do not return to building.
5. Do not light any fires.
6. Keep a safe distance from any downed power lines.
7. Check attendance whether or not evacuation takes place. Report any missing students to he Director, or his/her designee.
8. Stay alert for aftershocks.
9. Beware that shaking may activate fire alarm or sprinkler systems.
10. Elevators and stairways will need to be inspected for damage before they can be used.

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11. The School principal, or his/her designee, will issue further instructions.

12. Should there be a major earthquake, children will remain under the supervision of school authorities until parents or responsible adults can pick them up.

- **Assaults:**

Assaults involve acts of striking or inflicting injury to a person and are regarded as serious matters. Any threat or assault on students or employees should be reported immediately to he Director, or his/her designee. The Director (or designee) will determine if law enforcement officials should be notified.

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If a serious assault occurs:

1. Dial 911.
2. Seek first aid or medical attention, if indicated.
3. Have photographs taken of any injuries.
4. Write down a physical description of the assailant (sex, age, height, weight, race, clothing, and any weapon used) as soon as possible after the incident.
5. Obtain names and telephone numbers of any witnesses.
6. Draft incident report and submit it to he Director, or his/her designee.
7. The Director or his/her designee will submit incident report to the local law enforcement if incident is serious.

- **Hazardous Materials:**

Hazardous material spills may occur inside a building, such as a spill in a chemistry lab. Incidents of disaster magnitude may occur outside, such as a tank truck accident involving large quantities of toxic material. Procedures:

1. If a spill is minor and inside, notify buildings and grounds personnel immediately for clean up. Open windows for ventilation.
2. If a more serious spill occurs inside or outside:

    - Call 911. Notify Fire Department, Emergency Response Unit, and/ or Public Health Department.
    - Provide the following:

        School name.

        Building address, including nearest cross street(s).

        Your name and phone number.

        Location of the spill and/or materials released.

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Characteristics of spill (colors, smells, visible gases).

Name of substance, if known.

Injuries, if any.

3. Notify buildings and grounds personnel.
4. Close all windows and doors if the spill is outside.
5. Request that buildings personnel shut off mechanical ventilating systems if it might spread toxic material.
6. Remain inside building unless ordered to evacuate by the Fire Department.
7. Fire Department will advise of further actions to be taken.
8. Do not eat or drink anything or apply cosmetics.
9. If there appears to be imminent danger, a fire drill may be called while approval for student release or site evacuation is sought.
10. The Director, or his/her designee, if necessary, will give approval for student release or site evacuation.

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- **Civil Disturbance:**

A civil disturbance is any situation where a person or group of persons disrupts operations or threatens the safety of individuals. The following precautionary protective measures should be taken:

1. Notify local law enforcement authorities-Dial 911.
2. If participants enter the building, remain calm and do not provoke aggression. Report disruptive circumstances to school Director, or his/her designee.
3. Do not argue with participant(s).
4. Have all students and employees leave the immediate area of disturbance.
5. If the disturbance is outside the building, remain inside building, unless instructed otherwise by he Director or police officials. Lock all doors. Stay away from windows and exterior doors.
6. If the disturbance is inside the building, follow procedures for evacuation of the school site.
7. Follow further instructions as police officials and other local law enforcement authorities issue them.
8. Draft incident report for School Director, or his/her designee.

- **Vandalism**:

The following procedures should be used in the case of school vandalism:

1. Notify school principal, or his/her designee.
2. Notify building and ground maintenance personnel.
3. The Director, or his/her designee, will assess the seriousness of the situation and determine the level of assistance needed, including local law enforcement.
4. If possible, identify the parties involved.
5. Interview witnesses and obtain written statements.
6. Document the incident as soon as possible and give the incident report, with any witness statements, to he Director or his/her designee.
7. Notify parents or legal guardian.

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8. Determine what disciplinary measures are appropriate (in-house or police involvement). See *Disciplinary, Suspension & Expulsion Policy*.
9. Determine any monetary restitution issues and amounts.

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- **Utility or Power Failure:**

The following procedures should be used in case of utility or power failure:

1. Staff and students should remain in classroom until further instruction.
2. Custodial and maintenance personnel should determine cause of incident and seek outside assistance if necessary.
3. Staff and students outside of a classroom at the time of the incident should report to main office.
4. Building and grounds personnel report to utility company if necessary.
5. If situation requires long-term maintenance and repair and prevents class activities, he Director, or his/her designee, may take measures to dismiss school for the day.
6. Where utility failure presents an emergency, evacuation procedures should be implemented immediately.

- **Bomb Threat:**

Person receiving call:

1. Listen - Do not interrupt caller.
2. If possible, alert other staff by a pre-arranged signal while the caller is on the line.
3. In the event that a bomb threat is received, it is important for the person receiving the call to attempt to keep the caller on the telephone as long as possible. It is also important to listen carefully to all information provided by the caller and to make a note of any voice characteristics, accents, or background noises.
4. Attempt to ask questions and elicit the information required to determine the severity of the threat.
5. Notify School Director, or his/her designee, immediately.

The Director or his/her designee will:

1. Notify Police Department – Dial 911.

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2. With the assistance of responding law enforcement personnel, conduct a thorough search of the building & surrounding areas:

    - Classrooms and work areas.
    - Public areas - foyers, office bathrooms and stairwells.
    - Lockers and unlocked closets.
    - Exterior areas -- shrubbery, trashcans, debris boxes, gas valves, etc.
    - Power sources -- electric panels, telephone panels, computer rooms, etc.

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3. With assistance from responding law enforcement personnel and/or Fire Department, he Director, or his/her designee, will evaluate the threat and will determine whether to evacuate the building and/or to continue to search the premises.
4. If there appears to be imminent danger, a fire drill may be called while approval for student release or site evacuation is sought. The Director, or his/her designee, must grant approval for student release.
5. An incident report should be drafted before the end of the workweek.

- **Explosion:**

If an explosion occurs at the school, the following procedures should be used:

1. Give DROP AND COVER command.
2. Sound building fire alarm. This will automatically implement action to leave the building.
3. Notify Fire Department – Dial 911.
4. Provide the following information:
    - School name.
    - Building address, including nearest cross street(s).
    - Exact location within the building.
    - Your name and phone number.
5. Evacuate to outdoor assembly area.
6. Check attendance. Remain with students.
7. Render first aid as necessary.
8. Notify grounds and building personnel.
9. Keep students and staff at a safe distance from the building(s) and away from firefighting equipment.

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10. Public safety officials will determine when the building is safe for re-entry, and along with he Director, or his/her designee, whether student release from the school site is necessary.

11. Draft incident report by the end of the week.

- **Fighting or Riot:**

School staff should follow these guidelines when a fight occurs:

1. Send a reliable student to the office to summon assistance.
2. Speak loudly and let everyone know that the behavior should stop immediately.
3. Obtain help from other teachers if at all possible.
4. If students are starting to gather, attempt to get students away from the commotion as quickly as possible.

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5. Call out the names of the involved students (if known) and let them know they have been identified.
6. For the safety of all students, get additional help from law enforcement personnel if confronted with a serious fight, especially one that involves weapons.
7. Attempt to separate the involved students by speaking to them in an assertive tone of voice. Consider the age and/or size of the students, as well as personal safety, before stepping between/among those involved in an altercation. If successful in separating the students, try to avoid using further confrontational behavior.
8. Remember that no one can "cool down" instantly; give the students time to talk in a calm setting and gradually change the climate of the situation.

Staff should follow these guidelines when a riot occurs:

1. The Director, or his/her designee, should encourage teachers and staff to be sensitive to the emotional climate of the campus and attempt to defuse any tensions prior to the eruption of problems.
2. Notify local law enforcement of the disturbance and meet at a pre-designated site to evaluate the situation.
3. Have a law enforcement officer evaluate and call for any necessary resources such as back-up help, emergency medical help, etc.
4. Activate needed emergency plans, which may include:

    a. Instructing office staff to handle communications and initiate lockdown orders.

    b. Notify transportation to bring appropriate numbers of buses for evacuation or transportation if necessary.

    c. Assign staff a temporary detention facility, such as a gymnasium, to secure students and log information.

    d. Direct a teacher or designee to initiate lockdown and immobilize the campus.

    e. Brief a representative to meet the media.

    f. Assign staff to a pre-designated medical treatment/triage facility.

- **Hostage Situation:**

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In case there is a hostage situation at the school, staff should attempt to follow these guidelines:

1. Stay calm.
2. Don't be a hero.
3. Follow instructions of captor.

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4. Cooperate; be friendly if possible; don't argue with or antagonize captor or other hostages.
5. Inform captors of medical or other needs.
6. Be prepared to wait; elapsed time is a good sign.
7. Don't try to escape; don't try to resolve situation by force.
8. Be observant and remember everything that is seen or heard.
9. If a rescue takes place, lie on the floor and await instructions from rescuers.

The Director or his/her designee should be responsible for the following:

1. Immediately notify law enforcement.
2. Move other students and teachers completely away from those who are in the hostage situation.
3. Keep everyone as calm as possible.
4. Be prepared to answer questions from media or family.

- **Death of a Student:**

By far the worst crisis situation is the death of a student. When a student dies, emotional trauma is a natural occurrence for students, faculty, and staff. A student's death, which occurs on campus, particularly as a result of school violence, is admittedly the most extreme case of trauma for family and the school community. There is no procedure that fits every scenario; each case requires individual attention. Certainly, there is no prescribed method for dealing with such tragedy; however, the following are suggestions for a school's response to death, particularly death that occurs as a result of school violence:

1. After the initial response, administrators and counselors will meet immediately to review what has happened. Responding to the psychological needs of both staff and students as soon as possible is the best prevention for the development of post-traumatic stress.

2. Get as much information as possible from the family and ask their permission to share it with the students, faculty, and staff. Ask if they have any objection to students, faculty, and staff attending the funeral.

3. Relay the information to the students in a factual way, careful to avoid breaching the student or family's privacy. The Director and a counselor might consider moving from room to room to tell the students what has happened. They should tell the truth, allow

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for expression of feelings, and affirm any expressions or feelings the students have. Students need to be told that they may visit a counselor's office for special assistance if they need to talk.

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4. If possible, allow a break after telling the students in order to give them an opportunity to express their grief with other students.

5. Upon returning to school, students should be allowed time to discuss their feelings, talk about the deceased, and discuss memories. Give students, faculty, and staff information about the funeral and allow them to attend, provided the family has granted permission.

6. Watch for trouble signs among the students. Be prepared to call in extra counselors if necessary.

- **Intruder or Individual With Deadly Weapon:**

If someone enters the school grounds or buildings with a deadly weapon, the staff should follow these guidelines:

1. Avoid confronting the student or gunman.
2. Notify he Director, or his/her designee, or school office immediately.
3. Identify the student or gunman (if known), the student or gunman's location, and the location of the weapon.

The Director or his/her designee should follow these guidelines:

1. Notify law enforcement immediately.
2. Identify the student or gunman (if known), the student or gunman's location, and the location of the weapon.
3. Determine the level of threat. If the level of threat is high, call for additional backup.
4. Attempt to get the weapon from the gunman or student through negotiation, or take other appropriate action with the aid of local law enforcement.
5. If the level of threat is low, call the student to the office and have law enforcement take the appropriate action.

B. Evacuation

In the event conditions in the community or within the school itself necessitate a site evacuation, the following steps should be taken:

The Director or his/her designee should:

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1. Notify the school district office, county official or designee.
2. Notify local law enforcement authorities.

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3. Notify school transportation support.
4. Note the special needs of students or staff.
5. Direct clerical staff to take schools master enrollment list.
6. Direct school nurse or designee to prepare emergency medications to be transported.
7. Direct all personnel to leave the building and secure the building.
8. Notify students' parents or legal guardians as situation permits.

School staff should:

1. Plan to evacuate his/her class and ride the bus or walk as situation dictates.
2. Take a copy of class enrollment list.
3. Take emergency instructional materials and first aid kits in the event the evacuation lasts several hours.
4. Notify the Director or his/her designee of any special needs of students and their requirements.

The first choice for a shelter during a building site evacuation is another building designated by the school district, county or other local authority. Once staff and students have arrived at the host site, the following steps should be taken:

1. Notify school nurse or local medical personnel of any medical emergencies.
2. Consider how students will be fed and restroom needs met.
3. Activate crisis intervention team to deal with any emotional trauma.
4. Provide area and materials for parents who may arrive to pick up students.
5. Provide an area for non-school community evacuees.

C. Floor Plan

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A floor plan of the school site buildings and grounds, which indicates the location of all exits, utility shut-offs, fire extinguishers, and emergency equipment and supplies, will be maintained and updated, as necessary. The floor plan should also indicate outdoor assembly area(s) and evacuation route(s) from the site.
A copy of the floor plan will be posted in each classroom at the school, in the school hallway and at the school's main office. Staff should familiarize themselves with the contents of the floor plan and with evacuation procedures.

D. Fire Drills

The school shall conduct fire drills on a quarterly basis to prepare for possible evacuation in case of an emergency. The Director, or his/her designee, will specify the date and time of fire drills.

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Fire drills will be conducted on a monthly basis. Earthquake "drop and cover" drills will be conducted once per quarter. All students and staff are required to participate in these mandated drills.

The Director, or his/her designee, will designate an outdoor assembly area(s) where students and staff will gather whenever the building is evacuated. Unless instructed otherwise by public safety officials, students and staff will gather by class and attendance will be taken. The names of any missing individuals will be relayed to search and rescue teams and public safety officials.

E. Annual Inspections

The Director, or his/her designee, with the assistance of local support personnel where necessary, will conduct an annual inspection for situations that pose potential hazards. Of particular importance is proper storage of chemicals and correct labeling of all containers. Failure of one or more of the utilities (electricity, gas, water) constitutes a condition that must be dealt with on a situational basis. A walk-through inspection of each area of each building will be conducted using a checklist of the following:

1. Classroom
2. Corridors
3. Laboratory/Shop
4. Cafeteria/Auditorium (use for all assembly areas)
5. Kitchen
6. Office (also used for conference rooms)
7. Teacher's Workroom and Employee Lounge
8. Toilet
9. Custodial
10. Boiler Room
11. Storage Room (also use for File Rooms)

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12. Yard (or Grounds)

Where multiple rooms of the same type are to be inspected (e.g., classrooms, offices), be sure to note the exact identification (e.g., Classroom 14, Room 7; second floor women's restroom). Complete each section of the checklist. Provide a brief description of the problem in the section provided.

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Appropriate measures will be taken to correct the problem at the direction of the Director. When possible, personnel at the site (e.g., custodian) will handle corrections or repairs and may provide an estimate of the necessary repairs and corrections. The custodian or other buildings and grounds personnel will advise he Director, or his/her designee, of problems that cannot be corrected by site staff.

F. Parental Notification

In the case of an emergency requiring evacuation of the school site, parents will be notified as soon as possible. At the beginning of each school year, all parents will be asked to provide emergency contact information, sign an emergency medical release form for their child, and designate persons who are authorized to pick-up their child in the event of an emergency.

In the event of an parents/guardians should keep radios tuned to the local radio station for advisory information. Parents should not call the school because we must have the lines open for emergency calls.

G. Classroom Safety Kits

Emergency and first aid supplies are necessary when an emergency or injury occurs at the school. Emergency and first aid supplies should be kept in the school's central office and in individual classrooms as needed. At the beginning of each school year, each classroom will receive a classroom safety kit. Suggested items in case of an emergency:

Blankets

Matches

Pillows

Bottled Water

Flashlights

Paper Towels

Batteries

Wet Ones

Radio (battery operated)

Sheets

Candles

Suggested first aid items:

Hydrogen Peroxide

Iodine

Alcohol

Assorted Band Aids

Gauze

Sterile Water (for burns)

Tape

Scissors

Tweezers

Bandages

Instant Ice Packs

Ace Bandages

Package of Sewing Needles

Slings

Anti-bacterial salve

Steri-strips or butterfly stitches

Disposable gloves

Face masks

CPR (disposable mouthpieces)

Current first aid book

In case of an emergency evacuation, staff will take this kit to the evacuation site, along with an attendance sheet.

H. School Safety Management Team

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The Director is the overall director of the School Safety Management Team and will appoint those members of the staff necessary to respond to issues of safety at the School and in the case of an emergency. Depending upon the nature of an emergency, additional administrative, teaching and support staff may also be part of the team, but may act only when assigned specific duties by the Director.

I. Guidelines for Handling the Media

Whenever a natural disaster or crisis situation occurs, media coverage is a certainty. School staff and administrators are encouraged to follow these guidelines when dealing with the media. The Director should assign a school spokesperson to deal directly with the media.

Develop a written statement for dissemination.
Get the maximum amount of information out to the media - and thus the public - as rapidly as possible.

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Appoint a spokesperson (usually the principal).

Keep the staff informed through one person.

Be proactive with the media.

Contact the media before they contact the school.

Set geographic and time limits.

Explain restrictions.

Hold the press accountable.

Create positive relations with the media before an emergency crisis occurs.

Stress positive actions taken by the school.

Announce new changes made after the incident has passed.

J. Drugs, Alcohol and Tobacco

The use or possession of drugs, alcohol or tobacco are strictly prohibited at the school or around school grounds. If a member of staff suspects that a student is

in the possession of a controlled substance, he or she should:

1. Identify the parties involved.
2. Notify he Director or his/her designee immediately.
3. Follow-up with a written incident report, including any witness statements.

The Director, or his/her designee, should do the following:

1. Assess the situation and determine the level of assistance needed (i.e. school counselor, police)
2. Isolate the parties involved for interview/investigation.
3. Notify parent or legal guardian.
4. Obtain witness statements and document in a written incident report.

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5. Determine disciplinary consequences. See *School Disciplinary, Suspension & Expulsion Policy*.
6. Determine what intervention or follow-up procedures are necessary including counseling.

K. Child Abuse Reporting

Child abuse shall be reported in compliance with the procedures set forth in the school's Employee Handbook and in accordance with California law. The reporting of suspected child abuse is mandatory.

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All employees of the School are committed to children. Professionals who work with or regularly come into contact with children have a crucial role in their protection. Mandated reporters are designated as such because they are in a position to receive information that a child is or may be at risk, and to pass this information on to the agencies that can intervene to protect the child.

When a teacher or other school staff suspects a case of child abuse, he or she should contact the appropriate child protective authorities immediately.

L. Campus "Coming and Going"

Visitors and guests are welcome at the school. However, to safeguard students and staff, reasonable precautions should be taken.

Visitors should:

1. Always report and sign in at the office.
2. Be provided with a visitor's badge.
3. Be prepared to provide identification to school personnel.
4. Respect school rules.

School personnel should:

1. Ensure all exterior doors are marked with a notice to visitors to first report to the office.
2. Exterior doors should remain locked, except doors near the office area.
3. Staff should receive training on how to greet visitors. The first question is "May I help you?"
4. Someone should greet every visitor.
5. Any intruder found roaming the building should be escorted to the office. Someone can then provide any additional information or directions. (NOTE: An intruder is anyone without a visitor's badge or lacking visible identification stating who they are, i.e., school employee)

Visitors who fail to comply with school procedures:

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1. Should verbally be informed they are in violation of school policy. (Example - "Sir, you must report to the office immediately. If you fail to do so, you will be considered a trespasser, and school security will be called.")

2. If this fails:

   - Notify the office of the situation.
   - Follow the person, if possible, and continue to give notice of the violation of school rules.

3. Police should be notified, or call 911.

4. Office should activate building-wide notification plan concerning intruder:

   - PA announcement using pre-determined code phrase.
   - Classroom doors should be closed.
   - Students should remain in current areas.

M. Notifying Teachers of Dangerous Pupils

1. The Director will inform teachers and other relevant staff of students who are defined as dangerous as set forth in the California Education Code sec. 48900, including the exceptions to this rule provided therein. The School will provide this information to the teacher based upon any records that the school maintains in its ordinary course of business, or receives from a law enforcement agency, regarding a pupil described in this Section. The School is not civilly or criminally liable for providing information unless it is proven that the information was false and that the School employee knew or should have known that the information was false, or the information was provided with a reckless disregard for its truth or falsity.

2. Any information received by a teacher pursuant to this Section shall be received in confidence for the limited purpose for which it was provided and shall not be further disseminated by the teacher.

N. Harassment and Discrimination

Harassment and Discrimination are prohibited. They include the following:

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- Verbal Threats
- Threatening Behavior
- Hazing
- Intimidation
- Gang Behavior
- Fights

Policies for dealing with harassment and discrimination are described in the *Employee Handbook*.

If harassment or discrimination occurs, school staff should:

1. Evaluate the seriousness of the situation and determine the level of assistance needed. If intervention is required, contact support staff. Where a threat of serious bodily injury and/or weapons are involved, call 911.
2. Identify the parties involved and give specific verbal directions to discuss the situation. Where a physical altercation is occurring, or is about to occur, call for staff support and immediately separate the parties involved.

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3. Document the incident, including the names of witnesses and any statements.
4. Give incident reports to he Director, or his/her designee, as soon as possible.

The Director, or his/her designee, should:

1. Assess the seriousness of the incident. If assistance is needed, call necessary support staff. Where a threat of serious bodily injury or weapons is involved, call 911.
2. Identify the parties involved.
3. Seek written documentation from witnesses.
4. Determine disciplinary consequences. See *Employee Handbook;* and *Disciplinary, Suspension & Expulsion Policy*.
5. Determine what intervention or follow-up is necessary, including referral to a school counselor, psychologist, or local law enforcement.
6. Notify parents or legal guardian and appropriate school personnel of incident.
7. Complete a report with a description of the incident and include the names of witnesses and any statements. Summarize the disciplinary procedures used in resolution of the incident.

O. School Discipline

Discipline will be handled as set forth in the *Disciplinary, Suspension & Expulsion Policy.*

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Acknowledgement of Receipt of Safety Plan

I understand and agree that I will read and comply with the Safety Plan for the Wisdom Academy for Young Scholars.

_____

Signature Date

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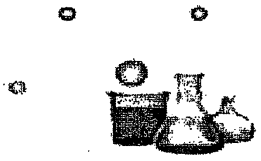
WISDOM ACADEMY FOR YOUNG SCIENTISTS

Comprehensive School Safety Plan SB 187



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Reviewed and Updated November 2013

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- The Safety Plan will be made available to all staff, students, parents, and the community to review either on-line or in the main offices.
- The school site council is responsible for developing the school site safety plan and the School board will approve
- Local law enforcement has been consulted. Other local agencies, such as health care and emergency services, may be consulted if desired. (Ed Code 32280 through 32289)

Wisdom Academy for Young Scientists Safety Policies

1.1 SCHOOL WILL MEET THE REQUIREMENTS THAT EACH EMPLOYEE OF THE SCHOOL FURNISH CRIMINAL RECORD SUMMARY AS REQUIRED IN EC44237

Wisdom Academy for Young Scientists shall comply with the provisions and procedures of Education Code 44237, including the requirement that as a condition of employment each new employee must submit two sets of fingerprints to the California Department of Justice for the purpose of obtaining a criminal record summary. No employee shall be permitted to commence work at WAYS until clearance has been obtained from the Department of Justice. Policies and procedures shall be adopted for issues such as fires, earthquakes, compliance with health and safety laws and other emergency responses.

1.2 HOW THE SCHOOL WILL ENSURE THAT ITS FACILITIES ARE SAFE

Wisdom Academy for Young Scientists will maintain a safe and secure environment for its students, staff, administration, school volunteers, and visitors. Wisdom Academy has developed a school safety plan and it will acquire emergency supplies for the school. Additionally, our school has developed and implemented the following policies and procedures:

- Periodic Fire and Earthquake Drills.
- Policies and procedures for responding to natural disasters and emergencies.
- Policies relating to the administration of prescription drugs and other medications.
- Equipped with disaster emergency supplies including water, food, blankets and supplies necessary to sustain the campus population for three days.
- Ensure that a minimum of 75% of the staff is CPR/First Aid certified.
- Procedures for preventing contact with blood-borne pathogens.
- Policy that establishes the school functions as a drug, alcohol and tobacco-free workplace and that adheres to Title IV of the Safe and Drug-Free Schools and Communities Act.
- Policy that require that all school employees (paid or volunteer), furnish the school with a criminal background check and submit a criminal record summary as described in Education Code 44237.
- A requirement that all enrolling students and staff provide records documenting current immunizations.
- Ensure that administrator and staff receive sexual harassment training.

Wisdom Academy for Young Scientists will have a Health, Safety and Emergency Plan in place prior to beginning the operation of the school. Wisdom Academy will ensure that staff has been

trained in health, safety, and emergency procedures and will maintain a calendar and conduct emergency response drills for students and staff. Wisdom Academy for Young Scientists, its employees and officers will comply with the Family Educational Rights and Privacy Act (FERPA) at all times. Wisdom Academy shall require all employees of the Charter School, and all volunteers who will be performing services that are not under the direct supervision of a Charter School employee, and any onsite vendors having unsupervised contact with students to submit to criminal background checks and fingerprinting . The Charter School will maintain on file and available for inspection evidence that the Charter School has performed criminal background checks for all employees and documentation that vendors have conducted required criminal background checks for their employees prior to any unsupervised contact with students.

The written policies will updated and revised as needed and distributed as appropriate to all students and staff annually. Emergency and school safety procedures will routinely be covered during staff development.

1.3 HOW THE SCHOOL WILL ENSURE THAT ITS AUXILIARY SERVICES ARE SAFE (FOOD SERVICES, TRANSPORTATION, CUSTODIAL SERVICES, HAZARDOUS MATERIALS)

Wisdom Academy for Young Scientists will provide food for our students that is prepared in our commercial kitchen. WAYS reserves the right to prepare food on site in our commercial kitchen or contract with a third party vendor.

The school will maintain a list of locally stored hazardous materials and will prepare a safety plan. The school will also request periodic safety inspections from its insurer.

1.4 ROLE OF STAFF AS MANDATED OR NON-MANDATED CHILD ABUSE REPORTERS

WAYS Learning administrators and employees are responsible for complying with the Child Abuse and Neglect Reporting Act, California Penal code Sections 11165.7, 11165.8, and 11166.

1.5 TB, vision, hearing and scoliosis compliance

Records of student immunizations shall be maintained, and staff shall follow the L.A. County's requirements and timelines for periodic TB tests using the Mantoux tuberculosis test. Students will not be permitted to enroll and staff will not be permitted to work without negative TB clearances. Wisdom Academy will provide screening of pupils' vision and hearing as well as screening for scoliosis to the same extent as would be required if the students attended a non-charter public school.

1.6 Maintenance, repairs and improvement

Wisdom Academy for Young Scientists will contract with outside professionals for the ongoing custodial and grounds maintenance of the property. The Director of Operations of Wisdom Academy for Young Scientists is responsible for supervising the following:

- The janitorial service and ensuring daily cleaning duties are carried out.
- Gardening services.

- Rubbish pick-up service.
- Outside contractors for major repairs or improvements.

Insurance Requirements

The County under any of the County's self-insured programs or commercial insurance policies shall provide no coverage to Wisdom Academy for Young Scientists. Wisdom Academy shall secure and maintain, at a minimum, insurance as set forth below with insurance companies acceptable to the County[A.M. Best A-, VII or better] to protect the Charter School from claims which may arise from its operations.
It shall be the Charter School's responsibility, not the County's, to monitor its vendors, contractors, partners or sponsors for compliance with the insurance requirements.
The following insurance policies are required:

1. Commercial General Liability, including Fire Legal Liability, coverage of $5,000,000 per Occurrence and in the Aggregate. The policy shall be endorsed to name the County as named additional insured and shall provide specifically that any insurance carried by the County which may be applicable to any claims or loss shall be deemed excess and the Charter School's insurance shall be primary despite any conflicting provisions in the Charter School's policy. Coverage shall be maintained with no Self-Insured Retention above $15,000 without the prior written approval of the Office of Risk Management for the County.

2. Workers' Compensation Insurance in accordance with provisions of the California Labor Code adequate to protect the Charter School from claims that may arise from its operations pursuant to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation Insurance coverage must also include Employers Liability coverage with limits of $1,000,000/$1,000,000/$1,000,000.

3. Commercial Auto Liability, including Owned, Leased, Hired, and Non-owned, coverage with limits of $1,000,000 Combined Single Limit per Occurrence if the Charter School does not operate a student bus service. If the Charter School provides student bus services, the required coverage limit is $5,000,000 Combined Single Limit per Occurrence.

4. Fidelity Bond coverage shall be maintained by the Charter School to cover all Charter School employees who handle, process or otherwise have responsibility for Charter School funds, supplies, equipment or other assets. Minimum amount of coverage shall be $50,000 per occurrence, with no self-insured retention.

5. Professional Educators Errors and Omissions liability coverage with minimum limits of $3,000,000 per occurrence and $3,000,000 general aggregate.

6. Sexual Molestation and Abuse coverage with minimum limits of $3,000,000 per occurrence and $3,000,000 general aggregate. Coverage may be held as a separate policy or included by endorsement in the Commercial General Liability or the Errors and

Omissions Policy.

7. Employment Practices Legal Liability coverage with limits of $3,000,000 per occurrence and $3,000,000 general aggregate.

8. Excess/umbrella insurance with limits of not less than $10,000,000 is required of all high schools and any other school that participates in competitive interscholastic or intramural sports programs.

**Coverage and limits of insurance may be accomplished through individual primary policies or through a combination of primary and excess policies. The policy shall be endorsed to name the County as named additional insured and shall provide specifically that any insurance carried by the District which may be applicable to any claims or loss shall be deemed excess and the Charter School's insurance shall be primary despite any conflicting provisions in the Charter School's policy.*

Mandated Policies and Procedures

An assessment of the current status of crime committed on school campus and at school functions.

- Child abuse reporting is consistent with Penal Code 11164. Policies pursuant to Educational Code 48915 and other school-designated serious acts which would lead to suspension, expulsion or mandatory expulsion recommendations.
- Procedures to notify teachers and counselors (amended Welfare and Institutions Code 827) of dangerous students pursuant to Education Code 49079. A sexual harassment policy pursuant to Education Code 212.6.
- Procedures for safe entrance and exit of students, parents/guardians and employees to and from the school
- The rules and procedures on school discipline adopted pursuant to Education Code 35291 and 35291.5 in order to create a safe and orderly environment conducive to learning at school.

Child Abuse Reporting

WHAT IS CHILD ABUSE AND NEGLECT?

Child abuse can be caused by family members, acquaintances, or strangers.

CHILD ABUSE IS:

- physical injury that is inflicted by other than accidental means on a child by another person;
- sexual abuse or molestation;
- mental suffering or well-being endangered;
- unjustifiable punishment;
- neglect, including failure to provide food, shelter, or proper hygiene;

- unlawful corporal punishment or injury.

CHILD ABUSE IS NOT:

- a mutual affray between minors;
- an injury caused by reasonable and necessary force used by a peace officer acting within the course and scope of his or her employment as a peace officer.

WHO MUST REPORT?

This is a select list of mandated reporters employed with Wisdom Academy for Young Scientists. A complete list of mandated reporters is found at section 11165.7 of the Penal Code. The absence of training shall not excuse a mandated reporter from their duties.

- A teacher
- An instructional aide, teacher's aide, or teacher's assistant.
- A classified employee of any public school.
- An administrative officer or supervisor of child welfare and attendance, or a certificated pupil personnel employee of any public or private school.
- An administrator of a public or private day camp, youth center, youth recreation program, or youth organization.
- A licensee, an administrator, or an employee of a licensed community care or child day care facility.
- An employee of a school district police or security department.
- Any person who is an administrator or presenter of, or a counselor in, a child abuse prevention program in any public or private school.
- A physician, psychiatrist, psychologist, intern, marriage, family and child counselor, inter or trainee.

PENALTIES FOR FAILURE TO REPORT

Child abuse and neglect reporting is an individual duty.

Failure to report is a crime!

Any mandated reporter who fails to report is guilty of a misdemeanor punishable by up to six months confinement in a county jail or by a fine of one thousand dollars ($1000) or by both a fine and punishment.

WHAT IS A REASONABLE SUSPICION?

General Considerations

Reporting is an individual responsibility and requires independent judgment. People may differ on what would make them "reasonably suspect" child abuse or neglect.

Trust your instincts. When you feel that you have enough information, you should report.

You may want to write down, for yourself, the factor or factors that make you suspect abuse or neglect. Articulating your concerns on paper may help you determine whether you feel that you have enough information. This will also be helpful if and when you file a written report.

Don't worry about statutes of limitations or whether suspected abuse happened in the past. If you reasonably suspect that child abuse occurred at any time, report it.

DO NOT investigate the abuse yourself. Leave it to the professionals.

Youth pregnancy alone does not necessarily constitute reasonable suspicion.

WHAT IS A REASONABLE SUSPICION?

Physical Abuse

Any number of factors may contribute to your individual determination regarding a reasonable suspicion of physical abuse. The following are examples of indicators, but this list is by no means definitive.

• The type and location of an injury can help distinguish accidental injuries from suspected physical abuse. Injuries to the elbows, knees or forehead are typical locations of accidental injuries, like trips and falls. Typical locations of injuries resulting from abuse are the back surface of a child's body from the neck to the knees, or injuries to the face.

- A statement by the child that the injury was caused by abuse. Children rarely lie about abuse, so take their comments to heart.

- The child has a history of previous or recurrent injuries.

- The parent cannot explain reason for an injury, or there are discrepancies in the explanation.

The following behaviors are often exhibited by abused children:

- fear of parents or caretakers;
- the child and/or parent or caretaker attempts to hid injuries;
- child is frequently absent from school or misses physical education classes if changing into gym clothes is required;
- the adolescent exhibits depression, self-mutilation, suicide attempts, substance abuse, or sleeping and eating disorders

WHAT IS A REASONABLE SUSPICION?

Physical Neglect

Neglect includes both acts and omissions by a parent or caretaker. California law defines two categories of neglect: severe neglect and general neglect.

- Severe neglect means the negligent failure of a parent or caretaker to protect the child from severe malnutrition or a medically diagnosed non-organic failure to thrive. It also includes situations where the parent or caretaker willfully causes or permits the body or health of the child to be endangered. This includes the intentional failure to provide adequate food, clothing, shelter or medical care.
- General neglect means the negligent failure of a parent or caretaker to provide adequate food, clothing, shelter, medical care or supervision where not physical injury to the child has occurred. Neglect may be suspected when one or more of the following conditions exist:
- The child is lacking adequate medical or dental care;
- The child is often sleepy or hungry or malnourished
- The child is often dirty, demonstrates poor personal hygiene;
- The child is depressed, withdrawn or apathetic, exhibits antisocial or destructive behavior, shows fearfulness, or suffers from substance abuse, speech, eating or habit disorders (biting, rocking, whining).

WHAT IS A REASONABLE SUSPICION?

Sexual Abuse

- The single most important indicator is a statement by the child to a friend, classmate, teacher, or other trusted adult. The statement may be hypothetical ("I know someone who.....), or direct.
- The disclosure may be delayed. This is rarely an indication that the story is fabricated, as children seldom invent allegations of sexual abuse.
- Pregnancy of a minor does not, in and of itself, constitute the basis of reasonable suspicion of sexual abuse. You may develop a reasonable suspicion, however, based on information inferring coercion, rape, or a large age gap between the child and the person she states is the father.
- Abused children sometimes display a detailed and age-inappropriate understanding of sexual behavior.

HOW TO REPORT

First by telephone:

Once you have determined that a reasonable suspicion exits, you must report immediately or as soon as is practicably possible by telephone.: 800-540-4000 is the child abuse hotline.

- Report must be made to the police department, sheriff's department, county probation department if designated by the county to receive mandated reports, or the county welfare department.
- You MAY NOT report to school district police or security department.
- Be prepared to provide the following information by telephone:
- your name, business address, and telephone number
- your job title
- the child's name and address, present location
- the child's school, grade, and class
- the names, addresses, and telephone numbers of the child's
- parents or guardians
- the information that gave rise to the reasonable suspicion of
- child abuse or neglect and the source or sources of that information
- the name, address, telephone number, and other relevant
- personal information about the person or persons who might have abused or neglected the child
- You must make a report even if some of this information is not known or is uncertain.

HOW TO REPORT

- A written report must be sent to Child Protective Services within 36 hours of your initial report. An official copy should be available in the front office at your school site and from Child Welfare and Attendance.

- Keep the copy marked "Reporting Party" for your own records.

- If you determine on a Friday, or before a holiday, that reasonable suspicion exists, you should make the written report that day because the deadline may fall when school is not in session.

- If two or more mandated reporters have a reasonable suspicion of child abuse, they may elect one person to make the report. EACH PERSON STILL HAS AN INDIVIDUAL DUTY TO MAKE SURE THAT IT IS DONE. Follow up with the elected person and verify that the report was made. If in doubt, make the report yourself.

CONFIDENTIALITY

- Mandated reports are confidential and may be disclosed only among agencies receiving, investigating, and prosecuting.

- Any violation of confidentiality is a misdemeanor punishable by imprisonment in a county jail not to exceed six months, by a fine of five hundred dollars ($500), or by both imprisonment and fine.

- Do not discuss the details and information with your colleagues, except as suggested by District policy.

- A mandated reporter cannot be required to disclose his or her identity to their employer.

- Do not tell the parent about the report, even if you do not suspect that the parent is responsible.

- Deflect parental contact. Parents sometimes guess who was responsible for reporting. Tell the parent that you cannot discuss it.

- If the police or a child protective services worker discloses to anyone that you made a report, call their supervisor.

IMMUNITY

- Mandated reporters are immune from both civil and criminal liability when making reports.

- Any person, who, pursuant to a request from a government agency investigating a report of suspected child abuse or neglect, provides the requesting agency with access to the victim of a known or suspected instance of child abuse or neglect shall not incur civil or criminal liability as a result of providing that access.

School Discipline

A. Statement of Rules and Procedures On School Discipline

Education Code 44807:

"Every teacher in the public schools shall hold Pupils to a strict account for their conduct on the way to and from school, on the playgrounds, or during recess. A teacher, vice principal, principal, or any other certificated employee of a school district, shall not be subject to criminal prosecution or criminal penalties for the exercise, during the performance of his duties, of the same degree of physical control over a pupil that a parent would be legally privileged to exercise but which in no event shall exceed the amount of physical control reasonably necessary to maintain order, protect property, or protect the health and safety of pupils, or to maintain proper and appropriate conditions conducive to learning."

B. Notification to Students and Parents

Education Code 35291:

.a. Parents and students shall be notified of the District and school site rules pertaining to student discipline at the beginning of the first semester, and at the time of enrollment for students who enroll thereafter. The discipline policy shall be reviewed annually with input from the site administrators, campus, staff, students, and parents.

Suspension & Expulsion Policies

Student Suspension and Expulsion Policy

The Pupil Suspension and Expulsion Policy will be established and adopted by the governing board in order to promote learning and protect the safety and well being of all students at the Charter School. In creating this policy, the Charter School has reviewed Education Code Section 48900 et seq. which describes the non-charter schools' list of offenses and procedures to establish its list of offenses and procedures for suspensions and expulsions.

Suspension Procedure

Wisdom Academy for Young Scientists will provide a Student Handbook to each family upon enrollment that delineates the list of offenses and progressive discipline procedures and expectations to provide adequate safety for students, staff, and visitors to the school in order to serve the best interests of the school's pupils and their parents/guardians. School staff will enforce all disciplinary rules and procedures fairly and consistently among all students.

Suspension and Expulsion Periodic Review

The Wisdom Academy for Young Scientists' Board of Directors or a committee appointed by the Board of Directors will hold an annual review of the Suspension and Expulsion Procedures to make sure that the policies and procedures are in the best interest of the school, are aligned with applicable law, and are efficient, effective, and fair. As part of the review, the Board of Trustees will make any necessary modifications to the list of offenses for which students are subject to suspension or expulsion.

The principal will provide a report to the Board which shall include consideration of the findings of the annual reports of student conduct, including suspensions and expulsions; input from faculty, staff, parents and pupils, to be collected from sources such as surveys and meetings; and changes necessary to comply with applicable state and/or federal law.

When the Policy is violated, it may be necessary to suspend or expel a student from regular classroom instruction. As outlined in sections A and B below, there are listed serious offenses for which expulsion may be mandatory or recommended. This policy shall serve as the model for the Charter School's policy and procedures for student suspension and expulsion which will be updated yearly for the school handbook in order to reflect Education Code changes If changes occur after publication and the board approves the changes, students and families shall receive notice of these changes both in writing and on all documentation associated with the school, such as published handbooks and the website. Charter School staff shall enforce disciplinary rules and procedures fairly and consistently among all students. These Policy and its Procedures will be printed and distributed as part of the Student Handbook and will clearly describe discipline

expectations. Corporal punishment shall not be used as a disciplinary measure against any student. Corporal punishment includes the willful infliction of or willfully causing the infliction of physical pain on a student. For purposes of the Policy, corporal punishment does not include an employee's use of force that is reasonable and necessary to protect the employee, students, staff or other persons or to prevent damage to school property.

The school administration shall ensure that students and their parents/guardians are notified in writing upon enrollment of all discipline policies and procedures. The notice shall state that these Policy and Procedures are available on request at the Principal's office.

Suspended or expelled students shall be excluded from all school and school-related activities unless otherwise agreed during the period of suspension or expulsion.

Wisdom Academy for Young Scientist shall provide due process for all students, including adequate notice to parents/guardians and students regarding the grounds for suspension and expulsion and their due process rights regarding suspension and expulsion, including rights to appeal.

Wisdom Academy for Young Scientists shall ensure that its policies and procedures regarding suspension and expulsion will be periodically reviewed, and modified as necessary, including, for example, any modification of the lists of offenses for which students are subject to suspension or expulsion.

Wisdom Academy for Young Scientists shall ensure the appropriate interim placement of students during and pending the completion of the Charter School's student expulsion process.

Wisdom Academy will implement operational and procedural guidelines ensuring federal and state laws and regulations regarding the discipline of students with disabilities are met. If the student receives or is eligible for special education, Wisdom Academy shall identify and provide special education programs and services at the appropriate interim educational placement, pending the completion of the expulsion process.

Wisdom Academy shall utilize alternatives to suspension and expulsion with students who are truant, tardy, or otherwise absent from compulsory school activities.

A.)Grounds for Suspension and Expulsion of Students

A student may be suspended or expelled for prohibited misconduct if the act is related to school activity or school attendance occurring at the Charter School or a Charter School-sponsored event, occurring at anytime including but not limited to: a) while on school grounds; b) while going to or coming from school; c) during the lunch period, whether on or off the school campus; d) during, going to, or coming from a school sponsored activity.

B.)Enumerated Offenses

1.) Discretionary Suspension Offenses. Students may be suspended for any of the following acts when it is determined the pupil: (Education code 48900-48927)

- Caused, attempted to cause, or threatened to cause physical injury to another person.
- Willfully used force of violence upon the person of another, except self-defense.
- Possessed, sold, or otherwise furnished a firearm, knife, explosive, or other dangerous object, unless, in the case of possession of an object of this type, the pupil had obtained written permission to possess the item from a certificated school employee, which is concurred in by the principal or the designee of the principal.
- Unlawfully possessed, offered, arranged, or negotiated to sell any controlled substance as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance or material and represented same as controlled substance, alcoholic beverage or intoxicant.
- Unlawfully offered, arranged, or negotiated to sell a controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind, and either sold, delivered, or otherwise furnished to a person another liquid, substance, or material and represented the liquid, substance, or material as a controlled substance, alcoholic beverage, or intoxicant.
- Committed or attempted to commit robbery or extortion.
- Caused or attempted to cause damage to school property or private property. School property includes, but is not limited to, electronic files and databases.
- Stole or attempted to steal school property or private property.
- Possessed or used tobacco or products containing tobacco or nicotine products, including but not limited to cigars, cigarettes, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets and betel. This section does not prohibit the use of his or her own prescription products by a pupil.
- Committed an obscene act or engaged in habitual profanity or vulgarity.
- Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Health and Safety Code Section 11014.5.
- Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, other school officials, or other school personnel engaged in the performance of their duties.
- Knowingly received stolen school property or private property.

- Possessed an imitation firearm, i.e.: a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

- Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.

- Harassed, threatened, or intimidated a student who is a complaining witness or witness in a school disciplinary proceeding for the purpose of preventing that student from being a witness and/or retaliating against that student for being a witness.

- Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

- Engaged in, or attempted to engage in hazing. For the purposes of this subdivision, "hazing" means a method of initiation or pre-initiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, which is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this section, "hazing" does not include athletic events or school-sanctioned events.

- Engaged in an act of bullying. For purposes of this subdivision, the following terms have the following meanings:

  "**Bullying**" means any severe or pervasive physical or verbal act or conduct, including communications made in writing or by means of an electronic act, and including one or more acts committed by a pupil or group of pupils as defined in Sections 48900.2, 48900.3, or 48900.4, directed toward one or more pupils that has or can be reasonably predicted to have the effect of one or more of the following:

- Placing a reasonable pupil or pupils in fear of harm to that pupil's or those pupils' person or property.
- Causing a reasonable pupil to experience a substantially detrimental effect on his or her physical or mental health.
- Causing a reasonable pupil to experience substantial interference with his or her academic performance.
- Causing a reasonable pupil to experience substantial interference with his or her ability to participate in or benefit from the services, activities, or privileges provided by a school.
- "Electronic act" means the transmission, by means of an electronic device, including, but not limited to, a telephone, wireless telephone, or other wireless communication device, computer, or pager, of a communication, including, but not limited to, any of the following:

- A message, text, sound, or image.
- A post on a social network Internet Web site, including, but not limited to:
- Posting to or creating a burn page. "Burn page" means an Internet Web site created for the purpose of having one or more of the effects listed in paragraph (1).
- Creating a credible impersonation of another actual pupil for the purpose of having one or more of the effects listed in paragraph (1). "Credible impersonation" means to knowingly and without consent impersonate a pupil for the purpose of bullying the pupil and such that another pupil would reasonably believe, or has reasonably believed, that the pupil was or is the pupil who was impersonated.
- Creating a false profile for the purpose of having one or more of the effects listed in paragraph (1). "False profile" means a profile of a fictitious pupil or a profile using the likeness or attributes of an actual pupil other than the pupil who created the false profile.
- Notwithstanding paragraph (1) and subparagraph (A), an electronic act shall not constitute pervasive conduct solely on the basis that it has been transmitted on the Internet or is currently posted on the Internet.
- "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.
- Committed sexual harassment, as defined in Education Code Section 48900. For the purposes of this section, the conduct described Education Code Section 48900.2 must be considered by a reasonable person of the same gender as the victim to be sufficiently severe or pervasive to have a negative impact upon the individual's academic performance or to create an intimidating, hostile, or offensive educational environment. This section shall apply to pupils in any of grades 4 to 12, inclusive.
- Caused, attempted to cause, threaten to cause or participated in an act of hate violence, as defined Education Code Section 48900.3. This section shall apply to pupils in any of grades 4 to 12, inclusive.
- Intentionally harassed, threatened or intimidated a student or group of students to the extent of having the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder and invading student rights by creating an intimidating or hostile educational environment as stated in Education Code Section 48900.4. This section shall apply to pupils in any of grades 4 to 12, inclusive.
- A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may be subject to suspension, but not expulsion, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (1).
- Possessed, sold, or otherwise furnished any knife unless, in the case of possession of any object of this type, the student had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
- Made terrorist threats against school officials and/or school property. For purposes of this section, "terroristic threat" shall include any statement, whether written or oral, by a person who willfully threatens to commit a crime which will result in death, great bodily injury to another person, or property damage in excess of one thousand dollars ($1,000), with the specific intent that the statement is to be taken as a threat, even if there

is no intent of actually carrying it out, which, on its face and under the circumstances in which it is made, is so unequivocal, unconditional, immediate, and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety, or for the protection of school property, or the personal property of the person threatened or his or her immediate family. (Ed. Code 48900.7)

2.) Non-Discretionary Suspension Offenses: Students must be suspended and recommended for expulsion for any of the following acts when it is determined the pupil:

- Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any object of this type, the students had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
- Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
- Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind except for either of the following:
  (i) The first offense for the possession of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.
  (ii) The possession of over-the-counter medication for use by the pupil for medical purposes or medication prescribed for the pupil by a physician.
- Brandishing a knife at another person.

3) Discretionary Expellable Offenses: Students may be expelled for any of the following acts when it is determined the pupil:

- Caused, attempted to cause, or threatened to cause physical injury to another person.
- Willfully used force of violence upon the person of another, except self-defense.
- Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind.
- Unlawfully offered, arranged, or negotiated to sell any controlled substance as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance or material and represented same as controlled substance, alcoholic beverage or intoxicant.
- Committed or attempted to commit robbery or extortion.
- Caused or attempted to cause damage to school property or private property. School property includes, but is not limited to, electronic files and databases.

- Stole or attempted to steal school property or private property.
- Possessed or used tobacco or products containing tobacco or nicotine products, including but not limited to cigars, cigarettes, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets and betel. This section does not prohibit the use of his or her own prescription products by a pupil.
- Committed an obscene act or engaged in habitual profanity or vulgarity.
- Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Health and Safety Code Section 11014.5.
- Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, other school officials, or other school personnel engaged in the performance of their duties.
- Knowingly received stolen school property or private property.
- Possessed an imitation firearm, i.e.: a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.
- Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
- Harassed, threatened, or intimidated a student who is a complaining witness or witness in a school disciplinary proceeding for the purpose of preventing that student from being a witness and/or retaliating against that student for being a witness.
- Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.
- Engaged in, or attempted to engage in hazing. For the purposes of this subdivision, "hazing" means a method of initiation or pre-initiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, which is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this section, "hazing" does not include athletic events or school-sanctioned events.
- "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.
- Committed sexual harassment, as defined in Education Code Section 48900.2. For the purposes of this section, the conduct described in Section 48900.2 must be considered by a reasonable person of the same gender as the victim to be sufficiently severe or pervasive to have a negative impact upon the individual's academic performance or to create an intimidating, hostile, or offensive educational environment. This section shall apply to pupils in any of grades 4 to 12, inclusive.
- Caused, attempted to cause, threaten to cause or participated in an act of hate violence, as defined in Education Code Section 48900.3. This section shall apply to pupils in any of grades 4 to 12, inclusive.
- Intentionally harassed, threatened or intimidated a student or group of students to the extent of having the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder and invading student rights by creating an intimidating or hostile educational environment as stated in Education Code Section 48900.4. This

section shall apply to pupils in any of grades 4 to 12, inclusive.

- A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may be subject to suspension, but not expulsion, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (1).
- Possessed, sold, or otherwise furnished any knife unless, in the case of possession of any object of this type, the student had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
- Made terrorist threats against school officials and/or school property. For purposes of this section, "terroristic threat" shall include any statement, whether written or oral, by a person who willfully threatens to commit a crime which will result in death, great bodily injury to another person, or property damage in excess of one thousand dollars ($1,000), with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, which, on its face and under the circumstances in which it is made, is so unequivocal, unconditional, immediate, and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety, or for the protection of school property, or the personal property of the person threatened or his or her immediate family.

4.). Non-Discretionary Expellable Offenses: Students must be expelled for any of the following acts when it is determined pursuant to the procedures below that the pupil:

- Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any object of this type, the students had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
- Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
- Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind except for either of the following:
  (i) The first offense for the possession of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.
  (ii) The possession of over-the-counter medication for use by the pupil for medical purposes or medication prescribed for the pupil by a physician.
- Brandishing a knife at another person.

If it is determined by the Board of Directors that a student has brought a fire arm or destructive device, as defined in Section 921 of Title 18 of the United States Code, on to campus or to have possessed a firearm or dangerous device on campus, the student shall be expelled for one year,

pursuant to the Federal Gun Free Schools Act of 1994.

The term "firearm" means (A) any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive; (B) the frame or receiver of any such weapon; (C) any firearm muffler or firearm silencer; or (D) any destructive device. Such term does not include an antique firearm.

The term "destructive device" means (A) any explosive, incendiary, or poison gas, including but not limited to: (i) bomb, (ii) grenade, (iii) rocket having a propellant charge of more than four ounces, (iv) missile having an explosive or incendiary charge of more than one-quarter ounce, (v) mine, or (vi) device similar to any of the devices described in the preceding clauses.

Readmission

Students found to have committed any non-discretionary offenses will be expelled for one school year. The Charter School's governing board shall adopt rules establishing a procedure for the filing and processing of requests for readmission and the process for the required review of all expelled pupils for readmission. Upon completion of the readmission process, the Charter School's governing board shall readmit the pupil, unless the Charter School's governing board makes a finding that the pupil continues to pose a danger to campus safety. A description of the procedure shall be made available to the pupil and the pupil's parent or guardian at the time the expulsion order is entered. The Charter School is responsible for reinstating the student upon the conclusion of the expulsion period.

Progression of Discipline, Teachers to Administration

Teachers are responsible for the day-to-day discipline in their classrooms while working with their students to meet their individual needs in order that learning takes place. WAYS has a discipline structure and character-building program that delineates uniform, school-wide expectations for conduct. When it become necessary to implement disciplinary action, the following options are available to the teachers: warning, detention, parent-teacher communication, counseling referral, written assignment, and discipline referral to the Principal. Prior to suspensions and expulsions, students may receive any or all of the following: warnings, detentions, phone calls home, parent conferences, and a behavior contract. Any WAYS teacher may assign a teacher's detention to a student. During detention students may have to write a reflective response about their conduct that could require a parent signature. Detentions will be held onsite during lunch or after school. A teacher may elect to hold detention in a classroom or in a designated detention room.

Offenses That May Result in a Teacher's Detention

Teacher and Administrative detention process is the same. As a general rule teachers assign a Teacher Detention for minor classroom misconduct such as: cell phone usage, passing notes, making noises, minor inappropriate conflicts with others, or cheating. Repeated violations by individuals will be referred to the Principal. When there is a serious violation of the rules, the student will be referred to the Principal. A serious violation may include any violation listed

under Suspension of Expulsion section in this element of the charter petition below:

Suspension is intended to remove the student from peers and the class environment. This separation provides the student time to reflect on his or her behavior and a possible pattern of behavior that will be more positive, as well as to protect the student body as a whole from dangerous and disruptive behavior.

A student serving on campus suspension reports to school at the regular time. Each teacher will give the student written assignments that he or she must complete under the direct supervision of the Principal or designee. The student will eat lunch in the assigned room.

Whether suspension occurs in school or out, the maximum number of consecutive days a student may be suspended five (5), unless the suspension is extended pending an expulsion hearing from the recommendation of the Administrative Panel. Upon a recommendation of Expulsion by the Panel, the pupil and the pupil's guardian or representative will be invited to a conference with the Administrative Panel to determine if the suspension for the pupil should be extended pending an expulsion hearing. The Administrative Panel will make this determination: 1) the pupil's presence will be disruptive to the education process; or 2) the pupil poses a threat or danger to others. Upon either determination, the pupil's suspension will be extended pending the results of an expulsion hearing. Students shall not be suspended for more than twenty (20) school days in a year, unless the suspension has been extended pending an expulsion hearing.
Students on suspension pending an expulsion hearing may request that academic work be made available for pick up at the office.

Suspensions shall include the following procedures:

Conference - Suspension shall be preceded, if possible, by a conference conducted by the Principal or the Principal's designee with the student and his or her parent and, whenever practical, the teacher, supervisor or Wisdom Academy for Young Scientists employee who referred the student. The conference may be omitted if the Principal or designee determines that an emergency situation exists. An "emergency situation" involves a clear and present danger to the lives, safety or health of students or Charter School personnel. If a student is suspended without this conference, both the parent/guardian and student shall be notified of the student's right to return to school for the purpose of a conference.

At the conference, the pupil shall be informed of the reason for the disciplinary action and the evidence against him or her and shall be given the opportunity to present his or her version and evidence in his or her defense. This conference shall be held within two school days, unless the pupil waives this right or is physically unable to attend for any reason including, but not limited to, incarceration or hospitalization. No penalties may be imposed on a pupil for failure of the pupil's parent or guardian to attend a conference with Charter School officials. Reinstatement of the suspended pupil shall not be contingent upon attendance by the pupil's parent or guardian at the conference.

Notices to Parents/Guardians

At the time of the suspension, an administrator or designee shall make a reasonable effort to contact the parent/guardian by telephone or in person. Whenever a student is suspended, the parent/guardian shall be notified in writing of the suspension and the date of return following suspension. This notice shall state the specific offense committed by the student. In addition, the notice may also state the date and time when the student may return to school. If Charter School officials wish to ask the parent/guardian to confer regarding matters pertinent to the suspension, the notice may request that the parent/guardian respond to such requests without delay.

Authority to Expel

A student may be expelled by the Board following a hearing before it or upon the recommendation of an Administrative Panel. The Panel would be convened as part of the suspension and expulsion process once it was determined that there is any reasonable concern that the pupil was in danger of expulsion or extended suspension. The Administrative Panel should consist of at least three members of the faculty or professional representatives who are certificated but are neither a teacher of the pupil or a Board member of Wisdom Academy for Young Scientists' governing board. The Administrative Panel may recommend expulsion to the Board of any student found to have committed an expellable offense.

Expulsion Procedures

Students recommended for expulsion are entitled to a hearing to determine whether the student should be expelled. Unless postponed for good cause, the hearing shall be held within thirty (30) school days after the Principal or designee determines that the pupil has committed an expellable offense.

In the event an administrative panel hears the case, it will make a recommendation to the Board for a final decision whether to expel. The hearing shall be held in closed session unless the pupil makes a written request for a public hearing three (3) days prior to the hearing.

Written notice of the hearing shall be forwarded to the student and the student's parent/guardian at least ten (10) calendar days before the date of the hearing. Upon mailing the notice, it shall be deemed served upon the pupil. The notice shall include:

1. The date and place of the expulsion hearing;

2. A statement of the specific facts, charges and offenses upon which the proposed expulsion is based;

3. A copy of the Charter School's disciplinary rules which relate to the alleged violation;

4. Notification of the student's or parent/guardian's obligation to provide information about the student's status at the school to any other school district or school to which the student seeks enrollment;

5. The opportunity for the student or the student's parent/guardian to appear in person or to employ and be represented by counsel or a non-attorney advisor;

6. The right to inspect and obtain copies of all documents to be used at the hearing;

7. The opportunity to confront and question all witnesses who testify at the hearing;

8. The opportunity to question all evidence presented and to present oral and documentary evidence on the student's behalf including witnesses.

Special Procedures for Expulsion Hearings Involving Sexual Assault or Battery Offenses

Wisdom Academy for Young Scientists may, upon a finding of good cause, determine that the disclosure of either the identity of the witness or the testimony of that witness at the hearing, or both, would subject the witness to an unreasonable risk of psychological or physical harm. Upon this determination, the testimony of the witness may be presented at the hearing in the form of sworn declarations which shall be examined only by Wisdom Academy for Young Scientists or the hearing officer. Copies of these sworn declarations, edited to delete the name and identity of the witness, shall be made available to the pupil.

1. The complaining witness in any sexual assault or battery case must be provided with a copy of the applicable disciplinary rules and advised of his/her right to (a) receive five days notice of his/her scheduled testimony, (b) have up to two (2) adult support persons of his/her choosing present in the hearing at the time he/she testifies, which may include a parent, guardian, or legal counsel, and (c) elect to have the hearing closed while testifying.

2. The Charter School must also provide the victim a room separate from the hearing room for the complaining witness' use prior to and during breaks in testimony.

3. At the discretion of the panel conducting the hearing, the complaining witness shall be allowed periods of relief from examination and cross-examination during which he or she may leave the hearing room.

4. The panel conducting the expulsion hearing may also arrange the seating within the hearing room to facilitate a less intimidating environment for the complaining witness.

5. The panel conducting the expulsion hearing may also limit time for taking the testimony of the complaining witness to the hours he/she is normally in school, if there is no good cause to take the testimony during other hours.

6. Prior to a complaining witness testifying, the support persons must be admonished that the hearing is confidential. Nothing in the law precludes the person presiding over the hearing from

removing a support person whom the presiding person finds is disrupting the hearing. The panel conducting the hearing may permit any one of the support persons for the complaining witness to accompany him or her to the witness stand.

7. If one or both of the support persons is also a witness, the Charter School must present evidence that the witness' presence is both desired by the witness and will be helpful to the Charter School. The person presiding over the hearing shall permit the witness to stay unless it is established that there is a substantial risk that the testimony of the complaining witness would be influenced by the support person, in which case the presiding official shall admonish the support person or persons not to prompt, sway, or influence the witness in any way. Nothing shall preclude the presiding officer from exercising his or her discretion to remove a person from the hearing whom he or she believes is prompting, swaying, or influencing the witness.

8. The testimony of the support person shall be presented before the testimony of the complaining witness and the complaining witness shall be excluded from the courtroom during that testimony.

9. Especially for charges involving sexual assault or battery, if the hearing is to be conducted in the public at the request of the pupil being expelled, the complaining witness shall have the right to have his/her testimony heard in a closed session when testifying at a public meeting would threaten serious psychological harm to the complaining witness and there are no alternative procedures to avoid the threatened harm. The alternative procedures may include videotaped depositions or contemporaneous examination in another place communicated to the hearing room by means of closed-circuit television.

10. Evidence of specific instances of a complaining witness's prior sexual conduct is presumed inadmissible and shall not be heard absent a determination by the person conducting the hearing that extraordinary circumstances exist requiring the evidence be heard. Before such a determination regarding extraordinary circumstance can be made, the witness shall be provided notice and an opportunity to present opposition to the introduction of the evidence. In the hearing on the admissibility of the evidence, the complaining witness shall be entitled to be represented by a parent, legal counsel, or other support person. Reputation or opinion evidence regarding the sexual behavior of the complaining witness is not admissible for any purpose.

Record of Hearing

A record of the hearing shall be made and may be maintained by any means, including electronic recording, as long as a reasonably accurate and complete written transcription of the proceedings can be made.

Presentation of Evidence

While technical rules of evidence do not apply to expulsion hearings, evidence may be admitted and used as proof only if it is the kind of evidence on which reasonable persons can rely in the conduct of serious affairs. A recommendation by the administrative panel to expel must be supported by substantial evidence that the student committed an expellable offense.

Findings of fact shall be based solely on the evidence at the hearing. While hearsay evidence is admissible, no decision to expel shall be based solely on hearsay and sworn declarations may be admitted as testimony from witnesses of whom the Board of Directors, administrative panel or designee determines that disclosure of their identity or testimony at the hearing may subject them to an unreasonable risk of physical or psychological harm.

If, due to a written request by the expelled pupil, the hearing is held at a public meeting, and the charge is committing or attempting to commit a sexual assault or committing a sexual battery as defined in Education Code Section 48900, a complaining witness shall have the right to have his or her testimony heard in a session closed to the public.

The decision of the Administrative Panel shall be in the form of written findings of fact and a written recommendation to the Board of Directors who will make a final determination regarding the expulsion. The final decision by the Board shall be made within ten (10) school days following the conclusion of the hearing. The decision of the Board of Directors is final.

If the administrative panel decides not to recommend expulsion, the pupil shall immediately be returned to his/her educational program.

Written Notice to Expel

The Principal, following a decision of the Board of Directors to expel, shall send written notice of the decision to expel, including the Board of Directors' adopted findings of fact, to the student or parent/guardian. This notice shall also include the following:

- Notice of the specific offense committed by the student
- Notice of the student's or parent/guardian's obligation to inform any new district in which the student seeks to enroll of the student's status with WAYS.

The Principal or designee shall send a copy of the written notice of the decision to expel to LACOE. This notice shall include the following:

- The student's name, and
- The specific expellable offense committed by the student.

Additionally, in accordance with Education Code Section 47605(d)(3), upon expulsion of any student, Wisdom Academy for Young Scientists shall notify the superintendent of the school district of the pupil's last known address within thirty (30) days, and shall, upon request, provide that school district with a copy of the cumulative record of the pupil, including a transcript of grades or report card and health information.

The Board of Directors' decision to expel shall be final.

If a student is expelled from Wisdom Academy for Young Scientists, the school shall forward student records upon request of the receiving school district in a timely fashion. WAYS shall

also submit an expulsion packet to LACOE immediately or as soon as practically possible, containing:

- pupil's last known address
- a copy of the cumulative record
- transcript of grades or report card
- health information
- documentation of the expulsion proceeding, including specific facts supporting the expulsion
- student's current educational placement
- copy of parental notice expulsion
- copy of documentation of expulsion provided to parent stating reason for expulsion, term of expulsion, rehabilitation plan, reinstatement notice with eligibility date and instructions for providing proof of student's compliance for reinstatement, appeal process and options for enrollment.
- if the Student is eligible for Special Education, the Charter School must provide documentation related to expulsion pursuant to IDEA including conducting a manifestation determination IEP prior to expulsion. If the student is eligible for Section 504 Accommodations, the Charter School must provide evidence that it convened a Link Determination meeting to address two questions: A) Was the misconduct caused by, or directly and substantially related to the students disability: B) Was the misconduct a direct result of the Charter's failure to implement 504 Plan?

Staff Notification of Dangerous Students

Notification to Teacher Re: Violent or Dangerous Student

Ed Code 49079 requires that we notify classroom teachers of students who have engaged in, or are reasonably suspected of engaging in certain suspendable or expellable acts.

The goal of the plan is to define a system whereby every classroom teacher and substitute will have immediate access to the names of those students currently enrolled in his/her classroom who meet the criteria of Education Code section 48900, regarding violent or dangerous acts.

Each classroom teacher will be notified of any of his or her students who have committed an offense by e- mail or other means within a reasonable time from the date of offense.

Sexual Harassment Policy

Wisdom Academy for Young Scientists is committed to maintaining a working and learning environment that is free from sexual harassment. Sexual harassment of or by employees or students is a form of sex discrimination in that it constitutes differential treatment on the basis of sex, sexual orientation, or gender, and, for that reason, is a violation of state and federal laws and a violation of this policy.

Wisdom Academy considers sexual harassment to be a major offense, which can result in disciplinary action to the offending employee or the suspension or expulsion of the offending student in grades four through twelve. Suspension or expulsion as a disciplinary consequence for sexual harassment shall not apply to students enrolled in Kindergarten and grades one through three.

Any student or employee of the District who believes that she or he has been a victim of sexual harassment shall bring the problem to the attention of the proper authority (whether in an office or a school) so that appropriate action may be taken to resolve the problem. The District prohibits retaliatory behavior against anyone who files a sexual harassment complaint or any participant in the complaint investigation process. Any such complainant is further advised that civil law remedies may also be available to them. Complaints will be promptly investigated in a way that respects the privacy of the parties concerned.

The California Education Code Section 212.5 defines sexual harassment as any unwelcome sexual advances, requests for sexual advances, requests for sexual favors, or other unwelcome verbal, visual, or physical conduct of a sexual nature made by someone from or in the work or educational setting, under the following conditions:

- Submission to the conduct is explicitly or implicitly made a term or a condition of an individual's employment, academic status, or progress.
- Submission to, or rejection of, the conduct by the individual is used as the basis of employment or academic decisions affecting the individual.
- The conduct has the purpose or effect of having a negative impact upon the individual's work or academic performance, or of creating an intimidating, hostile, or offensive work or educational environment.
- Submission to, or rejection of, the conduct by the individual is used as the basis for any decision affecting the individual regarding benefits and services, honors, programs, or activities available at or through the educational institution.

Sexual harassment may include, but is not limited to:

- Unwelcome verbal conduct such as suggestive, derogatory comments, sexual innuendos, slurs, or unwanted sexual advances, invitations, or comments; pestering for dates; making threats; or spreading rumors about or rating others as to sexual activity or performance.
- Unwelcome visual conduct such as displays of sexually suggestive objects, pictures, posters, written material, cartoons, or drawings; graffiti of a sexual nature; or use of obscene gestures or leering.
- Unwelcome physical conduct such as unwanted touching, pinching, kissing, patting, hugging, blocking of normal movement, assault; or interference with work or study directed at an individual because of the individual's sex, sexual orientation, or gender.

- Threats and demands or pressure to submit to sexual requests in order to keep a job or academic standing or to avoid other loss, and offers of benefits in return for sexual favors.

Definitions: Incidents, Emergencies, Disasters

Incident

An *incident* is an occurrence or event, either human-caused or caused by natural phenomena, that requires action by emergency response personnel to prevent or minimize loss of life or damage to property and/or natural resources.

Incidents may result in extreme peril to the safety of persons and property and may lead to, or create conditions of disaster. Incidents may also be rapidly mitigated without loss or damage. Although they may not meet disaster level definition, larger incidents may call for managers to proclaim a "Local Emergency".

Incidents are usually a single event that may be small or large. They occur in a defined geographical area and require local resources or, sometimes, mutual aid. There is usually one to a few agencies involved in dealing with an ordinary threat to life and property and to a limited population. Usually a local emergency is not declared and the jurisdictional EOC is not activated. Incidents are usually of short duration, measured in hours or, at most, a few days. Primary command decisions are made at the scene along with strategy, tactics, and resource management decisions

Emergency

The term *emergency* is used in several ways. It is a condition of disaster or of extreme peril to the safety of persons and property. In this context, an emergency and an incident could mean the same thing, although an emergency could have more than one incident associated with it.

Emergency is also used in Standardized Emergency Management System (SEMS) terminology to describe agencies or facilities, e.g., Emergency Response Agency, Emergency Operations Center, etc.

Emergency also defines a conditional state such as a proclamation of "Local Emergency". The California Emergency Services Act, of which SEMS is a part, describes three states of emergency:

• State of War Emergency • State of Emergency • State of Local Emergency

Disaster

A *disaster* is defined as a sudden calamitous emergency event bringing great damage, loss, or destruction. Disasters may occur with little or no advance warning, e.g., an earthquake or a flash flood, or they may develop from one or more incidents, e.g., a major wildfire or hazardous materials discharge.

Disasters are either single or multiple events that have many separate incidents associated with them. The resource demand goes beyond local capabilities and extensive mutual aid and support are needed. There are many agencies and jurisdictions involved including multiple layers of government. There is usually an extraordinary threat to life and property affecting a generally widespread population and geographical area. A disaster's effects last over a substantial period of time (days to weeks) and local government will proclaim a Local Emergency. Emergency Operations Centers are activated to provide centralized overall coordination of jurisdictional assets, departments and incident support functions. Initial recovery coordination is also a responsibility of the EOC's.

District and Parent Responsibilities for Students

District Responsibility

- If the superintendent declares a district emergency during the school day, the following procedures will be followed:

  IN CASE OF A DECLARED EMERGENCY DURING SCHOOL HOURS, ALL STUDENTS WILL BE REQUIRED TO REMAIN AT SCHOOL OR AT AN ALTERNATE SAFE SITE UNDER THE SUPERVISION OF THE SCHOOL PRINCIPAL OR OTHER PERSONNEL ASSIGNED BY THE PRINCIPAL.

  1.) Until regular dismissal time and released only then if it is considered safe
  2.) Until released to an adult authorized by the parent or legal guardian whose name appears on district records.

3.) If students are on their way to school, they will be brought to school if bussed, or they should proceed to school if walking.

4.) If students are on their way home from school, they are to continue home.

- During a Declared Emergency, those students who have not been picked up by their parents or other authorized person may be taken by district personnel to another site where consolidated care facilities can be provided. This information will be given to the media stations and posted at the site to keep parents informed.

Parent Responsibility

- Parents and legal guardians of students will be provided with a Student Disaster Preparedness Form or emergency Card each year. In case of a Declared Emergency, students will be released ONLY to persons designated on this form. Parents are responsible for ensuring that information on the Disaster Preparedness Form or Emergency Card is current at all times.
- Parents are asked to share with the schools the responsibility for informing students of what they should do in case of a severe earthquake or other major emergency. Parents need to give specific directions to each student to follow the policy outlined above and to follow the directions of school personnel.

- School authorities will do everything possible to care for each student while he/she is under district supervision.
- It is critical that students do not have directions from parents that are contrary to the district's stated policy on retention at school and authorized release in case of a severe emergency.

Responsibilities for a School Disaster

- Everyone at Wisdom Academy for Young Scientists will have some responsibilities in an emergency based on their job, and some people will have additional responsibilities. Below is a short discussion of how the Standard Emergency Management System (SEMS) and the Incident Command System (ICS) will be adapted at our school.
- Every emergency, no matter how large or small, requires that certain tasks be performed. In ICS, these tasks are called *Management, Planning, Operations, Logistics,* and *Finance/Administration.*
- Under SEMS, the ICS team can be expanded or reduced, depending on the situation and the immediate needs. One person can do more than one function.

Critical Information for 9-1-1 Calls:

When to call:

POLICE: for any situation that is suspicious or where you feel that you or another person may be harmed or in danger. . □ FIRE: Any fire. Any hazardous situation (chemical spills, flooding, downed wires, etc)

AMBULANCE: Any severe medical problem of an adult or child.

What to expect when you call 9-1-1:

You will be asked to remain on the line if you are in a place of safety.

- Try to remain as calm as possible.
- Remember that the dispatcher does not have to hang up in order to send help. They may remain on the phone with you and another dispatcher will send assistance.
- Do not assume the dispatcher knows where you are located. *Always* provide a location of occurrence.

Earthquake Drill

The earthquake emergency procedure system shall encompass, but not be limited to, all of the following:

Drop procedure:

"Drop procedure" means an activity whereby each student and staff member takes cover under a table or desk, dropping to his or her knees, with the head protected by the arms, and their back to the windows. A drop procedure practice shall be held at least once each semester in secondary

schools.

Protective measures to be taken before, during and following an earthquake.A program to ensure that the students, certificated and classified staff are aware of, and properly trained in, the earthquake emergency procedure system. (Education Code Section 35297)

Whenever an earthquake alarm is sounded, all students, teachers and other employees shall immediately begin Duck, Cover and Hold procedures:

- **DUCK**, or **DROP** down on the floor.
- Take **COVER** under a sturdy desk, table or other furniture with backs to the windows. Protect head and neck with arms.
- HOLD onto the furniture and be prepared to move with it.
- Stay in this position for at least one minute or, in a real situation, until shaking stops.
- Evacuation. An Evacuation should NEVER be automatic. There may be more danger outside the building than there is inside.
- If administrative directions are not forthcoming, the teacher will be responsible for assessing the situation and determining if an evacuation is required.
- Pre-determined evacuation areas should be in open areas, without overhead hazards and removed from potential danger spots (covered walkways, large gas mains, chain linked fences [electric shock potential]).
- Make it clear that a post-earthquake route differs from a fire evacuation route, and that appropriate non hazardous alternate routes may be needed.
- Practice evacuation using alternate routes to the assembly areas. Students are to remain with their teacher in the evacuation area. Teachers shall take their roll books, take roll once in the evacuation area and be prepared to identify missing students to administrators and/first responders. The principal or designee shall keep a copy of each drill conducted on the Emergency Drill Report form and file a copy with the Assistant Superintendent of Student Services.

Standards for a Successful Earthquake Drill:

- The Earthquake Alarm can be heard by all staff and students.
- Immediately after the earthquake alarm sounds, all students, teachers and other employees shall:
- DUCK, or DROP down on the floor.
- Take COVER under a sturdy desk, table or other furniture with backs to the windows. Protect head and neck with arms.
- HOLD onto the furniture and be prepared to move with it.

Evacuations shall occur when directed by the Principal/designee. When evacuations are included as part of the drill, appropriate non hazardous alternate routes, avoiding building overhangs, electrical wires, large trees, covered walkways, etc, shall be utilized by staff and students in order to reach the designated evacuation areas.

Teachers will take roll once in the evacuation area. Any missing students are immediately reported to the Principal/designee.

Upon sounding of the all clear students and staff return to their appropriate classroom and the teacher takes roll once more. Missing students are reported to the attendance office.

Fire Drill

Principals shall hold fire drills at least once a month in all elementary and middle schools and at least twice each school year at all high schools. (Code of Regulations, Title 5, Section 550)

1. Whenever the fire alarm is given, all students, teachers and other employees shall quickly leave the building in an orderly manner. Teachers shall ascertain that no student remains in the building.
2. Designated evacuation routes shall be posted in each room.
3. Teachers shall be prepared to select alternate exits and direct their classes to these exits in the event the designated evacuation route is blocked.
4. Evacuation areas will be established away from fire lanes.
5. Students are to remain with their teacher in the evacuation area.
6. Teachers shall take their roll books, take roll once in the evacuation area and be prepared to identify missing students to administrators and/or fire marshals/designees.

The principal or designee shall keep a copy of each drill conducted on the Emergency Drill Report form

Standards for a Successful Fire Drill:

1. The Fire Alarm can be heard by all staff and students.
2. Orderly evacuation begins immediately and is completed within 5 minutes of the initial alarm, with minimal congestion at exit gates.
3. Teachers and students are staged in an orderly fashion away from fire lanes.
4. Teachers have taken roll once in the evacuation area. Any missing students are immediately reported to the Principal/designee.
5. Upon sounding of the all clear students and staff return to their appropriate classroom and the teacher takes roll once more. Missing students are reported to the attendance office.

Medical Emergencies

- Typically medical emergencies should be handled by calling 911 and following the directions given by the 911 operator. In the event that 911 cannot be reached or because of disaster conditions medical help will be delayed it may become necessary for staff to assist victims.
- In the event of an emergency involving injuries or immediate severe illness when medical services are not available, calmly and carefully, assess the medical emergency you are faced with. Take only those measures you are qualified to perform.
- Each school should have a list, updated annually, of those employees who have current certification in CPR and First Aid who will act as the core medical emergency response

team. This list should be immediately available to administrators, health clerks, and the school secretary.

Lockdown Drills

A school lockdown confines all staff and students to the classroom due to a perceived or real threat; isolation of staff and students inside the school limits exposure to risk to outside contaminants: people, exposures or situations. The practice of lockdown drills pertains to both staff and students to the process and probability, and ultimately avoids unnecessary responses.

There are several reasons for a school to determine that a lockdown status is most protective of its staff and students. There may be an unwelcomed person or persons on the campus grounds; local law enforcement has notified administration of a situation (i.e., chemical accident) or person of concern in the vicinity; or a menacing animal has been seen on the grounds. In short, there is some sort of event occurring, or threatening to occur, that the school believes can be mitigated by limiting access to staff and students.

The following are steps that will be taken during a lockdown:

- Lock classroom and office doors
- Call 9-1-1 (only in a real emergency/threat)
- Cover windows
- Turnoff lights
- Build barricades (only in a real emergency/threat)
- Review classroom
- Review off site evacuation locations
- Calm and reassure students

Be aware that it is impossible to fully prepare for all possible scenarios with an internal threat. For instance, if an armed intruder enters the main office, it may not be possible to make an announcement.

During a lockdown drill or situation, parents must not attempt to enter the building until the area has been secured by local law enforcement or cleared by administration.

Intruder on Campus

- The campus intruder is defined as a non-student or a student on suspension who loiters or creates disturbances on school property. Intruders are committing the crime of Criminal Trespass. Dangerous and/or concealed weapons are forbidden on school premises unless carried by law enforcement officers.
- Have the person(s) under suspicion kept under constant covert surveillance.
- Approach and greet the intruder in a polite and non-threatening manner.
- Identify yourself as a school official.
- Ask the intruder for identification.
- Ask them what their purpose is for being on campus.
- Advise intruder of the trespass laws.

- Ask the intruder to quietly leave the campus or invite him/her to accompany you to the office. If the intruder refuses to respond to your requests, inform him/her of your intention to summon law enforcement officers. If the intruder gives no indication of voluntarily leaving the premises, notify Police and Administration.
- If Intruder(s) are on playground or grounds at breakfast or lunch time:
- Outdoor Supervisors should notify the office by cell and move all students into the gym/ dance studio/classrooms unless otherwise directed.
- If the intruder is armed and dangerous, a school lockdown will be taken into action.

Hostage Situation

- Staff and students should sit quietly if the situation is in their presence. Try to remain calm. Staff should set the example if the armed intruder is in their presence by doing anything possible for the staff member and students to survive. If gun fire starts, staff and students should seek cover or begin rapid movement procedures.
- **Do not engage in a conversation or try to persuade the intruder to leave your classroom or school.** Remember, you are In an illogical situation so any logical argument may go unheard. The intruder is probably aware of the potential danger that he/she would be facing if he/she left the classroom. The intruder may perceive himself/ herself as being sane.
- If the intruder speaks to you or to your students, then answer him or her. **Do not provoke him or her.** Don't try to take matters into your own hands. Students should be told not to whisper to one-another, laugh, or to make fun of the intruder. Remember, the intruder is disturbed and probably mentally ill, and more than likely paranoid. Any whispering or laughter may be perceived by the intruder as directed at him or her.
- Students should be taught to respond on their own when threatened. Incidents can occur which leave no time for signals. If students are outside unable to find access to a room, they should, depending on the situation, initiate Action **"TAKE COVER"** position or run in a zig-zag fashion to the staging areas and **STAY CALM.**
- If and when possible, call Administration and/or 9-1-1.

Bomb Threat

The person receiving the bomb threat will:

- Attempt to gain as much information as possible when the threat is received. Do not hang up on the caller.
- Use the **"bomb threat checklist"** form (attached) as a guide to collect the information needed. Don't be bashful about asking direct, specific questions about the threat. Keep the caller on the phone as long as possible. If the threat is received by phone, attempt to gain more information.
- The most important information is:
- **When will the bomb explode and where is the bomb located?**
- Immediately after receiving the bomb threat, the person receiving the call will verbally notify the building administrator of the threat received. Complete the "bomb threat checklist" form (attached).

- Turn off cellular phones and/or walkie-talkie radios (transmits radio waves-- could trigger a bomb).

Building Administrator will (IF NECESSARY):

- Call 9-1-1. Give the following information:
- Your name
- Your call-back phone number
- Exact street location with the nearest cross street
- Nature of incident
- Number and location of people involved and/or injured

Most likely, threats of a bomb or other explosive device will be received by telephone.

- Evacuate involved buildings using fire drill procedures.
- Implement a systematic inspection of the facilities to determine if everyone is out.
- Fire Department or Police Officers shall organize a search team to check for suspicious objects; a bomb can be disguised to look like any common object.
- Site employees should be ready to assist as needed.
- Maintain an open telephone line for communications.
- Secure all exits to prevent re-entry to buildings during the search period.
- Be certain people stay clear of all buildings; a bomb(s) may be planted against an outside wall. The blast will be directed in large part away from the building.
- Re-occupy buildings only when proper authorities give clearance

Questions to Ask:

- **Exact Wording of Threat:**
- **Caller's Voice:** (circle all that apply)
- **Caller's**
- **Language:**(circle all that apply)
- **Caller demographics**
- **Background sounds**

1. When will the bomb explode?
2. Where is the bomb right now?
3. What does it look like?
4. What kind of bomb is it?
5. What will cause it to explode?
6. Did you place the bomb?
7. Why?

8. How did the bomb get in the school?

9. Where are you calling from? If voice is familiar, who did it sound like?

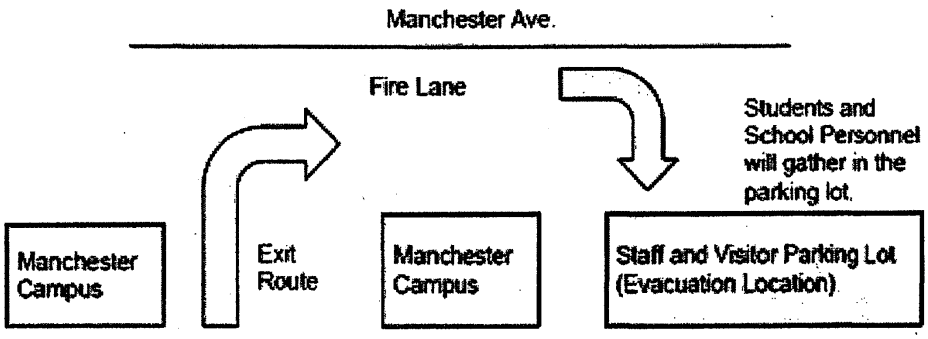
10. What is your name, address, phone?

Other Observations:

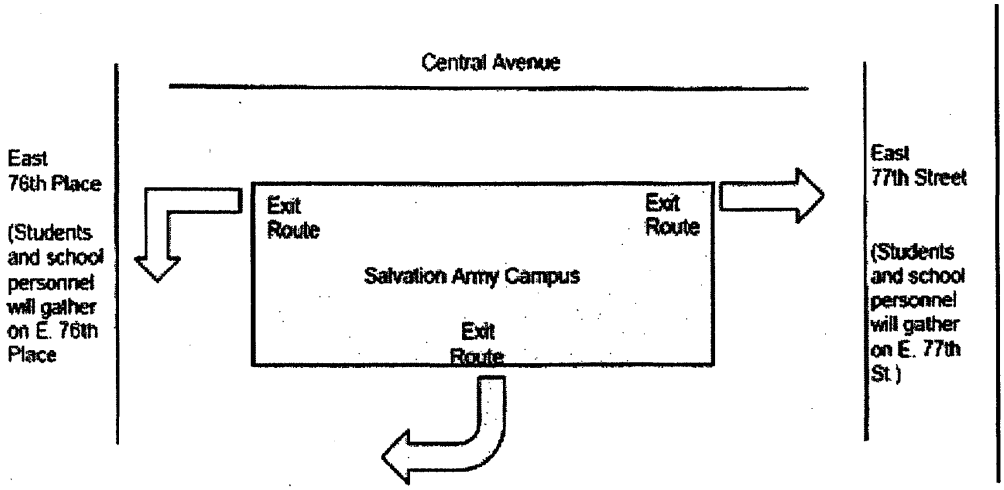
- **School: Time Call Received: Date:**
- **Time Caller Hung Up:**
- **Caller ID Info (*69)**

Campus Evacuation & Emergency Assembly Location

Manchester Site Evacuation Location: All students and school personnel will evacuate the campus and gather in the staff parking lot off of Manchester Ave.



Salvation Army Site Evacuation Location: All students and school personnel will evacuate the campus and gather on 76th Place and 77th Street.



Recovery

It is critical to provide a mental health response for students, staff and parents after a crisis that has impacted a school. Often, this can be provided by district or local community resources.

Victims of a crisis experience a real need to return to normal, but normal as they once knew it may be changed. Counselors and crisis survivors find the concept of a "new normal" to be very reassuring and accurate.

One of the most important actions is simply to listen and allow victims to express his/her own needs and feelings. Encouragement and support, while avoiding judgmental remarks, is the goal.

When the needs of the victims exceed the immediate resources available to the school, Los Angeles County Mental Health and the agencies working under its umbrella is available to support schools.

Numerous agencies under the Los Angeles County Mental Health Department umbrella currently provide on-going mental health services to students and families both at schools and within the neighborhood communities. These services are provided by licensed therapists, social workers or supervised interns. The services typically involve a one-on-one or family-oriented approach requiring a different skill set than an emergency mental health response to a community or school crisis. Local agencies, like BCHD, may also be available for support. School staff should have contact information for local mental health resources.

State of California Authorities and References

Schools are required by both federal statute and state regulation to be available for shelters following a disaster. The American Red Cross (ARC) has access to schools in damaged areas to set up their mass care facilities, and local governments have a right to use schools for the same purposes. This requires close cooperation between school officials and ARC or local government representatives, and should be planned and arranged for in advance.

California Emergency Services Act (Chapter 7, Division 1, Title 2, California Government Code).

The Act provides the basic authorities for conducting emergency operations following a proclamation of Local Emergency, State of Emergency, or State of War Emergency by the Governor and/or appropriate local authorities, consistent with the provisions of this Act.

California Government Code, Section 3100, Title 1, Division 4, Chapter 4.

States that all public employees are disaster service workers, subject to such disaster service activities as may be assigned to them by their superiors or by law. The term "public employees" includes all persons employed by the state or any county, city, city and county, state agency or public district, excluding aliens legally employed.

The law applies to public school employees in the following cases:

- When a local emergency is proclaimed.
- When a state of emergency is proclaimed.
- When a federal disaster declaration is made.
- The law has two ramifications for School District employees:

1. In the event of an emergency, it is possible that public school employees will be pressed into service as **disaster service workers** by their superiors, and may be asked to do jobs other than their usual duties for periods exceeding their normal working hours.

2. When pressed into disaster service, employees' Workers' Compensation Coverage becomes the responsibility of state government (OES), but their overtime pay is paid by the school. These circumstances apply only when a local or state emergency is declared.

The Governor's Office of Emergency Services has stated that inadequately trained school staff render school officials potentially liable for acts committed or omitted by school staff acting within the scope of their training during or after a disaster. (Sub Sections 835-840.6).

It requires that school districts be prepared to respond to emergencies using SEMS. (Section 8607, the Petris Bill).

California Civil Code, Chapter 9, Section 1799.102

It provides for "Good Samaritan Liability" for those providing emergency care at the scene of an emergency. ("No person, who, in good faith and not for compensation, renders emergency care at the scene of an emergency, shall be liable for any civil damages resulting from any act or omission. The scene of an emergency shall not include emergency departments and other places where medical care is usually offered.")

California Education Code, Sections 35295-35297 (The Katz Act), Section 40041, 40042 requires that a school site disaster plan outline roles, responsibilities, and procedures for students and staff. It also requires that the school site emergency management organizational structure comply with SEMS, Title 19 Section 2400, and be ready for implementation at all times.

California Emergency Plan

The California Emergency Plan was established in accordance with the California Emergency Services Act. It defines overall statewide authorities and responsibilities, and describes the functions and operations of government at all levels during extraordinary emergencies, including wartime. Section 8568 of the Act states, in part, that "...the State Emergency Plan shall be in effect in each political subdivision of the state, and the governing body of each political subdivision shall take such action as may be necessary to carry out the provisions thereof." Therefore, local emergency plans are considered extensions of the California Emergency Plan.

Online Resources

- **http://www.ready.gov** Disaster Preparedness Information **http://:www.whitehouse.gov** White House **http://:www.dhs.gov** Federal Department of Homeland Security **http://:www.nasponline.org** National Association of School Psychologists **http:// www.fema.gov/** Federal Emergency Management Agency **http://www.oes.ca.gov/** California Office of Emergency Services **http://www.bt.cdc.gov/** Centers for Disease Control and Prevention **http://www.fbi.gov/** Federal Bureau of Investigation **www.lacoe.edu** LosAngelesCountyOfficeofEducation

Wisdom Academy for Young Scientists

Student Fee Policy

PROPOSED

Student Fees Policy

Compliant with Assembly Bill 1575 (2012), Wisdom Academy for Young Scientists ("WAYS") has adopted the following policies and procedures regarding student fees.

1. Students enrolled at WAYS shall not be required to pay "pupil fee" for participation in an "educational activity."
2. All supplies, materials, and equipment needed to participate in educational activities shall be provided to students free of charge.
3. Any "supplies list" is purely a recommendation and is not required for admission or participation in educational activities at WAYS.
4. WAYS does not intend to establish a two-tier educational system by requiring a minimal educational standard and also offering a second higher educational standard that students may only obtain through payment of a fee or purchase of additional supplies that the school does not provide.
5. WAYS does not offer course or credit privileges related to educational activities in exchange for money or donations of goods or services from a student or the student's parents or guardians, nor shall the school remove such credit or privileges for failure to make a donation.
6. Voluntary donations of funds or property or participation in fundraising activities are encouraged and allowed, but such fundraising is completely voluntary.
7. WAYS Charter advocates school uniforms. The purchase and/or wearing of this apparel is completely voluntary and not required to participate in our educational program.
8. All fees allowed under Ed Code § 48904 regarding damaged or unreturned items remain allowed under this policy. Specifically, computers, books, or other materials provided free of charge to students must be replaced if lost or damaged. Given the nature of WAYS as a public charter school of choice, in which a parent enrolls their child partly with the intent to instill a sense of personal responsibility in the child, WAYS believes that when a student loses or damages an item, the school's responsibility to instill that responsibility includes an obligation to repay the school for that item in the form of cash or services equivalent to the value of the lost or damaged item(s) at a rate of $10 per hour of service.
9. Purely recreational activities may be subject to mandatory fees (dances, attendance at optional outdoor education programs, leadership development, or athletic events).
10. WAYS will not discriminate in any way based on whether a pupil, parents, or guardians contribute time or money to the school.
11. WAYS allows the purchase of optional items such as yearbooks, school pictures, etc. and does not consider those as required fees.

12. WAYS does not ask families to donate a specific number of service hours to the school, but does encourage volunteering and attendance at events (such as Back-to-School Night, Open House, Parent-Teacher Conferences, School Site Council Meetings and Events, and community outreach events). Parent participation in school events is a vital element in the success of our students and the strength of our WAYS Community; however it is completely voluntary.
13. Parents or guardians who believe they are being charged a fee for anything they believe is illegal under AB1575 should contact the Principal or Office Manager immediately to file a complaint under WAYS' Uniform Complaint Procedures.
14. Complaints will be investigated and resolved within 60 days of receipt of the complaint. If the complaint is resolved pursuant to an investigation, the WAYS School Board shall issue a written decision stating the findings of fact and the reasons for the disposition of the complaint.
15. If a complaint is found to have merit, the school will reimburse all affected pupils, parents, or guardians.
16. If a complainant is not satisfied with the decision of the board, the complainant may appeal to the State Superintendent of Public Instruction directly.

This policy will be published in the school's "Family and Student Handbook" and posted on the school website.

Wisdom Academy for Young Scientists

Student Fee Complaint Form

(Uniform Complaint Procedures for complaints filed under California Education Code Section 49013)

Anyone may use this form to file a complaint regarding a "pupil fee" that is require for participation in an educational activity offered by a California public school, as defined in California Education Code Section 49010. After completing this form, file it with the WAYS School Board.

➢ Do you want to receive a copy of the written response to your complaint?

☐ Yes, I request a copy of the written response to my complaint.

Name: _____ Address:
_____

City & Zip Code: _____ Phone Number (optional):
_____

☐ No, I do not request a copy of the written response. I am filing this complaint anonymously.

➢ I request immediate action to address the imposition of the following pupil fees: Please circle all that apply and provide supporting details (attach additional pages, if needed).
(Please note that the remedy must be provided to all affected pupils, parents, and guardians per California Education Code Section 49013.)

I. Fees Charged for Registration or Participation:

A fee was charged as a condition for registration for school or classes
A fee was charged as a condition for participation in a class or extracurricular activity (whether or not the activity or class is compulsory, elective, or for course credit).
Description of the fee: include (1) the school, class or extracurricular activity for which the registration or participation fee was charged, (2) details regarding how the fee requirement was communicated, and (3) the total amount of the fee.

_____
_____
_____

II. Security Deposits or Other Payments for Materials or Equipment:

A security deposit or other payment was required to obtain materials or equipment, including but not limited to, a lock, locker, class apparatus, musical instrument, uniform, etc.

Description of the fee: include (1) the class or extracurricular activity, (2) details regarding how the security deposit or other payment requirement was communicated, (3) the item of equipment or material for which a deposit or payment was required, and (4) the total amount of the deposit or payment.

_____
_____
_____

III. Required Purchases for Educational Activities:
A purchase was required to obtain materials, supplies, equipment or uniforms associated with an educational activity.
Description of the fee: include (1) the class or extracurricular activity, (2) details regarding how the requirement to purchase the materials, supplies, equipment or uniform was communicated, (3) the item required to be purchased, (4) the total cost of the purchase.

_____
_____
_____

IV. Miscellaneous/Other Fees or Charges:
The school is violating the requirements Article 5.5 (commencing with Section 49010) of Ch. 6 of Part 27 of Div. 4 of Title 2 of the California Education Code, regarding prohibition of pupil fees for participation in educational activities.
Description with as much detail as possible:

_____
_____
_____

➢ IMPORTANT: I am mailing/hand-delivering (circle one) this form on _____ (date) to _____ (name) at Wisdom Academy for Young Scientists.

Please make and keep a copy of this completed form for your records.

Wisdom Academy for Young Scientists Student Fee Policy

Wisdom Academy for Young Scientists

Suspension and Expulsion Policy

As written in Wisdom Academy for Young Scientists Charter

Governing Law: The procedures by which pupils can be suspended or expelled. Education Code Section 47605(b)(5)(J).

Student Suspension and Expulsion Policy

The Pupil Suspension and Expulsion Policy will be established and adopted by the governing board in order to promote learning and protect the safety and well being of all students at the Charter School. In creating this policy, the Charter School has reviewed Education Code Section 48900 *et seq.* which describes the non-charter schools' list of offenses and procedures to establish its list of offenses and procedures for suspensions and expulsions.

Suspension and Expulsion Periodic Review

The WAYS Board of Directors or a committee appointed by the Board of Directors will hold an annual review of the Suspension and Expulsion Procedures to make sure that the policies and procedures are in the best interest of the school, are aligned with applicable law, and are efficient, effective, and fair. As part of the review, the Board of Trustees will make any necessary modifications to the list of offenses for which students are subject to suspension or expulsion.

The principal will provide a report to the Board which shall include consideration of the findings of the annual reports of student conduct, including suspensions and expulsions; input from faculty, staff, parents and pupils, to be collected from sources such as surveys and meetings; and changes necessary to comply with applicable state and/or federal law.

PROCESS FOR ANNUAL REVIEW OF SUSPENSIONS AND EXPULSIONS POLICY	
COMPLETION DATE (TENTATIVE)	**ACTION**
April 30	Principal compiles and analyzes discipline data, reviews necessary legal changes, and reports to Board committee
May 30	Board committee reviews report and make recommendation to Board for any changes; Board takes any necessary action

August 1	Handbooks are updated

When the Policy is violated, it may be necessary to suspend or expel a student from regular classroom instruction. As outlined in sections A and B below, there are listed serious offenses for which expulsion may be mandatory or recommended. This policy shall serve as the model for the Charter School's policy and procedures for student suspension and expulsion which will be updated yearly for the school handbook in order to reflect Education Code changes If changes occur after publication and the board approves the changes, students and families shall receive notice of these changes both in writing and on all documentation associated with the school, such as published handbooks and the website. Charter School staff shall enforce disciplinary rules and procedures fairly and consistently among all students. These Policy and its Procedures will be printed and distributed as part of the Student Handbook and will clearly describe discipline expectations. Corporal punishment shall not be used as a disciplinary measure against any student. Corporal punishment includes the willful infliction of or willfully causing the infliction of physical pain on a student. For purposes of the Policy, corporal punishment does not include an employee's use of force that is reasonable and necessary to protect the employee, students, staff or other persons or to prevent damage to school property.

The Charter School administration shall ensure that students and their parents/guardians are notified in writing upon enrollment of all discipline policies and procedures. The notice shall state that these Policy and Procedures are available on request at the Principal's office.

Suspended or expelled students shall be excluded from all school and school-related activities unless otherwise agreed during the period of suspension or expulsion.

WAYS shall provide due process for all students, including adequate notice to parents/guardians and students regarding the grounds for suspension and expulsion and their due process rights regarding suspension and expulsion, including rights to appeal.

WAYS shall ensure that its policies and procedures regarding suspension and expulsion will be periodically reviewed, and modified as necessary, including, for

example, any modification of the lists of offenses for which students are subject to suspension or expulsion.

WAYS shall ensure the appropriate interim placement of students during and pending the completion of the Charter School's student expulsion process.

WAYS will implement operational and procedural guidelines ensuring federal and state laws and regulations regarding the discipline of students with disabilities are met. If the student receives or is eligible for special education, WAYS shall identify and provide special education programs and services at the appropriate interim educational placement, pending the completion of the expulsion process.

WAYS shall utilize alternatives to suspension and expulsion with students who are truant, tardy, or otherwise absent from compulsory school activities.

A. Grounds for Suspension and Expulsion of Students

A student may be suspended or expelled for prohibited misconduct if the act is related to school activity or school attendance occurring at the Charter School or a Charter School-sponsored event, occurring at anytime including but not limited to: a) while on school grounds; b) while going to or coming from school; c) during the lunch period, whether on or off the school campus; d) during, going to, or coming from a school-sponsored activity.

B. Enumerated Offenses

1. Discretionary Suspension Offenses. Students may be suspended for any of the following acts when it is determined the pupil: (Education code 48900-48927)

a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.

(2) Willfully used force of violence upon the person of another, except self-defense.

b) Possessed, sold, or otherwise furnished a firearm, knife, explosive, or other dangerous object, unless, in the case of possession of an

object of this type, the pupil had obtained written permission to possess the item from a certificated school employee, which is concurred in by the principal or the designee of the principal.

c) Unlawfully possessed, offered, arranged, or negotiated to sell any controlled substance as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance or material and represented same as controlled substance, alcoholic beverage or intoxicant.

d) Unlawfully offered, arranged, or negotiated to sell a controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind, and either sold, delivered, or otherwise furnished to a person another liquid, substance, or material and represented the liquid, substance, or material as a controlled substance, alcoholic beverage, or intoxicant.

e) Committed or attempted to commit robbery or extortion.

f) Caused or attempted to cause damage to school property or private property. School property includes, but is not limited to, electronic files and databases.

g) Stole or attempted to steal school property or private property.

h) Possessed or used tobacco or products containing tobacco or nicotine products, including but not limited to cigars, cigarettes, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets and betel. This section does not prohibit the use of his or her own prescription products by a pupil.

i) Committed an obscene act or engaged in habitual profanity or vulgarity.

j) Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Health and Safety Code Section 11014.5.

k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, other school officials, or other school personnel engaged in the performance of their duties.

l) Knowingly received stolen school property or private property.

m) Possessed an imitation firearm, i.e.: a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

n) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.

o) Harassed, threatened, or intimidated a student who is a complaining witness or witness in a school disciplinary proceeding for the purpose of preventing that student from being a witness and/or retaliating against that student for being a witness.

p) Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

q) Engaged in, or attempted to engage in hazing. For the purposes of this subdivision, "hazing" means a method of initiation or pre-initiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, which is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this section, "hazing" does not include athletic events or school-sanctioned events.

r) Engaged in an act of bullying. For purposes of this subdivision, the following terms have the following meanings:

(1) "Bullying" means any severe or pervasive physical or verbal act or conduct, including communications made in writing or by means of an electronic act, and including one or more acts committed by a pupil or group of pupils as defined in Sections 48900.2, 48900.3, or 48900.4, directed toward one or more pupils that has or can be reasonably predicted to have the effect of one or more of the following:

(A) Placing a reasonable pupil or pupils in fear of harm to that pupil's or those pupils' person or property.

(B) Causing a reasonable pupil to experience a substantially detrimental effect on his or her physical or mental health.

(C) Causing a reasonable pupil to experience substantial interference with his or her academic performance.

(D) Causing a reasonable pupil to experience substantial interference with his or her ability to participate in or benefit from the services, activities, or privileges provided by a school.

(2) (A) "Electronic act" means the transmission, by means of an electronic device, including, but not limited to, a telephone, wireless telephone, or other wireless communication device, computer, or pager, of a communication, including, but not limited to, any of the following:

(i) A message, text, sound, or image.

(ii) A post on a social network Internet Web site, including, but not limited to:

(I) Posting to or creating a burn page. "Burn page" means an Internet Web site created for the purpose of having one or more of the effects listed in paragraph (1).

(II) Creating a credible impersonation of another actual pupil for the purpose of having one or more of the effects listed in paragraph (1). "Credible impersonation" means to knowingly and without consent impersonate a pupil for the purpose of bullying the pupil and such that another pupil would reasonably believe, or has reasonably believed, that the pupil was or is the pupil who was impersonated.

(III) Creating a false profile for the purpose of having one or more of the effects listed in paragraph (1). "False profile" means a profile of a fictitious pupil or a profile using the likeness or attributes of an actual pupil other than the pupil who created the false profile.

(B) Notwithstanding paragraph (1) and subparagraph (A), an electronic act shall not constitute pervasive conduct solely on the basis that it has been transmitted on the Internet or is currently posted on the Internet.

(3) "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.

s) Committed sexual harassment, as defined in Education Code Section 48900. For the purposes of this section, the conduct described Education Code Section 48900.2 must be considered by a reasonable person of the same gender as the victim to be sufficiently severe or pervasive to have a negative impact upon the individual's academic performance or to create an intimidating, hostile, or offensive educational environment. This section shall apply to pupils in any of grades 4 to 12, inclusive.

t) Caused, attempted to cause, threaten to cause or participated in an act of hate violence, as defined Education Code Section 48900.3. This section shall apply to pupils in any of grades 4 to 12, inclusive.

u) Intentionally harassed, threatened or intimidated a student or group of students to the extent of having the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder and invading student rights by creating an intimidating or hostile educational environment as stated in Education Code Section 48900.4. This section shall apply to pupils in any of grades 4 to 12, inclusive.

v) A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may be subject to suspension, but not expulsion, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim

suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (1).

w) Possessed, sold, or otherwise furnished any knife unless, in the case of possession of any object of this type, the student had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.

x) Made terrorist threats against school officials and/or school property. For purposes of this section, "terroristic threat" shall include any statement, whether written or oral, by a person who willfully threatens to commit a crime which will result in death, great bodily injury to another person, or property damage in excess of one thousand dollars ($1,000), with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, which, on its face and under the circumstances in which it is made, is so unequivocal, unconditional, immediate, and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety, or for the protection of school property, or the personal property of the person threatened or his or her immediate family. (Ed. Code 48900.7)

2. Non-Discretionary Suspension Offenses: Students must be suspended and recommended for expulsion for any of the following acts when it is determined the pupil:

a) Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any object of this type, the students had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
b) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
c) Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind except for either of the following:

(i) The first offense for the possession of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.

(ii) The possession of over-the-counter medication for use by the pupil for medical purposes or medication prescribed for the pupil by a physician.

d) Brandishing a knife at another person.

3. Discretionary Expellable Offenses: Students may be expelled for any of the following acts when it is determined the pupil:

a) Caused, attempted to cause, or threatened to cause physical injury to another person.

b) Willfully used force of violence upon the person of another, except self-defense.

c) Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind.

d) Unlawfully offered, arranged, or negotiated to sell any controlled substance as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance or material and represented same as controlled substance, alcoholic beverage or intoxicant.

e) Committed or attempted to commit robbery or extortion.

f) Caused or attempted to cause damage to school property or private property. School property includes, but is not limited to, electronic files and databases.

g) Stole or attempted to steal school property or private property.

h) Possessed or used tobacco or products containing tobacco or nicotine products, including but not limited to cigars, cigarettes, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets and betel. This section does not prohibit the use of his or her own prescription products by a pupil.

i) Committed an obscene act or engaged in habitual profanity or vulgarity.

j) Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Health and Safety Code Section 11014.5.

k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, other school officials, or other school personnel engaged in the performance of their duties.

l) Knowingly received stolen school property or private property.

m) Possessed an imitation firearm, i.e.: a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

n) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.

o) Harassed, threatened, or intimidated a student who is a complaining witness or witness in a school disciplinary proceeding for the purpose of preventing that student from being a witness and/or retaliating against that student for being a witness.

p) Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

q) Engaged in, or attempted to engage in hazing. For the purposes of this subdivision, "hazing" means a method of initiation or pre-initiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, which is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this section, "hazing" does not include athletic events or school-sanctioned events.

r) Engaged in an act of bullying. For purposes of this subdivision, the following terms have the following meanings:

(1) "Bullying" means any severe or pervasive physical or verbal act or conduct, including communications made in writing or by means of an electronic act, and including one or more acts committed by a pupil or group of pupils as defined in Sections 48900.2, 48900.3, or 48900.4, directed toward one or more pupils that has or can be reasonably predicted to have the effect of one or more of the following:

(A) Placing a reasonable pupil or pupils in fear of harm to that pupil's or those pupils' person or property.

(B) Causing a reasonable pupil to experience a substantially detrimental effect on his or her physical or mental health.

(C) Causing a reasonable pupil to experience substantial interference with his or her academic performance.

(D) Causing a reasonable pupil to experience substantial interference with his or her ability to participate in or benefit from the services, activities, or privileges provided by a school.

(2) (A) "Electronic act" means the transmission, by means of an electronic device, including, but not limited to, a telephone, wireless telephone, or other wireless communication device, computer, or pager, of a communication, including, but not limited to, any of the following:

(i) A message, text, sound, or image.

(ii) A post on a social network Internet Web site, including, but not limited to:

(I) Posting to or creating a burn page. "Burn page" means an Internet Web site created for the purpose of having one or more of the effects listed in paragraph (1).

(II) Creating a credible impersonation of another actual pupil for the purpose of having one or more of the effects listed in paragraph (1). "Credible impersonation" means to knowingly and without consent impersonate a pupil for the purpose of bullying the pupil and such that another pupil would

reasonably believe, or has reasonably believed, that the pupil was or is the pupil who was impersonated.

(III) Creating a false profile for the purpose of having one or more of the effects listed in paragraph (1). "False profile" means a profile of a fictitious pupil or a profile using the likeness or attributes of an actual pupil other than the pupil who created the false profile.

(B) Notwithstanding paragraph (1) and subparagraph (A), an electronic act shall not constitute pervasive conduct solely on the basis that it has been transmitted on the Internet or is currently posted on the Internet.

(3) "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.

s) Committed sexual harassment, as defined in Education Code Section 48900.2. For the purposes of this section, the conduct described in Section 48900.2 must be considered by a reasonable person of the same gender as the victim to be sufficiently severe or pervasive to have a negative impact upon the individual's academic performance or to create an intimidating, hostile, or offensive educational environment. This section shall apply to pupils in any of grades 4 to 12, inclusive.

t) Caused, attempted to cause, threaten to cause or participated in an act of hate violence, as defined in Education Code Section 48900.3. This section shall apply to pupils in any of grades 4 to 12, inclusive.

u) Intentionally harassed, threatened or intimidated a student or group of students to the extent of having the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder and invading student rights by creating an intimidating or hostile educational environment as stated in Education Code Section 48900.4. This section shall apply to pupils in any of grades 4 to 12, inclusive.

v) A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to

another person may be subject to suspension, but not expulsion, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (1).

w) Possessed, sold, or otherwise furnished any knife unless, in the case of possession of any object of this type, the student had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.

x) Made terrorist threats against school officials and/or school property. For purposes of this section, "terroristic threat" shall include any statement, whether written or oral, by a person who willfully threatens to commit a crime which will result in death, great bodily injury to another person, or property damage in excess of one thousand dollars ($1,000), with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, which, on its face and under the circumstances in which it is made, is so unequivocal, unconditional, immediate, and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety, or for the protection of school property, or the personal property of the person threatened or his or her immediate family.

4. Non-Discretionary Expellable Offenses: Students must be expelled for any of the following acts when it is determined pursuant to the procedures below that the pupil:

a) Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any object of this type, the students had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
b) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
c) Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and

Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind except for either of the following:

(i) The first offense for the possession of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.

(ii) The possession of over-the-counter medication for use by the pupil for medical purposes or medication prescribed for the pupil by a physician.

d) Brandishing a knife at another person.

If it is determined by the Board of Directors that a student has brought a fire arm or destructive device, as defined in Section 921 of Title 18 of the United States Code, on to campus or to have possessed a firearm or dangerous device on campus, the student shall be expelled for one year, pursuant to the Federal Gun Free Schools Act of 1994.

The term "firearm" means (A) any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive; (B) the frame or receiver of any such weapon; (C) any firearm muffler or firearm silencer; or (D) any destructive device. Such term does not include an antique firearm.

The term "destructive device" means (A) any explosive, incendiary, or poison gas, including but not limited to: (i) bomb, (ii) grenade, (iii) rocket having a propellant charge of more than four ounces, (iv) missile having an explosive or incendiary charge of more than one-quarter ounce, (v) mine, or (vi) device similar to any of the devices described in the preceding clauses.

Readmission

Students found to have committed any non-discretionary offenses will be expelled for one school year. The Charter School's governing board shall adopt rules establishing a procedure for the filing and processing of requests for readmission and the process for the required review of all expelled pupils for readmission. Upon completion of the readmission process, the Charter School's governing board shall readmit the pupil, unless the Charter School's governing board makes a finding that the pupil continues to pose a danger to campus safety. A description of the procedure shall be made available to the pupil and the pupil's parent or guardian at the time the expulsion order is entered. The Charter School is responsible for reinstating the student upon the conclusion of the expulsion period.

C. Suspension Procedure

WAYS will provide a Student Handbook to each family upon enrollment that delineates the list of offenses and progressive discipline procedures and expectations to provide adequate safety for students, staff, and visitors to the school in order to serve the best interests of the school's pupils and their parents/guardians. WAYS staff will enforce all disciplinary rules and procedures fairly and consistently among all students.

Progression of Discipline, Teachers to Administration

Teachers are responsible for the day-to-day discipline in their classrooms while working with their students to meet their individual needs in order that learning takes place. WAYS has a discipline structure and character-building program that delineates uniform, school-wide expectations for conduct. When it become necessary to implement disciplinary action, the following options are available to the teachers: warning, detention, parent-teacher communication, counseling referral, written assignment, and discipline referral to the Principal.

Prior to suspensions and expulsions, students may receive any or all of the following: warnings, detentions, phone calls home, parent conferences, and a behavior contract. Any WAYS teacher may assign a teacher's detention to a student. During detention students may have to write a reflective response about their conduct that could require a parent signature. Detentions will be held onsite during lunch or after school. A teacher may elect to hold detention in a classroom or in a designated detention room.

Offenses That May Result in a Teacher's Detention

Teacher and Administrative detention process is the same. As a general rule teachers assign a Teacher Detention for minor classroom misconduct such as: cell phone usage, passing notes, making noises, minor inappropriate conflicts with others, or cheating. Repeated violations by individuals will be referred to the Principal. When there is a serious violation of the rules, the student will be referred to the Principal. A serious violation may include any violation listed under Suspension of Expulsion section in this element of the charter petition below.

Suspension

Suspension is intended to remove the student from peers and the class environment. This separation provides the student time to reflect on his or her behavior and a possible pattern of behavior that will be more positive, as well as to protect the student body as a whole from dangerous and disruptive behavior.

A student serving on campus suspension reports to school at the regular time.

Each teacher will give the student written assignments that he or she must complete under the direct supervision of the Principal or designee. The student will eat lunch in the assigned room.

Whether suspension occurs in school or out, the maximum number of consecutive days a student may be suspended five (5), unless the suspension is extended pending an expulsion hearing from the recommendation of the Administrative Panel. Upon a recommendation of Expulsion by the Panel, the pupil and the pupil's guardian or representative will be invited to a conference with the Administrative Panel to determine if the suspension for the pupil should be extended pending an expulsion hearing. The Administrative Panel will make this determination: 1) the pupil's presence will be disruptive to the education process; or 2) the pupil poses a threat or danger to others. Upon either determination, the pupil's suspension will be extended pending the results of an expulsion hearing. Students shall not be suspended for more than twenty (20) school days in a year, unless the suspension has been extended pending an expulsion hearing.

Students on suspension pending an expulsion hearing may request that academic work be made available for pick up at the office.

Suspensions shall include the following procedures:

Conference - Suspension shall be preceded, if possible, by a conference conducted by the Principal or the Principal's designee with the student and his or her parent and, whenever practical, the teacher, supervisor or WAYS employee who referred the student.

The conference may be omitted if the Principal or designee determines that an emergency situation exists. An "emergency situation" involves a clear and present danger to the lives, safety or health of students or Charter School personnel. If a student is suspended without this conference, both the parent/guardian and student shall be notified of the student's right to return to school for the purpose of a conference.

At the conference, the pupil shall be informed of the reason for the disciplinary action and the evidence against him or her and shall be given the opportunity to present his or her version and evidence in his or her defense. This conference shall be held within two school days, unless the pupil waives this right or is physically unable to attend for any reason including, but not limited to, incarceration or hospitalization. No penalties may be imposed on a pupil for failure of the pupil's parent or guardian to attend a conference with Charter School officials. Reinstatement of the suspended pupil shall not be contingent upon attendance by the pupil's parent or guardian at the conference.

Notices to Parents/Guardians

At the time of the suspension, an administrator or designee shall make a

reasonable effort to contact the parent/guardian by telephone or in person. Whenever a student is suspended, the parent/guardian shall be notified in writing of the suspension and the date of return following suspension. This notice shall state the specific offense committed by the student. In addition, the notice may also state the date and time when the student may return to school. If Charter School officials wish to ask the parent/guardian to confer regarding matters pertinent to the suspension, the notice may request that the parent/guardian respond to such requests without delay.

D. Authority to Expel

A student may be expelled by the Board following a hearing before it or upon the recommendation of an Administrative Panel. The Panel would be convened as part of the suspension and expulsion process once it was determined that there is any reasonable concern that the pupil was in danger of expulsion or extended suspension. The Administrative Panel should consist of at least three members of the faculty or professional representatives who are certificated but are neither a teacher of the pupil or a Board member of the Charter School's governing board. The Administrative Panel may recommend expulsion to the Board of any student found to have committed an expellable offense.

E. Expulsion Procedures

Students recommended for expulsion are entitled to a hearing to determine whether the student should be expelled. Unless postponed for good cause, the hearing shall be held within thirty (30) school days after the Principal or designee determines that the pupil has committed an expellable offense.

In the event an administrative panel hears the case, it will make a recommendation to the Board for a final decision whether to expel. The hearing shall be held in closed session unless the pupil makes a written request for a public hearing three (3) days prior to the hearing.

Written notice of the hearing shall be forwarded to the student and the student's parent/guardian at least ten (10) calendar days before the date of the hearing. Upon mailing the notice, it shall be deemed served upon the pupil. The notice shall include:

1. The date and place of the expulsion hearing;

2. A statement of the specific facts, charges and offenses upon which the proposed expulsion is based;

3. A copy of the Charter School's disciplinary rules which relate to the alleged violation;

4. Notification of the student's or parent/guardian's obligation to provide information about the student's status at the school to any other school district or school to which the student seeks enrollment;

5. The opportunity for the student or the student's parent/guardian to appear in person or to employ and be represented by counsel or a non-attorney advisor;

6. The right to inspect and obtain copies of all documents to be used at the hearing;

7. The opportunity to confront and question all witnesses who testify at the hearing;

8. The opportunity to question all evidence presented and to present oral and documentary evidence on the student's behalf including witnesses.

F. Special Procedures for Expulsion Hearings Involving Sexual Assault or Battery Offenses

WAYS may, upon a finding of good cause, determine that the disclosure of either the identity of the witness or the testimony of that witness at the hearing, or both, would subject the witness to an unreasonable risk of psychological or physical harm. Upon this determination, the testimony of the witness may be presented at the hearing in the form of sworn declarations which shall be examined only by WAYS or the hearing officer. Copies of these sworn declarations, edited to delete the name and identity of the witness, shall be made available to the pupil.

1. The complaining witness in any sexual assault or battery case must be provided with a copy of the applicable disciplinary rules

and advised of his/her right to (a) receive five days notice of his/her scheduled testimony, (b) have up to two (2) adult support persons of his/her choosing present in the hearing at the time he/she testifies, which may include a parent, guardian, or legal counsel, and (c) elect to have the hearing closed while testifying.

2. The Charter School must also provide the victim a room separate from the hearing room for the complaining witness' use prior to and during breaks in testimony.

3. At the discretion of the panel conducting the hearing, the complaining witness shall be allowed periods of relief from examination and cross-examination during which he or she may leave the hearing room.

4. The panel conducting the expulsion hearing may also arrange the seating within the hearing room to facilitate a less intimidating environment for the complaining witness.

5. The panel conducting the expulsion hearing may also limit time for taking the testimony of the complaining witness to the hours he/she is normally in school, if there is no good cause to take the testimony during other hours.

6. Prior to a complaining witness testifying, the support persons must be admonished that the hearing is confidential. Nothing in the law precludes the person presiding over the hearing from removing a support person whom the presiding person finds is disrupting the hearing. The panel conducting the hearing may permit any one of the support persons for the complaining witness to accompany him or her to the witness stand.

7. If one or both of the support persons is also a witness, the Charter School must present evidence that the witness' presence is both desired by the witness and will be helpful to the Charter School. The person presiding over the hearing shall permit the witness to stay unless it is established that there is a substantial risk that the testimony of the complaining witness would be influenced by the support person, in which case the presiding official shall admonish the support person or persons not to prompt, sway, or influence the witness in any way. Nothing shall preclude the presiding officer from exercising his or her discretion to remove a person from the hearing whom he or she believes is prompting,

swaying, or influencing the witness.

8. The testimony of the support person shall be presented before the testimony of the complaining witness and the complaining witness shall be excluded from the courtroom during that testimony.

9. Especially for charges involving sexual assault or battery, if the hearing is to be conducted in the public at the request of the pupil being expelled, the complaining witness shall have the right to have his/her testimony heard in a closed session when testifying at a public meeting would threaten serious psychological harm to the complaining witness and there are no alternative procedures to avoid the threatened harm. The alternative procedures may include videotaped depositions or contemporaneous examination in another place communicated to the hearing room by means of closed-circuit television.

10. Evidence of specific instances of a complaining witness's prior sexual conduct is presumed inadmissible and shall not be heard absent a determination by the person conducting the hearing that extraordinary circumstances exist requiring the evidence be heard. Before such a determination regarding extraordinary circumstance can be made, the witness shall be provided notice and an opportunity to present opposition to the introduction of the evidence. In the hearing on the admissibility of the evidence, the complaining witness shall be entitled to be represented by a parent, legal counsel, or other support person. Reputation or opinion evidence regarding the sexual behavior of the complaining witness is not admissible for any purpose.

G. Record of Hearing

A record of the hearing shall be made and may be maintained by any means, including electronic recording, as long as a reasonably accurate and complete written transcription of the proceedings can be made.

H. Presentation of Evidence

While technical rules of evidence do not apply to expulsion hearings, evidence may be admitted and used as proof only if it is the kind of

evidence on which reasonable persons can rely in the conduct of serious affairs. A recommendation by the administrative panel to expel must be supported by substantial evidence that the student committed an expellable offense.

Findings of fact shall be based solely on the evidence at the hearing. While hearsay evidence is admissible, no decision to expel shall be based solely on hearsay and sworn declarations may be admitted as testimony from witnesses of whom the Board of Directors, administrative panel or designee determines that disclosure of their identity or testimony at the hearing may subject them to an unreasonable risk of physical or psychological harm.

If, due to a written request by the expelled pupil, the hearing is held at a public meeting, and the charge is committing or attempting to commit a sexual assault or committing a sexual battery as defined in Education Code Section 48900, a complaining witness shall have the right to have his or her testimony heard in a session closed to the public.

The decision of the Administrative Panel shall be in the form of written findings of fact and a written recommendation to the Board of Directors who will make a final determination regarding the expulsion. The final decision by the Board shall be made within ten (10) school days following the conclusion of the hearing. The decision of the Board of Directors is final.

If the administrative panel decides not to recommend expulsion, the pupil shall immediately be returned to his/her educational program.

I. Written Notice to Expel

The Principal, following a decision of the Board of Directors to expel, shall send written notice of the decision to expel, including the Board of Directors' adopted findings of fact, to the student or parent/guardian. This notice shall also include the following:

1. Notice of the specific offense committed by the student
2. Notice of the student's or parent/guardian's obligation to inform any new district in which the student seeks to enroll of the student's status with WAYS.

The Principal or designee shall send a copy of the written notice of the decision to expel to LACOE.

This notice shall include the following:

a) The student's name, and
b) The specific expellable offense committed by the student.

Additionally, in accordance with Education Code Section 47605(d)(3), upon expulsion of any student, WAYS shall notify the superintendent of the school district of the pupil's last known address within thirty (30) days, and shall, upon request, provide that school district with a copy of the cumulative record of the pupil, including a transcript of grades or report card and health information.

The Board of Directors' decision to expel shall be final.

If a student is expelled from WAYS, WAYS shall forward student records upon request of the receiving school district in a timely fashion. WAYS shall also submit an expulsion packet to LACOE immediately or as soon as practically possible, containing:

- pupil's last known address
- a copy of the cumulative record
- transcript of grades or report card
- health information
- documentation of the expulsion proceeding, including specific facts supporting the expulsion
- student's current educational placement
- copy of parental notice expulsion
- copy of documentation of expulsion provided to parent stating reason for expulsion, term of expulsion, rehabilitation plan, reinstatement notice with eligibility date and instructions for providing proof of student's compliance for reinstatement, appeal process and options for enrollment.
- if the Student is eligible for Special Education, the Charter School must provide documentation related to expulsion pursuant to IDEA including conducting a manifestation determination IEP prior to expulsion. If the student is eligible for Section 504 Accommodations, the Charter School must provide evidence that it convened a Link Determination meeting to address two questions:

A) Was the misconduct caused by, or directly and substantially related to the students disability: B) Was the misconduct a direct result of the Charter's failure to implement 504 Plan?

J. Disciplinary Records

The Charter School shall maintain records of all student suspensions and expulsions at the Charter School. Such records shall be made available to the authorizer upon request.

K. No Right to Appeal

The pupil shall have no right of appeal from expulsion from the Charter School, as the Charter School Board's decision to expel shall be final.

L. Expelled Pupils/Alternative Education

The Charter School shall work cooperatively with parents/guardians as requested by parents/guardians or by the school district of residence to assist with locating alternative placements during expulsion.

Outcome Data

WAYS shall maintain all data involving placement, tracking, and monitoring of student suspensions, expulsions, and reinstatements, and make such outcome data readily available to LACOE upon request.

Rehabilitation Plans

Pupils who are expelled from the Charter School shall be given a rehabilitation plan developed by the Administrative panel upon expulsion as approved by the Charter School's governing board at the time of the expulsion order, which may include, but is not limited to, periodic review as well as assessment at the time of review for readmission. The rehabilitation plan should include a date not later

than one year from the date of expulsion when the pupil may apply to the Charter School for readmission.

Readmission

The Charter School's governing board shall adopt rules establishing a procedure for the filing and processing of requests for readmission and the process for the required review of all expelled pupils for readmission. Upon completion of the readmission process, the Charter School's governing board shall readmit the pupil, unless the Charter School's governing board makes a finding that the pupil has not met the conditions of the rehabilitation plan or continues to pose a danger to campus safety. A description of the procedure shall be made available to the pupil and the pupil's parent or guardian at the time the expulsion order is entered. The Charter School is responsible for reinstating the student upon the conclusion of the expulsion period.

Special Education Students

In the case of a student who has an Individualized Education Plan ("IEP"), or a student who has a 504 Plan, the Charter School will ensure that it follows the correct disciplinary procedures to comply with the mandates of state and federal laws, including IDEA and Section 504 of the Rehabilitation Plan of 1973. An IEP team will meet to conduct a manifestation determination and to discuss alternative placement. Prior to recommending expulsion for a student with a 504 Plan, the Charter School's administrator will convene a Link Determination meeting to ask the following two questions: A) Was the misconduct caused by, or directly and substantially related to the student's disability? B) Was the misconduct a direct result of the Charter School's failure to implement 504?

Gun Free Schools Act

The Charter School shall comply with the federal Gun Free Schools Act.

Wisdom Complaint and Grievance Procedures

From our Personnel Handbook

Policy Against Sexual Harassment

All employees should be able to work in an atmosphere free of sexual harassment. WAYS will not condone or tolerate sexual harassment of any type by any employee. This policy applies to all employee actions and relationships, regardless of position or gender. WAYS will promptly and thoroughly investigate any complaint of sexual harassment and take appropriate corrective action, if warranted.

Sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexually suggestive nature constitute sexual harassment when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of employment.

2. Submission to or rejection of such conduct is used as the basis for personnel decisions, including but not limited to appraisals, promotion, salary increases, and termination.

3. Such behavior has the purpose or effect of interfering with an individual's performance on the job or creating an intimidating, hostile or offensive working environment.

Each supervisor has the responsibility to maintain a work place free from any form of sexual harassment. Consequently, should supervisors become aware of any conduct that may constitute sexual harassment or other prohibited behavior, immediate action should be taken to address such conduct.

Employees are expected to behave in a positive and professional manner and to contribute to a productive work environment that is free from harassing or disruptive activity.

Prohibited conduct by anyone includes but is not limited to:

- Sexual flirtations, touching, advances or propositions;
- Verbal abuse of a sexual nature;
- Graphic or suggestive comments about dress or body;
- Sexually degrading words;
- The display in the workplace of sexually suggestive or offensive objects or pictures.

Any employee who has experienced or is aware of a situation, which is believed to be sexually harassing, has a responsibility to report the situation immediately to the individual's supervisor and/or to the appropriate human re, source representative. A Sexual Harassment Complaint Form may be obtained from your manager or the human resources representative. The School Director and the individual's supervisor will conduct an immediate investigation into the allegation(s) and determine whether the allegations have merit. A written report, including findings related to the allegations, will be completed. In all cases, when the allegation(s) is determined to be valid, appropriate remedial action will be taken immediately and may include disciplinary action up to and including termination.

If the alleged sexual harassment involves the employee's supervisor or School Director, or if the employee is not satisfied with the outcome of the investigation, the employee should bring the matter to the attention of the President of Wisdom Academy for Young Scientists Board of School Directors.

All complaints of sexual harassment will be investigated promptly, objectively and as confidentially as possible. Employees are required to cooperate in any investigation. Retaliation against any employee for filing a complaint or participating in an investigation is strictly prohibited and shall be cause for termination.

From our Parent/Student Handbook

Uniform Complaint Process

Wisdom Academy for Young Scientists recognizes its responsibility for ensuring compliance with applicable state and federal laws and regulations governing educational programs. The following procedures will be followed to resolve conflicts in a timely manner:

Parent(s) meet with a Director.

If not resolved, the individuals involved will meet and collectively prepare a written proposal for resolution and submit to parent(s).

If not resolved, parent(s) may submit concern in writing to Wisdom Academy for Young Scientists Governing Board

The School Governing Board will meet and render a final decision on the matter.

Continued non-adherence to the Home-School Contract will result in a review by the Governing Board. The Board may recommend disenrollment from the school.

From Our Charter

Parent/Guardian Concerns and Complaints

WAYS shall respond to parental concerns or complaints related to special education services. WAYS shall instruct parents/guardians to raise concerns regarding special education services, related services and rights directly to the Charter School.

The Charter School's designated representative shall investigate as necessary, respond to, and address the parent/guardian concern or complaint.

The Charter School, as the LEA, shall be ultimately responsible for determining how to respond to parent concerns or complaints.

WAYS shall respond to any complaint to or investigation by the California Department of Education, the United States Department of Education, or any other agency.

Grievance Procedure for Parents and Students

WAYS will designate at least one employee to coordinate its efforts to comply with and carry out its responsibilities under Title IX of the Education Amendments of 1972 (Title IX) and Section 504 of the Rehabilitation Act of 1973 (Section 504) including any investigation of any complaint filed with WAYS alleging its noncompliance with these laws or alleging any actions which would be prohibited by these laws. WAYS will notify all its students and employees of the name, office address, and telephone number of the designated employee or employees.

WAYS will adopt and publish grievance procedures providing for prompt and equitable resolution of student and employee complaints alleging any action, which would be prohibited by Title IX, or Section 504. WAYS will implement specific and continuing steps to notify applicants for admission and employment, students and parents of elementary and secondary school students, employees, sources of referral of applicants for admission and employment, and all unions or professional organizations holding collective bargaining or professional agreements with the recipient, that it does not discriminate on the basis of sex or mental or physical disability in the educational program or activity which it operates, and that it is required by Title IX and Section 504 not to discriminate in such a manner.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

TRANSITIONAL KINDERGARTEN POLICY

Purpose

The Governing Board desires to offer a high-quality transitional kindergarten program for eligible children who do not yet meet the minimum age criterion for kindergarten. The program shall assist children in developing the academic, social, and emotional skills they need to succeed in kindergarten and beyond. The district's transitional kindergarten shall be the first year of a two-year kindergarten program. (Education Code 48000)

The Board encourages ongoing collaboration among district preschool staff, other preschool providers, elementary teachers, administrators, and parents/guardians in program development, implementation, and evaluation.

(cf. 0420 - School Plans/Site Councils) (cf. 1220 - Citizen Advisory Committees)

(cf. 6020 - Parent Involvement)

Eligibility

The district's transitional kindergarten program shall admit children whose fifth birthday lies between: (Education Code 48000)

November 2 and December 2 in the 2012-13 school year

October 2 and December 2 in the 2013-14 school year

September 2 and December 2 in the 2014-15 school year and each school year thereafter.

Parents/guardians of eligible children shall be notified of the availability of this program and the age, residency, and any other enrollment requirements. Enrollment in the transitional kindergarten program shall be voluntary.

Curriculum and Instruction

The district's transitional kindergarten program shall be based on a modified kindergarten curriculum that is age and developmentally appropriate. (Education Code 48000)

Upon recommendation by the Executive Director or designee, the Board shall approve academic standards for transitional kindergarten that bridge preschool learning foundations and kindergarten standards. Such standards shall be designed to facilitate students' development in essential skills, which may include, as appropriate, language and literacy, mathematics, physical development, the arts, science, social sciences, English language development, and social-emotional development.

The number of instructional minutes offered in transitional kindergarten shall be the same as that required for the district's kindergarten program.

Transitional kindergarten students may be placed in the same classrooms as kindergarten students when necessary, provided that the instructional program is differentiated to meet student needs.

Staffing

Teachers assigned to teach in transitional kindergarten classes shall possess a teaching credential or permit that authorizes instruction at the kindergarten grade level.

The Executive Director or designee may provide professional development as needed to ensure that transitional kindergarten teachers are knowledgeable about district standards and effective instructional methods for teaching young children.

Continuation to Kindergarten

Students who complete the transitional kindergarten program shall be eligible to continue in kindergarten the following school year. Parents/guardians of such students shall not be required to submit a signed parental permission form for kindergarten attendance.

A student shall not attend more than two years in a combination of transitional kindergarten and kindergarten. (Education Code 46300)

Program Evaluation

The Superintendent or designee shall develop or identify appropriate assessments of transitional kindergarten students' development and progress. He/she shall monitor and regularly report to the Board regarding program implementation and the progress of students in meeting related academic standards.

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD GOVERNANCE: BOARD AGENDA AND MEETINGS

Regular Meetings

Regular meetings of the Board shall be held consistent with the calendar for such meetings as established by the Board each year.

If at any time any regular meeting falls on a holiday, (Federal, State or local), such regular meeting shall be held on the next business day.

Special Meetings

Special Meetings may be called on an as-needed basis, consistent with legal requirements.

Notification of Meetings

Not later than 72 hours prior to a regular meeting and not later than twenty-four (24) hours prior to a Special Meeting, the Principal shall provide notice of the time and place of the meeting, and the agenda shall be provided to all Board members and those persons or entities who have previously requested notice of such meetings.

Meetings Open To The Public

A. Open Session
All meetings of the Board shall be open to the public except Closed Sessions, as authorized by law.

B. Presentations to the Board/Agenda Items
Any person may address the Board concerning any item on the agenda and may, at the discretion of the Board, be granted five minutes to make a presentation to the Board at the time the specific item is under discussion. The President of the Board may grant additional time for an individual to address the Board if circumstances permit. The total time devoted to presentations to the Board on agenda items shall not exceed one-half hour unless additional time is granted by the Board. The President may curtail individual presentations if repetitive of points raised by others, particularly if it appears the total allotted time may be exceeded.

All presentations shall be heard by the Board prior to the formal discussion of the agenda topic by the Board and consideration of action.

C. Oral Communications

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Citizens may address the Board on any item not listed on the Board meeting agenda. Speakers will be limited to three (3) minutes. No more than a total of fifteen (15) minutes shall be devoted to all non-agenda items at a regular meeting. The President may disallow a request to address the Board if repetitive of other speakers, or if the speaker seeks to make a presentation that he or another speaker has made at a previous meeting, particularly if it appears that the total allotted time may be exceeded.

Members of the public attempting to make complaints or charges against a School employee before the Board in open session will be offered the option to meet with staff to file a complaint under the School's established complaint procedures.

D. Disturbance of Meetings
Any person who willfully disturbs any Board meeting will be asked to leave immediately and may be guilty of a misdemeanor punishable by law.

E. Requests to Address the Board
Prior to the beginning of the meeting, citizens seeking to address the Board on an item on the agenda or during time allocated for oral communications shall complete the card, "Request to Address the Board" (located in the Board Meeting Room), and give it to the School Board President or Secretary to the Board.

Minutes of Board Meetings

The minutes of open session meetings of the Board shall record all motions, show the names of Board members making and seconding motions and state the vote upon the motion. The open session minutes shall also record all resolutions, the recommendations of the administration. The minutes shall follow the generally accepted pattern in form.

The original copy of the open session minutes shall be signed by the Secretary of the Board and approved by the Board. Original minutes shall be bound in chronological order, volumed by fiscal year and paged consecutively.

The official minutes of the Board shall be kept in fireproof storage. The following documents shall be bound with the official minutes and referred to in the text of the minutes to which they apply:

- Original copies of all resolutions unless required by other agencies, in which case photocopies of the originals may be substituted;
- Original copy of all budget transfers;
- Copies of any document determined by the Board of Trustees to be attached to the official minutes; and
- Other documents which, in the opinion of the Secretary, are necessary to fully substantiate or record Board of Trustee action.

Notice of Intent to Revoke

WAYS001266

In addition to the official minutes, an additional copy of all minutes and attached documents shall be maintained in the office of the Secretary of the Board. This set of minutes shall be bound, indexed by those categories detailed above and by subject.

Quorum Requirements

A majority of the voting members of the Board shall constitute a quorum of Board which is necessary for the Board to transact business. All motions, in order to pass, need positive action by at least a majority of the Board. Should there by fewer than a majority of the Board present at any meeting, the meeting shall be adjourned.

Brown Act

The Board shall comply with the Brown Act and other applicable laws of the State of California with regard to open meetings and Board agendas.

Preparation Of School Board Agenda

The Principal shall be responsible to prepare the agendas for all special and regular meetings of the Governing Board.

Agenda Posting

Agendas for regular School Board meetings shall be posted 72 hours in advance of such meetings at the School for public preview. Special meeting agendas shall be posted at least 24 hours in advance of such meetings.

Agenda Distribution

The Board agenda with supporting information for a regular School Board meeting should be delivered to Board members as soon as is practicable but preferably 72 hours prior to the meeting. For special Board meetings, the agenda and supporting information should be delivered at least 24 hours prior to the meeting. The Principal is responsible for the distribution of Board packets (which include the official agenda and all supporting information).

In addition to provision of agendas, the Board's complete public agendas shall be provided to those persons or parties who have requested to be placed upon the School's mailing list. A fee may be charged for the service of providing agenda.

For purposes of providing proper notice under the law, the Board shall comply with the Americans with Disabilities Act.

Anonymous Letters

It shall be the policy of the Board not to introduce anonymous letters in the agendas for Board meetings.

Principal Duties Concerning Agendas

1. The Principal shall include on the agenda all items known to him/her to require action by the Board and other topics containing information necessary for the Board to carry out its responsibilities.

2. The Principal shall include on the agenda items which relate to school business as are requested for inclusion by the President of the Board. If an individual Board member would like an item included on the agenda, he or she must submit a request to the Board President for inclusion.

3. The Principal is responsible for preparing all supporting information which may accompany each agenda topic originating from the administration or the Board.

Requests for Agenda Items

Citizens who request to have a topic on the agenda are encouraged to submit, in writing, supporting information detailing their reason for having the topic placed on the agenda and what is being requested of the Board. This is intended to provide background information for Board members to decide whether to include the topic on the Board's agenda.

Board Action/Voting

1. The Board may only take action on items formally listed on the School Board agenda except in emergency or other circumstances as authorized by law.

2. When there is a tie vote on the agenda topic under consideration, the item shall be resubmitted to the Board at its next regular meeting.

Adopted:

Amended:

MERLE WILLIAMSON FOUNDATION
DOING BUSINESS AS
WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS)

CONFLICT OF INTEREST CODE

I. ADOPTION

In compliance with the Political Reform Act of 1974, California Government Code Section 87100, et seq., the Merle Williamson Foundation, a California nonprofit public benefit corporation doing business as the Wisdom Academy for Young Scientists, a California public charter school, hereby adopts this Conflict of Interest Code ("Code"), which shall apply to all governing board members and all other designated employees of Wisdom Academy for Young Scientists ("Charter School"), as consistent with California Government Code Section 87300. As the Charter School has also agreed in its charter to comply with Government Code Section 1090, in addition to the Political Reform Act, this Code intends to conform to the requirements of that Section.

II. DEFINITION OF TERMS

The definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission, specifically California Code of Regulations Section 18730, and any amendments or modifications to the Act and regulations are incorporated by reference to this Code.

III. DESIGNATED EMPLOYEES

Employees of this Charter School, including governing board members, who hold positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest shall be "designated employees." The designated positions are listed in "Exhibit A" attached to this policy and incorporated by reference herein.

IV. STATEMENT OF ECONOMIC INTERESTS: FILING

Each designated employee, including governing board members, shall file a Form 700 Statement of Economic Interests ("Statement") at the time and manner prescribed below, disclosing reportable investments, interests in real property, business positions, and income required to be reported under the category or categories to which the designated employee's position is assigned in "Exhibit A."

An investment, interest in real property or income shall be reportable, if the business entity in which the investment is held, the interest in real property, the business position, or source of income may foreseeably be affected materially by a decision made or participated in by the designated employee by virtue of his or her position. The specific disclosure responsibilities assigned to each position are set forth in "Exhibit B."

Filing of Annual Statements. All Statements shall be supplied by the Charter School. All Statements shall be filed with the Charter School and the Charter School's filing officer shall make and retain a copy of the Statement and forward the original to the County Board of Supervisors.

V. DISQUALIFICATION

No designated employee shall make, participate in making, or try to use his/her official position to influence any Charter School decision which he/she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family.

VI. MANNER OF DISQUALIFICATION

A. Non-Governing Board Member Designated Employees

When a non-Governing Board member designated employee determines that he/she should not make a decision because of a disqualifying interest, he/she should submit a written disclosure of the disqualifying interest to his/her immediate supervisor. The supervisor shall immediately reassign the matter to another employee and shall forward the disclosure notice to the Charter School Principal, who shall record the employee's disqualification. In the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his/her appointing authority.

B. Governing Board Member Designated Employees

Financial interest in a contract: Where a Governing Board member has a personal, material financial interest in a contract, the financial interest will be reviewed under Government Code Section 1090 to determine whether the remote or non-interest exceptions apply. Should the Board determine that no applicable remote or noninterest exceptions apply, the Board must either: (1) not enter into the contract, as Government Code Section 1090 prevents the entire board from voting on the contract; or (2) prior to the Board of Director's discussion of and/or taking any action on the contract at issue, the Board member must resign from the Board of Directors. The resignation shall be made part of the Board's official record.

All other financial interests: Governing Board members shall disclose a disqualifying interest at the meeting during which consideration of the decision takes place. This disclosure shall be made part of the Board's official record. The Board member shall refrain from participating in the decision in any way (i.e., the Board member with the disqualifying interest shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken) and comply with any applicable provisions of the Charter School bylaws.

EXHIBIT A

Designated Positions

I. Persons occupying the following positions are designated employees and must disclose financial interests in all categories defined in "Exhibit B" (i.e., categories 1, 2, and 3).

A. Members of the Board of Directors
B. Executive Director of Charter School
C. Principal of Charter School
D. Director of Operations
E. Director of Instruction
F. Consultants[1]

[1] The Executive Director may determine, in writing, that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location of interest code.

EXHIBIT B

Disclosure Categories

Category 1 Reporting:

A. Interest in real property which is located in whole or in part either (1) within the boundaries of the District where the Charter School is located, or (2) within two miles of the boundaries of the District, including any leasehold, beneficial or ownership interests or option to acquire such interest in real property.

(Interests in real property of an individual include a business entity's share of interest in real property of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a 10% interest or greater.)

B. Investments in or income from persons or business entities which are contractors or sub-contractors which are or have been within the previous two-year period engaged in the performance of building construction or design within the District.

C. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the jurisdiction.

(Investment includes any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership interest or other ownership interests.)

(Investments of any individual include a pro rata share of investments of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly or beneficially, a ten percent interest or greater.)

(Investment does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency.)

Category 2 Reporting:

A. Investments in or income from business entities which manufacture or sell supplies, books, machinery or equipment of the type utilized by the Charter School. Investments include interests described in Category 1.

Category 3 Reporting:

A. Investments in or income from business entities which are contractors or sub-contractors engaged in the performance of work or services of the type utilized by the department for which the designated employee is Manager or Charter School Principal. Investments include the interests described in Category 1.

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EXHIBIT 74

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
July 31, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 4 to 1 which is the accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 30%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $650,051 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $472,077.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending August 31, 2013, Net Income (loss) is $239,404 versus budgeted net loss of ($93,826). The difference is as a result of state deferral of revenues.

REVENUE:

For the period ending August 31, 2013 total revenue is $306,403 this is $306,403 over budgeted revenue for the period.

EXPENDITURES:

- For the period ending July 31, 2013, total expenses are $250,008. This is $156,182k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $707 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $8909k over budget for the period due to timing difference. Services and Other Operating Expenses are over-budget by $147k due to timing differences.

Reviewed : 8/15/13

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
August 31, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 4 to 1 which is the accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 30%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $650,051 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $472,077.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending August 31, 2013, Net Income (loss) is ($239,404) versus budgeted net income of 61,570. The difference is as a result of timing difference.

REVENUE:

For the period ending August 31, 2013 total revenue is $329,016 this is $366,871 under budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending August 31, 2013, total expenses are $568,419. This is $65,807k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $148,985 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $7,589k under budget for the period due to timing difference. Services and Other Operating Expenses are over-budget by $42k due to timing differences.

Reviewed: 9/13/13

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
September 30, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 4 to 1 which is the accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 25%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $695,589 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $472,077.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending September 30, 2013, Net Income (loss) is ($160,574) versus budgeted net income of 75,346. The difference is as a result of timing difference.

REVENUE:

For the period ending September 30, 2013 total revenue is $689,296 this is $354,399 under budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending September 30, 2013, total expenses are $849,871. This is $166k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $121,733 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $12,598k under budget for the period due to timing difference. Services and Other Operating Expenses are under-budget by $37k due to timing differences.

Reviewed 10/15/13

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
October 31, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 4 to 1 which is the accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 21%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $743,157 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $472,077.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending October 31, 2013, Net Income (loss) is ($126,236) versus budgeted net income of 246,463 The difference is as a result of timing difference.

REVENUE:

For the period ending October 31, 2013 total revenue is $1,097,235 this is $503,810 under budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending October 31, 2013, total expenses are $1,223,472. This is $131k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $92,654 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $20,418k under budget for the period due to timing difference. Services and Other Operating Expenses are under-budget by $59k due to timing differences.

Reviewed 11/15/13

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
November 30, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 4 to 1 which more than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 20%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $616,098 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending November 30, 2013, Net Income (loss) is ($74,549) versus budgeted net income of 319,445 The difference is as a result of timing difference.

REVENUE:

For the period ending November 30, 2013 total revenue$1,511,200 this is $492,779 under budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending November30, 2013, total expenses are $1,585,749. This is $98,784k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $71,104 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $14,385 under budget for the period due to timing difference. Services and Other Operating Expenses are under-budget by $49922k due to timing differences.

Revised 12/13/13

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
December 31, 2013
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 14 to 1 which more than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 5%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $452,530 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending December 31, 2013, Net Income (loss) is ($17,085) versus budgeted net income of 396,152 The difference is as a result of timing difference.

REVENUE:

For the period ending December 31 2013 total revenue$2,039,961 this is $364,814 under budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending December 31, 2013, total expenses are $2,057,045. This is $48,422k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $78,692 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $19,679 under budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $95,242k due to timing differences.

1/15/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
January 31, 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 7 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 11%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $498,769 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending January 31, 2014, Net Income (loss) is $113,278 versus budgeted net income of 46,190 The difference is as a result of timing.

REVENUE:

For the period ending January 31 2014 total revenue$2,637,623 this is $186k under budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending January 31, 2014, total expenses are $2,524,344. This is $13k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $59,758 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $12,515 under budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $118,715 due to timing differences.

Reviewed 2/14/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
February 28, 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 9 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 9%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $339,730 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending February 28, 2014, Net Income (loss) is $84,078 versus budgeted net income of 69,395. The difference is as a result of timing.

REVENUE:

For the period ending February 28, 2014 total revenue $2,895,456 this is $105k over budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending February 28, 2014, total expenses are $2,811,377. This is $19k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $55,374 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $5k over budget for the period due to timing difference. Services and Other Operating Expenses are under budget by $104k due to timing differences.

Reviewed 3/14/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
March 31, 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 10 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 8%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $419,186 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses. The School has deposited $50,000 in escrow on behalf of 706 East Manchester LLC, a single owner limited liability company own by Merle Williamson Foundation. The limited liability company is entering into a contract to buy the property at 706 East Manchester where is the school currently located. The school plan to lease the facility from the limited liability company. The deposit will be paid back by the LLC or applied to future rent.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending April 30 2014, Net Income (loss) is $ 264,161 versus budgeted net income of $115,807. The difference is as a result of timing.

REVENUE:

For the period ending April 30, 2014 total revenue $3,875,011 this is $16k over budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending March 31, 2014, total expenses are $3,315,967. This is $160k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $40,933 over budget in salaries and benefits. This is due to the timing of expenditures.

Received 4/15/14

- Books and Supplies are $166,005k over budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $107k due to timing differences.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
April 30 , 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 8 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 10%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $419,186 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses. The School has made payable $58,200 on behalf of 706 East Manchester LLC, a single owner limited liability company own by Merle Williamson Foundation. The limited liability company is entering into a contract to buy the property at 706 East Manchester where is the school currently located. The school plan to lease the facility from the limited liability company. The deposit will be paid back by the LLC or applied to future rent.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending April 30 2014, Net Income (loss) is $ 264,161 versus budgeted net income of $115,807. The difference is as a result of timing.

REVENUE:

For the period ending April 30, 2014 total revenue $3,875,011 this is $396,026k over budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending April 30, 2014, total expenses are $3,610,850. This is $131,422k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $29,478 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $168,862k over budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $73,263k due to timing differences.

5/15/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
May 31, 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 9 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 9%, meaning the school can withstand losses in the future without worrying about paying its bills.

Deposit in Transit amount of 500,000 represents a cashier check payable to Wells Fargo transferring funds from the Citibank saving account to the Wells Fargo main operating account. The check was not deposited before the month end close.

The accounts receivable balance is $339,030 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses. The School has made payable $58,200 on behalf of 706 East Manchester LLC, a single owner limited liability company own by Merle Williamson Foundation. The limited liability company is entering into a contract to buy the property at 706 East Manchester where is the school currently located. The school plan to lease the facility from the limited liability company. The deposit will be paid back by the LLC or applied to future rent.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending May 31, 2014, Net Income (loss) is $ 191,776 versus budgeted net loss of $488. The difference is as a result of timing.

REVENUE:

For the period ending May 31, 2014 total revenue $4,221,336 this is $394,453k over budgeted revenue for the period due to timing difference.

EXPENDITURES:

- For the period ending May 31, 2014, total expenses are $4,029,559. This is $202,188k over budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $19,897 over budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $33,932k over budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $101,073k due to timing differences.

6/13/14

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FINANCIAL STATEMENT NARRATIVES
June 30, 2014
(FISCAL YEAR TO DATE)

BALANCE SHEET:

Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally managed schools. Some of the ratios indicating strong financial position include current ratio, (the ability to pay current liabilities when due) of 12 to 1 which is better than accepted industry average of 2 to 1. Other ratios include coverage ratio of total debt to total assets of 9%, meaning the school can withstand losses in the future without worrying about paying its bills.

The accounts receivable balance is $655,993 which comprises deferred payments related to apportionment and other revenue.

Other Assets represents prepayments of rent, insurance and other expenses. The School has made payable $58,200 on behalf of 706 East Manchester LLC, a single owner limited liability company own by Merle Williamson Foundation. The limited liability company is entering into a contract to buy the property at 706 East Manchester where is the school currently located. The school plan to lease the facility from the limited liability company. The deposit will be paid back by the LLC or applied to future rent.

The book value of the fixed assets is $477,022.

Accounts Payable and Accrued expenses: This reflect accrued expenses at end of the period.

INCOME STATEMENT:

For the period ending June 30, 2014, Net Income (loss) is $ 418,574 versus budgeted net loss of $532. The difference is as a result of timing and the receiving of unbudgeted prior year revenue in the current year. Unbudgeted prior year Class Size Reduction and Facilities Grant received in the current year totaled $ 319,000. The remaining amount is due to LCFF transition funds received in the current year.

REVENUE:

For the period ending June 30, 2014 total revenue $4,625,231 this is $450,449k over budgeted revenue for the period due to timing difference and unbudgeted revenue.

EXPENDITURES:

- For the period ending June 30, 2014, total expenses are $4,206,656. This is $31,343k under budget. This is due to timing of expenditures.
- Salaries and Benefits: The School expended $112,307 under budget in salaries and benefits. This is due to the timing of expenditures.
- Books and Supplies are $14,705k over budget for the period due to timing difference. Services and Other Operating Expenses are over budget by $90,956k due to timing differences.

Reviewed 7/23/14

Los Angeles County
Office of Education
Leading Educators • Supporting Students
Serving Communities

September 15, 2014

TO: Arturo Delgado, Ed.D.

FROM: Yolanda M. Benitez

SUBJECT: Wisdom Academy for Young Scientists (WAYS)

On September 5, 2014, the County Board received WAYS response to the *Notice of Violation* (NOV) issued on June 3, 2014. LACOE has completed its review of the school's response and supporting evidence and has concluded WAYS has not successfully remedied the violations presented in the NOV.

Pursuant to EC 47607(e), if the authorizing entity determines that the school has not provided successful remedy to the violations identified in the NOV, it shall provide the school with a written *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation (NIR).*

The proposed NIR and supporting evidence is attached. Please note page numbers identified in the Exhibit citations refer to the six-digit number on the lower right hand corner of the document; the leading zeroes have been removed.

On September 23, 2014, the County Board will receive the staff report and Superintendent's recommendation in support of issuing the NIR.

Should the County Board take action to issue a *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation*, a Public Hearing will be held at which time both WAYS and LACOE will have the opportunity to present evidence to the County Board so that it may determine whether there is sufficient evidence and grounds to revoke the school's charter.

After the Public Hearing, the County Board has up 30 days to render its Final Decision unless both parties agree to an extension of up to 30 days.

YMB:drh
Attachments

Notice of Intent to Revoke

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Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation
Wisdom Academy for Young Scientists
Pursuant to Education Code Section 47607(e)

This Notice of Intent to Revoke and Notice of Facts in Support of Revocation will issue upon approval by the Los Angeles County Board of Education

September 23, 2014

Executive Summary

The Los Angeles County Office of Education ("LACOE") recommends the Los Angeles County Board of Education ("County Board") issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation ("NIR") because substantial evidence exists that the Wisdom Academy for Young Scientists ("WAYS") has failed to meet generally accepted accounting principles, engaged in fiscal mismanagement, and committed material violations of the conditions, standards, and procedures set forth in its charter.

On June 3, 2014, the County Board issued a Notice of Violation ("NOV") to WAYS stating the following legal grounds for revocation:

I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement. California Education Code § 47607(c)(1)(C).

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter. California Education Code § 47607(c)(1)(A).

The NOV (NIR Exhibit A) documented specific factual findings and provided evidence to support each of the legal grounds for revocation. (NOV Exhibits 1-38)

On July 31, 2014, WAYS timely submitted its response (NIR Exhibit B) and supporting evidence (WAYS Exhibits 1-74) to the NOV.

After careful review, LACOE determined that while the response remedies a few of the violations listed in the NOV, substantial evidence exists that WAYS failed to refute, remedy, or propose remedy to the legal grounds for revocation identified in the NOV as follows:

I. WAYS failed to meet GAAP and engaged in fiscal mismanagement. Three significant issues remain uncured: WAYS lacks adequate internal controls, engaged in related party transactions, and violated provisions of law. The revised Fiscal Policies and Procedures Handbook (and the May 20, 2014 charter) upon which WAYS bases much of its remedy fails to provide adequate separation of duties, does not provide policies and procedures to prevent related party transactions or violations of law with regard to state and federal funds, and contains multiple contradictions, errors and unclear statements. Therefore, the Fiscal Policies and Procedures fail to ensure that GAAP are and will be followed and fiscal mismanagement avoided. While some specific issues were remedied, there is no evidence of systemic change adequate to cure material violations and prevent future violations. Since the NOV was issued, there is also new evidence of misuse of public funds.

II. WAYS committed material violations of the conditions, standards, or procedures set forth in the charter. Three significant issues remain uncured: WAYS Board failed to exercise fiscal and institutional control, violated charter Element 4 (Governance), and failed to

hold key administrators accountable to the standards and procedures stated in charter Element 5. (Employee Qualifications) WAYS failed to refute or propose adequate remedy to these violations. Much of WAYS' proposed remedy centers on its revised Financial Policies and Procedures Handbook and the May 20, 2014 charter; the insufficiency of the Financial Policies and Procedures is summarized above. Other proposed remedies include replacing the Executive Director and Director of Operations, contracting with Celerity Global Development and a new back office provider, and adding new board members. These proposed remedies have been minimally implemented and do not ensure permanent cure. The Executive Director has not been replaced and the Director of Operations continues to be compensated by WAYS through an independent contractor arrangement, which violates the school's Fiscal Policies. Additionally, replacing staff does not ensure adequate Board oversight. There is no contract with Celerity and no evidence that the newly appointed Board members have adequate experience. The Board's failure to follow the oversight provisions of the charter, Board bylaws, and Board policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement, including misuse of public funds and fraud.

Upon the County Board's determination that the WAYS Board failed to refute, remedy, or propose remedy to the material violations of the charter and the fiscal violations identified in the NOV, it will adopt and issue this NIR to WAYS and its Governing Board.

The findings below and substantial evidence in support of issuing NIR to WAYS conform to the standards and procedures of California Education Code ("EC") section 47607 and the California Code of Regulations, Title 5 ("5 CCR") section 11968.5.2.

This report provides the County Board with a summary of its legal authority, the violations identified in the NOV, WAYS' response to the NOV, LACOE's analysis of WAYS' response, and an analysis of academic performance.

Legal Authority

Pursuant to EC § 47607(c)(1), the authorizing entity "may revoke the charter of a charter school if it finds, through a showing of substantial evidence, that the charter school did any of the following:

(A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

(B) Failed to meet or pursue any of the pupil outcomes identified in the charter.

(C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.

(D) Violated any provision of law."

5 CCR § 11968.5.2 regarding charter revocation provides:

> "(c) Upon receipt of a Notice of Violation, the charter school's governing body as described in the school's charter, if it chooses to respond, shall take the following actions:
>
> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken,

or proposed remedial action by the charter school specific to each alleged violation. The written response shall be due by the end of the remedy period identified in the Notice of Violation.

(2) Attach to its written response supporting evidence of the refutation, remedial action, or proposed remedial action, if any, including written reports, statements, and other appropriate documentation.

(d) After conclusion of the reasonable opportunity to remedy, the chartering authority shall evaluate the response of the charter school's governing body as described in the school's charter response to the Notice of Violation and any supporting evidence, if submitted, and shall take one of the following actions:

(1) If the chartering authority has substantial evidence that the charter school has failed to refute to the chartering authority's satisfaction, or remedy a violation identified in the Notice of Violation, continue revocation of the school's charter by issuing a Notice of Intent to Revoke to the charter school's governing body as described in the school's charter; or

(2) Discontinue revocation of the school's charter and provide timely written notice of such action to the charter school's governing body as described in the school's charter."

EC § 47607(e) provides, in relevant part:

"Before revoking a charter for failure to remedy a violation pursuant to subdivision (d), and after expiration of the school's reasonable opportunity to remedy without successfully remedying the violation, the chartering authority shall provide a written notice of intent to revoke and notice of facts in support of revocation to the charter school. No later than 30 days after providing the notice of intent to revoke charter, the chartering authority shall hold a public hearing, in the normal course of business, on the issue of whether evidence exists to revoke the charter…."

Pursuant to EC § 47607(c)(2), the County Board "shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter."

Notice of Intent to Revoke and Facts in Support of Revocation Under EC § 47607(e)

On June 3, 2014, the County Board issued a NOV to WAYS. On July 31, 2014, WAYS timely provided its response and supporting evidence; however, the response failed to fully address each violation identified in the NOV.

WAYS' response to the NOV contends: (1) LACOE failed to follow the correct standard in issuance of the NOV because WAYS was not provided with "facts in support of revocation" and "a reasonable opportunity to remedy the violation," because LACOE's facts are "false and unfounded" or "to the extent they are true, they have already been fully cured … *or were never a violation of law or charter in the first place;"* and (2) that background information and timeline of events leading to the NOV contains inaccuracies and omissions, and is inaccurate. (NIR Exhibit B, p. 40)

WAYS was afforded a reasonable opportunity to cure as it was given from June 3, 2014 to July 31, 2014, to review the identified violations and formulate a response. Also, a majority of the identified violations were not new issues as they were identified in the March 19, 2014 Fiscal Crisis and Management Assistance Team (FCMAT) Audit, WAYS' Independent Audits, and correspondence from LACOE to WAYS over a period of approximately three years. WAYS' response to the NOV fails to present evidence that the violations asserted by LACOE are false, unfounded or have been cured. The NOV accurately identifies violations of law and the charter which are not refuted. The background information and timeline of events leading to the NOV are complete and accurate.

WAYS' response provides minimal remedies; however, substantial evidence exists that WAYS failed to refute, remedy or propose remedy to each of the material violations of the charter and the fiscal violations identified in the NOV. Additionally, WAYS failed to provide evidence to support its refutation, remedy and/or proposed remedy of these material violations.

Therefore, the County Board issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to WAYS based on the grounds for revocation set forth below:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement. EC § 47607(c)(1)(C).

II. WAYS committed a material violation of the conditions, standards, or procedures set forth in the charter. EC § 47607(c)(1)(A).

Facts and Findings in Support of Revocation

The bases for issuance of the NIR are set forth below. The County Board incorporates the June 3, 2014 NOV, (NIR Exhibit A) all of the substantial evidence and supporting documentation provided with the NOV (NOV Exhibits 1-38), and new facts and evidence described below. (NIR Exhibits A-FF) Revocation is based on the following grounds:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement.

A. WAYS Failed to Follow Generally Accepted Accounting Principles and Engaged in Fiscal Mismanagement.

Summary of NOV:

The NOV was based on substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement because the Charter School: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents provided in the NOV (NIR Exhibit A, p. 5-12) and NOV Exhibits 6, 8, 9, 11, and 12.

Summary of WAYS' Response to NOV:

WAYS states, "There has never been any fraud, misappropriation, theft or any misuse of public monies at WAYS." (NIR Exhibit B, p. 42) WAYS further contends that "FCMAT did ***not*** actually make ***any*** factual finding of any wrongdoing by WAYS in its report" and that the school never received evidence from LACOE or FCMAT to substantiate the claims in the FCMAT Audit. WAYS concludes that there are no grounds for revocation. (NIR Exhibit B, p. 43) WAYS attached Exhibit 16 in response.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS failed to refute or remedy the finding that the Charter School failed to follow generally accepted accounting principles, or engaged in fiscal mismanagement.

The NOV was issued based on substantial evidence that WAYS failed to follow GAAP and, as a result, engaged in fiscal mismanagement. FCMAT's recommendation was that the "County Superintendent should notify the governing board of WAYS, LACOE's governing board, the State Controller, and the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriate of assets or other illegal activities may have occurred." (NOV Exhibit 6, p. 101; WAYS Exhibit 16)

WAYS' contention that the FCMAT Audit has no findings is erroneous. The FCMAT Audit provides multiple findings, examples and source document citations that provide substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement. (NOV Exhibit 6; WAYS Exhibit 16) WAYS' response does not refute this or provide a remedy.

WAYS does not provide evidence to refute FCMAT's conclusion that WAYS' failure "to establish adequate internal controls…coupled with the lack of accountability to the governing board created an environment for fraud and misappropriation to occur" (NOV Exhibit 6, p. 66) or FCMAT's conclusion that "fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred." (NOV Exhibit 6, p. 100)

WAYS' contention that there is no ground for revocation is erroneous. WAYS does not dispute that it failed to follow GAAP; therefore, that finding stands. The NOV provides substantial evidence of WAYS' failure to follow GAAP, which in itself is fiscal mismanagement. Pursuant to EC § 41010, "The accounting system used to record the financial affairs of any school district shall be in accordance with the definitions, instructions, and procedures published in the California School Accounting Manual ("CSAM") as approved by the State Board of Education and furnished by the Superintendent of Public Instruction." CSAM states, "Governmental Accounting Standards Board ("GASB") is the standard-setting body for accounting and financial reporting by state and local governments, including local educational agencies. ("LEA") GASB establishes Generally Accepted Accounting Principles ("GAAP") for governments in its authoritative statements, interpretations, and technical bulletins."

GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction, generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements. State and local government financial statements and accounting records should be prepared in conformance with GASB principles. Material departures from these principles will result in misleading information, inaccurate

financial statements, and quite often fiscal mismanagement. Therefore, pursuant to EC § 47607(c)(1)(C), there are grounds for revocation.

WAYS' statement that it did not receive evidence supporting FCMAT's findings is false. WAYS requested FCMAT's evidence from LACOE and received the documents on June 19 and 23, 2014. (NIR Exhibit C) In fact, WAYS included evidence it received in its Exhibits 1-74 proving that it did receive the evidence. In its response, WAYS admits that it received this evidence by stating that it has reviewed all evidence including documents from FCMAT and LACOE. (NIR Exhibit B, p.1) Additionally, some findings in the FCMAT Audit were actually based on WAYS' failure to provide necessary documents. (e.g., packing slips to verify receipt of purchases from OSE, evidence of competitive bids, van lease agreements)

The NOV provided substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement based on three specific findings: WAYS: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law. Each of these findings is addressed in turn.

1. WAYS Lacks Effective Internal Controls

Summary of NOV:

WAYS lacks effective internal controls based on evidence contained in the FCMAT Audit, the 2012 Independent Audit, and the 2013 Independent Audit.[1] These reports identified the following specific issues that demonstrate a lack of effective internal controls:

- Failure to implement or monitor adopted financial policies and procedures. (NOV Exhibit 6)
- WAYS' administrators' failure to provide requested documents to the Board and obtain authorization and signatures prior to entering into contracts and cancellation of Board meetings. (NOV Exhibit 6)
- The integral relationship between appointed board members and related family members and business associates that created an environment that allowed and continues to allow access, opportunity, and motivation for occupational fraud to occur. (NOV Exhibit 6)
- Failure to correct findings from the 2011, 2012, and 2013 Independent Audits including those identified over multiple years and some identified as still not having been cured. (NOV Exhibits 6, 9)
- Multiple reconciliation issues (bank to book balances, general ledger balance to accounts receivable subsidiary ledger balances, payroll) due to inadequate written policies and procedures and lack of oversight resulting in materially misstated financial statements. (NOV Exhibits 8, 9)

[1] The 2013 Independent Audit was issued on three separate dates: January 15, 2014 (NOV Exhibit 9), January 29, 2014 (WAYS Exhibit 32), and June 27, 2014. (NIR Exhibit D) The June 27, 2014 report contains additional information regarding capital assets, related party transactions and subsequent events documenting WAYS' failure to obtain governing board approval for three financial transactions. This version is cited as the "revised 2013 Independent Audit issued June 27, 2014."

- Improper recording of transactions without complete supporting documentation (checks, credit cards, payroll) due to inadequate written policies and procedures and proper oversight. (NOV Exhibits 8, 9)

- Lack of a written asset capitalization policy to ensure that fixed assets are properly capitalized and classified in the financial records. (NOV Exhibits 8, 9)

- WAYS did not separately track expenditures for federal programs and does not have procedures for doing so, which results in an inability to ensure that federal expenditures are accurately reported, meet program requirements, and are not used to supplant existing services. (NOV Exhibit 9)

Summary of WAYS' Response to NOV:

WAYS states it has implemented new policies and procedures, is recruiting new management personnel to strengthen its internal controls, and that its Board adopted new comprehensive Financial Policies and Procedures on April 30, 2014 in response to FCMAT and LACOE concerns. (NIR Exhibit B, p. 44)

WAYS asserts it has effectively cured any failure to adopt and implement adequate Fiscal Policies through the adoption of its new policies. (WAYS Exhibit 17)

WAYS disputes FCMAT's finding that its management team failed to obtain proper signatures and Board approval prior to entering contracts and states there is nothing in the law, its charter, or its updated Fiscal Policies that require Board approval for all contracts. It states that the Executive Director has the "authority to enter into most contracts and approve most purchases without prior Board approval." (NIR Exhibit B, p. 44) WAYS contends that under its previous Fiscal Policies, the Executive Director's responsibilities included overseeing purchases and contracts. (WAYS Exhibit 19)

Note: WAYS refutes concerns regarding related party transactions; the response is summarized under Section I(A)(2) (NIR p. 12) rather than in this section.

WAYS states the Board exercises its approval powers when it comes to major contracts and provides five examples of contracts as evidence. (WAYS Exhibits 21-25)

WAYS states its Board provided regular oversight of the school's financial position and activities using the recently adopted LCAP and samples of monthly financial reports presented to the Board by its back office provider as evidence. WAYS states the financial reports show the school is in a strong financial position and asserts this is a result of the Board's consistent monitoring of the school's financial affairs.

WAYS states its Board is considering two contracts with established "charter school support organizations" to "further solidify the new internal controls and management at WAYS." (NIR Exhibit B, p. 46) The Board has "considered a contract" with Celerity and recently approved a new back office provider, Charter School Management Company. WAYS states, "These partnerships will ensure that WAYS implements and maintains the new, rigorous internal controls recommended by LACOE and adopted by the WAYS Board on April 30, 2014."

WAYS attached Exhibits 3, 10, and 17 through 30.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute or remedy the finding that it lacks effective internal controls.

- Adequate internal control for contracts is not substantiated based on WAYS' own evidence. While WAYS argues that its Board did not need to approve all contracts under its 2006 Fiscal Policies because the Executive Director had the authority to "approve contracts," it also contends that the Board "did (and continues to) exercise it approval powers when it comes to major contracts." (NIR Exhibit B, p. 44) WAYS supports its position based on five contracts approved by its Board. (WAYS Exhibits 21-25)

  The five contracts submitted as evidence actually demonstrate a lack of adherence to the school's Fiscal Policies and failure to follow GAAP, thereby providing evidence of a lack of internal controls.

  There are significant internal control issues in the submitted contracts, including payment to Medina's Air Conditioning of more than twice the amount approved by the Board, staff execution of the Total Education Solutions contract prior to board approval, and payment to McGraw Hill without a detailed invoice. The chart summarizes how WAYS violated internal control standards and its own Fiscal Policies.

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
Major Contract/Purchase (over $25,000)	**Yes** Amount Paid: $72,801.09	**Yes** Amount Paid: $50,800	**Yes** Amount Paid $40,093.75	**Yes** Amount Paid $163,030.61	**No** $3,500 (Board approval required by Ed Code)
Evidence of Multiple Bids as Required	**No**	**No**	**No**	**No**	**No**
Evidence of 2 Signatures as Required	**No**	**No**	**No**	**No**	**N/A**
Evidence of Executed Contract or Detailed Invoice	**Yes** (WAYS Exhibit 21)	**Yes** (WAYS Exhibit 22)	**Yes** (WAYS Exhibit 23)	**No** Statement of Account; not detailed invoice (WAYS Exhibit 24)	**No** WAYS did not submit a copy of the contract, only a proposal for services (WAYS Exhibit 25)
Effective Date(s) of Contract	Aug. 14, 2012	August 3, 2012	Mar. 15, 2013 to June 30, 2015	Aug. 14, 2013 to Oct. 16, 2013	After June 30, 2014
Evidence of Board Approval Prior to Effective Date of Contract	**Yes** Approved July 31, 2012	**Yes** Approved July 31, 2012 However, work began prior to	**No** Approved Mar. 22, 2013	**No** Approved Feb. 27, 2014	**Yes** Approved Apr. 25, 2014

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
		approval (NIR p. 28)			
Executed Contract Complies with Board Approval	**Yes**	**No** Proposal submitted and approved by board was for **$21,200**	**No** The Executive Director executed the contract prior to Board approval to enter into the contract	**N/A** Not a Contract	**Cannot Determine** WAYS did not provide a copy of the contract
Evidence of Effective Internal Controls:	**No**	**No**	**No**	**No**	**Cannot Determine**

- WAYS further demonstrated lack of effective internal controls due to lack of adherence to its Fiscal Policies in its transactions with DeDe Dance Studio ("DDS") and OSE Business Services ("OSE")

  Financial dealings with DDS demonstrate a lack of internal controls. WAYS contends DDS was paid $4,000 a month (NIR Exhibit B, p. 51) therefore, competitive bids were not required. That statement is faulty for three reasons: (1) the 2006 Fiscal Policies in effect until January 31, 2013 (WAYS Exhibit 19, p. 10) required competitive bids for all amounts in excess of $2,999; (2) the annual amount paid to DDS from 2011 to 2014 was at least $28,000; therefore, WAYS' Fiscal Policies actually required a formal competitive bid process; and (3) WAYS failed to provide any evidence of a formal contract, purchase order, or other agreement to substantiate payments made to DDS. (NIR Exhibit E)

  Financial dealings with OSE demonstrate a lack of internal controls. WAYS failed to adhere to its Fiscal Policies in its dealings with OSE. WAYS' response to the NOV regarding related party transactions states "the OSE contract also did *not* violate the school's adopted Fiscal Policies in place at the time." (NIR Exhibit B, p. 50) Contrary to that statement, transactions with OSE did violate those Fiscal Policies (WAYS Exhibit 19) as follows:

  (1) The Director of Operations was not authorized to approve purchases or initiate check requests. The Fiscal Policies state all "purchases" and "check requests" must be approved by the School Director. (WAYS Exhibit 19 p. WAYS 000211; WAYS 000216) Twenty (20) of the 21 check requests for OSE were only signed by the Director of Operations (NIR Exhibit F) in violation of Policy #3 and Policy #5.

  (2) All transactions in excess of $2,999 required a competitive bid process. (WAYS Exhibit 19, p. WAYS 000211) Of the 19 invoices from OSE (WAYS Exhibit 41) 17 were in excess of $2,999 including three that were in excess of $10,000; those required a formal competitive bid process per WAYS' Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000214)

(3) WAYS failed to provide evidence of purchase orders, a contractual agreement for services, or packing slips to verify receipt of goods in its transactions with OSE as required by its Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000212 and 000214)

- WAYS proposes to remedy its internal control weakness through its April 30, 2014 Financial Policies and Procedures Handbook. ("Handbook") This proposed remedy fails for the following reasons:

  There is no evidence Handbook policies and procedures have been implemented. The existence of policies and procedures does not guarantee implementation. WAYS has had Fiscal Policies in place since 2006; however, as documented in the FCMAT Audit and Independent Audits, as well as through the evidence provided above, WAYS has not consistently followed its own policies and procedures.

  The evidence demonstrates that WAYS has not followed its April 30, 2014 Financial Policies and Procedures. The independent contractor consulting agreement (NIR Exhibit G) with the former Director of Operations violates Policy #4 (WAYS Exhibit 17, p. WAYS 000175) because it fails to state the deliverables, contains no description of services, time frame or timeline of payments and reimbursements.

  Therefore, there is evidence that WAYS continues to violate its own Fiscal Policies.

  The Handbook does not provide adequate separation of duties to provide necessary checks and balances. The May 20, 2014 charter (NIR Exhibit H) combines duties under the Director of Operations that were previously separated into two (2) positions; combining the positions results in a lack of necessary checks and balances.

  The Handbook contains multiple contradictions, errors, and unclear statements that fail to remedy internal control inadequacies. For example, employee positions identified in the Handbook are not aligned to those in the charter, which results in a conflict between the documents. The Handbook identifies Executive Director and Director of Operations responsibilities that are different from those in the charter. The position of Financial Consultant identified in the Handbook does not exist in the charter, and the Handbook references "budget managers" that are not defined in either document. Additional inadequacies include, but are not limited to, those stated in the chart:

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #1 Budget Preparation and Implementation	• Annual budget requires Executive Director's Finance Committee, but does not provide a method to document committee process and review procedures. • The Handbook assigns specific job duties to a "Financial Consultant." This position does not exist in the May 20, 2014 Charter or in the school's organization chart. Until positions in the Handbook are aligned to those in the charter, and there is a clear separation of duties by position, there is an inherent flaw in the school's internal controls.

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #2 Timesheet and Payroll	• Conflict in Roles/Responsibilities: Paragraph 1 states Executive Director approves timesheets; however, Procedure #4 states Director of Operations approves timesheets. • Policy does not clearly indicate who signs payroll checks. • Lacks requirement to record criminal background check results legally necessary to complete hiring process.
Policy #3 Purchases and other Procurement (Item 2 and 9)	• As written, purchase orders are being discarded after invoice is processed; this practice does not support proper documentation of purchases. • As written, the policy does not adequately remedy concerns regarding federal program expenditures because it lacks a cost allocation plan or object code identification process.
Policy #4 Contracting (Item 1)	The statement, "All Contracts exceeding $25,000 should be signed and approved by the board" is inadequate because Board approval is discretionary not mandatory and does not specify approval must be in advance of execution
Policy #5 Check Request (Item 5)	The requirement that checks "in excess of $10,000 for non-recurring items require two signatures by authorized check signers" is insufficient because the Handbook does not identify who the second signer is.
Policy #7 Corporate Credit Cards (Item 12)	The statement refers to "the responsible budget manager" but the Handbook does not identify these individuals.
Policy #10 Cash Receipts and Deposit	The statement, "All program and other pass through payments will be paid to the Administrative Assistant" is incorrect; payments should be made to the school, not a specific individual.

- WAYS fails to fully remedy findings in the 2012 Independent Audit.

  - Upon review of evidence provided by WAYS and the year ending June 30, 2012 Schedule of Findings and Questioned Costs (NOV Exhibit 8), the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2011-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit reports Audit finding 2011-2 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Account receivable reconciliations: Although WAYS failed to refute Audit Finding 2011-3, the 2012 Independent Audit states WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 00098)

    Recording transactions without complete supporting documentation: Although WAYS failed to refute Audit Finding 2011-4, the 2012 Independent Audit reports WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 000599)

    Payroll expense reconciliation: WAYS failed to remedy Audit Finding 2011-2. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, WAYS fails to address payroll expense reconciliations, and the 2013

Independent Audit states management failed to implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAYS 000650)

Written asset capitalization: WAYS proposes remedy to Audit Finding 2011-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However WAYS fails to provide evidence that Policy #13 has been implemented; therefore, the remedy cannot be substantiated.

- WAYS fails to fully remedy findings in the 2013 Independent Audit.
  - Upon review of evidence provided by WAYS and the year ending June 30, 2013 Schedule of Prior Year Audit Findings (WAYS Exhibit 32, p. WAYS 000650) the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2013-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit states finding 2011-1 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Payroll expense reconciliation: WAYS fails to address and therefore fails to remedy Audit Finding 2013-2. WAYS proposes remedy through the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address payroll expense reconciliations. The 2013 Independent Audit states management did not implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAY 000650)

    Year-end accruals and closing process: WAYS proposes remedy to Audit Finding 2013-3 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses account reconciliation. However, WAYS fails to provide evidence that Policy #09 has been implemented by management; therefore, remedy cannot be substantiated.

    Payroll documentation: WAYS proposes remedy to Audit Finding 2013-4 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses time sheet and payroll. However, WAYS fails to provide evidence that Policy #02 has been implemented by management; therefore, the remedy cannot be substantiated.

    Capital assets: WAYS proposes remedy to Audit Finding 2013-5 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However, WAYS fails to provide evidence that Policy #13 has been implemented by management; therefore, remedy cannot be substantiated.

    Credit card supporting documentation: WAYS proposes remedy to Audit Finding 2013-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses corporate credit cards. However, WAYS fails to provide evidence that Policy #07 has been implemented by management; therefore, remedy cannot be substantiated.

    Beginning net assets: WAYS fails to address Audit Finding 2013-7; however, the 2013 Independent Audit states WAYS remedied that Audit Finding. (NIR Exhibit D, p. 124)

Federal award findings: WAYS fails to address and therefore fails to remedy Audit Finding 2013-9 regarding Federal award audit findings stated in the revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 126)

- The revised 2013 Independent Audit issued June 27, 2014 provides additional evidence of lack of internal controls (NIR Exhibit D, p. 101) beyond those stated in the NOV, which was issued prior to the revised Audit report. Under subsequent events, the auditor expanded the findings to note the lack of Board approval on three financial transactions:

  Lease agreement with OCI Development Corporation: "In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Lease agreement with Salvation Army: "In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Vehicle Sale [Lexus]: "In December 2013 the Academy sold a vehicle for $26,000. Concurrent with the sale of the vehicle was a payoff of the lease agreement associated with the vehicle. The payoff of the lease agreement and the sale of the vehicle, as of the date of this audit report, **has not been approved by the governing board**. The items were tabled to be reviewed and voted on at a later date." (emphasis added)

- WAYS fails to provide substantial evidence that its Board provides adequate fiscal oversight. WAYS contends the Board provides regular oversight of the school's financial position and activities because its back office provider reports to the Board at most meetings and the school has a positive financial position.

  LACOE's position is that the Board's level of and process for oversight is insufficient based on substantial evidence that the school lacks effective internal controls. The NOV provided specific examples of how the Board failed to adequately oversee the use of the public funds. Examples include the purchase of a Lexus, failure to approve major contracts prior to staff execution, and failure to know that staff has not implemented directives given by the Board, including overpayments and payments made without supporting documentation.

  WAYS' own evidence (WAYS Exhibit 62) provides a clear example of the Board's lack of adequate oversight. The final 2013-14 budget submitted to LACOE by the Director of Operations does not reflect the Board's directive to staff to restore line item 5890 to $10,000. Review of WAYS' financial reports submitted to LACOE from July 1, 2013 to June 30, 2014, corroborates WAYS' failure to follow the directives of the Board. (NIR Exhibit I)

2. WAYS Engaged in Related Party Transactions and Violated Conflict of Interest Statutes.

Summary of NOV:

WAYS engaged in related party transactions and violated conflict of interest statutes based on transactions involving the Founder/Former Executive Director and transactions involving the Director of Operations.

Transactions involving Founder/Former Executive Director were supported by substantial evidence of a lease agreement between the Founder/Former Executive Director that existed at the time of charter non-renewal by LAUSD and continued during the appeal period to the County Board, a settlement agreement between the WAYS Board and the Founder/Former Executive Director for alleged unused vacation time and time-off without proper documentation (NOV Exhibit 6, p. 76), and settlement of a wrongful termination lawsuit brought by a former teacher for actions that show the Founder/Former Executive Director "*traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for the purposes of making the brother-in-law a United States citizen.*" (NOV Exhibit 6, p. 77; NOV Exhibit 10)

Transactions involving the Director of Operations were supported by substantial evidence that he authorized transactions that did not *"represent an arm's-length transaction*" (NOV Exhibit 6, p. 92) including procurement and purchases with OSE (NOV Exhibit 6, p. 80), payments to DeDe Dance Studio, and transactions with two relatives who leased a van to WAYS. (NOV Exhibit 6, p. 92)

FCMAT concluded, "Failure to disclose related party transaction may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution." (NOV Exhibit 6, p. 91)

The NOV provided substantial evidence in support of this finding through examples, citations from source documents, and NOV Exhibits 6 and 10.

Summary of WAYS' Response to NOV:

WAYS states there is no conflict of interest at WAYS as defined by Government Code section 1090, the Political Reform Act, and the California Corporations Code, and alleges any past conflicts of interest have been cured.

WAYS responds to specific incidents of related party transactions presented in the NOV as follows:

<u>Transactions involving the Founder/Former Executive Director</u>: WAYS states the Founder/Former Executive Director is no longer employed by WAYS and does not sit on the WAYS Board; therefore, any conflict of interest related to leasing the 706 E. Manchester site is resolved. To cure any appearance of a conflict of interest, WAYS formed an LLC to purchase the property and is "currently in escrow." (NIR Exhibit B, p. 48)

WAYS states LACOE did not provide evidence to substantiate the allegation that the settlement agreement with the Founder/Former Executive Director created a conflict of interest. It further states that WAYS terminated the Founder/Former Executive Director under LACOE's direction and received a claim from her after this occurred. WAYS asserts it paid out $228,665.38 to the

Founder/Former Executive Director at the advice of its insurer and legal counsel after receiving a demand letter for $480,000. WAYS states negotiations surrounding the settlement are protected by attorney-client privilege.

Transactions involving the Director of Operations: WAYS states the contract with OSE was not a conflict of interest and was consistent with the Charter School's Fiscal Policies. It contends the business relationship was not a conflict of interest because the owner of OSE is a "distant cousin," the Director of Operations was unaware of this familial relationship until informed by LACOE, and that the July 18, 2014 letter from the Fair Political Practices Commission ("FPPC") to the Director of Operations states "there are no conflicts of interest related to" the Director of Operations. (NIR Exhibit B, p. 49)

The response further states that under the Political Reform Act, a conflict of interest exists when a "public official makes, participates in, or influences a governmental decision in which he has a personal financial interest" and that the Director of Operations was not the public official that made the decision to purchase from OSE. WAYS asserts that the decision was made by the Executive Director.

WAYS asserts transactions with OSE were not a violation of WAYS' Fiscal Policies that were in place at the time. It states those policies did not require competitive bidding as purchases were not in excess of $10,000 and that due to an increase in enrollment and addition of a satellite location, a purchase order was not needed because an "emergency situation" exception was applicable.

WAYS states that OSE is a legitimate business that provided actual supplies and services to the school. However, the WAYS Board "terminated the school's contract with OSE" when it learned that OSE failed to comply with FCMAT's investigation.

Payments to DeDe Dance Studio: WAYS states there are no facts or evidence to substantiate the NOV finding that the contract between WAYS and DeDe Dance Studio (DDS) presents a conflict of interest. It asserts that the owner of DDS (who is the sister of the Director of Operations and is currently WAYS' Vice Principal) was never paid by DDS. The response states DDS was paid approximately $4,000 per month. Thus, the contract falls "below the threshold for a competitive bidding process." Also, the Executive Director, not the Director of Operations, selected DDS as the ASES service provider. WAYS asserts these procedures were in accordance with the Fiscal Policies in place at the time. (NIR Exhibit B, p. 51)

WAYS states the reason FCMAT did not observe students at DDS during its fieldwork was because the school cancelled the dance classes to accommodate the FCMAT team.

WAYS reports that in 2010, LAUSD investigated whether or not the contract with DDS created a conflict of interest. The school states that LAUSD "*concluded it did not*." (NIR Exhibit B, p. 52)

Additional Related Party Transactions: WAYS states the transactions involving the WAYS' Director of Operations and E. Enwezor are not a conflict of interest because the two are "distant cousins." WAYS also states the NOV's claim that WAYS failed to obtain a signed contract to lease the van is false. WAYS claims that its Board is not required to approve the contract because of its low dollar value. WAYS alleges that under the Fiscal Policies in place at the time,

both the Executive Director and Director of Operations had authority to enter into certain small contracts with vendors and other parties on WAYS' behalf. (NIR Exhibit B, p. 52)

Note: WAYS' response pertaining to the van was made under the NOV finding that WAYS lacks internal controls. LACOE has placed it here because it properly addresses related party transaction concerns.

WAYS states there is no conflict of interest relating to the Founder/Former Executive Director and her two (2) adult children who are employed at WAYS as the Director of Operations (currently an independent contractor) and Vice Principal. The response states these individuals are not dependents of the Founder/Former Executive Director and have not had "any actual conflict of interest in any of the school's transactions." (NIR Exhibit B, p. 45)

WAYS states the FPPC recently closed an investigation regarding the former Director of Operations citing insufficient evidence of a conflict of interest. (WAYS Exhibit 10) However, the school is in the process of replacing the Director of Operations to avoid any appearance of conflict of interest. The response also states the Charter School is in the process of selecting a replacement for the current Executive Director.

WAYS attached Exhibits 3, 7, 9, 10, 16, 17, 19, 29, and 33 through 46.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully remedy conflict of interest and related party transaction concerns. While two conflict of interest concerns were resolved, remaining concerns have not been fully remedied.

- WAYS partially remedied conflicts of interests involving the Founder/Former Executive Director.
    - WAYS remedied the conflict of interest related to leasing the Founder/Former Executive Director's property to WAYS when her employment with WAYS was terminated. The NOV provided an historical accounting of the conflict of interest.
    - However, WAYS' statement that "…to cure the *appearance* of a current conflict of interest related to the lease…the WAYS board decided to pursue purchase [of] the school site owned by [Founder/Former Executive Director], thereby removing her from any transaction." (NIR Exhibit B, p. 48) The statement is faulty for the following reasons:

      (1) The Board only pursued purchase of 706 E. Manchester Avenue site but not the 8778 South Central Avenue site also owned by the Founder/Former Executive Director, which is being leased by WAYS. (WAYS Exhibit 27; NIR Exhibit J)

      (2) While WAYS Board pursued the purchase of the Manchester Avenue site, the sale has not been executed and the school still leases this property owned by the Founder/Former Executive Director. (NIR Exhibit K)

      The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) provides further evidence that WAYS engaged in related party transactions with respect

to facilities. The audit states, "The Academy leases two school sites from a revocable trust, OCI Development Corporation, which is owned by the former executive director. For the year ended June 30, 2013 the Academy paid OCI Development Corporation $216,986 for use of facilities. In addition, the Academy paid $59,600 for leasehold improvements associated with these buildings in the year ended June 30, 2013."

(3) The purchase of the property is in fact a transaction from which the Founder/Former Executive Director would materially benefit.

- Additionally, LACOE has reviewed the proposed lease agreement between 706 East Manchester, LLC and the Merle Williamson Foundation and has serious concerns about the terms of the agreement should the lease agreement be executed. The concerns center on the prepayment amount of $507,000 which is excessive. (NIR Exhibit L)

- WAYS fails to remedy the related party transaction concern brought about by the employment settlement between WAYS and the Founder/Former Executive Director. This issue is addressed below (NIR p. 31-32) under **II: WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter**.

- WAYS does not dispute and therefore fails to remedy the related party transaction and conflict of interest issues presented in the NOV regarding the Founder/Former Executive Director and the wrongful termination lawsuit brought against WAYS and the Founder/Former Executive Director by a former teacher who accompanied the Founder/Former Executive Director to Nigeria. (NOV Exhibit 6, 10)

- WAYS partially remedies conflict of interest and related party transaction concerns involving the Director of Operations.

  - Related party transactions with the owner of OSE: WAYS fails to substantiate its claim that previous transactions with OSE were not related party transactions for the following reasons: (1) the Director of Operations' claim that he was not aware he was related to the owner of OSE until "he was informed by LACOE staff" is contradicted by public records that show both individuals shared a common address in 2011(NIR Exhibit M); (2) the claim the two are **"**distant cousins" is contradicted by an obituary notice (NOV Exhibit 11) posted at WAYS, which shows they are first cousins, having the same maternal grandmother; (3) the Director of Operations was responsible for processing employee hiring, and since the mother of the OSE owner was employed by the WAYS, the familial relationship would have been apparent (NIR Exhibit N); and (4) contrary to WAYS' claim that transactions with OSE did not violate the school's Fiscal Policies, substantial evidence exists to the contrary as discussed under WAYS lacks effective internal controls, above. (NIR p. 9-10) As stated previously, 20 of the 21 check requests to OSE were signed only by the Director of Operations providing further evidence of failure to maintain an "arm's-length" between the related party transactions. (NIR Exhibit F)

    The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100**)** corroborates the finding that WAYS engaged in related party transactions. It states, "The Academy purchases books and supplies from the vendor OSE Business Services. The owner of OSE Business services is related to the former executive director, director of

operations, and vice principal. The Academy paid $101,338 to OSE Business Services for materials and supplies during the year ended June 30, 2013."

WAYS proposes remedy through two actions: (1) they will not enter into future transactions with OSE (WAYS Exhibit 43) and (2) the Director of Operations will no longer be employed by WAYS. The proposed remedy to no longer use the services of OSE offers a viable remedy. However, since the Director of Operations is still being paid by WAYS through an independent contractor agreement**,** (NIR Exhibit G) there is no evidence that remedy has been implemented or that replacing the Director of Operations will be permanent.

- Related party transactions involving the Founder of DDS/WAYS Vice Principal: WAYS addresses the wrong concern in its response. It addresses the concern as a conflict of interest, while the NOV (NIR Exhibit A, p. 11) cites the FCMAT audit and addresses the concern as a related party transaction. LACOE agrees there is no conflict of interest.

  WAYS fails to refute and therefore fails to remedy the related party transaction concerns between the Director of Operations and the Founder of DDS, who is his sister.

  The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) corroborates the related party transaction. It states, "The vice principal [the sister of the Director of Operations] is the founder and executive director of a dance studio which the Academy has had a history of doing business with for the ASES program. For the year ended June 30, 2013 the Academy paid $24,000 to the studio for services provided in the ASES program."

  The evidence shows the Director of Operations approved six check requests authorizing payment to DDS for after-school services at $4,000 per month, providing evidence of failure to maintain an "arm's-length" between the related party (brother-sister) transactions. (NIR Exhibit O)

  While WAYS asserts the Executive Director, not the Director of Operations chose DDS to provide ASES services, (NIR Exhibit B, p. 51) WAYS did not provide evidence to support its assertion; therefore, there is no remedy and the finding stands.

  WAYS' statement that the transaction with DDS was in accordance with its Fiscal Policies in place at the time was previously disputed under "Financial Dealings with DDS Demonstrate a Lack of Internal Controls." (NIR p. 9)

  Additionally, there is evidence of other related party transactions between the Director of Operations and his sister through her role as WAYS Vice Principal. The Director of Operations approved reimbursements to his sister in the amount of $320, providing evidence of failure to maintain an "arm's-length" in transactions between the related parties. (NIR Exhibit P)

- Related party transactions involving the Director of Operations' cousin and father pertaining to the lease and donation of a van: WAYS fails to remedy related party transaction concerns involving the Director of Operations pertaining to the lease of a van from two family members: his cousin (E. Enwezor) and his father.

In its response to the FCMAT Audit (NIR Exhibit Q, p. 571 and 578) WAYS stated it made payments of $4,800 each to the Director of Operations' cousin and father. His father received payment in 2010-11 when the Director of Operations' mother was the Charter School's Executive Director (another conflict of interest and related party transaction) and his cousin received payment in 2011-12. WAYS fails to refute and therefore fails to remedy the related party transaction between the Director of Operations and his father.

While WAYS states E. Enwezor is a distant cousin to the Director of Operations, public records (NIR Exhibit R) and the obituary notice (NOV Exhibit 11) establish they are first cousins; therefore, the related party transaction concerns are not remedied.

Additionally, while WAYS states both the Executive Director and Director of Operations had the authority to enter into the lease with E. Enwezor because it was a low value contract, the 2006 Fiscal Policies in place at the time makes no mention of a Director of Operations; therefore, WAYS cannot claim that the Director of Operations had such authority. (WAYS Exhibit 19)

While WAYS claims the van was donated to the Charter School, the California Certificate of Title issued March 21, 2014, approximately two years after the donation was made, identifies the registered owners as Jason Okonkwo (Director of Operations) and the Merle Williamson Foundation. (WAYS Exhibit 45) A review of WAYS Board Meeting Agendas since 2012 provides no evidence the Board accepted the donation of the van and the 2012 Independent Audit (WAYS Exhibit 31, p. WAYS 000577) fails to identify the donation. The joint ownership of the vehicle presents a financial conflict of interest between the Foundation and the Director of Operations and calls into question which party can materially benefit.

- WAYS partially remedies conflict of interest concerns involving the Director of Operations through the letter from the FPPC. Conflicts of interest related to the lease of the properties owned by the Founder/Former Executive Director (his mother) are remedied; however, the letter does not specify that any other conflict of interest has been resolved. (WAYS Exhibit 10)

- WAYS partially remedies violations related to conflict of interest and related party transactions through the adoption of its new Financial Policies and Procedures Handbook, which now includes a Conflict of Interest statement. (Policy 16) (WAYS Exhibit 17) However, adoption of policies and procedures does not ensure they will be followed.

3. WAYS Violated Provisions of Law.

Summary of NOV:

WAYS violated provisions of law based on evidence that the school failed to submit its 2012 and 2013 Independent Audits to the State Controller's Office, CDE, and LACOE by the December 15 deadline specified in EC § 47605(m) and failed to comply with EC § 8483(a)(2) pertaining to time reporting and EC § 8483.9(a) pertaining to allowable indirect rates charged in administering the After School Education and Safety (ASES) Program.

The NOV provided substantial evidence in support of this finding through examples, citations from source documents including legal references, and NOV Exhibits 8 and 9.

Summary of WAYS' Response to NOV:

WAYS states the finding that its Independent Audits were submitted past the legal deadline is inaccurate because the Charter School requested and received extensions for late submission. WAYS submitted its 2012 Independent Audit on December 31, 2012 and its 2013 Independent Audit on January 15, 2014.

WAYS states that the two issues regarding ASES program compliance (excessive indirect cost rate and failure to document sign-out times of students) were remedied "as soon as the Auditor notified [the school]." (NIR Exhibit B, p. 53)

WAYS submitted Exhibits 31, 32, 47, and 72.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute, remedy, or propose remedy to the substantial evidence provided in the NOV that WAYS violated provisions of law.

- WAYS failed to follow the correct filing extension protocol established by the State Controller's Office ("SCO") in submitting its 2012 Audit. Contrary to WAYS' response that LACOE approved an extension for submitting the 2012 Audit, the school attempted to obtain an extension directly from the SCO and informed LACOE that it had received that extension on December 27, 2012, ten (10) days after the due date. (WAYS Exhibit 72) The SCO does not accept extension requests from charter schools. (NIR Exhibit S) WAYS was notified of its failure to comply with statutory submission timelines (NIR Exhibit DD) and did not respond to the notice.

  WAYS did follow the proper extension procedure for submitting its 2013 Audit. WAYS did not propose a remedy to ensure that future submissions will comply with statutory deadlines.

- WAYS states they cured the violation regarding the ASES program as soon as they were notified by the Auditor. However, WAYS provides no evidence to support the assertion. Therefore, the finding stands.

- Additionally, the NOV (NIR Exhibit A, p. 9) and FCMAT Audit (NOV Exhibit 6, p. 81) state WAYS failed to issue a Form 1099 or W-9 to OSE as required by law. WAYS refutes the statement in the NOV that FCMAT's team could not confirm that OSE is a legitimate business as "ridiculous" (NIR Exhibit B, p. 51), yet provides no evidence to substantiate the legitimacy of OSE and WAYS does not refute that it failed to issue these required tax documents. (NIR Exhibit T) Therefore, WAYS fails to remedy and the finding stands.

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter.

A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.

Summary of NOV:

The WAYS Board committed material violations of Charter Element 4 (Governance), which establishes the Board's responsibilities to provide overall oversight of the school. By not providing general oversight and failing to monitor and evaluate the performance of the Executive Director and Director of Operations, the WAYS Board failed to ensure that these administrators fulfilled their job duties, complied with GAAP, and did not engage in and/or allow fiscal mismanagement to occur. The Board's failure to comply with Element 4, its bylaws and policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement under **I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement.**

Summary of WAYS' Response to NOV:

WAYS questions which version of the school's charter is used to support the NOV, acknowledges there has been turnover on the WAYS Board, and that governance is a concern of the County Board. The response (NIR Exhibit B, p. 53-54) states that in an effort to remedy governance concerns, "the school's board is considering a contract with Celerity that specifically includes board support and services" and that "the WAYS board has also implemented practices to improve the board's effectiveness" by having the "Executive Director, the Director of Operations, and a representative from the school's back office services provider all give extensive status reports at every board meeting…"

WAYS attached Exhibits 27, 48, and 49.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Governing Board failed to exercise fiscal and institutional control.

- The NOV clearly states (NIR Exhibit A, p. 5) that the charter petition referenced is dated December 18, 2012. LACOE and WAYS recently agreed that the May 20, 2014 charter is the operative charter document. All references to the WAYS authorized charter in the NIR refers to the version dated May 20, 2014 (NIR Exhibit H) unless otherwise specified.

- WAYS proposes remedy through its Board's consideration of a contract with Celerity Global Development. (Celerity) This remedy is inadequate for three reasons: (1) "considering a contract" is not a remedy; (2) WAYS failed to provide an executed contract with Celerity; and (3) WAYS fails to explain the services to be provided or how these services will reduce Board turnover and ensure Board "stability."

- WAYS' contention that its Board exercises fiscal and institutional control because the Executive Director, Director of Operations, and a representative of the school's back officer provider "all give extensive status reports at every board meeting" is without merit due to lack of evidence. WAYS' evidence (WAYS Exhibit 27) shows that during school year 2013-14, the WAYS Executive Director, Director of Operations, and a representative of the school's back office provider did <u>not</u> "all give extensive status reports at every board meeting." Specifically, WAYS' evidence shows:

- WAYS fails to provide evidence that the Executive Director and the Director of Operations gave reports at the July 26, 2013, August 29, 2013, and April 3, 2014 Board Meetings.

- WAYS fails to provide evidence that the Executive Director, the Director of Operations, and the back office provider gave reports at the September 26, 2013, October 24, 2013, January 20, 2014, and March 13, 2014 Board Meetings.

- WAYS fails to provide Meeting Minutes for the April 25, 2014, April 30, 2014, May 20, 2014, June 12, 2014, July 9, 2014, and July 30, 2014 Board Meetings. Therefore, WAYS fails to provide evidence that reports were provided by the Executive Director, Director of Operations, and/or a representative of the school's back office provider at those meetings.

- WAYS' evidence (WAYS Exhibit 48) also fails to demonstrate that it's Executive Director, Director of Operations, and a representative of the school's back office provider "all give extensive status reports at every board meeting" because Exhibit 48 only consists of five reports. Four of the reports are dated February 27, 2013; however, the topics covered in these reports were not on the February 28, 2013 Board Meeting Agenda. One report was dated August 10, 2011.

- WAYS' evidence (WAYS Exhibit 49) is nonresponsive to the NOV because it contains samples of Principal and Vice Principal Reports, but does not contain Executive Director, Director of Operations, and back office provider reports.

B. WAYS Board Violated Charter Element 4: Governance

Summary of NOV:

Element 4 of the Charter provides the governance structure of the school and defines the Board's responsibility and authority with regard to its oversight. The NOV provided substantial evidence that:

1. The WAYS Board failed to provide adequate fiscal oversight based on evidence that
   a. It did not establish a Finance Committee as required by the charter
   b. It did not develop adequate Fiscal Policies
   c. It relinquished its authority to approve contracts
   d. It did not provide adequate oversight in the development of the school budget
   e. It improperly authorized the expenditure of school funds
2. It did not establish and/or approve policies prior to implementation
3. It did not hold monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings
4. It did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations

5. The Board President did not provide an annual report to the WAYS Board as stipulated in the charter

A summary of WAYS' response to the NOV and LACOE's Position on WAYS' Response is provided below organized by item number and/or letter in the order stated above.

1. The WAYS Board Failed to Provide Adequate Fiscal Oversight.

(a) WAYS Did Not Establish a Finance Committee

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 14) and NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS states the charter does not require the formation of a Finance Committee under Element 4, but acknowledges the reference in Elements 5 and 9. WAYS contends there is a Finance Committee, or "working group," made up of the "Executive Director, Director of Operations, and back office services provider." WAYS' response (NIR Exhibit B, p. 54) states that this group meets regularly to provide guidance and recommendations to the WAYS Board.

WAYS attached Exhibits 74 and 50.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

- WAYS fails to recognize that Element 4 of the charter incorporates Fiscal Policies by reference (NIR Exhibit, p. 327) and that prior Fiscal Policies required a Fiscal Committee composed of Board members:
  - Fiscal Policies dated 2006 clearly indicate the requirement for a Finance Committee of the Board on the first page of the document. (NOV Exhibit 12, p. 622)
  - Fiscal Policies dated January 31, 2013 state, "The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget **through the Finance Committee**…" (Emphasis added) (NIR Exhibit U, p. 609)
- WAYS admits that a Finance Committee is specified in charter Elements 9 and 5. Element 9 specifically calls for a "School Board Finance Committee." (NIR Exhibit H, p. 373) The April 30, 2014 Financial Policies and Procedures Handbook conflicts with the charter, which is the prevailing document. WAYS' contention that the school's charter does not require the

formation of a finance committee is contradicted by the language of the charter. Therefore, remedy through the Handbook fails.

- Even if a finance committee "working group" provided remedy, WAYS fails to provide evidence that such a "working group" of the "Executive Director, Director of Operations, and back office services provider" exists and functions. WAYS' evidence (WAYS Exhibit 74) consists solely of monthly financial statement narratives signed by the Director of Operations. There is no evidence of any other committee member or that the committee has met. Therefore, the proposed remedy fails.

- WAYS fails to explain how a finance "working group" composed of staff and contractors ensures adequate fiscal oversight of the charter school by the WAYS Board.

- WAYS' evidence (WAYS Exhibit 50) is non-responsive to the fact that the WAYS Board did not establish a Board Finance Committee; Exhibit 50 consists of budgets with no evidence of any type of finance committee review. Therefore, the remedy fails.

(b) The WAYS Board Did Not Develop Adequate Fiscal Policies

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 15-17 and NOV Exhibits 6, 8, and 13 through 16.

Summary of WAYS' Response to NOV:

WAYS states its Board adopted a comprehensive Financial Policies and Procedures Handbook provided by back officer service provider Bali Business Management on April 30, 2014. The Handbook's policies include payroll, purchases, contracts, and budget formation to address issues raised by LACOE staff, and the school has "plans to contract with Celerity" to help it "consistently and effectively implement these Fiscal Policies." (NIR Exhibit B, p. 55)

WAYS attached Exhibits 18 and 51.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

- WAYS fails to refute the statements made in the 2011 Independent Audit (NOV Exhibit 14), the 2012 Independent Audit (NOV Exhibit 8), and the 2013 Independent Audit (NOV Exhibit 9) identifying material weakness and/or significant deficiencies with WAYS' internal controls. Nor does WAYS refute the conclusion that the deficiencies were "systemic." Instead, WAYS focuses on adoption of the April 30, 2014 Financial Policies and Procedures

Handbook as remedy. These new Financial Policies and Procedures fail to remedy as described throughout this NIR.

- WAYS does not refute that it took its Board six months to adopt the Fiscal Policies revised by staff on July 31, 2012, or that the reason for the delay was due to cancelled meetings and the tabling of the action as evidenced by Board Meeting Agendas and Meeting Minutes (NOV Exhibit 13) in spite of the fact that its Independent Auditors and LACOE had informed WAYS of its internal control problems. Nor does WAYS refute that it took another year for WAYS' staff and back office provider to further revise, and the Board to approve, additional changes to the Financial Policies and Procedures Handbook. Therefore, WAYS fails to cure.

- The April 30, 2014 Handbook adopted by WAYS Board fails to adequately remedy the internal control problems identified in the NOV as explained previously (NIR p. 10-11) under **I. WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.** By its adoption of these Financial Policies and Procedures, the WAYS Board demonstrates its lack of understanding of effective fiscal practices, especially with regard to internal controls and the separation of duties necessary to provide effective internal controls.

- WAYS does not refute that LACOE requested revised Fiscal Policies, but states LACOE's evidence (NOV Exhibit 15) does not explicitly request Fiscal Policies. The communications provided in NOV Exhibit 15 document LACOE's attempts to meet and provide support regarding Financial Policies because WAYS had failed to provide LACOE with revised Financial Policies.

- WAYS asserts (NIR Exhibit B, p. 55) that "the school has plans to contract with Celerity" to help it "consistently and effectively implement" its April 30, 2014 Fiscal Policies and Procedures. However, WAYS did not provide an executed contract with Celerity; therefore the "plans" cannot be evaluated and LACOE is unable to determine whether such a contract, if executed, can help the school "consistently and effectively implement" its Financial Policies. Therefore, the proposed remedy fails.

(c) The WAYS Board Improperly Relinquished its Authority to Approve Contracts

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it relinquished its authority to approve contracts by not reserving the right to approve contracts in advance of their execution, reduced its authority in the 2011 bylaw revision, and was inconsistent in its oversight with respect to contract and purchase approval.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 17-19 and NOV Exhibits 13 and 17 through 25.

Summary of WAYS' Response to NOV:

WAYS claims the NOV states the Merle Williamson Foundation should not have amended its bylaws without LACOE staff's express approval. WAYS cites LACOE's staff report to the County Board (June 2011) as recommending the bylaws be amended. WAYS contends it can change its bylaws at the discretion of the Foundation's Board, as long as it is not prohibited by the charter.

WAYS indicates that its current bylaws (dated March 2011) explicitly state that "the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, *by or under the direction of the Board of Directors."* WAYS further states there is nothing in the California nonprofit corporation laws, the school's charter or its Fiscal Policies that would require the bylaws to state that WAYS Board approval is needed for all contracts.

WAYS states the school's charter specifically states it is the Executive Director's responsibility to "oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality."

WAYS also states the WAYS Board exercises its oversight powers and has been active in reviewing and approving the school's major contracts. (NIR Exhibit B, p. 55) It provides details regarding specific contracts referenced in the NOV:

Central Air and Heat System: WAYS states the Director of Operations' comments at the July 31, 2012 Board meeting were misquoted and that the Executive Director signed the contracts three days after the Board approved it. (WAYS Exhibit 22)

Salvation Army Facility Lease: WAYS states the original lease between WAYS and the Salvation Army was approved by the Board on August 10, 2011, and signed on August 25, 2011. (WAYS Exhibit 53) It further states contract renewal has come to the Board each year and contends the Executive Director has the authority to execute the lease. WAYS states that, at LACOE's request, the Board began approving the lease renewal before execution by ratifying the 2013-14 Salvation Army lease on February 3, 2014. (WAYS Exhibit 54) WAYS states the Board will approve the next renewal of the Salvation Army lease prior to execution.

Purchase and Sale of Vehicle: WAYS states "the NOV mischaracterizes the purchase and sale of a school vehicle" and further states the Board approved a written resolution authorizing "the Executive Director or his designee to enter into a lease or purchase agreement for a vehicle for school use." (NIR Exhibit B, p. 22) WAYS states the written, executed Board resolution (WAYS Exhibit 55) is evidence of the Board's action and that the audio recording of the actual action is "trumped" by this record.

Regarding the sale of the school vehicle, WAYS states that the Executive Director instructed the Director of Operations to research a fair sales price and the vehicle was sold. The sale was later ratified by the WAYS Board. (WAYS Exhibit 56) WAYS contends the vehicle was sold for a fair price based on the Director of Operations' research.

Contract for 2013 Independent Audit: WAYS states that the Executive Director informed the Board via email (WAYS Exhibit 57) that the school's former auditor had raised its prices. The response states that, as an effort to save the school money, the Executive Director accepted a proposal and informed the Board of his decision. WAYS states that the Board could have

preapproved the auditors' contract and will do so in the future. The WAYS Board ratified the auditor's contract on February 3, 2014. (WAYS Exhibit 58)

Employment Contracts for Executive Director and Director of Operations: WAYS states that while California law does not require charter school boards to approve all employment contracts, the WAYS Board approves the contract for the Executive Director. (WAYS Exhibit 59) WAYS states it is the Executive Director's job to supervise and evaluate the teachers and classified staff, not the Board's, (WAYS Exhibit 60) and that the Executive Director kept the WAYS Board informed about staff employment contracts through his regular reports to the Board. (WAYS Exhibit 61)

WAYS attached Exhibits 22 and 52 through 61.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board relinquished its authority to approve contracts. Through amendment of its bylaws, the WAYS Board has significantly diminished its authority regarding contracts. While some delegation of management duties is allowed, the Board is ultimately responsible for the activities and affairs of WAYS. California Corporations Code § 5210. This diminishing authority proves that the Board is not effectively managing the activities and affairs of WAYS. The Board is not properly discharging its duty to ensure that public dollars are appropriately spent.

The WAYS Board: (1) has not reserved the right to approve contracts prior to execution; (2) has diminished its authority regarding contracts through adoption of its 2011 bylaws; and (3) is inconsistent with respect to approving contracts and purchases.

- Contrary to WAYS' statement, the NOV does not claim the Merle Williamson Foundation should not have amended its bylaws without LACOE staff approval, rather the NOV provided an explanation to the County Board why it did not have the opportunity to consider WAYS' 2011 bylaws at the time of the Charter School's non-renewal appeal. LACOE agrees that WAYS may change its bylaws as long as the bylaws comply with the charter and applicable law. Changes made to the 2011 bylaws resulted in improper oversight by the WAYS Board.

- WAYS fails to refute that its 2002 bylaws assigned broader authority to the Board than its 2011 bylaws. WAYS states (NIR Exhibit B, p. 55) the 2011 bylaws give the Board the power to manage the corporation "by or under the direction of the Board of Directors." That does not provide a comparison in Board authority between the two sets of bylaws.

- WAYS' contention (NIR Exhibit B, p. 55) that the Executive Director has the responsibility to "Oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality" is not supported by evidence. This responsibility is not stated in the May 20, 2014 version of the charter (NIR Exhibit H) nor does the responsibility as stated give the Executive Director the authority to approve contracts. Therefore, WAYS' argument fails.

- WAYS' claim that the Board has been "active in reviewing and approving the school's major contracts" is not supported by evidence. The NOV presented six contracts as evidence;

WAYS' response confirms that four of them (Salvation Army lease, vehicle sale, Independent Auditor's contract, and Executive Director's contract) were ratified after execution by staff. Board ratification after a contract is executed by staff is not the same as Board review and approval prior to execution by staff.

Furthermore, WAYS' response regarding the 2013 Independent Audit contract is not supported by its evidence. (WAYS Exhibit 57) The response states the Executive Director informed the Board of the past year's auditor's increased price and gave the Board information regarding a less expensive option "to consider" and told the Board the item would be added to the October 24, 2013 Board Agenda. (WAYS Exhibit 57, p. WAYS 861) Based on the Minutes for the October 24, 2013 Board Meeting, (NOV Exhibit 13, p. 797-801) there is no evidence the item was presented to the Board for its consideration. WAYS proposes remedy by stating it will obtain Board approval prior to contracting with an auditor in the future.

WAYS' position on the other two contracts (air conditioning and vehicle purchase) is not accurate as follows:

Air conditioning contracts: WAYS contends the NOV misquotes the Director of Operation's statements at the July 31, 2012 Board Meeting with regard to work on the central heat and air systems. The transcript of the Board Meeting audio recording (NIR Exhibit V, p. 623) provides evidence the NOV does not misquote the Director of Operations' statement to the Board that an air condition construction project was already in progress at the school and that "we started early, before the approval." Therefore, the finding stands.

Vehicle (Lexus) purchase: WAYS fails to refute that the actual motion made by the Board Member at the July 31, 2013 Board Meeting was to "look into" the purchase or lease of a vehicle. WAYS contends the written Board Resolution trumps the actual action taken by the Board; LACOE disagrees. The written Board Resolution must accurately reflect the action moved, seconded and approved by the Board; WAYS failed to do this. The Board Resolution does not accurately reflect the Board's action, and is therefore, not valid. Therefore, the finding stands.

Vehicle (Lexus) sale: The Director of Operations sold the school vehicle without receiving prior Board approval. (NOV Exhibit 21 and 22) Not only did the Director of Operations sell the vehicle without the authority to do so, he did so at a financial loss as the vehicle was sold for $26,000, about $4,000 less than the loan pay off and less than the Kelly Blue Book value for that make/model vehicle with the mileage the Lexus had at the time of the sale. (NOV Exhibit 6, p. 96)

Additionally WAYS' staff did not comply with the Board President's directive regarding paying off the loan prior to the sale of the vehicle, necessary because the vehicle had been financed. The back office provider paid off the vehicle in the amount of $30,345, despite being directed not to do so. When the Board President asked the back office provider why he paid off the loan in spite of her directive to the contrary, he replied, "…they say it was approved by the board." (NIR Exhibit V, p. 75)

A review of WAYS Board meeting agendas, minutes, and supporting documents provides no evidence that the Board was aware of the type of vehicle that had been purchased, its cost or

interest payments. This supports FCMAT's concern that the Capital Expense Analysis the WAYS Board received from its staff failed to provide adequate information for the Board to make an informed decision regarding the sale of the vehicle. (NOV Exhibit 6, p. 96) The Board did not discipline the employees for their failure to provide sufficient information and/or to comply with Board directives is further evidence of the Board's lack of financial control and adequate oversight.

Additionally, as recently as July 9, 2014, the Board failed to approve major contracts before the effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014, providing evidence that the April 2014 Financial Policies and Procedures Handbook does not remedy the Board's lack of financial control and oversight. (NIR Exhibit W)

- WAYS' contention that the Executive Director properly kept the WAYS Board informed about staff employment contracts (WAYS Exhibit 61) is not supported by evidence. WAYS Exhibit 61 contains a single report dated April 30, 2013, which does not correspond to a Board meeting date and is limited to information on salary increase for nine employees. The example is insufficient to support the claim that the Executive Director kept the WAYS board informed about staff employment agreements by including an update on their development in his regular report to the Board.

- WAYS proposes remedy through its April 30, 2014 Financial Policies and Procedures Handbook, which states, "All Contracts exceeding $25,000 should be signed and approved by the board." (WAYS Exhibit 17, p. WAYS 000175) This Handbook is insufficient to remedy the concern regarding Board approval of contracts for two reasons: (1) It uses the word "should" instead of "shall/must," which fails to make approval obligatory; and (2) it does not explicitly state "prior approval."

- WAYS remedied the concern that the Board does not have to approve the Director of Operations' contract through the May 20, 2014 charter, which now has the Director of Operations reporting to the Executive Director and not to the Board.

(d) The WAYS Board Did Not Adequately Oversee the 2013-2014 School Budget

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of WAYS' 2013-14 budget.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 19-21) and NOV Exhibits 13, 26, 27, and 28.

Summary of WAYS' Response to NOV:

WAYS states "The Board oversees the development of the annual budget and provides timely approval" (NIR Exhibit B, p. 57) and that only the final budget requires WAYS Board approval; preparation of the preliminary budget is the responsibility of the Executive Director.

WAYS states the budget was presented to and approved by the WAYS Board on August 29, 2014 (WAYS Exhibit 62) and that during the meeting a question was raised by a Board member regarding a specific line item. At the meeting, the back office service provider was unable to answer the question, so the Board directed the line item be restored to the prior year amount and then approved the budget. WAYS states the change in the line item is reflected in the minutes of that meeting and these minutes were approved on October 24, 2013. (WAYS Exhibit 63)

WAYS attached Exhibits 19, 62, and 63.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of the school's 2013-14 budget.

- LACOE agrees that only the final budget requires board approval; however, LACOE's finding in the NOV (NIR Exhibit A, p. 19-20) was that the final approved budget submitted to LACOE did not reflect the Budget the WAYS Board approved at its August 29, 2013 Meeting.

  While LACOE concurs with WAYS' statement that a Board member asked for the restoration of line item 5890 to the prior year's level, the request is reflected in the minutes, and is substantiated by the transcript of the August 29, 2013 Board Meeting (NIR Exhibit V p. 627-634), the final approved budget submitted to LACOE (WAYS Exhibit 62, p. WAYS 000896) shows that line item 5890 (the line item in question) was not adjusted. It remained $128,724 in spite of the Board's directive that it be changed to the previous year's level until such time as an explanation for an increase could be provided to the Board. Line item 5890 was $10,000 in the 2012-13 budget. (NIR Exhibit X)

  WAYS fails to refute the evidence in the NOV that an explanation for an increase was never provided to the Board in spite of the Board's repeated requests. Therefore, the finding stands.

  WAYS cannot show that its Board exercised proper oversight of the budget because the WAYS Board was not cognizant that the final budget submitted to LACOE did not reflect the budget as they approved it. This further substantiates the Board's lack of oversight of its Executive Director and Director of Operations.

- Additional evidence of the Board's lack of adequate budget oversight comes from its failure to approve the 2013-14 Title 1, Special Education, and Afterschool Education and Safety (ASES) budgets. Approval of these budgets was on the February 3, 2014 Board Meeting Agenda; however, meeting minutes and the audio recording of the meeting indicates action was postponed to a future meeting. A review of Board Meeting Agendas and Minutes for the remainder of the 2013-14 school year indicates these budgets were never approved. (NOV Exhibit 13 and WAYS Exhibit 27)

(e) The WAYS Board Improperly Authorized the Expenditure of School Funds

Summary of NOV:

The WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 21 and NOV Exhibits 6 and 13.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 57) the "Board did not authorize any improper expenditures of School funds." The school contends the findings related to performance based stipends are without merit. The Board approved the stipends on February 27, 2014, after a report from the Executive Director. (WAYS Exhibit 64) The Executive Director's report states that employees "are awarded stipends by performing extracurricular tasks, taking on leadership roles and good attendance habits that are beyond and beyond what is required." WAYS contends that the stipends were a proper expenditure of school funds and LACOE's conclusion that the approval of the stipends was a Brown Act violation was incorrect.

WAYS attached Exhibits 37, 64, and 65.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violation provided in the NOV that the WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

- LACOE agrees with WAYS that a teacher and/or other staff member could be compensated for extra duty assignments. However, for such compensation to not be a gift of public funds, the employer must document the service is not part of the employee's stated job duties or completed during regular working hours; WAYS does not provide this evidence. Additionally, there must be a record that the duties were in fact performed; WAYS does not provide this evidence. Therefore, WAYS fails to remedy the findings stated in the NOV.

  LACOE does not agree stipends can be given for attendance. Employees are compensated for attendance through their regular employment agreement. Therefore, getting a stipend to fulfill a regular contract duty is not an appropriate expenditure of public funds. Based on WAYS' evidence (WAYS Exhibit 64) the Board gave employees stipends for "attendance" and thus misused public funds.

- WAYS fails to refute the Charter School had no evidence that funds were owed to the Founder/Former Executive Director. WAYS states the expenditure was made after receipt of a demand letter (WAYS Exhibit 37) and on the advice of legal counsel, protected by

attorney-client privilege, and their insurance carrier. One letter from the insurance company requests documentation; the other denies the claim. (WAYS Exhibit 38) Therefore, WAYS fails to provide adequate support for its argument, and the finding in the NOV stands.

- There is additional evidence that the Board improperly authorized expenditures of school funds after the NOV was issued based on the July 9, 2014 Board Meeting (WAYS Exhibit 27):

  - WAYS Board improperly approved an expenditure of funds through its "amendment" to the Executive Director's 2013-14 employment agreement. The amendment states, "There shall be no specific number of days that must be worked. Instead, Employee will be a full-time exempt employee who will be expected to continue to devote the time and energies necessary to fulfill the job requirements as under the existing Agreement…. Employee shall be entitled to paid time off and leave for illness at the same amount per year of employment as set forth in the Agreement. However, this leave shall accrue on a pro-rated basis." (NIR Exhibit W) The amendment is improper because it fails to provide a basis for calculating salary, offers prorated benefits without specifying a method for determining the proration, and lacks a method for documenting the number of days worked and, therefore, the number of benefit days earned.

  - WAYS Board improperly approved the expenditure of funds through its independent contractor consulting agreement with the former Director of Operations. The contract provides the former Director of Operations be paid an hourly rate of $100 but does not provide a contract end date, a "not to exceed" amount (by dollar figure or number of hours) or a written scope of work to be performed. (NIR Exhibit W)

    This agreement also violates Policy #4 (Contracting) of the April 30, 2014 Policies and Procedures Handbook (WAYS Exhibit 17), providing additional evidence that the Handbook is an insufficient remedy, WAYS Board is not providing adequate fiscal oversight, and the Board continues to misappropriate public funds.

2. The WAYS Board Did Not Establish and/or Approve Polices Prior to Implementation.

Summary of NOV:

The WAYS Board did not establish and/or approve policies prior to implementation based on substantial evidence that it did not develop and approve sufficient Fiscal Policies, personnel policies, or approve policies before implementation and/or submission to LACOE.

The NOV provided substantial evidence in support of this finding through examples (NIR Exhibit A, p. 21-22) and NOV Exhibits 13 and 25.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 58) "the Board has approved a comprehensive set of school policies" and "a full set of WAYS policies currently in place" (WAYS Exhibit 73) and its current Financial Policies and Procedures Handbook (WAYS Exhibit 17) has been attached. WAYS contends that it submits all approved policies to LACOE.

WAYS attached Exhibits 17 and 73.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board did not establish and/or approve policies prior to implementation and/or submission to LACOE.

- WAYS fails to provide evidence that the policies submitted in WAYS Exhibit 73 were approved by the WAYS Board before they were implemented by WAYS staff.

- WAYS fails to state policies will be Board approved prior to staff implementation in the future; therefore, it fails to propose future remedy.

- April 30, 2014 Financial Policies and Procedures Handbook does not guarantee implementation as documented throughout the NIR; therefore, it is insufficient remedy.

3. The WAYS Board Did Not Appropriately Hold Meetings

Summary of NOV:

The WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings based on evidence that it (1) held an insufficient number of Regular Meetings; (2) does not publish a schedule of regular meetings through its website or school calendar; and (3) relies on special meetings to conduct its regular business.

The NOV provided substantial evidence in support of the finding through examples, a chart outlining Board Meeting Dates and citations from the December 18, 2012 Charter and 2011 bylaws. (NIR Exhibit A, p. 22-24)

Summary of WAYS' Response to NOV:

WAYS states, "Over the past 3 years the WAYS board has in fact held meetings at least once each month as required under its bylaws for nearly every month." (NIR Exhibit B, p. 58) WAYS' response emphasizes that LACOE failed to mention this detail in the NOV.

WAYS states that its Board publishes a schedule of regular meetings each year and the schedule is available to the public and provided to LACOE staff.

WAYS attached Exhibits 27 and 67.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings.

- WAYS does not refute NOV evidence that the Board conducts most of its business at special, not regular meetings; (NIR Exhibit A, p. 22) that the Board's annual schedule of regular meetings is not published on the school's website or through the school calendar; or that its

bylaws require the school to hold "regular meetings" monthly. (NOV Exhibit 17) Therefore, the NOV findings stand, including noncompliance with the Brown Act.

- WAYS states it publishes its meeting schedule, but provides no evidence to substantiate that claim. WAYS does submit a schedule of meetings to LACOE each year; however, this schedule is frequently revised and special meetings are substituted for regular meetings as described in the chart presented in the NOV. (NIR Exhibit A, p. 23-24) Special meetings do not afford the public the same notice as regular meetings, thereby limiting the public's ability to participate. A February 16, 2012 email from the Executive Director to LACOE (NIR Exhibit Y) provides evidence that the meeting schedule was removed from the school's website and that that meetings are scheduled based on Board availability, which is not always predictable.

- The Board continued its pattern of not adhering to its regular meeting schedule, even after the NOV was issued, through the end of the 2013-14 school year. Between April and June 2014, the Board continued its pattern of canceling one-third of its regular scheduled meetings and replacing them with special or revised regular meeting dates as shown in the chart below. For the 2013-14 school year, WAYS held six of its regular meetings and changed its regular meeting schedule twice after submitting the schedule to LACOE in August 2013. (NIR Exhibit Z)

Analysis of WAYS Regular and Special Board Meetings: April 2014 – June 2014		
Calendared Regular Meeting Dates	Meeting Held	Notes
April 25, 2014	Yes	
May 29, 2014	No	The 2013-14 schedule of Board meetings sent to LACOE on January 31, 2014 included a May 29, 2014 meeting. A revised schedule sent by the school administration omitted the May date. A Special Meeting was held on May 20, 2014.
June 26, 2014	No	Special meeting held June 12, 2014. For June 26, 2014 meeting, no agenda received 72 hours prior. An email from the Executive Director states the meeting was rescheduled for June 27, 2014. Agenda received for June 27, 2014; June 27, 2014 email from Executive Director stated the meeting was cancelled due to lack of a quorum.
2013-14 Summary:	**Calendared Regular Meetings held 6 of 12 months.**	

- The Board's failure to hold its June 26, 2014 Meeting resulted in two major contracts being approved after their effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014. (NIR Exhibit W)

4. The WAYS Board Did Not Provide Proper Oversight of Key Administrators

Summary of NOV:

The WAYS Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

Failure to provide oversight of its key administrators is evidence the Board did not assume its duty of care or fulfill the terms of the charter with respect to oversight of its administrative employees. The NOV provided specific examples of how the Board failed to provide adequate oversight of the Founder/Former Executive Director, the Executive Director, Director of Operations, and the Vice Principal.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 charter and NOV Exhibits 6, 10, 13, and 29.

Summary of WAYS Response to the NOV:

WAYS states the Board provided adequate oversight of school management personnel. It addresses the performance of the Executive Director and Director of Operations and the school's plan to replace the individuals in these positions.

WAYS did not attach any Exhibits.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute the substantial evidence provided in the NOV that its Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

- WAYS provides no evidence to supports its assertion that it provided proper oversight of its management personnel. Therefore, the finding stands.

- WAYS does not refute that it failed to conduct performance evaluations of its Executive Director and Director of Operations. Therefore, the finding stands.

- WAYS does not dispute, and therefore fails to remedy, findings pertaining to the Board's lack of oversight of its management personnel including the Founder/Former Executive Director and the Vice Principal. The failure of the Board to effectively monitor the activities of key management personnel resulted in a misuse of public funds as documented. (NOV Exhibits 6, 10, 13, and 29)

    - WAYS fails to refute that its Founder/Former Executive Director constructively discharged a teacher, resulting in a costly wrongful termination lawsuit. The Board took no action against the Founder/Former Executive Director.

    - WAYS fails to refute that its Vice Principal violated her employment contract and thereby misused public funds by simultaneously operating and working at her private school while receiving a full time salary including earning pension benefits from WAYS. The Board took no action against the Vice Principal, even though she publicly acknowledged her association with the private school through multiple Internet postings. (NOV Exhibit 29) The Vice Principal continues to be employed by WAYS.

- WAYS proposes a remedy to its lack of Board oversight of its school management personnel, but this remedy only partially addresses the violation.

    - Establishing an evaluation policy and procedure to evaluate the Executive Director in the future would provide a remedy if implemented; however WAYS fails to provide evidence of such. LACOE review of the policy and procedure is unnecessary; WAYS' only obligation is to submit the policy to LACOE as required by the MOU.

    - Replacing the current Executive Director and Director of Operations is not a sufficient remedy to lack of oversight because replacing employees does not guarantee the Board will provide adequate oversight of future employees. Additionally, both the Executive Director and Director of Operations continue to be employed and/or compensated by WAYS; therefore, the remedy has not been implemented.

5. The WAYS Board President Did Not Provide Appropriate Annual Reports

Summary of NOV:

The WAYS Board President did not provide an annual report to the WAYS Board as required by the charter.

The NOV provided substantial evidence in support of the finding through NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS did not respond to this issue.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to respond to the issue. Therefore, there is no remedy and the finding stands.

C. The WAYS Board and its Employees Violated Charter Element 5: Employee Qualifications (Section 5.2)

Summary of NOV:

The Executive Director and Director of Operations violated their duties as stated in the charter, Element 5. (Employee Qualifications)

The Executive Director violated his duties based on evidence that he: (1) failed to facilitate optimum performance of the Board, its committees, and individual members; (2) failed to oversee the financial systems of the organization; and (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, the administrative overseer to the charter schools the County Board of Education authorizes. County Board Policy 0420.1.

The Director of Operations violated his duties based on evidence that he: (1) failed to purchase parts and materials at a reasonable quality and at a reasonable price; (2) failed to prepare final recommended budgets; and (3) failed to participate in the development and implementation of the annual budget related to personnel matters and position control, did not authorize

expenditures in accordance with established limitations, and did not revise the budget for board consideration when there was a material change in the approved budget.

Charter citations in this section of the NOV (NIR Exhibit A, p. 26-27) came from the charter dated December 18, 2012. Since the date of the NOV, WAYS and LACOE have come to an agreement that the charter petition submitted on May 20, 2014 complies with the conditions of authorization. While the job descriptions for these positions have been modified somewhat, the May petition includes the same basic responsibilities and duties for the positions. The one material difference is that the Director of Operations no longer reports to the Board, but to the Executive Director.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 Charter, and NOV Exhibits 6, 9, 13, 25, and 30 through 37.

Summary of WAYS Response to the NOV:

WAYS states that the exact description of the duties of the Executive Director and Director of Operations are one of the issues subject to the arbitration. WAYS further states that the Executive Director "has overseen the school's business practices, instructional program and classroom management" (NIR Exhibit B, p. 59) and that he gives oral reports at every Board meeting.

Regarding the removal of WAYS Board President Tolbert, WAYS states that neither the Executive Director nor the School Site Council (SSC) removed her from office. Rather, the SSC made this recommendation to the WAYS Board, and the Board subsequently approved the recommendation.

Regarding the finding that the WAYS Director of Operations violated his duties, WAYS reiterates their previously stated position regarding the purchase of the school vehicle and the relationship between WAYS and OSE. It also states, "LACOE staff misquoted a report made to the [WAYS] Board regarding performance based stipends." WAYS contends this report was actually made by the Executive Director, not the Director of Operations." (NIR Exhibit B, p. 60)

Regarding the 2013-14 budget, WAYS contends (NIR Exhibit B, p. 60) the "Director of Operations transmitted the preliminary budget to LACOE on July 3, 2013 as required under the MOU, the school's charter and California Law." The response further states that the budget was approved by the Board on August 29, 2013, and included the revision made to the questioned line item discussed previously. WAYS states that this is its standard procedure for getting the annual budget approved and the Director of Operations properly implemented this timeline.

WAYS attached Exhibits 48 and 68.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the Executive Director and Director of Operations violated their duties based on the specific examples and evidence provided in the NOV.

- WAYS does not refute the evidence provided in the NOV that shows the Executive Director: (1) failed to facilitate optimum performance of the Board, its committees, and individual members based on the evidence provided in the NOV; (2) failed to oversee the financial systems of the organization based on the evidence provided in the NOV, or (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, to whom the County Board delegates the administrative function of providing oversight to the charter schools the County Board authorizes under County Board Policy 0420.4. Therefore, the findings stated in the NOV stand.

- LACOE's position on WAYS' response that the Executive Director gave monthly reports to the Board to fulfill his reporting responsibilities was provided under **II. A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.** (NIR p. 21-22)

- WAYS' response that neither the Executive Director nor the School Site Council (SSC) removed the Board President is non-responsive to the NOV. The NOV states the Executive Director "acted with the Director of Operations to remove two Board members, improperly using the WAYS School Site Council." WAYS fails to refute the evidence that the Executive Director and Director of Operations brought this recommendation to the SSC at its January 23, 2014 meeting (NOV Exhibit 31) thereby using their influence to bring about the SSC recommendation. Additionally, WAYS fails to refute the evidence provided in the NOV that the Executive Director posted fliers calling for the removal of the Board members. (NOV Exhibit 33) Therefore, the findings stated in the NOV stand.

- WAYS does not refute the evidence provided in the NOV that the Director of Operations violated his duties based on evidence he failed to purchase parts and materials at a reasonable quality and at a reasonable price, that he failed to prepare final recommended budgets, and failed to authorize expenditures in accordance with established limitations. (e.g. payments to OSE, DDS, and purchase of a luxury vehicle for school use) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Director of Operations followed the correct timelines and procedures for submitting the budget is non-responsive to the NOV's finding that the final 2013-14 budget submitted to LACOE was not revised to reflect the budget approved by the WAYS Board on August 29, 2013 (WAYS Exhibit 62) as discussed previously in this NIR under **I. 1. WAYS Lacks Effective Internal Controls.** (NIR p. 13)

- WAYS' response that LACOE misquoted a report made to the Board regarding performance based stipends is non-responsive to the evidence presented in the NOV that the Director of Operations failed to participate in the development and implementation of the annual budget related to personnel matters and position control based on providing an inaccurate report to the Board at its February 27, 2014 Meeting. (NOV Exhibits 13 and 35) The action item was the 2013-14 employment agreements, not the performance stipends.

Concerns Regarding the General Capacity to Operate a Charter School

Summary of NOV:

Based on the evidence provided in the NOV, LACOE has serious concerns regarding the lack of capacity and accountability demonstrated by the WAYS Board and administration, which raises larger questions about their ability to exercise sound judgment and conduct fiduciary oversight of the school as follows:

First, the WAYS Board lacks an understanding of its roles and responsibilities and has not taken a sufficiently active and proactive role in decision making and oversight. The Board lacks the breadth of knowledge necessary to oversee the use of public funds; it relies on the administration for its information and its administrators have not provided the Board with necessary and timely information. In fact, there is evidence staff has thwarted Board efforts to obtain information when it has attempted to exercise its oversight responsibilities.

Second, the WAYS Board failed to make necessary changes to address and correct audit findings that recurred over multiple years. When Board members attempted to institute changes that might have led to correction, including holding administrators accountable, they were met with resistance or they were removed from their positions on the Board or forced to resign due to hostility. (NOV Exhibits 38 and 13)

Third, the WAYS Board demonstrates questionable governance by failing to evaluate and discipline its administrators despite repeated evidence that management staff failed to fulfill the requirements of their job descriptions and repeated notice from the LACOE and the County Board that there were serious concerns about the school's operations. By failing to evaluate administrators and provide adequate direction and oversight, the Board demonstrated a lack of accountability on its part and failed to require accountability from its administrators.

Fourth, LACOE has grave concerns regarding the capacity of the WAYS Board to fulfill its responsibilities to the public due to its failure to establish and maintain a regular schedule of meetings. Additionally, board turnover and the lack of preparation and accurate information from administrators and consultants, has led to inconsistent Board practices and oversight, with matters needing timely action being deferred multiple times and over multiple months, leaving administrators to make decisions and take actions without Board approval.

LACOE concurs with the 2010-11 Independent Auditor's Report, which states the problem is "*systemic*" and the FCMAT Audit, which states, "*There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.*" (NOV Exhibit 6, p. 100)

Comments made by the Director of Operations at the February 3, 2014 WAYS Board Meeting (NIR Exhibit V, p. 643) demonstrate how the administrator misrepresented the role of the Executive Director and the chain of command within the organization; he was not corrected by the Executive Director. His statement supports those made by the former Board President to FCMAT) that "One of the Board members thought [the Director of Operations] was their boss" and "management is emboldened to act the way they do because nobody stopped them." (NIR Exhibit FF, p. 789)

The NOV provided substantial evidence in support of these finding through examples, citations from source documents and NOV Exhibits 13 and 38.

Summary of WAYS' Response to NOV:

WAYS states its Board "is comprised of respected community members with decades of experience in education and business," (NIR Exhibit B, p. 60) that its current Board is "very strong;" and that the Board has recently expanded by "two new, experienced board members." (NIR Exhibit B, p. 2) (WAYS Exhibit 1)

WAYS states that Board members take an Oath of Office which requires each member to "commit to enhancing their own individual education for the overall benefit of the school," (WAYS Exhibit 69) attend retreats together, (WAYS Exhibit 70) and receive comprehensive trainings from legal counsel including Brown Act Compliance, conflicts of interest, and best practices for charter school management. (WAYS Exhibit 71)

WAYS concludes by stating, "The WAYS Board has consistently provided necessary oversight and guidance that has allowed the school to prosper, and with support from Celerity, we believe this will continue to improve." (NIR Exhibit B, p. 27)

WAYS attached Exhibits 1 and 69 through 71.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that there are concerns regarding WAYS Board general capacity to operate a charter school.

- Although WAYS reports adding two new experienced Board members, WAYS only provides information for one Board member (WAYS Exhibit 1) whose resume indicates she has no previous board experience. Additionally, one Board member who joined the Board in February 2014 has attended only one meeting. (NOV Exhibit 13 and NIR Exhibit AA)

- WAYS does not refute NOV evidence showing a pattern of Board member resignations and terminations resulting from their efforts to make changes responsive to audit findings. (NOV Exhibit 38) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Board receives training does not override the evidence that the Board has not provided effective oversight. In fact, documentation of training was prior to the NOV, which indicates the training has been ineffective based on documented evidence of continued findings since the NOV was issued. Although the response states (NIR Exhibit B, p. 2) that a full day of Board training would take place in August 2014, WAYS stated that no evidence training was provided.

- WAYS denies that staff did not fulfill their responsibilities but provides insufficient evidence to support the claim as described throughout this NIR. Additionally, WAYS fails to disprove that the Board demonstrated a lack of accountability on its part and failed to required accountability from its administrators. It proposes remedy by contracting with Celerity; however, this remedy is insufficient as described through this NIR.

- WAYS proposes remedy to engage the support of Celerity; however, that remedy has not been implemented. No contract was been approved by the Board; to the contrary, at the July 30, 2014 Board Meeting, WAYS Board tabled making a decision on the contract. Until such

time as a contract is approved and the details specified, LACOE cannot determine whether such a contract could result in remedy. Furthermore, the fully executed Monitoring and Oversight Memorandum of Understanding between WAYS and LACOE has specific requirements to be fulfilled prior to entering into a contract with a management company. (NIR Exhibit BB, p. 8 and 14)

Response to Claims of Unfair Treatment and Retaliation

WAYS' response contains several allegations of unfair treatment and purported retaliation by LACOE staff. These allegations are baseless and an attempt to distract from the fact that WAYS' response fails to cure or propose remedy to cure the significant violations identified in the NOV.

WAYS allegation that the FCMAT audit was initiated by the LACOE Superintendent to "target and persecute the school's founder Kendra Okonkwo and family" is false and offensive. EC § 1241.5(b) specifically gives the Superintendent authority to initiate an audit when there is reason to believe that "fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination." The Extraordinary Audit AB139 Intake Form (WAYS Exhibit 13) states substantial grounds for such an audit. The results of the FCMAT Audit and WAYS' Independent Audits prove that such a review was necessary. LACOE has repeatedly attempted to help WAYS remedy its fiscal deficiencies and WAYS has not been receptive to such assistance.

LACOE has produced all public documents concerning the investigative report of the Vice Principal of WAYS. The production and correspondence between counsel is included as NIR Exhibit C. As counsel for LACOE repeatedly stated, the video records are not in the possession, custody, or control of LACOE. LACOE has produced the written report to WAYS as requested.

WAYS' allegation that LACOE Charter School Office staff has been accompanied by "armed bodyguards…each and every time" they made a site visit during school hours "over the past three years" is false. LACOE Charter School Office staff has never been accompanied by a bodyguard while making a site visit during school hours.

At the October 24, 2013 WAYS Board Meeting, the WAYS Director of Operations displayed threatening and erratic behavior including shouting "get out and do not come back," and turning off the room lights creating a safety hazard for Board members attempting to leave the room. (NIR Exhibit EE, p. 785; NOV Exhibit 25, p. 946)

After the October 24, 2103 Board Meeting, the WAYS Board President filed a restraining order against the Director of Operations (NIR Exhibit FF, p. 792) and, for safety reasons, made arrangements to hold subsequent meetings at a local police station community center. (NOV Exhibit 2, p. 38)

The next Board Meeting was held on January 29, 2014 at the police station community room. LACOE staff attended the meeting and witnessed the Director of Operations' loud and threatening behavior toward WAYS Board members. The police officers overseeing the meeting ordered the Director of Operations to "stand back" from the table where Board members were seated. At the conclusion of the meeting, these same police officers instructed LACOE staff to wait for the police to escort them to their cars due to the volatile nature of the meeting.

The April 25, 2014 Board Meeting was held at WAYS' Manchester site, after school hours. LACOE staff attended the meeting to present the FCMAT Audit to the WAYS Board. Due to safety concerns prompted by the Director of Operations' behavior at the prior meeting, LACOE staff was accompanied by an off-duty police officer who properly displayed his identification.

The allegation that a LACOE staff member stated that WAYS should hire a Latino administrator because Latino parents want to see the face of the community is false. On June 5, 2013, LACOE's Director of Accountability, Support and Monitoring sent correspondence to WAYS stating that LACOE staff did not make this statement and clarifying what was said during the meeting at issue. At the meeting, when WAYS' recruitment of Latino students was discussed, LACOE staff commented that other charter school administrators have reported that it can be helpful for the school's leadership team to reflect the ethnic and racial composition the school is striving to achieve. (NIR Exhibit CC) WAYS did not refute the June 5, 2013 correspondence.

Academic Analysis[2] Pursuant to EC § 47607(c)(2)

Pursuant to EC § 47607(c)(2), the authorizing entity shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. Based on the data presented below, WAYS has not demonstrated consistent increases in pupil achievement since the charter school began operation. Upon consideration of this information, good cause exists to issue this Notice of Intent to Revoke.

The metrics used for this analysis were:

- Academic Performance Index (API) Data
- Adequate Year Progress (AYP) Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

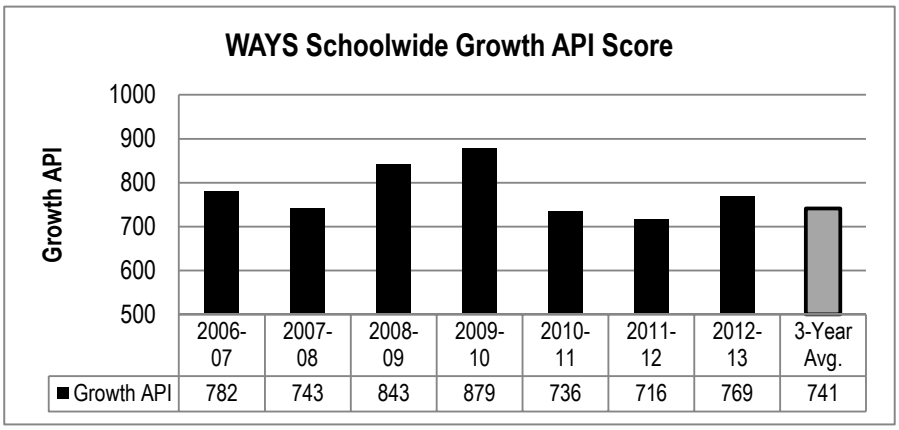
API Data

WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
2006-07	782	N/A	N/A	6	**
2007-08	743	No	--	5	**
2008-09	843	Yes	Yes	8	**
2009-10	879	Yes	Yes	9	**
2010-11	736	No	No	2	1
2011-12	716	No	No	1	1
2012-13	769	Yes	Yes	3	7
3-year average[3]	741	No Growth Targets Established	No Growth Targets Established	No Ranks issued by CDE	No Ranks issued by CDE

[2] The source for all data reported in this section is from the California Department of Education, DataQuest (Retrieved 7-21-14 from: http://dq.cde.ca.gov/dataquest/) unless otherwise indicated.

[3] 2013-14 API calculations were suspended. The California Department of Education (CDE) issued a three-year average (years 2011, 2012 and 2013) in place of a 2014 API. The weighted average was used for all schools in this report.

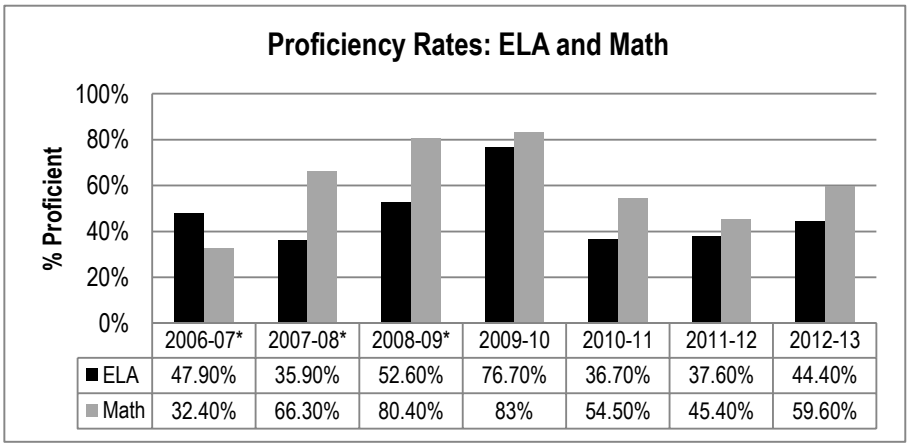
WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
*WAYS has 5 numerically significant student groups: Black/African American; Hispanic/Latino; Socioeconomically disadvantaged; English Learners; and Students with Disabilities.					
N/A=2006-07 was WAYS first year of operation. No growth targets established.					
**= Less than 100 students tested. Similar schools ranks are not calculated for small schools.					
-- = Student groups not numerically significant due to size of school. No growth targets established.					



Analysis: A review of WAYS Growth API scores, Growth Target data, and Statewide and Similar Schools Ranks from 2006-07 to 2012-13 shows:

- The school's Growth API peaked in 2009-10 (879), declined in 2010-11 and 2011-12, and despite an increase in 2012-13, is 110 points below its 2009-10 level.
- The school's 3-year weighted average API is 741, below its initial API of 782.
- The school met its Growth Targets schoolwide and for all numerically significant student groups in 3 of 6 years.

Proficiency Rates in English-Language Arts and Math



Analysis: Proficiency rates in English-Language Arts (ELA) and math as measured by the California Standards Test (CST) is determined by the number of students testing proficient or above on the CST and is reported in the Adequate Yearly Progress (AYP) report for each school.

The AYP report shows WAYS has not increased pupil academic achievement in ELA or math. The proficiency rate for ELA decreased from 76.7% in 2009-10 to 44.4% in 2012-13. The math proficiency rate decreased from 83% in 2009-10 to 59.6% in 2012-13. The CST was not administered in 2013-14.

English Learner (EL) Redesignation Rates

WAYS English Learner Redesignation Rates				
Year	**# ELs**	**% EL**	**# Redesignated**	**% Redesignated***
2006-07	1	0.7%	N/A: 1st year of operation; therefore, no prior year count.	
2007-08	11	7.5%	0	0%
2008-09	31	17.5%	8	72.7%
2009-10	14	5.9%	10	32.3%
2010-11	52	19.5%	12	85.7%
2011-12	73	15%	0	0%
2012-13	85	16.3%	35	47.9%
2013-14	166	30.9%	1	0.9%
*This percent is calculated by dividing the number of redesignated students by the prior year's EL count then multiplying by 100.				

Analysis: There has not been an increase in the redesignation rates of ELs attending WAYS. Redesignation rates are inconsistent, and in 2011-12 and 2013-14, the rate was less than 1%.

Additionally, DataQuest shows WAYS failed to report California English Language Development Test (CELDT) Annual Assessment data for 2009-10, 2010-11 and 2011-12. EC § 313 mandates that ELs be tested with the CELDT annually. State law and WAYS' charter require CELDT scores to be used as a criterion for redesignation. In the absence of CELDT scores for these three years, the school failed to follow its charter and the law regarding redesignation of ELs.

Conclusion: A review of the Growth API score, proficiency rates in ELA and math and EL Redesignation rates indicates that WAYS has not had increases in pupil academic achievement for all groups of pupils.

Resident and Comparison School Data

In addition to reviewing WAYS pupil academic achievement data over time, LACOE also analyzed the school's performance against that that of its resident schools (those WAYS students would otherwise be required to attend) and its comparison schools. (elementary schools located within LAUSD that were on the school's 2012 Similar Schools List and are, therefore, demographically similar)

The metrics used for this comparison were:

- 3-Year Average Weighted API Scores
- Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

The charts below compare WAYS academic performance to that of its resident and comparison schools.

3-Year Average API

3-Year Average API (weighted): WAYS and Resident Schools							
School	% of WAYS' Enrollment*	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
McNair (CUSD)	2.56%	814	823	806	814	806	698
96th Street	3.49%	809	747	827	810	801	525
Russell	10.70%	754	673	763	754	738	572
South Park	17.91%	743	644	759	745	734	558
Parmelee Ave	7.21%	743	682	746	743	691	532
WAYS	**--**	**741**	**732**	**767**	**739**	**753**	**548**
Wisdom Elem.	9.30%	738	682	742	738	702	532
93rd Street	7.2%	720	661	736	720	720	531
McKinley Ave	8.14%	720	672	731	720	711	464
Dr. Owen Knox	3.49%	708	639	726	709	704	477
Miramonte	2.56%	693	--	693	694	662	486
107th Street	3.26%	685	623	704	678	690	518
Judith F. Baca	2.56%	661	557	676	661	662	524
*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014 All schools are located within LAUSD except McNair. (Compton USD)							

Analysis: WAYS has a 3-year weighted average schoolwide API of 741. It ranks 6th in relation to its 12 resident schools. Based on February 2014 enrollment data provided by the school, about 41.8% of its students would otherwise attend a school with a higher 3-year weighted average schoolwide API.

For numerically significant student groups, WAYS ranks 3rd (of 11 schools) for Black/African American students; 3rd (of 12 schools) for Hispanic/Latino students; 6th (of 12 schools) for Socioeconomically Disadvantaged students; 3rd (of 12 schools) for English Learner students; and 4th (of 12 schools) for Students with Disabilities.

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Maywood	871	--	873	870	847	755
Brooklyn Ave.	822	--	824	823	781	613
Yorkdale	803	--	795	800	773	709
Miles Ave	786	--	786	786	757	548
Grand View Blvd.	783	844	769	778	759	643
Cienega	779	714	790	780	774	641
Bassett St.	777	784	773	777	753	552
Lassen	774	--	766	771	749	654
Haddon Ave.	772	--	772	771	738	680

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Rosemont	770	--	753	770	747	608
Santa Monica Blvd. Community Charter^	761	--	756	764	742	561
Union Ave.	760	--	760	760	739	502
Vinedale	756	--	764	756	757	598
Limerick Ave	755	717	741	753	724	493
Lenicia B. Weemes	753	--	769	755	740	642
Frederick Douglass Academy^	748	--	713	754	--	633
WAYS^	**741**	**732**	**767**	**739**	**753**	**548**
Jaime Escalante	741	--	742	744	700	607
Camellia Ave.	733	--	732	733	707	662
Harrison St.	708	--	710	709	675	591

*LAUSD comparison schools based on WAYS' 2012 Similar School Report
^=Charter school

Analysis: WAYS has a 3-year weighted schoolwide API average of 741. It is outperformed by 15 of its 19 comparison schools.

For numerically significant student groups, WAYS ranks 3rd (of 5 schools) for Black/African American students; 11th (of 19 schools) for Hispanic/Latino students; 17th (of 19 schools) for Socioeconomically Disadvantaged students; 8th (of 18 schools) for English Learner students; and 16th (of 19 schools) for Students with Disabilities.

Proficiency Rates-Annual Measureable Objectives

Proficiency rates are based on a school's California Standards Test (CST) results in English-Language Arts (ELA) and Math and reported on the Adequate Yearly Progress (AYP) report as Percent Proficient-Annual Measureable Objectives. The 2013 proficiency goals were 89.2% for ELA and 89.5% for math. WAYS proficiency rate was 44.4% in ELA and 59.6% in math.

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	% Proficient ELA	School (% of WAYS' Enrollment)	% Proficient Math
NCLB Goal	**89.2%**	**NCLB Goal**	**89.5%**
96th Street (3.49%)	54.7	McNair (2.56%)	70.1
McNair (2.56%)	53.9	96th Street (3.49%)	69.8
Russell (10.70%)	45.8	**WAYS**	**59.6%**
WAYS	**44.4%**	Russell (10.70%)	56.9
Parmelee Ave (7.21%)	40.9	Parmelee Ave (7.21%)	54.0
McKinley Ave (8.14%)	39.5	Wisdom Elem. (9.30%)	52.2
South Park (17.91%)	39.1	Dr. Owen Knox (3.49%)	49.8
Wisdom Elem. (9.30%)	36.6	McKinley Ave (8.14%)	48.6
Dr. Owen Knox (3.49%)	35.6	South Park (17.91%)	46.6
Miramonte (2.56%)	34.4	Miramonte (2.56%)	41.9

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	**% Proficient ELA**	**School (% of WAYS' Enrollment)**	**% Proficient Math**
93rd Street (7.2%)	31.0	Judith F. Baca (2.56%)	41.9
107th Street (3.26%)	29.3	93rd Street (7.2%)	40.2
Judith F. Baca (2.56%)	27.0	107th Street (3.26%)	35.1
*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all resident schools are within LAUSD except McNair (Compton USD)			

Analysis: In relation to its resident schools, WAYS ranks 4th in ELA and 3rd in math.

2012-13 Proficiency Rates: WAYS and Comparison Schools*			
School	**% Proficient ELA**	**School**	**% Proficient Math**
NCLB Goal	**89.2%**	**NCLB Goal**	**89.5%**
Maywood	64.4%	Brooklyn Ave.	73.6%
Frederick Douglass Academy^	59.1%	Maywood	76.4%
Brooklyn Ave.	58.1%	Santa Monica Blvd. Com. Charter^	66.2%
Cienega	53.8%	Lassen	64.7%
Yorkdale	52.3%	Grand View Blvd.	64.5%
Santa Monica Blvd. Com. Charter^	49.9%	Cienega	62.7%
Grand View Blvd.	48.4%	Limerick Ave	60.6%
Lassen	47.4%	**WAYS^**	**59.6%**
Jaime Escalante	46.6%	Union Ave.	59.5%
Vinedale	46.5%	Yorkdale	59.1%
Miles Ave	45.4%	Vinedale	57.7%
Bassett St.	44.6%	Haddon Ave.	57.5%
WAYS^	**44.4%**	Bassett St.	57.4%
Union Ave.	44.2%	Miles Ave	57.3%
Limerick Ave	44.0%	Camellia Ave.	53.8%
Lenicia B. Weemes	43.9%	Lenicia B. Weemes	53.4%
Haddon Ave.	43.8%	Jaime Escalante	53.1%
Rosemont	42.7%	Rosemont	50.5%
Camellia Ave.	37.7%	Frederick Douglass Academy^	50.1%
Harrison St.	30.2%	Harrison St.	43.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report ^=Charter school			

Analysis: In relation to its comparison schools, WAYS ranks 13th in ELA and 8th in math.

English Learner Redesignation Rates

For school-year 2013-14, WAYS redesignated 0.9% of its EL population to Redesignated-Fluent English Proficient (R-FEP) status.

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	**% Redesignated**	**% English Learners**
Dr. Owen Knox (3.49%)	17.4%	42.6%
107th Street (3.26%)	16.7%	47.1%

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	**% Redesignated**	**% English Learners**
Judith F. Baca (2.56%)	16.1%	47.4%
96th Street (3.49%)	15.8%	38.4%
Russell (10.70%)	15.0%	51.5%
McNair (2.56%)	12.4%	29.6%
Parmelee Ave (7.21%)	11.0%	45.5%
Miramonte (2.56%)	12.2%	57.5%
93rd Street (7.2%)	11.6%	49.5%
Wisdom Elem. (9.30%)	10.8%	50.3%
McKinley Ave (8.14%)	10.8%	49.7%
South Park (17.91%)	9.9%	47.3%
WAYS	**0.9%**	**30.9%**
LAUSD (93.4%)	13.9%	27.4%
LA County (100%)	13.3%	23.8%
State (100%)	12.0%	22.7%
*Based on WAYS'2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all schools with LAUSD except McNair (Compton USD)		

Analysis: In relation to its resident schools, WAYS ranks below all 12 schools. WAYS also ranks below the State, County, and District in which it is located. (LAUSD)

2013-14 English Learner Redesignation Rates: WAYS and Comparison Schools*		
School	**% Reclassified**	**% English Learners**
Brooklyn Ave.	78.1%	33.3%
Yorkdale	19.8%	24.6%
Rosemont	19.1%	40.2%
Maywood	18.7%	41.5%
Lenicia B. Weemes	17.1%	38.3%
Cienega	15.4%	49.9%
Haddon Ave.	15.0%	45.1%
Vinedale	14.5%	43.0%
Harrison St.	14.4%	46.8%
Camellia Ave.	13.8%	48.4%
Union Ave.	12.8%	65.7%
Grand View Blvd.	12.4%	48.3%
Limerick Ave	11.3%	49.3%
Lassen	10.9%	44.0%
Bassett St.	10.8%	51.2%
Jaime Escalante	10.0%	52.7%
Miles Ave	9.2%	57.5%
WAYS^	**0.9%**	**15.0%**
Frederick Douglass Academy^	0%	7.0%
Santa Monica Blvd. Com. Charter^	0%	63.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report		^=Charter school

Analysis: In relation to the 20 schools in this comparison group, WAYS redesignation rate ranks 18th.

Conclusion

The County Board has determined that WAYS has failed to cure the violations set forth in the June 3, 2014 NOV. WAYS' assertion that its recently adopted Fiscal Policies remedy the fiscal concerns set forth in the NOV fails because the policies are inadequate as detailed above. WAYS' proposed remedies of evaluating the Executive Director, adding new Board members, and proposing to contract with Celerity also do not resolve the concerns detailed in the NOV and this NIR. Substantial evidence exists to support the identified grounds

Accordingly, the County Board hereby issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to the governing board of WAYS. If the County Board revokes the WAYS' charter, following the public revocation hearing, based on violations of law and fiscal mismanagement, WAYS will not continue to qualify as a charter school for funding and for all other purposes during the pendency of an appeal. EC § 47607(i).

The date and time specified for a public hearing concerning revocation is as follows:

DATE:	**October 21, 2014**
TIME:	**3:00 p.m. unless otherwise posted**
LOCATION:	**Los Angeles County Office of Education** **Conference Center** **12830 Columbia Way** **Downey, CA 90242**

Service

Upon the County Board's approval of issuance of the Notice of Intent to Revoke and Notice of Facts in Support of Revocation at the regularly scheduled board meeting, to be held in open session in accordance with the Brown Act, on September 23, 2014, the County Superintendent of Schools shall issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to:

Armando Espinoza, Board Chair
Edward Cabil, Executive Director
Wisdom Academy for Young Scientists
706 East Manchester Blvd.
Los Angeles, California 90001
Email: Armando.espinoza.10@my.csun.edu and edcabil@sbcglobal.net

Notice of Intent to Revoke Exhibits

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EXHIBIT A

***Notice of Violation* to Wisdom Academy for Young Scientists (WAYS)**
Pursuant to Education Code Section 47607(c) and (d)
and Requesting Remedy by July 31, 2014

June 3, 2014

Background Information

On December 20, 2013, the Los Angeles County Office of Education (LACOE) Superintendent of Schools Dr. Arturo Delgado issued a *Notice of Concern* to WAYS (Exhibit 1) for Noncompliance with Law, Charter, Terms and Conditions of Authorization. The *Notice of Concern* identified that WAYS had:

- *Violated provisions of law,* including *EC* 47604.3, which requires a charter school to respond to reasonable requests for information due to its failure to fulfill reporting requirements of the LACOE Monitoring and Oversight Memorandum of Understanding (MOU).
- *Committed a material violation of any of the conditions, standards, or procedures set forth in the charter* (*EC* 47607(c)(1)) through its failure to comply with Element 9 (Annual Financial Audits) and Element 4 (Governance) of the WAYS charter petition submitted to LACOE on December 18, 2012.

These violations are grounds for revocation of a charter pursuant to Education Code (EC) 47607(c). The *Notice of Concern* provided the specific evidence used to substantiate the violations.

Superintendent Delgado's letter stated, "I am hopeful the **WAYS Board** will take action to correct the violations documented in this letter and prevent future violations. Such a plan, and **definitive Board actions** that document its implementation, should be submitted to the CSO [Charter School Office] by January 20, 2014." (Emphasis added)

On January 21, 2014, two (2) separate responses were received from the school: one (1) from the WAYS Board President and one (1) from the WAYS Executive Director. The responses contained contradictory information and conflicting timelines for submitting the action plan beyond the January 20, 2014 timeline. (Exhibit 2)

On January 24, 2014, the CSO sent the WAYS Board and Executive Director a letter requesting the school submit its response to the Superintendent's *Notice of Concern* by January 31, 2014. (Exhibit 3)

On January 31, 2014, a written response was received from the school's Executive Director. (Exhibit 4) There is no evidence the WAYS Board took action to approve the response: it is not signed by any member of the governing board, there is no board resolution, agenda item, or meeting minutes indicating the board reviewed and approved the submission. Superintendent Delgado's letter specifically asked the "WAYS Board" to take action.

The response from the WAYS Executive Director failed to address LACOE's evidence of material violations of the charter and offered no action taken or to be taken by the school that could be considered responsive.

Superintendent Delgado's December 20, 2013 letter also stated:

> Based on the school's continued failure to comply with law, the terms and conditions of its charter, and the LACOE MOU, I will be recommending that the County Board issue a *Notice of Violation* under EC 47607(c)...
>
> Additionally, due to ongoing fiscal concerns documented in the school's 2011-12 Independent Audit and other evidence, I authorized an audit under EC 1241.5(c) and informed the school of such on May 17, 2013. (Exhibit 5)

> Should the results of the audit conducted under EC 1241.5(c) provide evidence of the school's failure to meet generally accepted accounting principles or fiscal mismanagement, the *Notice of Violation* may be broadened to encompass EC 47607(c)(3).

Assembly Bill (AB) 139 Extraordinary Audit request by the Los Angeles County Office of Education Superintendent of Schools

As stated in the December 20, 2013 *Notice of Concern,* and pursuant to EC 1241.5, the County Superintendent requested that the Fiscal Crisis and Management Assistance Team (FCMAT[1]) conduct an AB 139 Extraordinary Audit of WAYS in May 2013.

The request was based on received allegations of multiple fiscal irregularities, questionable expenditures and inappropriate related party transactions at WAYS charter school. Concerned that these allegations may have violated various government and education codes related to fraud and/or misappropriation of assets, the County Superintendent initiated an investigation to determine whether sufficient evidence of fraud, misappropriation of funds or other illegal activities may have occurred to report the matter to the local district attorney's office for further investigation. Under the provisions of EC 1241, FCMAT entered into a contract with LACOE to conduct an AB 139 Extraordinary Audit.

Authority to Request an AB 139 Extraordinary Audit

EC 1241.5(b)(c) permits a county superintendent of schools to review or audit the expenditures and internal controls of any charter school in his or her county if there is reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. The review or audit conducted by the county superintendent will focus on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and is to be conducted in a timely and efficient manner.

This is in accordance with EC 42638(b), which states:

> *If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the school district, the State Controller, the Superintendent of Public Instruction, and the local district attorney.*

WAYS AB 139 Extraordinary Audit Report

On March 19, 2014, FCMAT published its AB 139 Extraordinary Audit (Audit) on WAYS conducted pursuant to EC 1241.5(c). (Exhibit 6)

On March 21, 2014, Superintendent Delgado provided the FCMAT Audit to the WAYS Board and Executive Director and informed the school that pursuant to statute, the "**governing board** of the charter school shall, no later than 15 calendar days after receipt of the report, notify the county superintendent and its chartering authority of its proposed response to the recommendations." (Emphasis Added)

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[1] FCMAT was created in 1992 to help California's local educational agencies fulfill their financial and management responsibilities by providing fiscal advice, management assistance, training and other related school business services. The Kern County Superintendent of Schools office exists as the administrative and fiscal agent for FCMAT which currently operates within the context of several areas of the California Education Code including management studies for school districts, county offices of education, charter schools and community colleges that request them. There are several defined "fiscal crises" that can prompt a county office of education to intervene in a charter school pursuant to EC 1241.5(c). When FCMAT intervenes in this manner it is considered an AB 139 Extraordinary Audit. FCMAT is funded through appropriations in the state budget and a modest fee schedule for charges to requesting agencies. (Source: FCMAT Website; *Los Angeles County Office of Education regarding the Wisdom Academy for Young Scientists AB 139 Extraordinary Audit*, March 19, 2014; California Education Code.)

On April 5, 2014, the Superintendent received a response from the WAYS Executive Director by email. There is no indication the response was approved by the WAYS Board, either by signature, resolution, agenda or meeting minutes. The response did not contain the referenced supporting documents; those were received via US Postal Service on April 14, 2014, nine (9) days after the statutory timeline to respond had expired. (Exhibit 7)

LACOE reviewed the response from the school's Executive Director and determined that it does not alleviate the concerns identified in the FCMAT Audit findings and recommendation.

Issuance of a *Notice of Violation*

Based on the failure of the WAYS Board to provide an adequate action plan to cure the material violations of the charter identified in Superintendent Delgado's December 20, 2013 *Notice of Concern* and its failure to alleviate the concerns contained in the findings and recommendation of the FCMAT Audit, the accompanying *Notice of Violation* provides the County Board with findings and substantial evidence in support of issuing a *Notice of Violation* to WAYS pursuant to the standards and procedures of EC 47607 and the California Code of Regulations, Title 5 (5 CCR) section 11968.5.2.

Pursuant to its oversight obligations, the County Board issues this *Notice of Violation* to Wisdom Academy for Young Scientists ("WAYS" or "Charter School") and its Governing Board for committing material breaches of the charter and failing to meet generally accepted accounting principles or engaging in fiscal mismanagement.

Legal Authority

Pursuant to California Education Code (EC) section 47607(d), the authorizing entity is required to notify the charter school in writing of any violation and give the charter school a reasonable opportunity to remedy the violation prior to revocation. Pursuant to EC section 47607(c), the authorizing entity may revoke the charter of a charter school if it finds, through a showing of substantial evidence, that the charter school did any of the following:

(1) *Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.*

(2) *Failed to meet or pursue any of the pupil outcomes identified in the charter.*

(3) *Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.*

(4) *Violated any provision of law.*

The County Board hereby places WAYS on notice of its intent to revoke the school's charter if it fails to remedy the violations enumerated below. The County Board reserves its right to immediately revoke the charter upon its written determination that any violations constitute a severe and imminent threat to the health and safety of the pupils (EC 47607(d)). The County Board also reserves the right to consider additional evidence presented to substantiate violations listed below.

The County Board issues this *Notice of Violation* to WAYS based on the grounds for revocation set forth below:

EC 47607(c)(3): WAYS *failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement*

EC 47607(c)(1): WAYS *committed a material violation of … the conditions, standards, or procedures set forth in the charter*

Grounds and Evidence in Support of Issuing a *Notice of Violation* Pursuant to EC 47607

I. Facts and Evidence

EC 47607(c)(3): WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement

Generally Accepted Accounting Principles (GAAP) is a set of standard guidelines, rules and procedures for financial accounting used in the preparation of financial statements. The purpose is to ensure financial reporting is transparent and consistent from one organization to another. The authoritative source of GAAP is the Financial Accounting Standards Board (FASB).

A. WAYS Failed to Follow Generally Accepted Accounting Principles and Engaged in Fiscal Mismanagement

The FCMAT Audit states WAYS failed to follow generally accepted accounting principles (GAAP), lacked sufficient and effective internal controls, and engaged in fiscal mismanagement including concerns regarding occupational fraud and related party transactions. It states, "*Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred.*" (Exhibit 6, p. 45)

Occupational fraud, also called "internal fraud," occurs when owners, managers and/or employees of an organization misuse or abuse their position for their own enrichment. Occupational fraud has three (3) primary classifications: schemes related to asset misappropriation, corruption, and financial statements. Internal controls are the principal mechanism for preventing and/or deterring occupational fraud. The FCMAT audit demonstrates that WAYS does not have effective internal controls necessary to prevent occupational fraud. (Exhibit 6, p. 9[2]).

Independent Audit Reports (for fiscal years ending 2012 and 2013) contain findings that WAYS failed to follow (GAAP) and engaged in fiscal mismanagement including related party transactions, inadequate internal controls, and violations of California Education Code. (Exhibit 8 and Exhibit 9)

1. WAYS lacks effective internal controls.

    a. The FCMAT Audit (Exhibit 6) contains the following concerns:

        i. "*There exists a significant material weakness in the charter school's internal control environment, which increases the probability of fraud and/or abuse.*" (p. 45)

        ii. "*Although WAYS had a fiscal policies and procedures handbook, the organization failed to implement or monitor several of the adopted policies and procedures. Recent board minutes document that when board members expressed the need to review and approve certain financial transactions or asked for the back office provider to present the financial statements during open board meetings, management repeatedly ignored these requests. In some cases, management canceled board meetings and caused major disruptions that ended board meetings prematurely.*"(pp. 10-11)

[2] Source: http://www.surveilligence.com/en/services/fraud-detection/occupational-fraud.html Retrieved May 27, 2014

iii. "*WAYS' executive management team failed in their fiduciary duty to obtain contracts, failed to have authorized signatures prior to entering contracts, failed to obtain governing board approval for contracts, and failed to ensure that documents are safeguarded.*" (p. 34)

iv. "[T]*here is an integral relationship between appointed board members and related family members and business associates...that created an environment that allowed and continues to allow access, opportunity and motivation for occupational fraud to occur.*" (p. 9)

v. "*To further demonstrate the lack of effective internal controls, independent audit reports for the last three fiscal years report 15 instances of significant and/or combined internal control conditions. Several of these finding have not been addressed by management and the governing board; therefore, these findings are repeated each year.*" (p. 11)

b. The 2012 Independent Audit (Exhibit 8) contains, but is not limited to, the following findings:

i. Bank reconciliations. "*Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances and lack of over site over the bank reconciliation process.... The Organization* [WAYS] *has not established adequate procedures to ensure that bank reconciliations were reviewed monthly by a supervisor...,a transaction material to the cash account might not be recorded properly, resulting in a material misstated financial statements.*" (p. 30)

ii. Account receivable reconciliation. "*The accounts receivable general ledger balance was not reconciled to the accounts receivable subsidiary ledger balances....The Organization has not adequately established written policies and procedures to ensure that the general ledger accounts receivable balance is properly reconciled to subsidiary ledger balances and that difference are investigated and cleared in a timely manner.* [This]*...could result in materially errors or possible fraudulent activities going undetected resulting in materially misstated financial statements.*" (p. 34)

iii. Recording transactions without complete supporting documentation. "*During the examination it was noted that supporting documentation for several disbursements were not complete.... The Organization* [WAYS] *has not adequately established written policies and procedures and oversight to ensure that all check requests are accompanying by proper and complete supporting documentation.* [This]*...could result in payments made for goods or services not received, duplicate payments, or payments that are incorrect or fraudulent....* " (p. 35)

iv. Payroll expense reconciliation. "*Payroll expenses were not consistently reconciled to the general ledger...The Organization has not adequately written policies and procedures to ensure the timely reconciliation of payroll expenses.* [This]*...could result in materially misstated financial statements.*" (p. 36)

v. Written asset capitalization policy. "*The Organization has no written asset capitalization policies or procedures. As such, costs were expensed in the in the financial records that should have been capitalized and depreciated over lives in excess on one year.... The Organization has not adequately established policies and*

procedures to ensure that fixed assets are properly capitalized and classified in the financial records. [This]*...could result in unreliable financial reporting and compliance with applicable laws and regulations."* (p.37)

The school's response to the 2012 Independent Audit was that it would review and address the concerns.

c. The 2013 Independent Audit (Exhibit 9) contains, but is not limited to, the following findings:

i. Bank reconciliations. "*Upon completion of bank reconciliations each month an adjustment is made to the financial statements for any amounts that are unknown as to the nature of the transaction. These amounts are being posted into suspense accounts with the intent of subsequently posting a journal entry to record the transactions into the correct expenditure or revenue account. At year-end these items were not reconciled and posted into the proper accounts. In addition, these items are not supported by any documentation that verifies the amounts are appropriate or approved.... The Academy has not established adequate procedures to ensure that supporting documentation is provided for all transactions associated with the bank accounts.... Management officials from the school site are not providing information necessary to post correcting journal entries. In addition, these items are not being reviewed subsequent to completion of bank reconciliations. Questioned Costs: $13,735 recorded in suspense account*" (p. 29)

ii. Payroll Expense Reconciliation. "*Payroll expenses were not consistently reconciled to the general ledger....The financial statements were misstated by a material amount....The Academy [*WAYS*] has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liabilities."* (p. 30)

iii. Year-end Accruals and Closing Process. "*The Academy did not record closing transactions for accounts receivable, accounts payable, prepaid expenses, and capital assets. In addition, journal entries were posted to the financial statements resulting in recording differences between the trial balance provided for audit purposes and the amounts reported to the Los Angeles County Office of Education for inclusion in their unaudited actuals submitted to the California Department of Education.... The financial statements were misstated by a material amount....The Academy has not adequately established written policies and procedures for year-end closing and recording of accruals.*" (pp. 30-31)

iv. Payroll Documentation. "*Personnel Action Forms which document employee's position and approved pay rates are not complete. In 100% of Personnel Action Forms reviewed there were missing approval signatures on the forms. In addition, in 9 out of 10 I-9's reviewed the forms are not being completed correctly. The I-9 forms were either missing the documentation of what items were reviewed to verify eligibility for employment, missing employer signature of verification, or both.... The Academy is exposed to risk of noncompliance with I-9 requirements. In addition, the Academy is exposed to risk of paying individuals who are not approved by management.... The Academy has not established adequate procedures which require hiring documentation be completed and reviewed prior to filing away in the employee file.*" (p. 31)

v. Capital assets. "*The Academy is unable to provide a detail of Capital Assets or a depreciation schedule to support amounts recorded in the financial statements.... purchases of capital assets were inappropriately recorded as expenses rather than increases to capital assets. The Academy did not calculate and record depreciation.... There is not sufficient audit evidence to determine if amounts recorded in capital assets are correct or if there is a material misstatement in the financial statements.... the Academy is exposed to risk associated with disappearance of capital assets as there is not a tracking system for such items.... The Academy has not adequately established policies for tracking capital assets and ensuring that they are appropriately recorded in the financial statements.... The Academy has not established procedures for disposal of capital assets.*" (p. 32)

vi. Credit card supporting documentation. "*The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they were used.... Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets.... The Academy has not established adequate written procedures requiring attachment of supporting invoices or receipts for credit card transactions....Questioned Costs: $5,858 known credit card expenses from sample selected.*" (p. 33)

vii. Beginning net assets. "*Beginning net assets were not in agreement with prior year audited ending net assets. The Academy was unable to provide reconciling items that supported adjustments to beginning net assets.... Amounts reported by the Academy as beginning net assets varied from the prior year audit report by $9,727. An adjustment was posted to bring the beginning balance in agreement with prior year audit report.... Beginning net assets were not in agreement with prior year audited ending net assets.... The Academy did not have procedures to reconcile beginning net assets with prior year audit report and did not have procedures in place to track prior year adjustments.*" (pp. 33-34)

viii. Federal award findings. "*The Academy did not separately track expenditures for federal programs in their financial software.... OMB Circular A-133 requires the presentation of a schedule of expenditures of federal awards for any agency expending greater than $500,000 of federal awards.... The Academy has not established policies and procedures requiring separate tracking of federal expenditures. There are not adequate internal controls in place to evaluate federal expenditures to ensure that they are accurately reported, meet program requirements, and are not used to supplant existing services.... Questioned Costs: 2012-13 National School Lunch Program (10.555) - $212,061; 2012-13 Special Education Cluster (84.027) - $99,925*" (pp. 35-36)

The 2013 Independent Audit (Exhibit 9, p. 39) concludes that the school partially addressed the previous year's finding regarding bank reconciliation; no other findings were addressed.

WAYS' response to the 2013 Independent Audit was that it would review the recommendations and subsequently establish necessary procedures to address the concerns.

2. WAYS engaged in related party transactions and violated conflict of interest statutes.

a. Transactions involving Founder/Former Executive Director:

Lease Agreement – *"The denial by LAUSD included concerns that WAYS failed to comply with the terms of the charter by allowing the charter school to enter "into a self-dealing transaction" with the founder/former executive director and her privately owned facilities that were leased to two of the three schools.*

In an attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools, the founder/former executive director placed the properties in a revocable trust named OCI Development Corporation in 2010-11. It was subsequently determined and concurred by the WAYS legal counsel that transferring the property to a holding company through a revocable trust did not ultimately transfer property ownership under California law and therefore did not resolve the conflict of interest concern." (Exhibit 6, p. 19)

Settlement Agreement – WAYS Board paid the founder/former executive director for alleged unused vacation and time-off without proper documentation. "*The settlement agreement does not provide any documentation to support this claim; therefore, FCMAT cannot substantiate that the $58,434.78 paid for 90 days of vacation leave and 30 days of unused time off was substantiated with independent records by the business provider in accordance with the employment contract.*" (Exhibit 6, p. 21)

Employment Lawsuit – "*Documents from a lawsuit settled against the Merle Williamson Foundation (MWF) for wrongful termination of a former teacher at WAYS against the school show that the founder/former executive director traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for the purposes of making the brother-in-law a United States citizen.*" (Exhibit 6, p. 22; Exhibit 10)

"*On December 4, 2012, a jury found in favor of the teacher plaintiff and subsequent judgment was awarded of $566,803.*" (Exhibit 6, p. 22)

b. Transactions involving the Director of Operations/On-Site Financial Manager:

The FCMAT Audit states, "*...transactions authorized by the director of operations do not represent an arm's-length transaction.*" (Exhibit 6, p. 37) Transactions include, but are not limited to the following:

Procurement and Purchases with OSE – The FCMAT Audit states, "*...During the* [FCMAT] *team's joint interview with the executive director and director of operations, the team was told that none of the WAYS vendors were related. The team made further inquiries regarding any relationship between WAYS management team or family members and OSE. The director of operations said that OSE Business Services was a legitimate business with many customers and that no relationship existed between these two entities.*" (Exhibit 6, p. 25)

"*...OSE is owned by Obiesie Enwezor, who is related to other WAYS vendors: Godfrey Okonkwo, Emeka Enwezor, and DeDe Dance Studio and bears the same last name as the founder/former executive director's brother-in-law, Joseph Njor Enwezor.*" (Exhibit 6, p. 22)

"*During the fiscal years 2011-12 and 2012-13, WAYS paid $57,533 and $101,338 respectively to OSE, totaling $158,871 for the two-year period.*" (Exhibit 6, p. 23)

"*A total of 20 invoices were issued by OSE and paid by WAYS. All invoices were approved by the director of operations – the founder/former executive director's son, along with the current executive director/former board president.*" (Exhibit 6, p. 23)

A document LACOE received after the FCMAT Audit was published provides further evidence that the owner of OSE is the cousin of the Director of Operations/On-Site Financial Manager for WAYS. (Exhibit 11)

The FCMAT Audit states, "*OSE address printed on their invoices... is identified as the mailing address of Innovative WAYS Academy. The CEO of Innovative WAYS Academy is: The founder of DeDe Dance Studio and vice principal of WAYS; The daughter of the founder/former executive director of WAYS; The sister of WAYS' director of operations, and; The CEO of DeDe Dance Studio that operates business at the WAYS school site.*" (Exhibit 6, p. 25)

Additionally, the FCMAT Audit states that OSE was not registered with the Internal Revenue Service and State Franchise Tax Board at the time WAYS made purchases from OSE and WAYS did not issue a Form 1099 or a W-9 to OSE as required by law. Additional details are provided in the FCMAT Audit. (Exhibit 6, p. 26)

The FCMAT Audit also states, "*Obiesie Enwezor, owner of OSE, refused to meet with FCMAT; therefore, the team cannot confirm that OSE is a legitimate business that properly reported income and sales taxes totaling $158,871 from WAYS to the taxing authorities, or that merchandise was actually delivered by OSE and received by WAYS.*" (Exhibit 6, p. 26)

"*According to OSE's email dated December 16, 2013, the owner states that OSE does not buy or resell... '...OSE Business Services is not a resale company or store, OSE is a service provider. We do not buy or resale. We provide and coordinate purchasing and delivery services to various agencies.' The owner's statement that OSE is a service provider and is "not in the resale business" is not supported by the presentation of the paid invoices to his company.*" (Exhibit 6, p. 27)

"*The irregularities described in this report attributable to alleged supplies purchased from OSE raise serious concerns about the OSE and WAYS business relationship and whether OSE actually sold any supplies to WAYS.*" (Exhibit 6, p. 31)

Further, the manner in which OSE was chosen as a service provider and the manner in which purchases were paid conflicts with WAYS' 2006 adopted fiscal policies (Exhibit 12) as follows:

(1) There is no evidence of a competitive bidding process;

(2) Prior to initiating at least one order, the school failed to ensure there were sufficient funds to cover the expenditure based on the Director of Operations/On-Site Financial Manager's statement to FCMAT (Exhibit 6, p. 23) that OSE was paid by cashier's check because they had "*bounced a check*";

(3) Purchases were not initiated by a purchase order; and

(4) The procedures for receipt of order were not followed. Additionally, there is no evidence the WAYS' Board approved OSE as a vendor, to provide a "check-and-balance" to the related party transaction.

A review of WAYS 2011, 20112, and 2013 Wells Fargo bank statements do not indicate any insufficient funds or returned checks. This contradicts the Director of Operations/On-Site Financial Manager's statement to FCMAT that cashier's checks were used because WAYS "*bounced a check and OSE only wanted to be paid by cashier's check.*" (Exhibit 6, p. 23)

Payments to DeDe Dance Studio – *The WAYS vice principal* (daughter of founder/former executive director) *is the owner of...a non-profit corporation known as DeDe Dance Studio" and "DeDe Dance Studio was paid a total of $73,800 by WAYS between April 2009 and April 2013.*"

"*The director of operations and brother of the WAYS vice principal and owner of DeDe Dance Studio authorized the checks from WAYS totaling $73,800 that were paid to DeDe Dance Studio.*"

"*During the* [FCMAT] *team interview of the WAYS vice principal on November 15, 2013, she stated that DeDe Dance Studio was paid from the ASES* [After School Education and Safety] *program funds for dance study during the after school program...*" (Exhibit 6, p. 38)

The 2012 independent Audit Report also identifies the payments to DeDe Dance Studio as related party transaction. It states, "*DeDe Dance Studio, a non-profit organization, provided after school program service to WAYS. WAYS' assistant principal is the executive director of the DeDe Dance Studio and is related to the WAYS' Director of Operations. During the year-ended June 30, 2012, DeDe Dance Studio received payments of $36,000 from WAYS.*" (Exhibit 8, p. 15)

Further, the manner in which DeDe Dance Studio was chosen as a service provider for the ASES Grant is in conflict with WAYS' 2006 adopted fiscal policies (Exhibit 12) as there is no evidence of a competitive bidding process. Additionally, there is no evidence the WAYS governing board approved the selection of DeDe Dance Studio as the ASES service provider to provide a "check-and-balance" to the related bylaws transaction.

Additional Related Party Transactions – The FCMAT Audit (Exhibit 6, p. 39) identifies additional related party transactions that occurred between the Director of Operations/On-Site Financial Manager and Godfrey Okonkwo and Emeka Enwezor related to the lease of a van. These individuals are the Director of Operations/On-Site Financial Managers' father and cousin, respectively. The Director of Operations/On-Site Financial Manager "*is the individual authorizing the check requests and financial transactions for WAYS.... WAYS failed to obtain a signed contract and board authorization to lease the van.*" (Exhibit 6, p. 37)

FCMAT concluded, "*Failure to disclose related party transaction may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution.*" (Exhibit 6, p. 36)

3. WAYS violated provisions of law

Violations of law identified in the school's 2012 and 2013 Independent Audits include, but are not limited to the following:

a. Late submission of Independent Audits. The Independent Audits for 2012 and 2013 identify a lack of compliance with EC 47605(m), which specifies the date by which a school's Independent Audit is to be submitted. WAYS failed to submit its Independent Audits to the

State Controller's Office, CDE, and LACOE by the statutory due date of December 15. (Exhibit 8, p. 4; Exhibit 9, p. 2)

b. Failure to comply with state requirements of the After School Education and Safety (ASES) Program.

The 2013 Independent Audit (Exhibit 9, p. 37), states:

A. Education Code 8483(a)(2) states that it is the intent of legislature that elementary school students attend the full day of the program every day in which students participate, except as consistent with the LEA's early release policy.

B. Education Code Criteria 8483.9(a) limits indirect costs to the lesser of the LEA's approved indirect cost rate or 5%.

The Audit also states WAYS failed to comply with these statutory requirements as follows:

A. Sign out sheets for the after school education and safety program did not include time student was released for 827 out of 896 days tested. It could not be determined if these students participated in the full day of the program or if they met early release policy of the LEA.

B. The Academy used an indirect cost rate of 5.26% which exceeds the allowable 5% for the program.

The multiple concerns of the FCMAT report, coupled with the deficiencies and conditions identified in the WAYS 2012 and 2013 Independent Audits, demonstrate the school's continued departure from GAAP and resulting fiscal mismanagement.

EC 47607(c)(1): WAYS committed a material violation of...the conditions, standards, or procedures set forth in the charter

A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control

The WAYS Governing Board (Board) committed material violations of Charter Element 4 (Governance)

Charter Element 4 (Governance Structure) establishes the Board's responsibilities to provide overall oversight of the school. Through the Board's lack of general oversight and its failure to monitor and evaluate the performance of the school's Executive Director and Director of Operations/On-Site Financial Manager, the WAYS Board failed to ensure that these administrators fulfilled the job duties specified in Charter Element 5 (Employee Qualifications and Rights); complied with Generally Accepted Accounting Principles (GAAP); and did not engage in and/or allow fiscal mismanagement of the school.

The Board's failure to follow the oversight provisions of the charter, Board bylaws, and Board policies, resulted in the school's failure to comply with GAAP and fiscal mismanagement as established under the EC 47607(c)(3) section, above.

Sections B and C, below, provide specific evidence of how the WAYS Board failed to exercise fiscal and institutional control, thereby materially violating the terms of its charter.

B. WAYS Board Violated Charter Element 4: Governance

The WAYS Board failed to provide adequate oversight of the charter school and its administrators as follows:

1. It failed to provide adequate fiscal oversight:
    a. It did not establish a Finance Committee as required by the charter
    b. It did not develop adequate Fiscal Policies
    c. It relinquished its authority to approve contracts
    d. It did not provide adequate oversight in the development of the school budget
    e. It improperly authorize the expenditure of school funds
2. It did not establish and/or approve policies prior to implementation
3. It did not hold monthly meetings and did not follow its bylaws and the *Brown Act* with regard to meetings
4. It did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations
5. The Board President did not provide an annual report to the WAYS Board as stipulated in the charter

The WAYS charter dated December 18, 2012,[3] states:

> *WAYS shall comply with the Brown Act. The Governing Board of WAYS will meet monthly. The Notice of Governing Board Meetings, Notices, Agendas and Minutes will be posted in the main office on the information bulletin board as well as in common passing areas at a minimum of three days before the meeting....*
>
> *...This board is responsible for developing and establishing a set of governing bylaws as required by laws that will apply to Wisdom Academy of Young Scientists.*
>
> *Members of the WAYS' executive board, any administrators, managers or employees, and any other committees of the School shall comply with federal and state laws, nonprofit integrity standards and the County's Charter School policies and regulations regarding ethics and conflicts of interest....*
>
> *The Board of Wisdom Academy for Young Scientists will be made up of 5 – 15members that include community member representatives. Paid employees of WAYS may not sit on the Governing Board of WAYS. The board members are made up of the founding parents, educators, and community members. (see Appendix C). The County reserves the right to appoint a single representative to serve on the Board pursuant to Education Code section 47604 (b). The remaining members will be nominated from the school community and outer community members, based on their expertise and desire to promote a quality educational program. These individuals may have backgrounds in areas such as business, law, fundraising, community outreach, finance, mental health, etc., along with their willingness to serve a needed role on the WAYS Board. During the term of this charter, WAYS will comply with the provisions of the Brown Act and Government Code*

[3] A revised charter petition was additionally submitted to LACOE as a result of Arbitration on February 14, 2014. Element 4 (Governance) contains no material changes to the language contained in the charter petition submitted on December 18, 2012. On May 20, 2014, a new version of the charter petition was submitted, also as the result of Arbitration; LACOE has not yet reviewed this document.

section 1090, as those sections are amended from time to time. WAYS will fax a copy of all meeting notices to the County's Charter Schools Office.

The Governing Board ultimately will be charged with assessing how the school is doing overall. The President of the Governing Board will provide an annual report to the Board of Principals of the Merle Williamson Foundation in April of each year.... it will review the information [from administration] *and ascertain whether recommendations need to be made or committees need to be formed to work on specific issues. These committees may examine closely the curriculum and staffing priorities for maximum effectiveness; identifying budgetary priorities involving the use of discretionary funds; evaluating the academic effectiveness of the school program, its administration and staff, and make recommendations for improvement, accordingly. These committees are established to implement the business of the Governing Board and to facilitate it's functioning. Furthermore, the Governing Board facilitates communication and team building and acts as negotiator for disagreements.*

Matters that arise concerning budgets, curriculum, school discipline, and other school matters will begin at the level of teachers and parents. The Governing Board may, from time to time, establish committees and working groups to develop a policy for the school regarding specific issues and present its findings to the Governing Board and the School Community. WAYS has adapted a set of detailed procedures and policies for all fiscal matters, which are outlined in Element I. Core policies that the board will adopt include:

- *Fiscal Policies – how the school's budget is drafted, approved and monitored; budget development calendar; staff roles related to fiscal issues.*
- *Instructional Program Policies – when necessary, establish formal policies to clarify or add specific/amend specific charter elements*
- *Personnel Policies – Establishes how the school recruits, hires, monitors, compensates, and dismisses staff. Policies will also be adopted that address state and federal labor laws related to non-discrimination, leaves, sexual harassment, and other matters. These policies will be adopted prior to hiring staff and will be drafted with legal consultation.*
- *Student and Parent Policies – how the school recruits orients, admit, disciplines, suspends, and expels students. These polities will also clarify parents' roles and responsibilities.*
- *Legal Policies – Board members' legal responsibilities, including conflict of interest, duty of care, confidentiality (See Appendix E).*
- *Internal Board Policies – Board composition and renewal/succession and to clarify any policy ambiguities*
- *Policy, policy – this policy will help to keep the policy development process at a minimum and describe how policies are made and revised.*

The Governing Board will:

- *Insure that the entire school is moving in the direction of the school vision.*
- *Serve as a clearinghouse for information to facilitate communication.*
- *Monitor committees to ensure progress toward goals and accomplishment of duties.*
- *Assist Administration in dealing with incoming information to the school and disseminating information to the School Community.*

Analysis:

1. The WAYS Board failed to provide adequate fiscal oversight, which contributed to fiscal mismanagement of the school.

    a. It did not establish a Finance Committee as required by the charter:

        i. A review of WAYS Board agendas, minutes, and audio recordings from July 2011 to March 2014 (Exhibit 13[4]) shows there has never been a report from the Finance Committee to the WAYS Board and there was no posting of a Budget or Finance Committee meeting on the school's website.

        ii. The October 24, 2013 WAYS Board agenda contains the item, "Formation of the Board's Finance and Budget Committee" indicating such a committee had not been in place. (Exhibit 13)

        iii. The January 6, 2014 WAYS Board agenda contains item "13092601: Monthly Budget Update for 2013-14 School Year…" The audio recording of the meeting contains a discussion between the Board President and Bali Business Management (Bali), the school's contracted back-office provider, in which the Bali consultant explains he believes there had been a Finance Committee when the school had been authorized by LAUSD, but that "something happened" indicating there had been no Finance Committee since the school had been operating under the authority of the County Board. (Exhibit 13)

        iv. The January 29, 2014 WAYS Board agenda states there was to be a meeting of the Budget and Finance Committee meeting on that date; however neither a time nor place is identified and no meeting minutes were submitted to LACOE. (Exhibit 13)

    b. It did not develop adequate Fiscal Policies:

        i. The 2011 Independent Audit (Exhibit 14) identified "material weaknesses" and "significant deficiencies" with the school's "internal control over financial reporting" and indicated "This problem was systemic" (p. 28)

        ii. The 2012 Independent Audit (Exhibit 8) identified "one or more significant deficiencies with the school's internal control over financial reporting" (p. 29)

        The Independent Audit states the school's response is that it will review and monitor the conditions identified in the report and correct as applicable. (pp. 30-37)

        iii. The WAYS Board agendas and meeting minutes fail to indicate any discussion and/or action on revising Fiscal Policies until July 31, 2012. The agenda for this meeting lists Item IV. G "Approval of Revised Fiscal Policy." (Exhibit 13)

        The audio recording for this meeting documents that the Board Chair stated, "This is going to be moved to a future agenda item." There was no discussion on the item. The Board did not take action to amend its Fiscal Policies until January 31, 2013, six (6) months later.

[4] Exhibit 13 contains a copy of all WAYS Board Meeting Agendas and Minutes that were submitted to LACOE from July 2011through March 2014.

iv. LACOE asked the WAYS administrators for revised Fiscal Policies on at least three (3) separate occasions beginning in November 2011. (Exhibit 15)

v. Subsequent to WAYS Board approving the Revised Fiscal Policies on January 31, 2013, those policies were submitted to LACOE. The Controller's Office reviewed the Revised Fiscal Policies and on April 18, 2013, provided WAYS with specific feedback as to where "additional measures" were needed to "strengthen internal control and safeguard assets of WAYS Charter School." (Exhibit 16) The school did not respond to LACOE's letter.

vi. The 2013 Independent Audit (Exhibit 9) found "*One or more material weakness(es)*" and "*One or more significant deficiencies*" with WAYS' "*Internal control over financial reporting*" and "*One or more material weakness(es)*" with "*Internal control over major programs*". (p. 28)

The Independent Audit further notes that WAYS did not fully implement all recommendations from its previous audit. (p. 39)

The school's response is that they will "review this recommendation and subsequently establish necessary procedures." (pp. 29-34)

vii. The February 27, 2014 WAYS Board agenda contains item, "IX. m. Response to Annual Audit findings – Discussion." A copy of WAYS Fiscal Policies and Procedures Handbook and a copy of a document entitled Fiscal Policies and Procedures Handbook "Charter School" with the logo for ExED on each page was submitted to LACOE with the agenda as board materials.

Meeting minutes for that February 27, 2014 state, "VIII. q. Response to Annual Audit findings – Discussion i. Discussion by Jason Okonkwo and Halilu of Bali Business Management regarding changes to WAYS' Financial Policies in the future Board Meetings." Neither the agenda nor meeting minutes indicate any revisions to Fiscal Policies were discussed or made. (Exhibit 13)

viii. The FCMAT Audit (Exhibit 6) states in part:

> *The failure to establish adequate internal controls...coupled with the lack of accountability to the governing board created an environment for fraud and misappropriation to occur.* (p. 11)
>
> *FCMAT's findings are consistent with the independent auditor's reports for WAYS for the fiscal years ending June 30, 2012 and June 30, 2013. Both FCMAT and independent auditors find that WAYS has significant internal control conditions and has failed to ensure that adequate internal controls are in place.* (p. 31)
>
> *Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred. There exists a significant material weakness in the charter school's internal control environment, which increases the probability of fraud and/or abuse.* ***These findings should be of great concern to the WAYS governing board and the LACOE governing board and require***

> ***immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.*** (p. 45 Emphasis added)

c. It limited its authority to approve contracts:

i. The WAYS Board has not reserved the right, by its charter, bylaws, or Fiscal Policy, to review or approve contracts in advance of their execution. Article VII, Section 1. GENERAL POWERS of the 2011 bylaws (Exhibit 17) states:

> *The Board may delegate the management of the corporation's activities to any person(s), management company, or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.*

ii. WAYS 2002 Board bylaws (Exhibit 18) assigned broader authority to the Board with respect to contract approval; these bylaws were submitted to LAUSD with the renewal petition. However, the Board revised its bylaws in March 2011, after the charter petition was submitted to LAUSD and before the appeal was submitted to LACOE. As an appeal of a denied petition, the County Board was only able to consider the bylaws submitted to LAUSD (dated 2002). Findings pursuant to those 2002 bylaws are documented in the staff report to the County Board. (Exhibit 19) The report states in part:

> *The governance structure fails to provide adequate oversight of the school's operation and fiscal management. Failure of the articles of incorporation and bylaws to state the purpose of the corporation is to provide for the operation of a publicly funded charter school is further evidence that the structure lacks a seriousness of purpose. The bylaws states the board has only one regularly scheduled meeting, which is insufficient to provide for effective governing of a public charter school. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no evidence that the board can implement the proposed educational program stated in the petition.* (pp. 9-10)

The WAYS Board has been operating under the 2011 bylaws, although it materially revised the responsibility of the WAYS Board and significantly increased the authority of the school's administration.

iii. The WAYS Board is inconsistent in its oversight with respect to approving contracts and purchases.

A review of the WAYS Board agendas, minutes, and audio recordings from July 2011 to March 2014 (Exhibit 13) show key contracts did not receive prior Board approval, and the delegation of the signing of contracts to the school's administrators resulted in the Board's failure to "exercise its ultimate direction." Examples include:

Major Facilities Improvement (Air Conditioning) of Leased Buildings – The WAYS Board did not approve the contracts (approximately $10,000 each) to install air conditioning at 706 East Manchester facilities building A (DeDe Dance Studio) and building D.

The agenda (Exhibit 13) and audio recording of the July 31, 2012 WAYS Board meeting, documents that the Director of Operations/On-Site Financial Manager stated to the WAYS Board that the school had "started early, before approval" on an air conditioning construction project.

When the item for the over $20,000 project was brought to the WAYS Board for action, the audio recording documents that a Board member questioned the purpose of the vote by commenting, "They've already started."

Site Lease for Salvation Army Facility – The agenda (Exhibit 13) and audio recording for July 31, 2012, WAYS Board meeting documents that the Director of Operations/On-Site Financial Manager informed the Board that the lease for the Salvation Army site was still in negotiations and was not available for the Board to approve at that time. However, the minutes of that meeting state, "*Approval of Salvation Army 2012-13 FY Property Lease – Approved 5/0.*"

The lease was signed by the school's Executive Director on August 1, 2012.

Board approval of the contract was not listed as an item on any subsequent agenda or meeting minutes through June 2013, the remainder of the 2012-13 school year.

On February 3, 2014, the WAYS Board approved a resolution for the Board to enter into a lease for the Salvation Army site for 2013-14. The resolution reads, "*...the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to enter a Commercial Property Lease 2013-14 Fiscal Year – 7651 South Central Ave Los Angeles, Ca on behalf of said corporation.*" However, the lease was signed by the Executive Director in October 2013. (Exhibit 20) Therefore, the Executive Director entered into the lease without the approval of the WAYS Board.

Vehicle Purchase and Sale –

Purchase: The July 31, 2012 WAYS Special Board meeting (Exhibit 13), lists as Item "VII. H. Approval of Resolution to Purchase/Lease a Vehicle for School Business;" however, the audio recording documents that the actual motion was to "look into vehicles for the school." This motion was approved unanimously.

The signed Board Resolution does not reflect the motion made by the Board member, but erroneously reflects the language on the agenda as cited above. The actual motion did not give approval to purchase or lease a vehicle, but rather to "look into" that possibility. Therefore, the school's administrators entered into a contract to purchase a vehicle without proper Board approval. (Exhibit 21)

Sale: On November 30, 2013, the Director of Operations/On-Site Financial Manager sold a school vehicle prior to Board approval of the sale. The sale was initiated, and completed on January 28, 2014, according to documents provided to the WAYS Board for its February 3, 2014 meeting. (Exhibit 22) The sale of the school vehicle was not approved by the WAYS Board until its February 3, 2014 special meeting. (Exhibit 13)

Contract for 2013 Independent Audit – On November 18, 2013, the Director of Operations/On-Site Financial Manager signed the contract for the 2013 Independent

Audit (Exhibit 23) more than two (2) months prior to the Board approving the selection of that Auditor at its February 3, 2014 special meeting. (Exhibit 24)

Employment Contracts for Executive Director and Director of Operations/On-Site Financial Manager – The 2013-14 employment contract for the Executive Director was not approved until February 3, 2014 Board meeting (Exhibit 13) and a review of Board meeting agendas and minutes (Exhibit 13) provide no evidence that the Board approved an employment contract for the Director of Operations/On-Site Financial Manager since 2011.

A November 20, 2013 email from Board President Tolbert to the Executive Director states the lack of "*The review/approval of a contract for the Executive Director; if one had been provided. In fact, no contracts for this school year have been presented to the Board for review, approval or denial.*" (Exhibit 25)

The February 27, 2014 WAYS Board agenda (Exhibit 13) and audio recording documents that 2013-14 employment agreements for WAYS staff other than the Executive Director, including contracts for the Director of Operations/Onsite Financial Manager (who reports to and is evaluated by the Board), Principal and Assistant Principal were not approved by the WAYS Board even though it was eight (8) months into the school year.

The Board's failure to approve major dollar contracts before they were executed and its general assignment of this responsibility to the school's administration results in a lack of checks and balances necessary to reduce the likelihood of fiscal mismanagement. This action shows the board relinquished one of its key fiduciary responsibilities, allowing the school's administrators to enter into contracts without the Board's prior approval.

d. It did not provide adequate oversight in the development and approval of the school's budget.

WAYS Director of Operations/On-site Financial Manager submitted the WAYS budget to LACOE on July 3, 2013, prior to its approval by the WAYS Board. The following chronology establishes the Board's lack of oversight of the budget development and approval process:

i. June 6, 2013 Board Meeting: Agenda (Exhibit 13) lists 2013-14 Budget as discussion item. Written materials in the Board packet and the audio recording of the meeting document that the discussion with Bali centered on the 2012-13 Budget as of April 30, 2013.

The discussion related to the 2013-14 Budget was that WAYS' administration and Bali were currently developing the budget and that a Board meeting would need to take place before the end of June to approve that budget.

ii. June 26, 2013 Board Meeting: Agenda (Exhibit 13) lists 2013-14 Budget approval as action item; meeting cancelled due to lack of quorum.

iii. July 3, 2013: LACOE received WAYS 2013-14 Budget.

iv. July 26, 2013 Board Meeting: Agenda (Exhibit 13) lists adoption of 2013-14 Budget as action item; minutes state item tabled until next Board meeting.

v. August 9, 2013 Board Meeting: Agenda (Exhibit 13) lists adoption of 2013-14 Budget as action item; the meeting was cancelled due to lack of quorum.

vi. August 29, 2013 Board Meeting: Agenda (Exhibit 13) lists 2013-14 Budget as action item; audio recording documents that the Board asked questions about revenue and expenditures. Board Member Espinoza asked the Bali Consultant about the reason line item 5890 (Other services and operating expenses) increased from $10,000 in 2012-13 to $128,724 in 2013-14. He asked what services were included in this line item and why the increase was so dramatic.

The audio recording documents that The Bali Consultant stated he was only prepared to give a summary report and did not have the information to answer the question. The Board requested an explanation be presented at its next meeting.

The Board stated it was aware of the necessity of approving the budget as it was late August and the school needed to spend money to start the school year.

The Board took action to have line item 5890 restored to $10,000 and instructed Bali to hold the difference of $118,000 in reserve until the Board received an explanation of the expenditures contained in the line item. The Board voted to approve the budget with the change stated, above.

vii. September 26, 2013 Board Meeting: Agenda (Exhibit 13) lists 2013-14 Budget approval as action item; minutes state, "Unable to address this item at this time as presenter has not yet arrived."

viii. October 24, 2013 Board Meeting:

Minutes from August 29, 2013 presented for approval did not indicate that 2013-14 Budget was approved with the stipulation that line item 5890 was returned to $10,000. (Exhibit 13)

The audio recording of the meeting documents that the Board, in its approval of the Minutes, amended them to reflect Mr. Espinoza's motion that the budget was approved with line item 5890 restored to $10,000 until further clarification of that line item could be provided. Revised meeting minutes were never received by LACOE.

Agenda (Exhibit 13) lists discussion and possible action on 2013-14 Budget with presentation from Bali Business Management. A review of the audio recording documents that no discussion or action took place. The meeting minutes (Exhibit 13) state, "A DISRUPTION OCCURRED AT THE END [of] CLOSED SESSION BY AN ADMISTRATIVE EMPLOYEE. NO OTHER BOARD BUSINESS WAS ABLE TO BE CONDUCTED." A November 12, 2013 letter from the Executive Director to LACOE that accompanied the audio recording corroborates that the meeting ended abruptly. (Exhibit 26)

ix. February 4, 2014 email from LACOE Controller's Office to Director of Operations/On-Site Financial Manager: The communication requests evidence of board approval of the annual budget due in July each year and other items. (Exhibit 27)

x. February 5, 2014, Response from Director of Operations/On-Site Financial Manager: Email with August 29, 2013 Board minutes of the attached. (Exhibit 28)

The document sent by the Director of Operations/On-Site Financial Manager to LACOE was the first page of the August 29, 2013 minutes, signed by Board Members Valenti and Johnson and dated February 3, 2014.

The minutes show the budget was approved, but does not reflect the approved amendments to the budget made on August 29, 2013 (e.g., restoration of line item 5890 to $10,000), which was further documented through the audio recording of the October 24, 2013 meeting.

While the February 3, 2014 Agenda lists Board action to approve Minutes for the August 29, 2013 meeting, these Minutes had been approved on October 24, 2013. Additionally, the Board lacked a quorum at the point in this meeting when this action took place.

The WAYS Board did not establish sufficient policies and/or approve policies prior to implementation.

e. It improperly authorized the expenditure of school funds.

i. It authorized staff stipends without appropriate criteria or supporting documents. On February 27, 2014, the Board approved Item IX. b. "*Performance Based 2013-14 School Year Stipends Round One – Action.*" (Exhibit 13)

The audio recording of that Board meeting indicates the Board Chair asked the Executive Director about classroom observation used to substantiate these "*Performance Based Stipends.*" The Executive Director said the stipends were for staff that performed extra duties, not for their classroom performance. The Board committed two (2) errors in approving these stipends as follows:

First, the item was improperly stated on the agenda in violation of the *Brown Act*. Performance based stipends are not the same as extra duty compensation; and

Second, without written criteria and supporting documentation to justify the payments, they may constitute a gift of public funds.

ii. It approved the expenditure of funds to the founder/former executive director without evidence the funds were owed. WAYS Board paid the founder/former executive director for alleged unused vacation and time-off without proper documentation as previously described on page 8 of this report and in the FCMAT Audit. (Exhibit 6, p. 21)

2. The WAYS Board did not establish and/or approve policies prior to implementation.

a. The Board did not develop and approve sufficient Fiscal Policies as documented above.

b. The Board did not develop Personnel Policies. A review of Board agendas, minutes, and audio recordings from July 2011 to March 2014 (Exhibit 13) indicates the WAYS Board did not develop or approve Personnel Policies, and Personnel Policies were not submitted to

LACOE. If such policies existed, they were required to be submitted to LACOE per the fully executed LACOE MOU.

c. The Board did not approve policies before implementation and/or submission to LACOE. A review of Board agendas, minutes, and audio recordings from July 2011 to March 2014 (Exhibit 13) does not indicate that the Board had approved policies the school's administration had submitted to LACOE. A November 20, 2013 email from Board President Tolbert to the Executive Director states her concern that the Board had not approved policies that needed to be submitted to LACOE. (Exhibit 25)

3. The WAYS Board did not hold monthly meetings and did not follow its bylaws and the *Brown Act* with regard to meetings.

The charter dated December 18, 2012 states, "*The Governing Board of WAYS will meet monthly.*"

Section 15 of the WAYS 2011 bylaws states, "*Regular meetings of the Board of Directors, including annual meetings, shall be held monthly...*"

Section 18 of the WAYS 2011 bylaws states, "*QUORUM. A majority of the directors then in office shall constitute a quorum. All acts or decisions of the Board of Directors will be by majority vote based upon the presence of a quorum. Should there be less than a majority of the directors present at any meeting, the meeting shall be adjourned. Directors may not vote by proxy.*"

a. The Board held an insufficient number of Regular Meetings to effectively govern the school and provide necessary oversight. Between July 2011 and March 2014, the Board held 33% of the Regular Monthly Meetings stated in the charter and bylaws (11 of a possible 33). Regular Meetings were cancelled, postponed, or rescheduled 20 times.

b. The school does not publish a schedule of Regular Meetings for parents, staff, or the community through its website or school calendar. It does submit a yearly list of Regular Meeting dates to LACOE as required by the MOU. The school does not comply with the requirements of the *Brown Act* with regard to establishing a Regular Meeting schedule, although the charter states the school will comply with the *Brown Act*.

The *Brown Act* differentiates between Regular and Special Meetings:

Regular Meetings are held at a preset time and place. Each local agency must establish a regular meeting schedule by resolution or ordinance; 72-hour notice is required.

Special Meetings are held for a specific purpose. Special meetings may be called by the presiding officer or a majority of the members of the legislative body; 24-hour notice is required[5].

c. The WAYS Board relies on Special Meetings to conduct its regular business, which is a violation of the *Brown Act* and the school's charter.

The chart below provides information regarding the Regular Meeting schedule of the WAYS Board based on the yearly list of dates it submits to LACOE in August each year and/or as amended. Special Meetings that were scheduled and/or held are provided under Notes.

Analysis of WAYS Regular and Special Board Meetings: July 2011 – March 2014

[5] *A Public Official's Guide to the Brown Act,* Neumiller & Beardlsee, January 2013. Retrieved 2/10/2014 from www.todb.ca.gov/images/2013_Additional_Material/Brown_Act_2013...

Calendared Regular Meeting Dates	Meeting Held	Notes
July 28-29, 2011	Yes	Meeting held in Orange County, which is outside the jurisdiction of the authorizer in violation of the bylaws and Charter.
August 19, 2011	No	Agenda received for Special Meeting on this date; however, LACOE did not receive audio recording or minutes.
September 16, 2011	Cannot Confirm	Agenda received; however, LACOE did not receive audio recording or minutes. Special Meeting scheduled for September 22, 2011; however, 9/12/11 email from Board Member Lewis stated meeting cancelled for lack of quorum.
October 21, 2011	No	10/20/11 email from Director of Operations stated meeting postponed. Special Meeting scheduled for October 5, 2011; however, 10/5/11 email from Board Member Lewis stated meeting cancelled. Special Meetings held October 8, October 14, and 29, 2011.
November 18, 2011	No	11/16/11 email from Director of Operations stated meeting to be rescheduled. Special Meetings held November 3, and November 30, 2011. The November 11 meeting was held at a restaurant in Marina Del Rey.
December 2011: None	No	Special Meeting held December 15, 2011.
January 20, 2012	Yes	
February 17, 2012	No	2/16/12 email from Executive Director stated, "until further notice board meetings will be set according to the announced monthly available days common for all Board members." Special Meeting held February 29, 2012.
March 16, 2012	No	LACOE did not receive an agenda, minutes, or an audio recording for this date.
April 20, 2012	No	Special Meeting held April 25, 2012.
May 18, 2012	No	Special Meeting held May 24, 2012.
June 22, 2012	No	Special Meeting held June 28, 2012.
2011-12 Summary:	**Calendared Regular Meetings held 2 of 12 months**	
July 26, 2012	No	7/26/12 email from Executive Director stated meeting postponed to July 31, 2012 for lack of quorum. Special Meeting held July 31, 2012.
August 30, 2012	No	8/28/12 email from Executive Director stated meeting postponed to September 5, 2012, for lack of quorum; 9/5/12 email from Executive Director stated meeting cancelled for lack of quorum.
September 27, 2012	Yes	
October 25, 2012	No	10/23/12 email from Director of Operations stated meeting moved to October 26. Special Meeting held October 26, 2013.
November 29, 2012	No	LACOE did not receive agenda, minutes, or audio recording. Special Meeting scheduled for November 30, 2012; 11/30/12 email from Director of Operations stated meeting postponed until further notice due to illness and weather.
December 2012: None	No	Special Meeting scheduled for December 11, 2012; 12/11/12 email from Executive Director stated meeting cancelled due to lack of a quorum.
January 31, 2013	Yes	

Analysis of WAYS Regular and Special Board Meetings: July 2011 – March 2014

Calendared Regular Meeting Dates	Meeting Held	Notes
February 28, 2013	Yes	
March 28, 2013	No	LACOE did not receive an agenda, minutes, or an audio recording for this date. A Regular Meeting was held March 22, 2013.
April 25, 2013	Yes	
May 30, 2013	No	5/30/12 email from Executive Director stated meeting postponed until the following week for anticipated lack of a quorum.
June 27, 2013	No	Agenda for June 6, 2013 not identified as regular or special meeting. LACOE did not receive agenda, minutes, or audio recording for June 27, 2012 meeting. LACOE received an agenda for June 26, 2013 Regular Meeting; however, 6/27/2013 email from Executive Director stated meeting cancelled for lack of quorum. Special Meeting scheduled for June 28, 2012; LACOE did not receive minutes or audio recording.
2012-13 Summary:	**Calendared Regular Meetings held 4 of 12 months**	
July 25, 2013	No	Special Meeting and Board Retreat held at the Radisson Hotel, LAX on July 26, 2013.
August 29, 2013	Yes	Special Meeting scheduled for August 9, 2013; 8/28/13 email from Director of Operations stated meeting cancelled for lack of quorum.
September 26, 2013	Yes	
October 24, 2013	Yes*	Special Meeting scheduled for October 9, 2013; 10/23/13 email from Director of Operations stated meeting cancelled due to lack of a quorum. *Per minutes, meeting did not resume to Open Session due to "disruption…by an administrative employee." Meeting not properly adjourned.
November 21, 2013	No	11/19/2013 email from Executive Director stated meeting was postponed.
December 2013: None	No	
January 30, 2014	Yes	Special Meeting held January 6, 2014. Agenda received for January 27, 2014; 2/7/14 email from Director of Operations stated meeting cancelled due to lack of a quorum. Agenda received for January 29; LACOE attended and can confirm the meeting was held and an audio recording was received. January 30, 2014 Meeting Posted as a Special Meeting, not a Regular Meeting. 1/30/14 email from Executive Director states meeting changed because agenda not posted with 72-hour notice.
February 27, 2014	Yes	Special Meeting held February 3, 2014.
March 27, 2014	No	Special Meeting held March 13, 2014 Agenda received for March 27, 2014; LACOE staff was in attendance to present to WAYS Board, but meeting did not occur; 3/31/14 email from Executive Director stated the meeting cancelled due to lack of a quorum.
2013-14 Summary: (through March 2014)	**Calendared Regular Meetings held 5 of 9 months**	

4. The WAYS Board did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations.

Charter Element 5: Employee Qualifications (Section 5.2) of the WAYS charter dated December 18, 2012, states:

"*Evaluation: The Executive Director reports to and is evaluated by WAYS Board of Directors....*"

"*Evaluation: The Director of Operations reports to and is evaluated by the Board of Directors.*"

"*Evaluation: The On-Site Financial Manager reports to and is evaluated by the Board of Directors.*"

a. The WAYS Board did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations.

Failure to provide oversight of its key administrators is evidence the Board did not assume its duty of care or fulfill the terms of the charter with respect to oversight of its administrative employees.

i. It failed to properly oversee the activities of the founder/former executive director, which resulted in an improper Professional Liability Settlement. On December 4, 2012, a former WAYS teacher was awarded $566,803 in a judgment against MWF for wrongful termination. The settlement was the result of actions by the founder/former executive director. (Exhibit 6, p. 22; Exhibit 10)

ii. A review of WAYS Board agendas, minutes, and audio recordings from July 2011 to March 2014 (Exhibit 13) shows the WAYS Board did not evaluate these administrators, although the charter petition states each of these positions "reports to and is evaluated by WAYS Board of Directors...."

iii. At the May 24, 2012 Special Board Meeting, the Board directed the school's administrators to bring it options for hiring a Business Management Consultant (e.g., back office provider). The request was made again at the June 28, 2013 Board meeting. (Exhibit 13)

To date, there is no evidence through Board agendas, minutes, or audio recordings that staff complied with this request.

iv. It failed to ensure the school's conditions of employment were being enforced. The WAYS Vice Principal operated a private school during paid hours as an employee of the charter school in violation of employment contract language, which states:

2. Work Schedule

Although teachers are contracted for 8 hours per day, the minimum on-site hours re listed below. From time to time, ***Vice Principal*** *is expected to fulfill regular contracted hours in order to accommodate parents' schedules, and school activities.*

Minimum on-site hours: ***M, T, W, Th, Fr: 7:30a. – 4:30pm***

Workdays for the Employee shall be consistent with the applicable calendar of work days for this position for the period of one school year in accordance

with the provisions of this Agreement. Employment is at-will as specified in Section [C] below.

Employee will not render services in person or by electronic means, paid or otherwise, for any other person or entity during contracted work hours with Wisdom Academy for Young Scientists. (Underlining added)

The WAYS Vice Principal made her affiliation with her private school, Innovative WAYS Academy, public through the private school's website and other Internet postings. The information documenting the WAYS Vice Principal's involvement with her private school began as early as the summer of 2012. (Exhibit 29)

A private investigator documented that WAYS Vice Principal spent time at her private school during the "Minimum on-site hours" stipulated in her employment contract. (Exhibit 6, p. 38)

5. The WAYS Board President did not provide an annual report to the WAYS Board as required by the charter. A review of WAYS Board agendas, minutes, and audio recordings from July 2011 to March 2014 (Exhibit 13) shows there has never been an annual report from the Board President to the WAYS Board.

C. The WAYS Board and its Employees Violated Charter Element 5: Employee Qualifications (Section 5.2)

The WAYS Executive Director violated his duties as specified in the charter. The WAYS charter dated December 18, 2012, states:

Evaluation: The Executive Director reports to and is evaluated by WAYS Board of Directors....

Governance: will work with the Board Chair to ensure that the Board of Directors fulfills its governance functions. She [sic] *will be responsible for facilitating optimum performance of the Board, its committees, and individual members;*

Financial Management: will oversee the financial systems of the organization, including the development of the annual Budget;

Compliance: is responsible for ensuring that the school follows all legal requirements implemented by the authorizing authority as well as the State of California. This includes Charter Renewal, WASC accreditation, required tracking of State and Federal funds...

The WAYS Director of Operations/On-Site Financial Manager violated his duties as specified in the charter. The WAYS charter dated December 18, 2012, states:

Evaluation: The Director of Operations reports to and is evaluated by the Board of Directors.

Safety: Ensure safety on campus by overseeing Emergency Preparedness, Environmental Health and Safety, Fire Prevention Services

Purchasing: purchases parts and materials at a reasonable quality and at a reasonable price. Monitor all interest, credit, and purchase order accounts.

Financial: Participates in the development and implementation of the annual budget related to personnel matters and position control, and authorizes expenditures in accordance with established limitations.

Programs: Collaborate with the principal to ensure that the school remains aligned to relevant programs including Title I, Special Ed, Prepares various reports and correspondence as needed or requested.

Contracts/Contractors management: management of contracts made with customers, vendors, partners, or employees. Including negotiating the terms and conditions in contracts, ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes that may arise during its implementation or execution.

Evaluation: The On-Site Financial Manager reports to and is evaluated by the Board of Directors.

Informs the Executive Director of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.

Review the budget and check the calculations and the basis for the calculations.

Prepare a draft budget based on the requests by the Executive Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.

Meet with the Executive Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the finance committee the priorities of the school, revenue availability and fiscal responsibility must be considered.

Prepare the final recommended budget based on agreements reached from the meeting with the Executive Director for presentation to the Finance Committee and Board of for approval.

Responsible for making sure the budgets are being implemented correctly. This includes working with the Accounting Staff to input the budgets into the accounting system to help monitor budgets to actual comparison. Also working with the Administrative Assistant and Staff Consultant to answer budget related questions and reporting any problems and proposed solutions to the Executive Director

Review budget to actual report prepared by Staff Consultant and make necessary adjustments and narratives or comments before presenting to Executive Director, and Board.

Revise the budget for board consideration when there is a material change in the approved budget.

Analysis:

1. The WAYS Executive Director violated his duties as specified in the charter. Evidence includes, but is not limited to the following:

    a. The Executive Director failed to facilitate optimum performance of the Board, its committees, and individual members.

        i. He did not provide the Board with timely and accurate information regarding federal tax filing (Form 990). At the February 27, 2014 (Exhibit 13) Board meeting, the Executive Director presented an unsigned 2012 Form 990 for Board approval.

However, the Form 990 had been signed by the Executive Director on November 14, 2013, and is date stamped as received on November 18, 2013. (Exhibit 30)

ii. He failed to cooperate with and support the Board President. A November 20, 2013 email from WAYS Board President Tolbert to the Executive Director (Exhibit 25) indicates the Executive Director was not "working with the Board Chair." President Tolbert's email states:

> *...I read your [Executive Director's] email unilaterally postponing the Board of Directors' meeting; even though I emailed a draft agenda to you at 4:40 PM – in time for you to post it by 5:00 PM to meet the 72-hour deadline required by the Brown Act... However, you did find time to send out a scurrilous email requesting that the 'new' board members step down; and identifying me specifically.*
>
> *a. Your administrative responsibilities do not give you the prerogative to postpone Board meetings... Moreover, you were keenly aware of the time-sensitive documents being requested by LACOE. We were to submit these documents below not later than November 22, 2013...*
>
> *e. An overdue monthly budget presentation from Bali Business Management explaining to the Board a line item budget increase of $118,000 from the previous school year in supplies. As you may recall, in August the Board 'conditionally' approved this year's budget in order that some funds could be used to open the school-year, although LACOE would receive a 'conditionally approved' 2013-14 budget. Since August, the Board has not had an opportunity to review the school's budget. In September, the contractor was called and instructed not to come. In October, when the contractor did come, the Board meeting was disrupted and the contractor was unable to present the budget, nor was the Board able to continue with the meeting as we were told to "get out". In fact, was directly yelled at and threatened by the employee to, "Get out and don't come back!" among his other verbal and physically menacing gestures.*
>
> *f. Scheduling of Board Retreat that every board member agreed was needed for several reasons. (See Agenda)*
>
> *g. Hearing critical Closed Session items*
>
> *h. The review/approval of a contract for the Executive Director; if one had been provided. In fact, no contracts for this school year have been presented to the Board for review, approval or denial. Were the teachers' contracts approved prior to the end of school? I know this current Board did approve their Salary Schedule.*
>
> *Since there is no scheduled Board Meeting in December, I am recommending that the Board schedule a December meeting, due to 'postponement' of its November meeting.*

iii. He did not ensure the Board held Regular Board Meetings with the frequency necessary for the Board to fulfill its fiduciary responsibilities in a timely and responsible manner. He unilaterally cancelled meetings and held meetings that did not comply with the charter and the *Brown Act* as documented above.

iv. He acted with the Director of Operations to remove two (2) Board members, improperly utilizing the WAYS School Site Council.

- On May 13, 2014, LACOE staff conducted a routine site visit to the WAYS Salvation Army and Manchester campuses. As a part of the visit, staff requested to see the School Site Council (SSC) binder for the current school year showing the roster of members, meeting agendas, and minutes. LACOE staff reviewed the agenda, minutes, sign-in sheets for each month a meeting was held, by-laws and roster of members. Review of these documents provide evidence that:

  - The January 23, 2014 WAYS SSC agenda identifies item III as "*New business-Resolve regarding WAYS governance-Jason Okonkwo, Mr. Cabil*" (Exhibit 31) Jason Okonkwo is the Director of Operations/Onsite Financial Manager; Mr. Cabil is the Executive Director. The only other item of business listed on the agenda was the review of minutes from the previous SSC meeting.

  - At that meeting a completed resolution was provided to the group for approval. (Exhibit 32) It was signed as approved by Tanya Castro, SSC Secretary and WAYS' Office Manager.

  - LACOE staff reviewed the agendas and meeting minutes for SSC meetings prior to January 23, 2014, and saw no evidence that concerns about the WAYS Board Members or other governance related concerns were discussed.

  - The SSC's resolution regarding removal of WAYS Board Members is outside the scope of purpose, responsibility, and duties of a SSC, which exists by state and federal law to provide input on and monitor the Single Plan for Student Achievement and use of Title 1 Funds.

- A flier distributed to parents and posted at the school site corroborates the Executive Director's efforts to remove the two (2) Board Members by name. (Exhibit 33)

b. The Executive Director failed to oversee the financial systems of the organization. Examples include:

i. Failure to appropriately oversee the development of the 2013-14 Annual Budget as described, above, and ensure that it was approved by the Board prior to its July 3, 2013 submission to LACOE.

ii. Failure to ensure that the Director of Operations/On-site Financial Manager and Bali complied with the Board's August 29, 2013 request for information regarding Budget line item 5890 as described above.

iii. Failure to ensure WAYS' compliance with the requirements for using State and Federal Funds as reported in the 2013 Independent Audit (Exhibit 9, pp. 35-36)

c. The Executive Director failed to apprise the WAYS Board of all concerns communicated by LACOE, to whom the County Board delegates the administrative function of providing oversight to the charter schools it authorizes under Board Policy 0420.4.

Between January and June 2012, LACOE issued 18 letters to the WAYS Executive Director and governing board. A review of WAYS Board agendas for 2012 indicates

only the February 29, 2012 agenda reflects a communication from LACOE as a discussion item (under closed session). The May 24, 2012 Agenda documents a discussion about the County Board's May 1, 2012 action directing LACOE to mediation with WAYS. (Exhibit 13)

2. The WAYS Director of Operations/On-Site Financial Manager violated his duties as specified in the charter. Evidence includes, but is not limited to, the following:

   a. He failed to purchase parts and materials at a reasonable quality and at a reasonable price.

      i. The audio recording of the July 31, 2012 WAYS Board meeting indicates the WAYS Board authorized school personnel to "*look into*" purchasing a vehicle for school business. Rather than researching and bringing back information on suitable vehicles for the Board for approval, the Director of Operations/On-Site Financial Manager entered into a contract to purchase a Lexus 350X for approximately $40,000. The purchase of a luxury vehicle for school business is not reasonable; the same purpose could have been served by a less expensive vehicle. Additionally, the Director of Operations/On-Site Financial Manager did not have Board authorization to purchase any vehicle. In January 2014, Director of Operations/On-Site Financial Manager also sold the vehicle prior to obtaining Board authorization to do so as described previously in this report.

      The FCMAT Audit identified the fiscal impact to the school. "*The* [FCMAT] *team has determined that the sale of the Lexus resulted in a ($4,187) loss to WAYS. The purchase price of the Lexus was $41,163 on August 19, 2012 and the Bill of Sale dated December 17, 2013 states that the Lexus was sold for $26,000 to an individual in Canada. The Lexus was owned by WAYS for approximately 16 months between August 19, 2012 and December 17, 2013. Depreciation of the vehicle is calculated over five years or 60 months at $686 per month, and accumulated depreciation over 16 months is calculated as $10,976.*" (Exhibit 6, p. 42)

      ii. The FCMAT Audit (Exhibit 6, p. 24) states that the Director of Operations/On-Site Financial Manager authorized payments to OSE Business Services on invoices that contained multiple irregularities including pricing and shipping charges, and did not include packing slips identifying the shipping contents and quantities. Additionally, WAYS failed to provide an IRS Form 1099 for OSE for 2011 or 2012.

   b. He failed to prepare final recommended budgets. Examples include but are not limited to the following:

      i. The June 6, 2013 WAYS Board agenda (Exhibit 13) lists the 2013-14 Budget as a discussion item. The audio recording of that meeting documents that the Director of Operations/On-Site Financial Manager did not have the budget prepared in time to present it to the Board at that meeting. The budget was submitted to LACOE on July 3, 2013 without proper Board approval.

      ii. On August 29, 2013, the WAYS Board took action to approve the 2013-14 Budget with adjustments to line item 5890. (Exhibit 13) These adjustments were not made and the Director of Operations failed to provide the Board with the detail requested regarding other operating expenses in the line item.

iii. WAYS did not submit its 2013-14 Title I budget to LACOE by November 15, 2013, as required by the September 27, 2013 *Notice of Concern Regarding Student Achievement*. (Exhibit 34) To date, LACOE has not received the requested budget.

c. He failed to participate in the development and implementation of the annual budget related to personnel matters and position control, did not authorize expenditures in accordance with established limitations, and did not revise the budget for board consideration when there was a material change in the approved budget. For example:

i. The February 27, 2014 WAYS Board agenda (Exhibit 13) lists 2013-14 School Year Employment Agreements as an action item. The Report to the Board was co-prepared with the Executive Director. The Report states in part, "*...salary increases for seven classified and two certificated employee [sic] were not considered in the operating budget that received Board approval on July 26, 2013. ... All salary increases total $24,698. Additional staffing increases total $60,534.*" (Exhibit 35)

ii. Additionally, the Report was inaccurate. The July 26, 2013, was a non-calendared Special Meeting and Board Retreat held at the Radisson Hotel, LAX. While the budget was on the agenda for this meeting, meeting minutes indicate the item was tabled until the next meeting held on August 29, 2013. (Exhibit 13)

iii. The audio recording of the February 27, 2014 Board meeting documents that the Bali Consultant cautioned the Board not to unconditionally approve the contracts until such time as the sufficiency in funds to cover the contracts could be verified; accordingly, the Board postponed action on approval of the contracts even though the school year was more than half over.

d. He failed to ensure budgets were implemented correctly. The 2013 Independent Audit (Exhibit 9) presented multiple findings related to insufficient internal controls and budget practices. Specifically, bank statements and payroll were not appropriately reconciled and the budgets for Federal programs (National School lunch Program and Special Education Cluster) were not being kept separately and accounted for correctly. Additionally, the Auditor's Report stated that the recommendations related to bank and payroll reconciliation from the prior year audit had not been fully implemented.

e. He did not effectively work with the Accounting Staff to...help monitor the budgets to actual comparison or review budget to actual report prepared by Staff Consultant and make necessary adjustments and narratives or comments before presenting to Executive Director, and Board. For example:

i. In the WAYS "*Financial Reports and Narratives December 2012*" prepared by Bali and presented to the WAYS Board on January 31, 2013 (Exhibit 13), the narrative states "*Salaries and benefits is expected to be over budget by about $30,000 based on the level of spending to date. Books and supplies is over budget by $38,000 and is expected to be over budget by the end of the year by about $70,000.*" The Bali narrative also advised WAYS management to review the related line items and revise the budget or cut back expenses in these areas. (Exhibit 36)

ii. The budget report prepared by Bali and presented to the Board on June 6, 2013 (Exhibit 13), states that as of April 30, 2013, the "*Salaries and Benefits are expected to be over budget by about $30,000...Books and Supplies are already over budget and are expected to be over budget at the end of the year by about $70,000.*" This

indicates that despite the recommendation of the Bali Consultant, WAYS management did not revise the budget or cut back on spending in the identified areas of concern. (Exhibit 37)

II. Concern Regarding the General Capacity to Operate a Charter School

In addition to and as confirmed by the specific violations described above, based on document review and interviews, LACOE has serious concerns regarding the lack of capacity and accountability demonstrated by the WAYS Board and administration, which raises larger questions about their ability to exercise sound judgment and conduct fiduciary oversight of the school.

First, it is a concern that WAYS Board lacks an understanding of its roles and responsibilities and has not taken a sufficiently active and proactive role in decision making and oversight. The Board lacks the breadth of knowledge necessary to oversee the use of public funds; it relies on the administration for its information. The evidence shows that the Executive Director and Director of Operations/Onsite Financial Manager, both of whom report to the Board, have not provided the Board with necessary and timely information that would allow it fulfill its oversight responsibilities, and in fact, have thwarted board efforts to obtain information when it has attempted to exercise its oversight responsibilities.

Second, in spite of multiple years of audit findings, the Board failed to make necessary changes to address and correct these findings. At the time of renewal and again in the summer and fall of 2013, specific board members attempted to institute necessary changes to the school's policies and procedures that might have led to correction of the fiscal and governance shortfalls cited in the Independent Audit Reports, FCMAT Audit, and this *Notice of Violation*. These board members met with sufficient resistance that they resigned or were terminated from their positions on the Board. (Exhibit 38 and Exhibit 13)

Third, the WAYS Board demonstrates questionable governance by failing to evaluate and discipline its administrators despite repeated evidence that they failed to fulfill the requirements of their job descriptions and repeated notice from the LACOE and the County Board that there were serious concerns about the school's operations, including its failure to fulfill the terms of authorization and mediation. By failing to evaluate these administrators and provide them with adequate direction and oversight, the Board demonstrated a lack of accountability on its part and failed to require accountability from its administrators.

Fourth, LACOE has grave concerns regarding the capacity of the WAYS Board to fulfill its responsibilities to the public due to its failure to establish and maintain a regular schedule of meetings, thereby depriving families, the community, and the general public of its right to express opinions and provide input on school matters. Additionally, board turnover and the lack of preparation and accurate information from administrators and consultants, has led to inconsistent Board practices and oversight, with matters needing timely action being deferred multiple times and over multiple month, leaving the administrators to make decisions and take actions without Board approval.

LACOE concurs with the 2010-11 Independent Auditor's Report, which states the problem is "*systemic*" and the FCMAT Audit, which states, "*There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.*" (p. 45)

Reasonable Period of Time to Remedy Violations

The violations contained herein need to be addressed and remedied **on or before July 31, 2014.** Please provide a detailed, written response addressing each of the specifically identified violations that has been

approved by the WAYS Board (and evidence of such approval). You may attach to your written response any supporting evidence of your refutation of the identified violations or remedial actions that have been taken by WAYS. Please submit your response to LACOE's Charter School Office:

Judy Higelin, Project Director
Charter School Office
Los Angeles County Office of Education
9300 Imperial Highway
Downey, 90242

Upon the conclusion of the reasonable time to remedy, the County Board shall evaluate WAYS' response and any supporting evidence. Should the County Board deem that WAYS has not taken the appropriate measures to address and remedy the above concerns and violations, a public hearing to consider issuance of a *Notice of Intent to Revoke* and a Report on the Findings of Fact pursuant to Education Code § 47607(e) shall be scheduled. WAYS is also placed on notice that pursuant to Education Code section 47607(i), should the County Board revoke the charter of WAYS based on failure to follow generally accepted accounting principles and/or fiscal mismanagement, the charter school shall cease operations pending appeal.

Service

Upon the County Board's approval of issuance of the *Notice of Violation* at the regularly scheduled board meeting, to be held in open session in accordance with the *Brown Act*, on June 3, 2014, the County Superintendent of Schools shall issue the *Notice of Violation* to:

Edward Cabil, Executive Director
Armando Espinoza, Board Chair
706 East Manchester Blvd.
Los Angeles, California 90001
Email: edcabil@sbcglobal.net and Armando.espinoza.10@my.csun.edu

EXHIBIT B

WISDOM ACADEMY FOR YOUNG SCIENTISTS

July 31, 2014

JUL 31 2014
LACOE Superintendent

Members of the Board of Education
c/o Superintendent Arturo Delgado
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242

Re: Wisdom Academy for Young Scientists' Response to Notice of Violation

Dear Members of the Board of Education:

At the June 3, 2014 Los Angeles County Board of Education ("County Board") meeting, you asked the Wisdom Academy for Young Scientists ("WAYS") to provide a detailed, comprehensive response and backup materials for each and every issue raised in the Notice of Violation ("NOV") drafted by LACOE staff. This letter and the enclosed three binders of extensive documentation provide you with that response.

We have reviewed each and every page of evidence identified by and attached as an exhibit to the NOV,[1] as well as all the "backup" documents we received from FCMAT and LACOE staff in response to our Public Records Act requests. LACOE staff have *not* provided substantial evidence of any current, uncured, material violation of law or charter at WAYS that could support revocation of the charter. For each and every "violation," LACOE failed to produce evidence that either: (1) a "violation" actually occurred; or, (2) the violation has not been cured. The burden to produce substantial evidence demonstrating actual violations of law or the charter is placed solely upon LACOE—there is no evidentiary burden for WAYS to *disprove* LACOE's allegations. In any event, WAYS has gone above and beyond what is required, and provides to you ample evidence demonstrating the inaccuracy of LACOE's allegations. The bottom line is that there is no "violation", and WAYS asks that you acknowledge that this matter is closed pursuant to Code of Regulations section 11968.5.2(d)(2).

You provided us additional time for this response beyond LACOE staff's recommendation, and we want the County Board to know we have used that time to not only prepare this comprehensive response, but to take additional steps to bolster our school's leadership and operations, which include:

[1] Upon inspection, the 1,000+ pages of "evidence" LACOE staff attached as exhibits to the NOV are primarily: WAYS' Board meeting minutes (which LACOE has received on a regular basis for the past three years) and materials; and printouts of LACOE staff's Google searches, such as an obituary announcement for a person who apparently was a distant relative of former Director of Operations Jason Okonkwo, and screenshots of Vice Principal Deara Okonkwo and the Innovative Ways Academy website. The poor copy quality is a result of LACOE staff's poor photocopying.

Salvation Army Campus
7651 S. CENTRAL AVE.
LOS ANGELES, CA 90001
Phone: 323-537-8194
Facsimile: 323-537-8209

Manchester Campus (Official Mailing Address)
706 E. MANCHESTER AVE.
LOS ANGELES, CA 90001
Phone: 323-752-6655
Facsimile: 323-752-6644

Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Facsimile: 323-589-6550

- The addition of two new, experienced board members to the WAYS board of directors (added on July 23, 2014) (Exhibit 1);

- The recruitment of a new Executive Director, holding board interviews on July 23 and 30, 2014. The Board expects to select a final candidate in August, subject to completion of background check and finalizing contract terms;

- The proposal of an updated Executive Director evaluation policy and procedures (draft enclosed as Exhibit 2); to be adopted by WAYS board of directors upon review by LACOE);

- The consideration of a contract with Celerity, an experienced and highly-regarded charter school operator and consultant, for school educational support services such as WAYS board meeting and Brown Act compliance support, assistance in vendor selection and management, guidance and oversight on relations with LACOE staff, and technical assistance to WAYS for its instructional school leadership, management and operations (Celerity also provides these services to the successful, LACOE-authorized Celerity Sirius charter school and others) (draft enclosed as Exhibit 3 & Exhibit 30.)

- The decision on July 30, 2014 to hire Charter School Management Services to serve as the school's back office services provider. CSMC is one of the largest providers of such services to charter school;

- The recruitment of candidates to fill Jason Okonkwo's former position was successful and WAYS has hired a new Director of Operations. WAYS is exploring the possibility of hiring a Co-Director of Operations whose primary responsibility will be to oversee compliance with the school's financial policies and procedures to ensure proper implementation and effective internal control;

- The purchase of the school's 706 E. Manchester site, to alleviate LACOE staff's perceived albeit unfounded concern about the school's lease of the property from its owner, former WAYS employee Kendra Okonkwo (currently in escrow);

- The organization of a full-day WAYS Board training to train board members on governance issues (such as Brown Act, conflicts of interest, charter school best practices), and discuss the school's strategic plan and direction (scheduled for August 2014); and

- The preliminary resolution of the arbitration proceeding pending between LACOE and WAYS, which resolves what LACOE staff believed were inconsistencies between the charter, the MOU, and WAYS' operations. (Exhbit 66.)

These steps are in addition to the additional actions WAYS took *prior to* June 3, which were inexplicably *not* reflected in the LACOE staff report for the NOV, such as the WAYS Board of Directors' adoption of financial policies and procedures that LACOE's Controller Zak Memon

(on behalf of Superintendent Delgado) stated would cure any lack of internal financial controls at WAYS.

The steps WAYS has taken, coupled with the responses in this letter and the evidence in the enclosed three volumes of documentation, fully and completely respond to the NOV. The evidence demonstrates that there are no current, uncured conflicts of interest or violations of law or the charter.

As we have shared with the Board in part, for years now WAYS has been subjected to unfair treatment and retaliation from the LACOE Charter School Office staff, which we believe is because a few LACOE staff members dislike and hold contempt for the school's founder Kendra Okonkwo, her family, the thickness of her accent, and the color of our leaders' skin. These few LACOE staff members have *dramatically* departed from the normal procedures and business practices LACOE uses for its other twelve charter schools, and we believe it is important for the County Board to be aware of this. The discriminatory treatment by LACOE staff has detrimentally impacted WAYS students, parents, staff, former and current board members and our entire community in South Los Angeles. We want to work with LACOE staff to move forward under our charter, and we believe we can do so. In the past weeks in particular, we have worked with LACOE staff members Judy Higelin and Courtney Brady to resolve the arbitration between WAYS and LACOE, and to keep LACOE staff informed and on board with the changes at WAYS outlined above. However, we also want the members of the Board of Education to understand the hostile climate LACOE staff has created for WAYS in the past years since approval of our charter:

- *Each and every time* LACOE Charter Schools Office staff members have arrived at and entered our school during regular school hours over the past three years, they are accompanied by armed bodyguards, presumably to protect them from our K-5 elementary students. We have learned LACOE does not bring firearms when they visit other schools. LACOE's message to our children and community is that they are perceived as dangerous criminals. Our students, teachers, staff, parents, attorneys, consultants, community members and board members, WASC accreditation staff, LAUSD Employees, Assistant Senior Deputy for Education and Public Safety to Los Angeles County Supervisor Mark Ridley-Thomas—*all* attend or visit our school *without* armed bodyguards. We have *never* experienced an incident of violence at WAYS, and even LACOE staff's own notes reflect that our school is a safe environment with a "secure front entry" where "visitors must ring a doorbell and be buzzed into the main office" and there is "a security guard that is on duty at the location." (Exhibit 4, WAYS000026.)[2] LACOE staff's use of public funds to hire armed bodyguards for WAYS visits—and *only* WAYS visits—is unlawful, discriminatory and offensive. It has become intolerable. Worse, LACOE staff Judy Higelin actually *delights* in her offensive treatment of our African American and Latino youth. She bragged to staff at the Alameda County Office of Education that "We get to go with an armed guard," and the recipient responded "Pretty scary stuff." (Exhibit 5, WAYS000029.)

[2] We have periodically provided bates numbers to specific exhibit pages for your convenience.

- On May 15, 2013, Judy Higelin met with WAYS' Executive Director Ed Cabil and stated that LACOE staff believes WAYS should hire a Latino administrator because "Latino parents want to see the face of the community!"—implying that the school's administration should be Latino/a and not African American. (Exhibit 6, WAYS000032.) We note we are the *only* remaining African American operated public elementary school in South Los Angeles.

- The LACOE Charter Schools Office paid a private eye to follow and videotape a WAYS staff member (Vice Principal Dr. Deara Okonkwo) on at least 16 occasions without her knowledge and without County Board approval—a tactic we do not believe LACOE employs with its other charter schools. (See Exhibit 16, WAYS000144.) We requested the video surveillance records by a Public Records Act request on April 11, 2014. (Exhibit 7.) After over two months of delay, our attorney Greta Proctor spoke with LACOE attorney Courtney Brady on the telephone June 17, 2014, and discussed these video surveillance records. (Exhibit 8.) Courtney Brady specifically stated that LACOE did in fact possess the video surveillance records "on DVD", and in fact specified the records could be produced on DVD versus CD, and that LACOE would provide a copy rather than requiring WAYS to duplicate LACOE's own DVD. Then, on June 18, 2014, Ms. Brady recanted and cryptically stated that LACOE did *not* have "possession, custody or control" of the video surveillance records. (Exhibit 9, WAYS00045.) LACOE staff could not have lost "possession, custody or control" of the DVD—LACOE is explicitly relying upon it as evidence in the NOV (and FCMAT report). If LACOE cannot produce this "evidence" for review, please remove all reference to it from the NOV.

- The LACOE Charter Schools Office spent $18,000 in scarce public dollars for a witch hunt directed at the WAYS founder's family by the Fiscal Crisis and Management Assistance Team ("FCMAT"). The FCMAT audit intake form, which LACOE filled out when it hired FCMAT, reveals that the audit was *not* initiated to correct financial mismanagement *at all*. Rather, LACOE explicitly stated its purpose to target and persecute the school's founder Kendra Okonkwo and her family, and to manufacture the appearance of grounds for revocation. (Exhibit 13.) On the intake form, LACOE staff recklessly reported to FCMAT that there was "evidence of" breach of fiduciary duty and conflict of interest, and "possible" evidence of ludicrous crimes such as "extortion", "mail and/or wire fraud", and "conspiracy". LACOE staff listed the "Okonkwo Family" as "co-conspirators" and "suspects." (Exhibit 13, WAYS00063.) (Most of the family members have never even been involved with this or any charter school, but were "investigated" anyway.) FCMAT informed WAYS that it performed private background checks on *six* members of the "Okonkwo family" whom LACOE specifically accused of "fraud". Only Deara, Jason and Kendra Okonkwo have *ever even* worked at the school. It concerns us that three additional "Okonkwos" were accused by LACOE staff and investigated by FCMAT. ***The audit did <u>not</u> find evidence that any fiscal mismanagement occurred at all, or is occurring at WAYS, by any member of the Okonkwo family or anyone else, much less any crimes such as extortion, fraud or conspiracy.*** The NOV claims both Deara Okonkwo and Jason Okonkwo have "conflicts of interest," related to the school, even though both have been *specifically cleared of any such conflicts.* (See,

e.g., Exhibit 10, WAYS000054 [letter from FPPC to Jason Okonkwo dated July 18, 2014 stating FPPC has "closed its file" on any potential conflicts of interest].)

- After the FCMAT audit, WAYS had to *specifically request* that LACOE comply with Education Code section 1241.5(c), which *requires* the LACOE Superintendent to present recommendations to the WAYS board of how to respond to the audit. Our request apparently stumped LACOE staff. In an email dated March 25, 2014, Judy Higelin asked for advice from a friend at the Alameda County Office of Education: "Staff is being tasked with preparing the report to the WAYS Board on the FCMAT Audit. We cannot find any sample.... Do you have anything we could use as guidance?" "Do you by chance have a copy of the [] report that was delivered for us to model after?"[3] (Exhibit 5, 000029.) Clearly, LACOE staff ordered the FCMAT audit to amass "evidence" against WAYS for revocation; it had not even *considered* that the FCMAT report should be used to *improve* the school as provided by the FCMAT statutes.

- LACOE staff refuses to acknowledge that the WAYS charter document itself was approved by the County Board. After the County Board approved WAYS' petition on June 7, 2011, LACOE staff asked WAYS to revise the charter petition in several areas as a "condition" of approval. WAYS attempted to do so in good faith and on numerous occasions, but each time WAYS submitted a redlined draft to LACOE staff, the draft was rejected without any insight or direction as to what LACOE believed was amiss. This has made it impossible for WAYS to comply with LACOE staff's demands—it is reminiscent of the old voter literacy tests in the Jim Crow era. WAYS complies with the charter *as it was approved by the LACOE Board of Education*, yet LACOE staff expects compliance with conditions not yet memorialized in any final charter document. Ms. Okonkwo requested a copy of WAYS charter from LACOE staff, and LACOE staff responded that "There is not a public document that responds to your request." (Exhibit 11, WAYS000056.) Noticeably, LACOE did ***not*** include copy of the school's charter as an exhibit to the NOV. We believe this issue has recently been resolved, or soon will be as part of an arbitration proceeding initiated by LACOE. But for purposes of this NOV response, LACOE's actions pose a technical problem for itself in that the parties must refer to compliance with a charter document *that LACOE staff states does not exist*.

- LACOE staff has had preconceived but incorrect notions that "illegal" activities were taking place at WAYS before our charter was even approved by the County Board. That is why LACOE staff recommended denial back in 2011. FCMAT recently provided us evidence that *before* LACOE became WAYS' charter authorizer, a LACOE staff member contacted the Los Angeles District Attorney's Office accusing Kendra Okonkwo of an alleged conflict of interest and demanding an investigation—*the very same* LACOE staff member who urged the County Board to deny the charter. (Exhibit 12, WAYS 000059.) The DA's response was only that the matter was

[3] That "model" was for revocation of an Oakland area charter school called "AIMS" for fiscal mismanagement. Earlier this month, a Superior Court judge overturned that "model" and restored the AIMS charter school.

> "currently open" at that time. But the issue was never pursued by the DA. Rather than accept the DA's conclusion that there was no illegal activity occurring at WAYS, LACOE staff has continued to press for more inquiry, more investigation, and contrary to all evidence, has refused to let go of the idea that "something illegal" must have happened at WAYS. In one instance reported by a former WAYS board member, the former Charter School Office Coordinator, Janis Isenberg, expressed her suspicion about how Mrs. Okonkwo accumulated real estate and ran a successful charter school "if she could not even speak English correctly."

In short, these abusive conditions and the constant game of "hide the ball" by LACOE staff has made it difficult for us to work with them. We believe the County Board has only heard one side of the story about WAYS from LACOE staff. We hope this letter provides the other side, and provides the careful response necessary for the Board to see that WAYS continues to successfully serve our community, continues to improve, and should remain open to ensure that the interests of WAYS students prevail. We look forward to working with both LACOE staff *and* the Board of Education in the future in that regard.

I. ***LACOE FAILED TO FOLLOW THE CORRECT STANDARD IN ISSUANCE OF THE NOV***

LACOE staff cites violations of Education Code sections 47607(c)(1)(A)[4] and 47607(c)(1)(C)[5] as the basis for the NOV to revoke the WAYS charter.

Before revocation, Sections 47607(d) and (e) require LACOE to provide the school with a written notice of "*facts in support of revocation*" and "*a reasonable opportunity to remedy the violation.*" LACOE has not complied with these procedures. The "facts" cited by LACOE in the NOV do not support revocation of the WAYS charter because they are (1) false and unfounded, as demonstrated by LACOE's own evidence, and WAYS' enclosed evidence, or (2) to the extent they are true, they have already been fully cured, most many years ago, *or were never a violation of law or the charter in the first place.* Importantly, the NOV fails to identify what WAYS could do to "remedy" the violation to LACOE's satisfaction. Unless there is a meaningful opportunity for WAYS to remedy the violations to LACOE staff's satisfaction, then the NOV is a sham and violates the revocation procedures in the Education Code.

Section 47607(c)(1) requires that in order to revoke a charter, the charter authorizer must find that "*substantial evidence*" supports a determination that the school violated the law or charter. "Substantial evidence" means evidence "of ponderable legal significance" that is at least "reasonable, credible, and of solid value." (*JKH Enterprises, Inc v. Dep't of Industrial Relations* (2006) 142 Cal. App. 4th 1046, 1057; *Beck Development Co. v. Southern Pacific Transportation Co.*, (1996) 44 Cal. App. 4th 1160, 1204.) The phrase "substantial evidence" "cannot be deemed synonymous with 'any' evidence." (*Id.*) It must actually be *substantial* proof of the essential

[4] All references to statutes in this letter are to the Education Code unless otherwise specifically noted.

[5] LACOE staff actually cited 47607(c)(3) and 47607(c)(1), yet 47607(c)(3) does not exist. For the purposes of this letter, WAYS assumes the proper sections are 47607(c)(1)(A) and 47607(c)(1)(C).

elements which the law requires to be proven in a particular case—here, that there exists a current, uncured, material violation of law or charter at WAYS.

The NOV, issued by the County Board, must convey and provide the "substantial evidence" that LACOE has relied upon so WAYS has a reasonable opportunity to remedy the alleged violations. We have reviewed several thousand documents in our compilation of this response: the entire record of exhibits to the NOV, documents produced by LACOE staff, documents produced to us directly from FCMAT, and our own files. We invite the County Board to review the same record. There exists *no* "substantial evidence" in the record to support a revocation of the WAYS charter. Many of the "facts" in the NOV are actually conclusory statements from the FCMAT report, which turn out to be regurgitated conclusions of the LACOE staff itself presented to FCMAT when it asked for the audit. For example, LACOE expressed their concerns about WAYS to FCMAT on the intake document, which mentions "payment to founder (250k) w/out proof of payment being owed" and "Daughter working for another company while employed (also conspiracy)." (Exhibit 13, WAYS000062.) These circular conclusions are not "substantial evidence." Several of the exhibits attached to the NOV are incomprehensible printouts of webpages taken from a Google search with no apparent relevance, such as 21 pages of screenshots from the "Innovative Ways Academy" website, which LACOE staff appears to assert is the evidence that the vice-principal of WAYS was not fulfilling her regular contracted hours of work. (See Exhibit 14.) For each and every "violation," LACOE failed to produce evidence that (1) the violation actually occurred, or (2) the violation has not been remedied. Again, the burden to produce all such evidence is on LACOE; the burden is *not* on WAYS to *disprove* the claims made by LACOE.

We remind the County Board that "[t]he chartering authority *shall not* revoke a charter, unless it makes written factual findings *supported by substantial evidence*, specific to the charter school, that support its findings." (Ed. Code § 47607(e).) We believe the item-by-item responses in Section III of this letter (which tracks the format of the NOV), as well as the attached documentary evidence, demonstrate that LACOE cannot meet the evidentiary burden required to revoke a charter.

II. BACKGROUND INFORMATION AND TIMELINE OF EVENTS LEADING TO THE NOV

The NOV contains numerous inaccuracies and omissions in the "evidence" cited in support of the NOV and ostensibly revocation.

The NOV discusses a Notice of Concern issued to WAYS by LACOE's Superintendent on December 20, 2013. The NOV claims that WAYS failed to timely respond to the Notice of Concern, and notes that LACOE received separate responses from (1) a single WAYS board member, and (2) the WAYS Executive Director and the rest of the WAYS board. However, the NOV fails to note that LACOE staff sent the Notice of Concern to *a single* WAYS Board member (Carol Tolbert) *at her personal residence in Oakland, CA and her personal email address* only—not to the school's address of record. The MOU imposed by LACOE specifies how notice is to be provided—and LACOE *failed to follow that process*. At the time the Notice of Concern was issued, WAYS' Executive Director and board members had informed LACOE staff that Board member Tolbert had been performing poorly and not acting in the best interest of

the school. The Executive Director further informed LACOE staff that Ms. Tolbert might be removed by the other board members in accordance with the bylaws. Despite this information, LACOE staff failed to provide the Notice of Concern to the school's address as required under the MOU between LACOE and WAYS, so WAYS did not receive the transmission until three weeks later on January 14, 2014. Instead, LACOE staff actually sent the notice *only* to the "rogue" member herself—who was later removed after demand from the community.[6]

The Notice of Concern stated it was based on "complaints" LACOE received about WAYS, and the NOV similarly refers to those "complaints", but provides no specifics. We have reviewed *all* the evidence provided by LACOE and it turns out that those "complaints" are constituted solely by one single email from Ms. Tolbert addressed to Mr. Cabil—nothing else. (Exhibit 15.) In the email, Ms. Tolbert stated her grievances with Mr. Cabil. The letter was not addressed to LACOE, nor was it sent to LACOE as a "complaint" intended for LACOE's consideration.

As to the timeliness of WAYS' response to the Notice of Concern, the Notice demanded that WAYS submit a plan of action to LACOE by January 20, 2014—an arbitrary deadline *which ironically happened to be Martin Luther King, Jr. Day*, a national holiday on which even LACOE offices were closed. WAYS submitted its response and plan of action the day after the national holiday, on January 21, 2014. Any reasonable 21st century American should find it absolutely outrageous that LACOE staff would cite this one-day-delay as a reason to revoke the charter of the only African American operated public elementary school in South LA, especially when the Notice was never actually transmitted to the school in the first place.

III. WAYS' ITEM-BY-ITEM RESPONSE TO GROUNDS AND EVIDENCE CITED IN NOV

a. RESPONSE TO ALLEGATION OF FAILURE TO MEET GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OR ENGAGEMENT IN FISCAL MISMANAGEMENT (ED. CODE § 47607(C)(1)(C).)

This section of the NOV relies on the FCMAT audit report to substantiate claims that WAYS either failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement. The entire basis for this portion of the NOV is the statement made in the FMCAT report that:

> "There is sufficient documentation to demonstrate that fraud, mismanagement, and misappropriation of the charter schools funds and assets ***may*** have occurred."

(Exhibit 16, WAYS000151 (emphasis added).) WAYS has been trying for several months to discover what LACOE's general allegations of "fraud, mismanagement and misappropriation" specifically refers to. LACOE staff have been vague and/or non-responsive to our requests. ***There has never been any fraud, misappropriation, theft or any misuse of public monies at WAYS.*** We have asked both LACOE staff and FCMAT for *evidence* of any misuse of the

[6] LACOE's Notice of Concern was based upon an email communication between Ms. Tolbert and Executive Director Ed Cabil. It was not a complaint or even a communication addressed to LACOE.

charter school's assets, and have not received any such evidence. FCMAT did ***not*** actually make ***any*** factual finding of any wrongdoing by WAYS in its report. The conclusion that fraud "may" have occurred is unhelpful, and could be said about any school, agency or business. Without *any* evidence, much less "substantial evidence," this conclusion is certainly insufficient to support a revocation.

i. WAYS Has Implemented New Policies And Procedures And Is Recruiting New Management Personnel To Strengthen Its Internal Controls

The FCMAT audit report recommended that WAYS improve its fiscal policies and internal controls, and WAYS has already done so (weeks before the NOV was issued) at the direction and with the approval of LACOE's Controller. Yet the NOV alleges that WAYS lacks effective internal controls. The NOV and the FCMAT report fail to identify how WAYS could further "cure" its internal controls beyond the new, enhanced fiscal policies and procedures it has already adopted.

On April 25, 2014, LACOE Controller Zak Memon presented ***the official*** Superintendent's report and recommendation to the WAYS Board arising from the FCMAT report, as is required by Education Code §1241.5(c) ("the county superintendent shall report the findings and recommendations to the governing board of the charter school at a regularly scheduled meeting.") The Superintendent's recommendations are as follows in their entirety, verbatim from Mr. Memon's report (emphasis added):

> "As we all know that LACOE Superintendent had sent a letter to FCMAT to conduct the audit of the school and the audit was conducted and a report was presented to us, which we are here today to the present to the board here. The report, if I look at it, several pages has so many transactional findings that they report, but I think that you have taken an excellent step today, by what the bottom line of the report is, and that is the fiscal policies. Because all **it boils down to is the fiscal policies** [inaudible word], and this is an excellent step that, is a very good first step in the right direction that this is what it's all about. **Because this report primarily talks about two things: one was the fiscal policies and procedures [inaudible word], and the other was the internal controls.** So obviously, once we have the fiscal policies approved and implemented, then fiscal controls will come in. As I was looking at this report, that was to be the bottom line. I'm a CPA, I was an auditor before, and the reason I believe what they have done in this report, that they went through several transactions, is to substantiate and say that **we need to strengthen the internal controls, and we need to revisit the fiscal policies, which Halilu has done today, and of course you [WAYS Board Members] have suggested some improvement, which is very good, to that policy on page number five. I believe that once you go through this policy and approve them, please send it to LACOE and that will solve a lot of problems, moving forward.**

This was my conclusion, it really talks about that the bottom line is the internal controls and fiscal policies. Moving forward, that is the improvement directed in the recommendations."

Mr. Memon recommended that the WAYS Board adopt revised fiscal policies and procedures drafted by its back-office services provider, Bali Business Management, which Mr. Memon reviewed. Mr. Memon stated: "If we can go over [the revised fiscal policies and procedures], if you can approve it, and send to us the approved policies, our Charter Schools Office will present it to the [LACOE] board as this is what the school has done, and that will help." WAYS did just that. At its April 30, 2014 meeting, the WAYS board adopted a revised Fiscal Policies and Procedures Handbook. (Exhibit 17.) LACOE staff participated in revising the handbook, and made numerous suggestions that were ultimately included in several of the policies and procedures. (Exhibit 18.) The handbook is comprehensive, covering budget development and implementation, payroll, purchases, contracting, check requests, and many other topics that were areas of concern for LACOE staff. This handbook will be a guide for WAYS. The school has already effectively cured any alleged failure to adopt and implement adequate financial policies *two months before the NOV was issued.* The NOV failed to address the Superintendent's own ***official*** recommendation required by the Ed. Code, and utterly fails to consider WAYS' response to that recommendation.

The NOV also quotes the FCMAT report's conclusion that the WAYS executive management team failed to obtain proper signatures and Board approval prior to entering into contracts. As a preliminary note, nothing in the law, charter, corporate bylaws, or in the previous or updated fiscal policies require the WAYS board to approve every contract the school enters into. Such practice would divert the board's time from more important tasks and unnecessarily entangle the board's duties with those of the administration. The day-to-day operations of the school are the purview of the Executive Director, who has authority to enter into most contracts and approve most purchases without prior Board approval.

Under the previous WAYS Fiscal Policies and Procedures Handbook, the Executive Director was expressly tasked with overseeing purchases and contracts. (Exhibit 19.) For example, Policy Number Four titled "Contracting Policies and Procedures" reads, "All contracts must be approved by the School Director and [Director of Operations]." (Exhibit 19, WAYS000214). The same language is mirrored in the "Contracting" policy under the revised 2013 policies and the newly adopted 2014 Financial Policies and Procedures Handbook. (Exhibit 20, WAYS000238; Exhibit 17.) ***Neither policy requires Board approval for all contracts.***

In any event, the WAYS board did (and continues to) exercise its approval powers when it comes to major contracts. Examples include:

- Contract with Royal Dining Catering for school breakfast and/or lunch services approved by the board on July 31, 2012 (Exhibit 21);
- Contract with Medina's for central air and heat system installation approved by the board on July 31, 2012 (Exhibit 22);

- Contract with Total Education Solutions for the provision of education and consulting services approved by the board March 22, 2013 (Exhibit 23);

- Contract payment to McGraw-Hill for new textbooks approved by the board on February 27, 2014 (Exhibit 24);

- Contract with Hill, Morgan, and Associations LLP to conduct the 2014 fiscal year independent audit approved by the board on April 25, 2014 (Exhibit 25);

Contrary to the claims in the NOV, the board also provided regular oversight of the school's financial position and activities. (See Exhibit 26 [the WAYS board recently approved a comprehensive three-year Local Control and Accountability Plan].) Bali Business Management ("Bali"), the school's back-office services provider, has presented a summary financial report at almost every meeting of the board of directors. (Exhibit 27 [attached are WAYS Board of Directors meeting agendas and minutes from the past three years].) An example these regular reports is enclosed. (Exhibit 28 [attached is the June 2014 Financial Report, which is one example of the regular reports provided to the WAYS Board since 2011. Copies of the other reports are available upon request].) At each meeting, a representative from Bali summarized the current financial state of the school, the budget, and typically provided handouts to board members with detailed financial information. The board has consistently monitored the school's financial affairs since its inception, which is one of the reasons the school has been so financially stable over the years. Wisdom Academy for Young Scientists continues to show strong financial position and performance in line with historical records of the school over the past seven years. This is an indication that the school is one of the best fiscally-managed schools in the region. One of the ratios indicating strong financial position includes current ratio (the ability to pay current liabilities when due) of 12:1, which is better than accepted industry average of 2:1. Other ratios include coverage ratio of total debt to total assets of 9%, meaning the school can withstand losses in the future without worrying about inability to pay its bills. (See Exhibit 28.)

Part of the NOV's concern with internal financial controls at WAYS centers around the school's employment of two of WAYS founder Kendra Okonkwo's adult children: Jason Okonkwo (Director of Operations) and Dr. Deara Okonkwo (Vice Principal). Neither Jason nor Deara Okonkwo are dependents of Kendra Okonkwo, and neither has any *actual* conflict of interest in any of the school's transactions. For example, although the school is currently in escrow to purchase the 706 E. Manchester site, WAYS has historically leased the site from a company owned by Kendra Okonkwo, and paid rent to her. Kendra Okonkwo is not on the WAYS board and has not worked at the school since April 30, 2011—prior to LACOE's authorization of the charter. Neither Jason Okonkwo nor Deara Okonkwo had any "personal financial interest" or other impermissible conflict of interest in the lease under the Political Reform Act, Government Code section 1090 or the Corporations Code—and LACOE provided *no evidence whatsoever* to the contrary.

In fact, LACOE staff complained to the FPPC about Mr. Jason Okonkwo's alleged "conflicts" sometime in 2011 and 2012. The FPPC is "the" state agency that enforces the Political Reform Act, and investigates such conflicts. The FPPC's Senior Enforcement Counsel officially determined a few weeks ago that "after a full investigation", that there was insufficient evidence of any such conflict. (Exhibit 10, WAYS000054.) The FPPC referred to LACOE

staff's disproved allegations as "rumors". The FPPC states that it has "closed the investigation". That is the end of it. LACOE cannot seriously contend that revocation is appropriate in light of that FPPC determination.

Nevertheless, at the request of LACOE staff to avoid any *appearance* of a conflict of interest, Jason Okonkwo's contract has not been renewed to serve as Director of Operations for WAYS for the 2014-15 school year. This decision was mutual by the WAYS board and Jason Okonkwo, and he is currently retained on a temporary independent contractor basis while the school searches for his replacement. (Exhibit 29.) Further, in the interest of recruiting "new faces" (LACOE's staff's terminology) at WAYS at the request of LACOE staff, the WAYS board and Mr. Cabil have chosen not to renew his contract as WAYS' Executive Director. Mr. Cabil will remain in his position while the school searches for a replacement with similar experience and passion. Candidates for the Executive Director position were interviewed by the WAYS board on July 23 and 30, 2014, and the Board expects to select a final candidate subject to negotiation of contract terms and background check clearance.

To further solidify the new internal controls and management at WAYS, the school's board has considered two contracts with established charter school support organizations. On July 23, 2014, the WAYS board of directors considered a contract with Celerity Global Development, a California nonprofit public benefit corporation, for school educational support services such as WAYS board meeting and Brown Act compliance support, assistance in vendor selection and management, guidance and oversight on relations with LACOE staff, and technical assistance to WAYS for its instructional school leadership, management and operations. Celerity also provides these services to the successful, LACOE-authorized Celerity Sirius charter school, and other charters. (Exhibit 30 & Exhibit 3.) On July 30, 2014, the WAYS board of directors approved a contract with Charter School Management Company ("CSMC") to serve as the School's new back-office services provider. The WAYS board intends to retain CSMC either by separate contract or as part of the Celerity contract. These partnerships will ensure that WAYS implements and maintains the new, rigorous internal controls recommended by LACOE staff and adopted by the WAYS board of directors on April 30, 2014.

ii. LACOE Staff And The FCMAT Report Both Misrepresent The Auditor's Findings in the WAYS' Annual Audits

The FCMAT report and the NOV both inaccurately claim that the annual WAYS Independent Audit Reports from fiscal years 2012 and 2013 contain repeat findings which WAYS has failed to cure from year to year. The NOV contends WAYS' repeated failure to cure constitutes further proof of the lack of effective internal controls at WAYS.

It appears that neither LACOE staff nor FCMAT's auditors have carefully reviewed the WAYS Independent Audit Reports, because the 2012 and 2013 findings in the Audit Reports are *not* repeated or the same. For example, both reports contain "bank reconciliation" findings, but cite different causes for the deficiency. (Exhibit 31, WAYS000594 [deficiency based on need to ensure proper school official reviews reconciliations monthly]; Exhibit 32, WAYS000640 [deficiency based on need for support documentation for each transaction].) WAYS *addressed each finding* thoroughly and immediately upon receipt of the Reports.

Most importantly, the recommendations from both Independent Audit Reports were for the school to improve policies and procedures to help avoid issues in the future. WAYS has done so. As previously discussed, WAYS has also implemented a LACOE-approved comprehensive Financial Policies and Procedures Handbook on April 30, 2014 that applies to every specific recommendation in the independent audit reports. LACOE has not identified any other steps or actions WAYS could possibly take to further "cure" the points raised by the WAYS auditors.

iii. There Are No Conflict Of Interest Violations At WAYS

The NOV generally and incorrectly claims there are "conflicts of interest" at WAYS. A "conflict of interest" is not subjective. It is defined by law (such as the Political Reform Act, Government Code section 1090, and the Corporations Code). The only transactions and evidence cited in the NOV as "conflicts of interest" all occurred *years ago*. If there was ever any conflict of interest at WAYS, it was likewise cured *years ago*.

In this section of the NOV, LACOE staff also cites the FCMAT report's loose conclusion that the atmosphere at WAYS "allowed and continues to allow access, opportunity, and motivation for ... fraud." But FCMAT did ***not*** conclude that any such "fraud" actually occurred—because it did ***not***. Not only is WAYS fiscally sound, it is operating at as great or a greater surplus than any other charter school of its size in the entire Los Angeles region.

We take even suggestion of fraud very seriously. Statements like this one in the NOV falsely and recklessly imply to the County Board and to the public—our parents, teachers and students—that financial crimes may have occurred at WAYS, which they have not. ***To be clear for the record, there is not, and has never been, any incident of fraud at WAYS.*** Neither the NOV nor the FCMAT report present *any* factual evidence of fraud. In response to FCMAT's concern about weaknesses in the WAYS "atmosphere," we have strengthened our fiscal procedures, restructured some of our key administrative personnel and service providers, and implemented new LACOE-approved internal "checks and balances." (See Exhibit 17; Exhibit 29; Exhibit 3 [2014 Financial Policies and Procedures Handbook; Independent Contractor Agreement with Jason Okonkwo; Draft Management Contract with Celerity].)

1. The former executive director Kendra Okonkwo has not been employed at the school since April 30, 2011, and therefore cannot have a "conflict of interest" in WAYS transactions

All of the alleged "conflicts" cited in the NOV are related to Kendra Okonkwo and her relatives. The relentless witch hunt of the Okonkwos by LACOE staff is unprecedented, unprofessional and illegal. As noted above, FCMAT informed WAYS that LACOE accused *six* members of the Okonkwo family of fraud and conflicts. (Exhibit 33 WAYS000652.) At the direction of LACOE staff, FCMAT investigated all six individuals even though only three members of the Okonkwo family have ever worked at WAYS. LACOE staff also ordered a private investigator to follow and videotape Vice Principal Deara Okonkwo's private life on at least *sixteen occasions* outside of school. (See Exhibit 16, WAYS000144; Exhibit 9, WAYS00045 [LACOE "lost custody" of the videotapes before we could review them, and has refused to provide information about who currently has possession of the recordings of Deara,

yet continues to rely on the unreviewable tapes as evidence].) Neither FCMAT nor LACOE have produced any of the surveillance or background-check records on the Okonkwos to WAYS, so there are some "conflicts" alleged in the NOV that are not supported by any LACOE evidence whatsoever.

LACOE staff's allegations of Okonkwo family member "conflicts" distract from a simple fact that renders the allegations meaningless: Kendra Okonkwo has not been employed by the school (and does not serve on its board of directors) since 2011—before LACOE even authorized the charter. In the next several paragraphs we respond to the supposed "conflicts" raised by the NOV, but any discussion of Kendra Okonkwo is years-old and irrelevant to the current, proposed revocation of the WAYS charter.

The NOV claims WAYS entered into a self-dealing transaction with Kendra Okonkwo when she leased her property located at 706 E. Manchester Ave. to the school in 2010-2011. WAYS cured any potential conflict as to this transaction when the WAYS board of directors passed a resolution on April 30, 2011 terminating Ms. Okonkwo as Executive Director. (Exhibit 34.) Kendra Okonkwo has not been employed by the school (nor served on its board) ever since. LACOE cannot revoke the WAYS charter for a conflict of interest from 2011. There is no *current* conflict of interest related to Kendra Okonkwo, and LACOE has not suggested otherwise.

Even though there is no *actual* conflict, to cure the *appearance* of a current conflict of interest related to the lease from Kendra Okonkwo, the WAYS board decided to pursue purchase the school site owned by Kendra Okonkwo, thereby removing her from any transactions. Upon advice of counsel, WAYS formed an LLC to purchase the school site at 706 E. Manchester Ave. (Exhibit 35.) This purchase is currently in escrow. In an abundance of caution to prevent any appearance of impropriety, WAYS has used its broker at Cushman Wakefield to negotiate with Kendra Okonkwo (the property owner) on behalf of the School. Cushman Wakefield has provided the WAYS board of directors regular updates at WAYS board meetings. The property was appraised both by the lender and also by an independent appraiser hired by the WAYS Board. The purchase will, we hope, fully and finally resolve any questions about the lease and Kendra Okonkwo.

The NOV also cites an undefined "conflict of interest" related to WAYS' settlement with Kendra Okonkwo upon her termination. LACOE staff has not explained why they think the settlement could be a "conflict," since neither Kendra Okonkwo nor any member of her family played any role in WAYS' decision to settle and the amount of the settlement. We requested evidence from LACOE to substantiate the accusation that there was a "conflict" or the settlement was somehow unfair. (Exhibit 7.) The *only* document LACOE produced was a copy of Kendra Okonkwo's settlement agreement that *did not even include the material terms*. (Exhibit 36, WAYS000673.) Either LACOE staff is not actually aware of the terms of the settlement agreement, or LACOE staff violated the Public Records Act by its failure to produce the requested documents. Either way, LACOE has not presented "substantial evidence" required for revocation under Section 47607(c)(1) (or *any* evidence) to support its accusation that the settlement amount was improper.

Although WAYS is not required to offer any further explanation of this personnel matter, we would like to so that the County Board fully understands the circumstances. WAYS entered into the settlement agreement on advice of counsel. As background, we remind the Board of Education that WAYS terminated Kendra Okonkwo *at the direction of LACOE staff as a condition of renewal of the charter.* After WAYS did so, the school received a demand letter from Kendra Okonkwo that asserted a claim of $480,000 in unpaid salary, unused vacation and sick leave, reimbursement for business-related expenses, and repayment of personal money used in the start-up of the school, as well as other damages for breach of her employment contract. (Exhibit 37.) The school's Executive Director Ed Cabil forwarded Kendra Okonkwo's demand letter to its insurer, Freedom Specialty Insurance Company, and legal counsel for guidance on settlement and coverage. (Exhibit 38.) Upon advice from its insurer and legal counsel for the school, WAYS settled with Kendra Okonkwo for $228,665.38 (less than half the amount of her claim). (Exhibit 39.) WAYS told LACOE that we were considering the settlement before it was final, and LACOE provided no comment or concern. Yet now, the NOV states that WAYS does not have "proper documentation" to support the settlement. We are unclear what documentation LACOE staff expects to see to second-guess our insurer, insurer's counsel, and WAYS' counsel. As in any settlement, of course, the parties' confidential negotiations that may reveal *how* they arrived at a dollar amount are protected by the attorney-client privilege. The NOV and its exhibits do not contain *any evidence* that the settlement was somehow unsupported or excessive.

2. The contract with OSE Business Services was never a conflict of interest under any California law and was consistent with WAYS' fiscal policies

The NOV mentions that one of WAYS' former service providers—OSE Business Services ("OSE")—is a company owned by a distant cousin of Jason Okonkwo. The NOV claims this relationship created a "conflict" in WAYS' contract with OSE, even though: 1) a distant cousin is specifically *not* the type of familial relationship that creates a conflict under California law; 2) Jason Okonkwo was not even aware of his potential (unverified) relation to the owner of OSE Business Services until he was informed by LACOE staff; and 3) the FPPC has provided Jason Okonkwo a letter dated July 18, 2014 that specifically states there are no conflicts of interest related to Jason Okonkwo.

The NOV, mostly quoting the FCMAT report, states:

> "OSE is owned by Obieśe Enwezor, who is related to other WAYS vendors: Godfrey Okonkwo, Emeka Enwezor, and DeDe Dance Studio and bears the same last name as the founder/former executive director's brother-in-law, Joseph Njor Enwezor…A document LACOE received after the FCMAT Audit was published provides further evidence that the owner of OSE is the cousin of the Director of Operations/On-Site Financial Manager for WAYS."

The "document" LACOE staff refers to is an obituary announcement for a member of Mr. Enwezor's family. (Exhibit 40, WAYS000693.)

We find it outrageous and disrespectful to the deceased's family that LACOE staff included an *obituary* as "evidence" against WAYS. Moreover, the County Board should be

embarrassed that LACOE staff believes a copy of an obituary of a distant cousin of a school employee constitutes valid, substantial evidence upon which to revoke a charter.

As this Board is no doubt aware, a conflict of interest under the Political Reform Act ("PRA") exists when a public official makes, participates in, or influences a governmental decision in which he has a personal financial interest. (Gov. Code, § 87100.) Under Government Code section 1090, public officials are prohibited from being financially interested in any contract made by them in their official capacity. (Gov. Code, § 1090.) Here, Jason Okonkwo was not a "public official" for purposes of the decision to purchase from OSE, as that decision was made by the Executive Director Ed Cabil. More importantly, a "financial interest" only exists under the PRA based on a familial relationship if the decision has a material financial effect on a member of the public official's *immediate family*. (Gov. Code, § 87103.) The possibility that the owner of OSE is a *distant cousin* of WAYS' now former Director of Operations Jason Okonkwo cannot have ever been a conflict of interest under the PRA. Likewise, under Government Code section 1090, there is no way Jason Okonkwo could have had any "hope of personal financial gain," or "monetary of pecuniary" interest, in a service contract of a distant cousin. (See *People v. Honig* 48 Cal. App. 4th 289, 325.) The FPPC affirmed this conclusion in a recent letter to Jason Okonkwo dated July 18, 2014, where it stated it had "closed its file" on any investigation (initiated by LACOE) into a conflict of interest. (Exhibit 10, WAYS000054.)

In short, the NOV's contention that the OSE contract was somehow a "conflict" due to an obituary LACOE staff found is another desperate attempt to fabricate a claim against the Okonkwo family and a colossal waste of the County Board's time. It also reveals LACOE staff's lack of understanding of California's conflict of interest laws.

Contrary to the assertions in the NOV, the OSE contract also did *not* violate the school's adopted fiscal policies in place at the time. (Exhibit 19.) Under those policies, a competitive bidding process was only required for purchases in excess of $10,000. (Exhibit 19, WAYS000211.) The services and supplies provided by OSE were approximately $7,000 to $8,000, so even under the letter of the competitive bidding requirement, a bidding process was not required. (Exhibit 41.) The NOV also confusingly states that WAYS violated its policies when it "bounced a check" to OSE, but then states that "A review of WAYS 2011, 2012, and 2013 Wells Fargo bank statements do not indicate any insufficient funds or returned checks." These statements in the NOV are contradictory. LACOE staff asserts a conclusion (that WAYS violated its policy when it bounced a check) and then concedes that they have no evidence to support it (the record shows no bounced checks). Last, the NOV takes issue with WAYS' failure to use a purchase order for every OSE order. WAYS' 2006 adopted fiscal policies (in place at the time) state that "All purchases must be initiated by completing a purchase order. Exceptions may be granted by the School Director or [Director of Operations]...in emergency situations." (Exhibit 19, WAYS000211.) WAYS' student enrollment almost doubled from the 2010-2011 to the 2011-2012 school year. (Exhibit 42.) WAYS took over another school at the Salvation Army location just weeks before school started, which forced management to scramble for supplies to equip the new location. To meet this need, WAYS ordered from OSE almost daily for a period of time to stock the new school site. It was precisely the type of emergency situation contemplated by the policy that would enable the Executive Director or Director of Operations to initiate isolated purchases without a purchase order.

We also note the NOV claims OSE may not be a "legitimate" business. This claim is ridiculous. OSE provided actual supplies and services at market rates to the school for several years. In many instances, OSE helped WAYS avoid disaster by supplying services and supplies in times of crisis that the school would not have been able to acquire otherwise on such late notice. WAYS understands that OSE failed to comply with FCMAT's investigation of OSE's "legitimacy," which is unfortunate. In fact, when the WAYS board learned that OSE had refused to cooperate, it terminated the school's contract with OSE and WAYS has not worked with OSE since then. (Exhibit 43.) However, WAYS cannot be held accountable for a private business' unwillingness to cooperate with a school audit.

3. DeDe Dance Studio is a nonprofit corporation that has zero paid employees and utilizes volunteers to provide dance classes for WAYS students; by definition, this is not a conflict of interest

Dede Dance Studio ("DDS") is a California nonprofit public benefit corporation that was founded by WAYS' Vice Principal Deara Okonkwo. ***Deara Okonkwo has never been paid by DDS.*** *All* of DDS' revenue is used to cover costs of the program including the annual ball for youth, annual retreat/weekend excursion, dance recitals, fieldtrips, and other special events. DDS has no paid employees and uses volunteers to provide its dance classes. DDS was founded by Deara Okonkwo when she was *14 years old* to provide *not-for-profit* dance classes to an underserved community; we are disappointed that LACOE staff could somehow turn this into a reason to revoke the charter.

The NOV states that when WAYS contracted with DDS for after-school dance classes, there was a conflict of interest. There are no facts or evidence of any such conflict. The NOV recites the following facts: 1) Deara is the sibling of the former Director of Operations, Jason Okonkwo; 2) WAYS entered into a contract with DDS to provide an after-school program for WAYS students, which was paid for with After School Education and Safety ("ASES") Program grant funds; 3) the address for DDS is 706 E. Manchester Ave.—the same building as the school's address. (The school and DDS each use separate space at the site.)

These facts are unrevealing. WAYS is a *community* school. This alone does not create a conflict. Deara, the founder of DDS, ***has never been paid by DDS.*** This fact alone invalidates any claim of a conflict under California law. The address of DDS is at the school site because DDS provides after-school program services for the students at the school.

The *way* in which the school selected DDS was also proper, contrary to the NOV. DDS was paid roughly $4,000 per month, which is below the $10,000 threshold for a competitive bidding process. The school's Executive Director Ed Cabil chose DDS to perform the services, which was within his purview as the Executive Director. All of these procedures were in accordance with the school's fiscal policies in place at the time.

It is interesting that the FCMAT audit report questions the validity of the business relationship between WAYS and DDS in part because "the [FCMAT] team did not observe students present in the facility during the fieldwork days." (Exhibit 16, WAYS000144.) This is because, during FCMAT's visit, all dance classes had to be cancelled to accommodate FCMAT

staff in the school's largest room! Ironically, students could not take their regular dance classes because FCMAT was occupying the entire building making findings about students not taking their regular dance classes.

In 2010, LAUSD specifically investigated whether the DDS contract created a conflict of interest for Deara Okonkwo or the school, *and concluded it did not.* In a "thank you" letter to WAYS, LAUSD expressed that "[their] entire team was inspired by the dance activities that [they] observed...Please give a special thank you to Ms. Deara Okonkwo for the outstanding presentation she provided." (Exhibit 44, WAYS000702.)

4. WAYS acquired the van referred to in the NOV by *donation* and did not pay anything in exchange; by definition, this is not a conflict of interest.

The NOV claims there was an alleged conflict of interest when WAYS "paid $4,800" to Jason Okonkwo's distant cousin Emeka Enwezor for a van that had previously been leased to the school. The truth is, WAYS paid absolutely *nothing* for the van—it was a donation. The NOV also claims WAYS failed to obtain a signed contract and board authorization for the lease of the van. First, as discussed above, the distant familial relationship between Mr. Enwezor and the WAYS former Director of Operations is by definition *not* a conflict of interest under California law. More importantly, the NOV and FCMAT audit report are simply wrong about the amount WAYS spent to purchase the van. Mr. Enwezor graciously *donated* the van, at a *value of $4,800*, to WAYS on December 31, 2012. WAYS provided no consideration for the transfer. (Exhibit 45.)

The claim that WAYS failed to obtain a signed contract for the van's earlier lease is false. (Exhibit 46.) Also, the fact that the WAYS board did not give prior approval of the van lease is irrelevant because board approval is not required for *all* contracts, especially a contract of such a small value as the van lease of $400 per month. As previously discussed, the Executive Director and Director of Operations both had authority to enter into certain vendor and other small contracts on behalf of WAYS under the fiscal policies in place at the time. This is the same at all charter schools we know of. WAYS board approval was not required. It is preposterous that a free, donated school van, which only ever cost WAYS $400/month pursuant to a contract approved by the school's Executive Director, could form the basis for a NOV, let alone a charter revocation.

iv. WAYS Did Not Violate The Law In The Submission Of Its 2012 and 2013 Independent Audit Reports And Has Cured The Immaterial Issues Identified by the WAYS Auditor In Its Attendance Tracking For The ASES Program

LACOE inaccurately claims WAYS violated section 47605(m) because the School turned in its 2012 and 2013 independent audit reports beyond the annual December 15 statutory deadline. WAYS was not late. This claim reflects the lack of communication at LACOE. As evidenced by documents *produced by LACOE itself*, LACOE approved an extension on the deadline to submit the school's 2013 audit report to January 15, 2014. (Exhibit 47, WAYS000710.) WAYS timely submitted its 2013 audit report on the date of the deadline,

January 15, 2014. (Exhibit 32, WAYS000608). One year earlier, LACOE approved an extension for submission of WAYS' 2012 audit report. (Exhibit 72, WAYS001008.) WAYS timely submitted its 2012 report on December 31, 2012. (Exhibit 31, WAYS000568).

The NOV also cites a portion of WAYS' 2013 independent audit report that claims WAYS failed to comply with the attendance tracking requirements of the ASES program. Specifically, WAYS' sign-out sheets for the program did not include the time students were released from the program and WAYS attempted to claim an indirect cost rate of 5.26% in excess of the 5% allowed under the program. These minor issues were remedied by WAYS as soon as the Auditor notified us, and WAYS is now in compliance with all of the ASES requirements.

We want to point out that this entire section of the NOV—which discusses all of the school's alleged violations of law—is noticeably slim. There are inflammatory words throughout the NOV of "conflicts of interest," "fraud," and "misuse and misappropriation of assets," yet the NOV does not list these as violations of law. This is because *there is no evidence these violations of law occurred.* In fact, the evidence supports *the contrary.* The best "evidence" LACOE has presented is FCMAT's conclusion that "illegal activities ***may*** have occurred."

b. RESPONSE TO ALLEGATION OF MATERIAL VIOLATION OF CHARTER (ED. CODE 47607(C)(1)(A).)

i. The Ways Board Provided Effective Governance Of The School In Compliance With WAYS' Authorized Charter

As mentioned above, it should be noted that WAYS and LACOE staff have not been able to agree on which charter document governs the school: WAYS abides by the document that was approved by the County Board, while LACOE staff believes WAYS is required to comply with additional, unfinalized provisions contained in several different "redlined" versions of the charter. Noticeably, a copy of the school's charter is not included as an exhibit to the NOV. As a result, any revocation of the charter for violation of WAYS charter would raise questions about exactly *which* document was violated.

In terms of general effectiveness of governance at WAYS, we acknowledge there has been some turnover on the WAYS board of directors in the past. We understand board governance at WAYS is a concern for the County Board, and this is a key reason the school's board is considering a contract with Celerity that specifically includes board support and services. The WAYS board has also implemented practices to improve the board's effectiveness: the Executive Director, the Director of Operations, and a representative from the school's back-office services provider all give extensive status reports at every board meeting (Exhibit 27.); even when reports are given orally, hard copies of long reports or reports on important or complex topics, and other supplementary materials, are given to board members (Exhibit 48 [examples are provided but copies of additional reports are available upon request].); at the request of the board or the Executive Director, the Principal and/or Vice Principal attend meetings and provide status reports about the school, students, or other specific topics (Exhibit 49 [examples are provided but copies of additional reports are available upon request].) We have

carefully and thoroughly addressed LACOE staff's concerns about the WAYS board's role and supervision of the school, and the record demonstrates this issue has been resolved.

Most importantly, one thing the WAYS board of directors has consistently done well is to achieve its key goal: to create an academically successful, financially stable charter school. Due to the board's leadership, WAYS undeniably has financial stability, increased student enrollment, and objective student success.

1. The School's charter does *not* require the formation of a finance committee

The NOV claims as a basis for revocation that WAYS has not established a board finance committee as required under "Element 4: Governance" in its charter. There is no such requirement in the charter or by law. The charter references the existence of a finance committee in Elements 5 and 9, and WAYS has this committee in place. The finance committee is not a board committee or comprised only of board members as the NOV incorrectly assumes. There is no requirement that it be comprised in such way. Rather, the finance committee at WAYS is a working group of the Executive Director, Director of Operations, and back office services provider. They meet regularly to provide guidance and recommendations to the WAYS board in the development and implementation of fiscal strategy and the budget. Among other tasks, the group reviews the monthly financial reports presented to the board from the back-office services provider, and works on development of the annual budget. (See, Exhibit 74.) The WAYS board realizes that the development and implementation of the budget is *critical* to the effectiveness of the school, and the board with the help of the finance group, has consistently maintained financial stability at WAYS over the years. (Exhibit 50.)

2. The Board has adopted a comprehensive Financial Policies and Procedures Handbook and has plans to contract with outside service providers to help with the handbook's implementation

The NOV claims WAYS was uncooperative with LACOE in the revision of its fiscal policies. This is untrue. WAYS has revised its fiscal policies several times with LACOE's own revisions, and has always submitted the final, adopted policies to LACOE staff.

The NOV claims LACOE staff asked WAYS administrators for revised fiscal policies on numerous occasions beginning in November 2011 and never received the requested documents. When we looked closely at the evidence LACOE attached to the NOV in support of this claim, *there are no records to support this claim.* The exhibit attached to the NOV is actually a chain of emails and letters between WAYS and LACOE staff about a notice of investigation related to former board members—not related to revised fiscal policies. (Exhibit 51, WAYS000796.) Recall that the evidentiary burden here is on LACOE, not on WAYS to disprove.

To clarify the chain of events in the adoption and transmission of revised fiscal policies at WAYS, WAYS first adopted and submitted revised fiscal policies to LACOE staff as required under the MOU on January 31, 2013. LACOE responded almost three months later on April 18, 2013 that the policies had been received, reviewed and that staff had some additional recommendations. (Exhibit 18.) The long list of recommendations was included as an

attachment to the letter, which concluded "If you have any questions, please contact the Controller's Officer..." Now, over a year later, the NOV takes issue with the fact that WAYS did not respond to this letter. LACOE—and the letter itself—did ***not*** request a response. WAYS properly considered LACOE's list of "recommendations" and many are included in the school's policies and procedures.

As previously discussed, the WAYS board on April 30, 2014 adopted a comprehensive Financial Policies and Procedures Handbook provided by its back officer services provider, Bali Business Management. LACOE staff made direct edits to these new policies, which were adopted by the WAYS board of directors. The handbook's policies include payroll, purchases, contracts, and budget formation—all issues raised by LACOE staff. To help WAYS consistently and effectively implement these fiscal policies, the school has plans to contract with Celerity. We have discussed with LACOE that both LACOE and WAYS believe this new business relationship can increase the school's stability.

3. The Board has maintained effective oversight of the financial affairs and ultimate direction of the School

WAYS is operated by the Merle Williamson Foundation, (the "Foundation"), a California nonprofit public benefit corporation. The NOV claims the Foundation should not have amended its 2002 bylaws without LACOE staff's express approval. However, subject to any prohibition in the school's charter or the bylaws themselves, the Foundation may, by law, amend its bylaws at the discretion of the Foundation's board of directors to better facilitate the purposes of the corporation. Further, in the NOV, LACOE staff quotes *its own staff report* from May 10, 2011 that *recommends* amendment of the 2002 bylaws. The staff report criticizes the Foundation's 2002 bylaws for not allowing effective governance of a public charter school. In fact, by the time of that staff report, the Foundation had *already amended and cured its bylaws* effective March 16, 2011.

Now, the NOV takes issue with the Foundation's new bylaws, specifically that they have somehow limited the WAYS board's authority to approve contracts. The Foundation's current bylaws explicitly state that "the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, *by or under the direction of the Board of Directors.*" (Exhibit 52, WAYS000804.) These powers of the board are not narrowly limited, and are consistent with other charter schools' bylaws authorized by LACOE. There is nothing in the California nonprofit corporation laws, the school's charter or its fiscal policies that would require the bylaws to state that WAYS board approval is needed for *all* contracts, as suggested in the NOV. Such a requirement is unheard of. It is our understanding that no other charter school authorized by the County Board has such a requirement. In fact, "Oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality" is specifically included in the School's charter under the job description for the Executive Director.

The WAYS board exercises its oversight powers and has in fact been active in reviewing and approving the school's major contracts. For instance, contrary to the assertions in the NOV, the WAYS board did grant prior approval for the installation of the central air and heat system. (Exhibit 22.) The Director of Operations' statements to the Board at the July 31, 2012 meeting

are misquoted by LACOE staff in the NOV. WAYS Executive Director Ed Cabil signed and dated the proposal from the contractor on August 3, 2012, which is 3 days *after* the Board approved the contract at a special meeting. (Exhibit 22.)

Regarding the board's approval of the Salvation Army facility lease, the original lease between WAYS and the Salvation Army was approved by the Board on August 10, 2011 and signed on August 25, 2011. (Exhibit 53.) The terms of the lease have remained substantially unchanged over the years, except for a small rent increase. Each year, renewal of the contract has come before the WAYS board for information. As Executive Director, Ed Cabil had the authority to execute the lease agreement renewals on substantially the same terms as the board-approved document. On February 3, 2014—at the request of LACOE staff that the WAYS board begin approving the Salvation Army lease renewal *before* execution by the Executive Director—the WAYS board ratified the school's present lease of the facility. (Exhibit 54.) The WAYS board will approve the next renewal of the Salvation Army lease prior to execution.

The NOV mischaracterizes the purchase and sale of a school vehicle. In a report to the WAYS board at a meeting on July 31, 2012, Executive Director Ed Cabil recommended that WAYS lease or purchase a vehicle for use in the operations of the school. The board of directors unanimously approved a *written resolution* that authorized "the Executive Director or his designee to enter into a lease or purchase agreement for a vehicle for school use..." (Exhibit 55.) LACOE staff claims they listened to the audio recording and concluded that the board's language did not authorize an *actual purchase*, but only to "look into" the purchase. LACOE staff cannot claim that an audio recording trumps official corporate records. The written, executed board resolution (attached) is evidence of the board's action, and the board authorized the purchase of a vehicle.

More than a year after the vehicle was purchased and used, the Executive Director determined the school no longer needed the vehicle for daily operations and should sell it. Executive Director Ed Cabil instructed the Director of Operations to research vehicles of the same year, make, and model and with similar mileage to estimate a fair sale price, and the Director of Operations did so. The school sold the vehicle for a fair price based on the research, and the WAYS board of directors ratified the sale at its February 2014 meeting. (Exhibit 56.) The NOV quotes a portion of the FCMAT report that claims the sale of the vehicle "resulted in a loss" to the school. We have *explicitly* asked for, but have not been provided any information or evidence about *how* FCMAT or LACOE could have possibly accurately calculated this "loss". How did FCMAT or LACOE determine the depreciation for the vehicle? Did FCMAT or LACOE consider the vehicle's condition, mileage, location, or market? WAYS did not violate any law or the charter in its reasonable, researched sale of the vehicle. And importantly in this context, LACOE has not provided any evidence to support revocation.

The NOV also claims school's Executive Director improperly hired Wilkinson, Hadley, King & Company, LLP as WAYS' 2013 independent auditor before approval by the WAYS board. The NOV implies that the WAYS board did not even have *knowledge* of the auditor's selection prior to the Executive Director's execution of the auditor's contract, which is not true. The Executive Director informed the entire WAYS board on October 23, 2013 that the school's former auditor had raised its prices to a number that unaffordable for the school. (Exhibit 57.) In order to save the school nearly $6,000, the Executive Director accepted a proposal from the

new auditors' firm and informed the board of his decision. While we understand the WAYS board could have preapproved the auditors' contract, and will do so in the future, we note the board did ratify the Executive Director's decision by resolution on February 3, 2014. (Exhibit 58.)

The NOV also states there is "no evidence" that the WAYS board approved the employment contract for the Executive Director, Director of Operations, Principal, Vice-Principal, and all other WAYS staff. We note that California law does not require a charter school's board to approve all employment contracts; and in fact, employment attorneys regularly advise that boards should *not* do so. The WAYS board approves the contract for the Executive Director. (Exhibit 59.) See, attached, the renewal of the Executive Director's current employment agreement. It is the Executive Director's responsibility to supervise and evaluate the teachers and classified staff—not the board's responsibility. (Exhibit 60, WAYS000886.) The Executive Director properly kept the WAYS board informed about staff employment contracts by including an update on their development in his regular report to the board of directors. (Exhibit 61.)

4. The Board oversees the development of the annual budget and provides timely approval

The NOV incorrectly claims the WAYS board failed to approve the 2013-2014 final budget before it was submitted to LACOE. The budget that WAYS submitted to LACOE on July 3, 2013 was the school's *preliminary budget*, not the final budget for the upcoming school year. Board approval of the *preliminary budget* is not required before submission to LACOE. In fact, WAYS' policy about budget preparation and implementation directed the Executive Director to review the preliminary budget with the Director of Operations, to ensure the priorities of the school are accurately reflected before approval by the board. (Exhibit 19.) The *preliminary budget* is the responsibility of the Executive Director and the finance working group (committee). Only the final budget requires WAYS board of directors' approval. That is a rather common business practice state wide.

The budget was presented to the WAYS board of directors and approved on August 29, 2013. (Exhibit 62.) During the meeting, there was a question from a WAYS board member about a specific line item that had changed from the previous year. The NOV contends this question should have been answered before the budget was approved, but whether or not to approve the budget is not LACOE staff's decision. The school's back office services consultant was unprepared to answer the question on the spot, so the WAYS board, exercising its oversight in development of the budget, directed the line item to be restored to its previous number and approved. The change in the line item is reflected in the minutes of that meeting, which were unanimously approved at the subsequent WAYS board meeting on October 24, 2013. (Exhibit 63.)

5. The Board did not authorize any improper expenditure of School funds

The NOV alleges that the performance-based stipends paid to WAYS teachers and staff were not supported by proper "criteria or documentation". It is unclear what type of "criteria or

documentation" LACOE believes is necessary, and the NOV does not specify. In fact, the modest stipends (most around $500) were approved by the WAYS board on February 27, 2014 after a report from the Executive Director. (Exhibit 64.) As outlined in the report, these stipends were for performing extracurricular tasks, taking on leadership roles, and maintaining good attendance habits that are above and beyond what is required. The Board was fully informed about the criteria and evidence the Executive Director used to make the recommendation. In fact, the audio recording from the meeting shows that when Board member Espinoza questioned the criteria used for the stipends, Mr. Cabil gave a specific example of the unpaid time and effort the teachers have expended, stating "We need to have book fairs, for example. Teachers who come forward and volunteer their time, it's not a paid position, they spend a lot of time." The stipends were a proper expenditure of public school funds as a form of compensation. LACOE staff also draws an incorrect conclusion that the WAYS board's approval of the stipends was a Brown Act violation, yet does not provide any explanation.

If any party here has misused public funds, it is the LACOE staff. LACOE paid a private investigator $18,000 to secretly trail the school's Vice Principal Deara Okonkwo for a period of *several months.*. The investigator took video footage of Deara, which is a violation of her constitutional right to privacy and her federal civil rights, and LACOE staff has now apparently "lost custody" of this video footage. We believe there is currently a pending claim against LACOE for that misconduct. We see no "public purpose" for LACOE to spend school money to violate an individual's privacy and civil rights. We also note the months-long private investigation did not uncover a single violation of law. We believe LACOE staff also misuses public money when it hires armed bodyguards every time a LACOE staff member visits our elementary-aged children at the School. (Exhibit 65, WAYS00913.) WAYS is a safe, secure environment for children and the expenditure of public funds to hire gun-wielding bodyguards for LACOE staff is improper, unlawful, and disrespectful to WAYS board, staff, parents, students, and entire South Los Angeles community.

6. The Board has approved a comprehensive set of school policies

The NOV claims that WAYS has not approved and implemented school policies. LACOE's statement is utterly incorrect and totally unsupported by the evidence. The only "evidence" of this in the NOV is a reference to an email from a former WAYS board member (who LACOE is aware was removed from the WAYS board) stating her concern that the school had not adopted specific policies. That former board member was wrong. To the contrary, the WAYS Board has adopted policies as necessary for the effective operations of the School. (Exhibit 73 [attached is a full set of WAYS policies currently in place, besides the aforementioned Financial Policies and Procedures Handbook which can be found at Exhibit 17].) As required under the MOU, WAYS submits all of its approved policies to LACOE staff. As always, the school's full set of board-approved policies is available for review, which we believe are sitting on a shelf in LACOE staff's offices right now.

7. The Board has held meetings almost every month since LACOE became the charter authorizer

Over the past 3 years, the WAYS board has in fact held meetings at least once each month as required under its bylaws for nearly every month. There were a few months when the

board did not meet, but there were many other months where the board met multiple times. (Exhibit 27.) The NOV blames the Executive Director for not ensuring that the Board meets regularly to fulfill its fiduciary obligations to the school, but they fail to mention that the Board *did in fact meet almost every month*. The NOV also states that the school has not published a schedule of regular meetings. Every year since LACOE's authorization of WAYS, the Board has published a schedule of regular meetings, including most recently at the meeting on July 9, 2014 when the WAYS board approved the next year's schedule of regular meetings. (Exhibit 67.) This new schedule is, of course, available to the public and will be provided to parents, teachers and staff. It is also provided to LACOE staff.

ii. The Board Provided Adequate Oversight Of The School Management Personnel

The NOV makes broad claims that WAYS violated the Employee Qualifications element of its charter. This revolves around the duties of the Executive Director and the Director of Operations. As previously mentioned, former Director of Operations Jason Okonkwo is no longer an employee of WAYS, and the search to fill the Director of Operations position is underway. Additionally, Executive Director Ed Cabil will soon be replaced. The WAYS board of directors has already interviewed the top candidates, one of whom we expect will fill this role. To be clear, neither the Executive Director nor the Director of Operations violated the law or their employment at the school. In both cases, the decision to leave WAYS was mutual by the WAYS board and the employees.

1. The current WAYS Executive Director has increased financial stability, enrollment and parent involvement at WAYS

The NOV claims that the Executive Director violated his duties as specified in the charter. First, we note that the exact description of these duties in the charter has been one of the issues in the arbitration to determine what charter document governs WAYS. Second, any contention in the NOV that the Executive Director has been ineffective is countered by other portions of the NOV that chronicle his consistent and effective involvement with school operations. The Executive Director has overseen the school's business practices, instructional program, and classroom management—as described in his job description. He has given an oral report at every meeting of the WAYS board, consistently informing the board of his operational supervision of the school. (Exhibit 48.)

The NOV discusses the relationship between Mr. Cabil and the former WAYS board president Ms. Carol Tolbert as if it is somehow a violation of law or the school's charter sufficient for charter revocation. Executive Director Ed Cabil had significant concerns with Ms. Tolbert as did many other members of WAYS staff, parents, and the WAYS board itself. Contrary to the statements in the NOV, the Executive Director did not "remove" Ms. Tolbert from the board—the WAYS board of directors did so. The School Site Council (which is the school's parent association) recommended to the WAYS board that Ms. Tolbert be removed as a board member. The Council is organized and directed by the school principal, made up of WAYS parents and staff, and is generally tasked with assistance in the development of the educational program at WAYS. As parents and staff of the school, members of the Council were well within their rights to make a recommendation to the board. The Council did not make the

"decision" to remove Ms. Colbert, the WAYS Board did so. (Exhibit 68, WAYS000925.) The NOV cites the Council's recommendation as if it shows ineffective governance at WAYS. In fact, the involvement of the School Site Council shows that the school *effectively* engages parents, who are actively involved and heard in school governance. The Charter School Act itself *requires* such involvement. (Ed. Code 47605(b)(5)(D).) The recommendation, made by the Council and communicated to the board by the Executive Director, was proper and cannot serve as grounds for a charter revocation.

2. The former Director of Operations provided strong leadership and balance to the School with his knowledge and passion for education

In this section of the NOV, LACOE staff again discusses the purchase and sale of the school vehicle in 2012 and 2013. The NOV also again notes the relationship between WAYS and OSE. LACOE staff also misquotes a report made to the Board regarding the performance-based stipends. Executive Director Ed Cabil presented that report—not the former Director of Operations.

Confusingly, the NOV also cites the approval of the 2013-2014 budget as if the Director of Operations did something unlawful. The Director of Operations transmitted the school's preliminary budget to LACOE on July 3, 2013 as required under the MOU, the school's charter, and California law. The budget was then approved by the board on August 29, 2013 as evidenced by the board's minutes, including the revision made to the questioned line item (discussed above). The minutes from the August 29, 2013 meeting were approved at the next board meeting on October 24, 2013. This is the standard timeline and procedure for getting the annual budget approved, and the Director of Operations properly implemented this timeline.

c. CONCERN REGARDING THE GENERAL CAPACITY TO OPERATE A CHARTER SCHOOL

With respect to general capacity, we note the WAYS board of directors is comprised of respected community members with decades of experience in education and business. Our current Board is very strong and we are recently expanded our board to acquire new talent, ideas, and experience from members in the community. Each board member takes the Oath of Office upon membership, which requires the member to commit to enhancing their own individual education for the overall benefit of the school. (Exhibit 69.) Board members attend retreats together where they bond as a cohesive unit, discuss strategies for future school success, and ensure that WAYS is adhering to its mission and goals. (Exhibit 70.) The WAYS board also receives comprehensive trainings from legal counsel on specific issues like Brown Act compliance, conflicts of interest, and best practices for charter school management. (Exhibit 71.) WAYS board members understand their rights and responsibilities as fiduciaries of the school, and each one takes that responsibility to heart. The WAYS Board has consistently provided

necessary oversight and guidance that has allowed the school to prosper, and with support from Celerity, we believe this will continue to improve.

We look forward to discussion of any of these issues with the County Board, as well as LACOE staff and Superintendent Delgado.

Sincerely,

Armando Espinoza

Board Chair, WAYS Board of Directors

Wisdom Academy for Young Scientists

August 13, 2014

Judy Higelin
Project Director III
Charter School Office
Los Angeles County Office of Education
9300 Imperial Highway, ECW 222
Downey, CA 90242
Higelin_Judy@lacoe.edu

Re: Wisdom Academy for Young Scientists' ("WAYS") Response to your letter dated August 7, 2014

Dear Ms. Higelin:

On July 31, 2014, Armando Espinoza, Board Chair of the WAYS Board of Directors, submitted to the Charter Schools Office the WAYS Governing Board's response to the Notice of Violation ("NOV") issued by the Los Angeles County Board of Education. That letter provided a "detailed, written response addressing each identified violation," and provided extensive documentary evidence refuting LACOE's allegations and/or describing meaningful remedies, as required by the regulations. To our surprise, your only response to date has been your letter dated August 7, 2014, demanding that WAYS submit additional "evidence that, prior to its submission, the WAYS Board took action to approve the July 31, 2014 response and its submission to the County Board." This is astounding in light of the fact that you receive audio recordings of all WAYS' board meetings, including July 30, 2014 where the NOV response was explicitly agendized and discussed by the WAYS board. The following paragraphs explain that there is no such legal requirement for you to impose; but in any event, we provide additional "evidence" as you ask.

The WAYS Governing Board chose to respond to your NOV, and unanimously voted to submit the detailed response you timely received on July 31, 2014, in full compliance with Title 5, section 11968.5.2(c) of the California Code of Regulations ("CCR"). Enclosed with this letter is a copy of the draft minutes from WAYS' July 30, 2014 board meeting, which reflect the WAYS board's vote approving WAYS' response to the NOV. Of course, these minutes are in draft form because minutes of a board meeting cannot be approved by the WAYS board until its next meeting.

Your letter apparently assumes, albeit incorrectly, WAYS was required to provide additional "evidence" to you of the WAYS board's approval of its response to the NOV, other than the signed letter itself submitted on behalf of the board. There is no such requirement. The Charter Schools Act and the State Board of Education's regulations have fully occupied the field of the charter revocation process. Pursuant to 5 CCR 11968.5.2(c), the WAYS board "[chose] to respond" to the NOV by "submit[ting] to the chartering authority a detailed, written response."

Your office received that response July 31, 2014. Your letter quotes the NOV (drafted by CSO staff) that asks for such "detailed, written response" to be "approved by the WAYS Board (and evidence of such approval)." You cannot unilaterally add to or subtract from the requirements prescribed by the Legislature or State Board of Education in the Charter Schools Act and regulations. (See, e.g., *UTLA v. LAUSD* (2012) 54 Cal.4th 504, 513-16.) The "evidence" is the response letter itself, which was signed by WAYS' Board Chair. No further "approval" or "evidence" is required. It is a basic precept of law that a board's president may execute documents on behalf of the entire board. (See, *City Street Improv. Co. v. Laird* (1902) 138 Cal. 27 [signature of a corporation's board president is ample evidence that the action was authorized by the corporation].) Even the MOU between LACOE and WAYS identifies the governing board's president as the duly authorized representative.

By this letter, we are also requesting, again, that LACOE CSO staff comply with the requirements of the MOU with regard to delivery of notices to WAYS and its board. The MOU requires LACOE to provide all notices to the school by way of the Executive Director at the school's address. Your letter was inappropriately addressed to individual WAYS board members and delivered to their personal email addresses, which were inappropriately listed on your letter. This is significant because in the NOV, CSO staff complained that in the past, it has received overlapping correspondence on behalf of WAYS from individual WAYS board members as well as WAYS' Executive Director. The NOV listed that kind of duplicative correspondence as a reason for revocation of the WAYS charter. Now, your letter has entirely cut out the Executive Director—the school's *designated* point of contact—and *asked each* WAYS Board member for a separate response. This is not only a violation of the MOU, it appears to be an improper attempt by LACOE CSO staff to bait WAYS board members into the behavior for which the CSO staff has asked the County Board of Education to revoke our charter.

We believe this letter fully resolves any concern or question posed by your August 7, 2014 letter.

Sincerely,

Ed Cabil
Executive Director

cc: Members, Los Angeles County Board of Education
Superintendent Arturo Delgado

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Wednesday, July 30, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Wednesday, July 30, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted July 27, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** May 20, 2014, June 14, 2014, July 9, 2014, July 23, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Public Employee Appointment (Executive Director)
- b. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2) – Notice of Violation
- c. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
- a. Consider and approve back office provider contract
  - i. Board will consider and may take action on contract with Charter School Management Corporation
- b. Consider and approve charter school consultant contract
  - i. Board will consider and may take action on a contract with the Celerity Global Development to assist with certain aspects of charter operations
- c. Consider and approve material terms of 706 East Manchester LLC lease agreement
  - i. The LLC has or is expected to soon acquire the school site properties. The Board will consider and may adopt material terms for the lease.
  - ii. Consider and approve 2014-15 Lease Agreement with Salvation Army

iii. The Salvation Army Lease amount has increased significantly due to added fee for use of Gym Space. The Board will consider and may enter into a material lease agreement.

X. Meeting Adjourned

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Wednesday, July 30, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Wednesday, July 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:36pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook, Diana Miketta, Annette Ford
Board Members Absent: Maria Garcia

IV. All members of WAYS Board took the WAYS Oath of Office

V. **Additions to the Agenda**
   a. Approval of the WAYS 2014-15 Bell Schedule.
      i. The Vice Principal reported that under Government Code section 54954.2, there is a need for the Board to take immediate action to approve the Bell Schedule because classes will start this week, and the need to modify the Bell Schedule came to the Vice Principal's attention subsequent to the agenda being posted. The Board voted to add the item to the agenda.
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Diana Miketta, Annette Ford
         2. Oppose – None
      ii. The Board voted to approve the WAYS 2014-15 Bell Schedule.
         1. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Diana Miketta, Annette Ford
         2. Oppose – None

VI. **Approval of Minutes**
   a. June 12, 2014 – Corrections noted by Mr. Espinoza require confirmation, approval in future board meeting.
   b. May 20, 2014, July 9, 2014
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Diana Miketta, Annette Ford
      ii. Oppose – None

VII. **Reports/ Oral Communication**
   a. None

VIII. **Closed Session**
   a. Public Employee Appointment (Executive Director) - Discussion
   b. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2) – Notice of Violation
   c. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Request to Extend Escrow

IX. **Open Session**

Board Member Date Board Chairperson Date

WISDOM ACADEMY FOR YOUNG SCIENTISTS

a. Mr. Espinoza made a report out of Closed Session that the Board voted to approve WAYS' Response to the LACOE Notice of Violation, and delegated authority to execute on behalf of the board to Board Chair Espinoza

   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook, Diana Miketta, Annette Ford
   ii. Oppose – None

b. Consider and approve back office provider contract - Approval on contract with Charter School Management Corporation

   i. In favor – Armando Espinoza, Adraine Cook, Diana Miketta
   ii. Oppose – Cheryl Johnson
   iii. Abstained – Dorothy Valenti, Annette Ford

c. Consider and approve charter school consultant contract – Discussion - Board will consider and may take action on a contract with the Celerity Global Development in a future board meeting to assist with certain aspects of charter operations.

d. Consider and approve material terms of 706 East Manchester LLC lease agreement - Discussion

e. Consider and approve 2014-15 Lease Agreement with Salvation Army - Approval

   i. In favor – Armando Espinoza, Adraine Cook, Diana Miketta Dorothy Valenti, Annette Ford, Cheryl Johnson
   ii. Oppose – None

X. **Future Agenda Items**

   a. Consider and approve charter school consultant contract - Board will consider and may take action on a contract with the Celerity Global Development
   b. Consider and approve material terms of 706 East Manchester LLC lease agreement

XI. The board meeting of WAYS was officially adjourned at 8:44 PM.

Board Member Date

Board Chairperson Date

EXHIBIT C

WISDOM ACADEMY FOR YOUNG SCIENTISTS

April 11, 2014

VIA E-MAIL AND U.S. MAIL

kwan_frank@lacoe.edu

Frank Kwan, Director

Communication Department

Los Angeles County Department of Education

9300 Imperial Highway

Downey, CA 902-42-2890

Re: Public Records Act Request and Demand for Preservation of Evidence

Wisdom Academy of Young Scientists

Dear Mr. Kwan:

Pursuant to the Public Records Act, Government Code section 6250 *et seq.*, this letter constitutes a request for inspection and copying of Los Angeles County Office of Education ("LACOE") public records related to the Wisdom Academy of Young Scientists ("WAYS").

On March 19, 2014, the CSIS Fiscal Crisis & Management Assistance Team ("FCMAT") released a final report on an Assembly Bill 139 extraordinary audit of WAYS performed by FCMAT at the direction of LACOE. That final report is referred to throughout this Public Records Act request as the "Audit." and a copy of the Audit is attached for reference.

We note that for purposes of the Public Records Act, the "records" requested in this letter include both paper documents as well as documents stored electronically, such as electronic correspondence (email), and calendar and contact records. (Gov. Code, § 6252.) "Records" also include any data generated by, transmitted to, controlled by and/ or stored on Judy Higelin's or any other LACOE staff member's computers and storage media, such as email, voice mail, text messages, flash drives and video surveillance records. (Gov. Code, § 6252.) We request that you produce electronically stored records in native format.

We request inspection and copies of the following public records pursuant to Government Code section 6253(b):

Salvation Army Campus
7651 S. CENTRAL AVE.
LOS ANGELES, CA 90001
Phone: 323-587-8194
Facsimile: 323-587-8209

Manchester Campus (Official Mailing Address)
706 E. MANCHESTER AVE.
LOS ANGELES, CA 90001
Phone: 323-752-6656
Facsimile: 323-752-6644

Kinder Campus
8770 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Facsimile: 323-589-6550

WISDOM ACADEMY FOR YOUNG SCIENTISTS

1. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of multiple fiscal irregularities . . . at WAYS charter school."

2. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of . . . questionable expenditures . . . at WAYS charter school."

3. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 1 of the Audit that LACOE "received allegations of . . . inappropriate related-party transactions at WAYS charter school."

4. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding internal control over credit card usage."

5. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . attendance reports."

6. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . contact information."

7. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . student information."

8. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . board minutes, board agendas, board meeting dates."

9. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3-4 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . failure to abide by conflict of interest laws."

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Fascimile: 323-537-8209

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Fascimile: 323-752-6644

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8770 S. CENTRAL AVE
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WISDOM ACADEMY FOR YOUNG SCIENTISTS

10. Any and all "written complaints" received by LACOE as referenced in the first sentence on page 4 of the Audit, as well as any and all records related to these "written complaints."

11. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE referenced in the first sentence on page 4 of the Audit, including but not limited to staff notes or any other writings evidencing the existence of any such "verbal complaints".

12. Any and all "written complaints" received by LACOE "alleging WAYS engaged in fiscal mismanagement" as referenced in the first full paragraph on page 4 of the Audit, as well as any and all records related to these "written complaints."

13. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "alleging WAYS engaged in fiscal mismanagement" as referenced in the first full paragraph on page 4 of the Audit.

14. Any and all "written complaints" received by LACOE "alleging WAYS engaged in . . . interference with the board in its fulfillment of fiduciary duties by the founder/ former executive director" as referenced in the first full paragraph on page 4 of the Audit, as well as any and all records related to these "written complaints."

15. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "alleging WAYS engaged in . . . interference with the board in its fulfillment of fiduciary duties by the founder/ former executive director" as referenced in the first full paragraph on page 4 of the Audit.

16. Any and all "written complaints" received by LACOE "alleging WAYS engaged in . . . disbanding of board meetings caused by unruly behavior preventing unfavorable actions of the board" as referenced in the first full paragraph on page 4 of the Audit, as well as any and all records related to these "written complaints."

17. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "alleging WAYS engaged in . . . disbanding of board meetings caused by unruly behavior preventing unfavorable actions of the board" as referenced in the first full paragraph on page 4 of the Audit.

18. Any and all "written complaints" received by LACOE "alleging. . . resignation of five of the nine board members in one month citing concerns over conflict of interest" as referenced in the first full paragraph on page 4 of the Audit, as well as any and all records related to these "written complaints."

19. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "alleging. . . resignation of five of the

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

nine board members in one month citing concerns over conflict of interest" as referenced in the first full paragraph on page 4 of the Audit.

20. Any and all "written complaints" received by LACOE "alleging. . . ongoing board member resignations, dissention, verbal abuse of board members by the founder/ former executive director and, most recently, her son, the director of operations" as referenced in the first full paragraph on page 4 of the Audit, as well as any and all records related to these "written complaints."

21. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "alleging. . . ongoing board member resignations, dissention, verbal abuse of board members by the founder/ former executive director and, most recently, her son, the director of operations" as referenced in the first full paragraph on page 4 of the Audit.

22. Any and all records LACOE received or created, such as Board minutes or audio recordings, that verify, substantiate, provide backup explanation, or are in any way related to the statement on page 4 of the Audit that "three of five [WAYS] board members resigned, citing similar complaints that are verified in the minutes and audio recordings of board meetings."

23. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the "irregularities and possible misappropriation of funds within the WAYS charter school organization" noted by LACOE staff, as stated on page 4 of the Audit.

24. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the "allegations of fraud [that] involve ongoing conflicts of interest and the mismanagement of charter school funds related to facility leases" referenced on page 4 of the Audit.

25. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the "allegations of fraud [that] involve . . . related-party transactions between the former executive director who owns two of the properties leased by the school and is related to owners of private businesses that conduct business with the charter school" referenced on page 4 of the Audit.

26. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the "allegations of fraud [that] involve . . . execution of a vehicle lease without board approval" referenced on page 4 of the Audit.

27. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the "allegations of fraud [that] involve . . . a substantial separation of service payment to the former executive director without sufficient supporting documentation" referenced on page 4 of the Audit.

28. Any and all records that show, substantiate, provide backup explanation, or are in any way related to "direct observations by LACOE staff" of "instances where the founder/former executive director continued to be present and seated at the board table during discussions regarding facility leasehold agreements for her personal properties" referenced on page 16 of the Audit.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

29. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the "preliminary investigation" conducted by LACOE referenced on page 4 of the Audit, and any records that show, substantiate, provide backup explanation, or are in any way related to the results, evidence, or conclusions of said "preliminary investigation."

30. Any and all "written complaints" received by LACOE that "the vice principal of WAYS was working at Innovative WAYS Academy" as referenced on page 38 of the Audit, as well as any and all records related to these "written complaints."

31. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "that "the vice principal of WAYS was working at Innovative WAYS Academy" as referenced on page 38 of the Audit.

32. Any and all LACOE Board of Education meeting agendas, minutes, transcripts and/ or audio or video recordings that reflect the Board of Education's approval for Judy Higelin and/ or any other LACOE staff to hire a private investigator to investigate any current and/ or former employee of WAYS, as referenced on page 38 of the Audit.

33. Any contract, engagement agreement, or other agreement between LACOE and the private investigator referenced on page 38 of the Audit.

34. Any and all video records, and any other records, of the "direct surveillance and video [of a WAYS employee] on 16 separate occasions between March 5, 2013 and April 22, 2013" referenced on page 38 of the Audit.

35. Any and all records of transmission of the Audit from Judy Higelin or any other LACOE staff or Board of Education member to the District Attorney, State Superintendent, or any other party or person.

36. Copies of all the records contained in the binders brought by LACOE staff, agents, or representatives, including Alex Cherniss, to the March 27, 2014 scheduled WAYS board meeting.

37. Any and all records that identify or relate to every person who attended the March 27, 2014 scheduled WAYS board meeting at the request or with the knowledge of Superintendent Delgado or any other LACOE staff member.

38. Any and all records that constitute, refer or relate to any electronic communication between LACOE staff member Judy Higelin and any of the following individuals from March 1, 2013 through the present: Deborah Deal, Michael W. Ammermon, Laura Haywood, and Carol Lee Tolbert.

Please identify these records and contact me within 10 days of receipt of this letter informing me of the date and time the requested information will be made available. (Gov. Code, § 6253.) If any records responsive to this request are withheld, please provide a written justification and the names, titles and positions of each person responsible for the denial. (Gov. Code, §§ 6253(d), 6255.)

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WISDOM ACADEMY FOR YOUNG SCIENTISTS

In addition, in light of the pending dispute between LACOE and WAYS, by this letter, ***LACOE and its Board are hereby given notice not to destroy, conceal or alter any paper or electronic files and other data generated by and/ or stored on its computers and storage media, or any other electronic data, such as voice mail, that have been generated and/ or accessed, related to WAYS.*** All documents, files and/ or electronic data should be preserved on the original media and in native format. ***This includes emails that would otherwise be automatically deleted, excluded or otherwise discarded from LACOE's email system pursuant to any records retention and destruction policy.*** Failure to comply with this notice can result in severe sanctions being imposed by a court for spoliation of evidence or potential evidence. In order to ensure LACOE's obligation to preserve documents and things will be met, please also forward a copy of this letter to all persons and entities with custodial responsibility for the items referred to in this letter, and confirm that you have done so.

Sincerely,

Ed Cabil

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Fax/Cmile: 323-752-6644

Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Fax/Cmile: 323-589-6550

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

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April 23, 2014

Via First Class Mail &
E-mail: edcabil@sbcglobal.net

Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
706 E. Manchester Ave.
Los Angeles, CA 90001

Re: Public Records Act Request re Wisdom Academy for Young Scientists (WAYS)

Dear Mr. Cabil:

Your public records request received in the Communications Department on or about April 11, 2014 has been forwarded to my office for a response. Your request seeks public records related to Wisdom Academy for Young Scientists from the Los Angeles County Office of Education ("LACOE").

Your request is extensive and requests records related to the audit conduct by the Fiscal Crisis and Management Team ("FCMAT") across thirty-eight categories. Our office is currently researching the relevant documents that fall under the purview of the Public Records Act and that are in the possession, custody, and control of LACOE. All pertinent records will be available for your review by June 16, 2014, in the Downey office of LACOE's Charter Schools Office located at 12830 Clark Avenue. To arrange a time to review the records on or after June 16, 2014, please contact my office at (562) 922-6123.

If you need photocopies of these documents, please flag the specific documents and arrangements will be made to have them copied. Our cost recovery rate is 15 cents per side for an 8.5 x 11 or 8.5 x 14 page. An 11 x 17 copy is 30 cents per side per page. Checks are preferred and should be made payable to Los Angeles County Office of Education. If there are an extensive number of documents, or our Reprographics Department is unable to complete the copies while you are here, we will forward the materials upon completion of the copying.

Please feel free to contact the undersigned if you have any questions.

Sincerely,

Courtney M. Brady
Deputy General Counsel

CMB: bt

cc: Judy Higelin, Project Director III, Charter School

Sanchez_Lila

From: gen_aid2
Sent: Wednesday, April 23, 2014 4:40 PM
To: Higelin_Judy
Cc: Sanchez_Lila
Subject: FW: Wisdom Academy for Young Scientists;
Attachments: 20140423_ltr_to_Cabil_re_records_request_WAYS.pdf

Hi Judy,

Attached, please find the letter that was sent to Mr. Cabil re: WAYS public record request.

Thanks,

Brian Truitt
Legal Secretary for the Office of General Counsel
Los Angeles County Office of Education
(562) 922-6123 Office
(562) 469-4334 Fax

CONFIDENTIALITY STATEMENT
The information in this transmission including all accompanying documents is confidential and legally privileged under the attorney/client privilege and the work product doctrine. The transmission is intended solely for the use of the named recipient. If you are not the intended recipient any disclosure or taking any action in reliance or based on the contents of this transmission is strictly prohibited. If you received this transmission in error please call the Office of General Counsel of the Los Angeles County Office of Education at (562) 922-6123.

From: gen_aid2
Sent: Wednesday, April 23, 2014 4:38 PM
To: 'edcabil@sbcglobal.net'
Cc: Brady_Courtney
Subject: Wisdom Academy for Young Scientists;

Dear Mr. Cabil:

Attached please find the Los Angeles County Office of Education's response to your public records request.

Sincerely,

Brian Truitt
Legal Secretary for the Office of General Counsel
Los Angeles County Office of Education
(562) 922-6123 Office
(562) 469-4334 Fax

CONFIDENTIALITY STATEMENT
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August 4, 2014

VIA E-MAIL

Courtney M. Brady
Deputy General Counsel
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242-2890

Re: Wisdom Academy for Young Scientists ("WAYS") April 11, 2014
Public Records Act Request

Dear Ms. Brady:

On behalf of WAYS, we write to follow up regarding our outstanding California Public Records Act request dated April 11, 2014. This letter raises the same issues regarding video surveillance records that were raised in my June 20, 2014 letter. We have not received a response to that letter from you or anyone else at LACOE on these issues.

We requested 38 categories of records from the Los Angeles County Office of Education ("LACOE") in order to review the "evidence" against WAYS referenced in both the audit of WAYS by the CSIS Fiscal Crisis and Management Assistance Team ("FCMAT") and in the Notice of Violation issued by the LACOE Board of Education ("NOV"). Our request also specifically noted that, because of litigation between the parties, it was LACOE's obligation to preserve all documents related to WAYS.

You responded on April 23, 2014 that because our request was "extensive," you anticipated no records would be available for ***two months*** because LACOE staff needed to "research[] the relevant documents" for production. We later learned that during those two months when LACOE staff was supposedly "researching the relevant documents" to produce to us, your office was actually preparing revocation proceedings against WAYS for presentation to the LACOE Board of Education. LACOE staff presented the NOV for revocation of the WAYS charter to the LACOE Board of Education before we even received a single record of the evidence against us. The NOV *was based almost entirely on the FCMAT report and the unproduced "evidence" we requested.*

On June 19, 2014—three days after LACOE's own arbitrary deadline—you produced two flash drives in response to our PRA that you claimed contained all of the requested documents. We reviewed the flash drives immediately and responded the following day that the production was grossly inadequate for several reasons. As noted in your own April 23, 2014 letter, WAYS sought *thirty-eight categories of*

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records, yet LACOE staff only produced a total of twenty-three documents. *All of the documents were WAYS' own board resolutions, agendas and emails*—documents WAYS clearly already has. One of the flash drives (Flash Drive #2) contained only *empty folders and corrupt documents* that could not even be opened. This production was completely void of any of the useful, substantive records that WAYS had formally requested. No reasonable person could believe LACOE's production of documents was sufficient. Worse, the LACOE Board of Education had already given WAYS a deadline of July 31, 2014 to prepare a comprehensive, document-heavy response to each and every allegation in the NOV and FCMAT report. While LACOE staff stalled in producing the "evidence" against WAYS, it was impossible for WAYS to work on the response the Board of Education requested.

Finally, on June 23, 2014 we received two more flash drives that contained approximately 5,000 pages of records. While some of these documents were responsive to our requests, many were copies of items WAYS already possessed, including some LACOE staff had already previously produced and many documents we specifically informed you WAYS did *not* want. Further, ***the production included more than 1,000 documents that were duplicates of one another.*** By producing 5,000 pages of mostly duplicative, non-responsive records, and *our own documents*, it appeared to us that LACOE staff was attempting to "bury" us in paper ahead of the NOV response deadline. For all of the time that LACOE staff claimed it needed to "research[] the relevant documents," it appeared to us that your office jumbled 5,000 pages of records together at the last minute, leaving many of our requests unfulfilled and producing mostly useless records.

We again note that our April 11, 2014 PRA request contained thirty-eight separate and distinct requests for records including, but not limited to, records regarding the basis for the allegations contained in the FCMAT audit report. After more than three months, numerous letters requesting compliance from our office, and two rounds of document production, ***WAYS has still not received any documents or other explanation responsive to some of our requests.*** Below is a list of our April 11, 2014 requests that LACOE staff has entirely failed to respond to:

5. Any and all records that show, substantiate, provide backup explanation, or are in any way related to the statement on page 3 of the Audit that "county staff cite . . . [that WAYS] management is unresponsive to reasonable requests for timely financial information for supporting documentation regarding implementation of the WAYS policy and procedure regarding . . . attendance reports."

22. Any and all records LACOE received or created, such as Board minutes or audio recordings, that verify, substantiate, provide backup explanation, or are in any way related to the statement on page 4 of the Audit that "three of five [WAYS] board members resigned, citing similar complaints that are verified in the minutes and audio recordings of board meetings."

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30. Any and all "written complaints" received by LACOE that "the vice principal of WAYS was working at Innovative WAYS Academy" as referenced on page 38 of the Audit, as well as any and all records related to these "written complaints."

31. Any and all records that show, substantiate, provide backup explanation, or are in any way related to any and all "verbal complaints" received by LACOE "that "the vice principal of WAYS was working at Innovative WAYS Academy" as referenced on page 38 of the Audit.

32. Any and all LACOE Board of Education meeting agendas, minutes, transcripts and/ or audio or video recordings that reflect the Board of Education's approval for Judy Higelin and/ or any other LACOE staff to hire a private investigator to investigate any current and/ or former employee of WAYS, as referenced on page 38 of the Audit.

33. Any contract, engagement agreement, or other agreement between LACOE and the private investigator referenced on page 38 of the Audit.

34. Any and all video records, and any other records, of the "direct surveillance and video [of a WAYS employee] on 16 separate occasions between March 5, 2013 and April 22, 2013" referenced on page 38 of the Audit.

We have not received any indication that LACOE is willing to produce the records responsive to these requests, *many of which we know exist*. For instance, we know from information we received from FCMAT that LACOE staff initiated the FCMAT audit and provided the auditors with "evidence." Please provide immediately all evidence that LACOE provided to FCMAT.

In particular, in request #34 above, we asked for video surveillance records of Deara Okonkwo. You and I discussed these surveillance records at length when I spoke to you on the telephone on June 17, 2014, and you confirmed to me that such records exist. In fact, you specifically stated that LACOE had the video surveillance records on DVD versus CD. As you may recall, you and I went back and forth about which format LACOE would produce the video in. Your letter *the very next day* stated that LACOE suddenly did not have possession, custody, or control of the records after all. What happened to the surveillance records? The FCMAT report states that LACOE engaged the services of a private investigator to record video surveillance of the school's vice-principal. FCMAT also informed us they do not have possession of these records. Who has possession of the video records, if not LACOE or FCMAT? We have very serious concerns with the fact that it appears LACOE staff has lost, or given a third party control of, video surveillance records of WAYS' vice-principal, which the vice-principal herself has not been permitted to see. If the video records were destroyed, then LACOE is in violation of our litigation hold request. Either way, LACOE staff's handling of this situation has been completely opposite to the public policy underlying the Public Records Act and we believe unethical.

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As you know, WAYS' response to the NOV issued by the LACOE Board of Education was due last week. Yet LACOE staff never provided WAYS with all the "evidence" that formed the basis for the allegations in the FCMAT report and NOV. This failure greatly prejudiced WAYS' ability to respond to the NOV. LACOE staff's pattern of delay and failure to produce records that we know are in its possession, custody, and control, has created grounds for a suit by WAYS against LACOE for failure to properly respond to WAYS' public records request.

We again request LACOE to produce *all* of the above records by **August 8, 2014**. We wish to avoid legal action to enforce WAYS' rights under the California Public Records Act.

Very truly yours,

Greta A. Proctor

cc: Edward Cabil

Los Angeles County Office of Education

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Superintendent

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Board of Education

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Rudell S. Freer

Raymond Reisler

Rebecca J. Turrentine

August 7, 2014

Via E-mail

Greta A. Proctor
Procopio, Cory, Hargreaves & Savitch LLP
525 B Street, Suite 2200
San Diego, CA 92101

Re: Public Records Act Request re Wisdom Academy for Young Scientists ("WAYS")

Dear Ms. Proctor:

The Los Angeles County Office of Education ("LACOE") is in receipt of your August 4, 2014 correspondence regarding the Wisdom Academy for Young Scientists ("WAYS") public records act request. Your correspondence contains false allegations that LACOE staff was attempting to "bury" you in paper. This is simply not true. WAYS submitted an extensive records request and LACOE produced the responsive records. You have repeatedly complained that we produce records that were from WAYS; however, many documents generated by WAYS were responsive to your request. LACOE was required to produce these records in order to be compliant with the California Public Records Act.

The majority of your request was for records supporting statements made by FCMAT in their March 14, 2014 audit of WAYS. LACOE is only able to provide records in its custody, possession, and control. As I have repeatedly explained, FCMAT conducted its own investigation into WAYS and may have additional documents. Also, you have requested records regarding the basis for various statements in the FCMAT audit. LACOE did not author the FCMAT audit. We do not have knowledge of which particular document FCMAT used to support each statement that FCMAT made.

You also complained that you received many duplicates. WAYS' records request sought records that were provided to a variety of people and LACOE had provided the same documents to each person. You were provided with the documents as produced to each person resulting in duplicate production. To not produce these records would have resulted in non-compliance with the California Public Records Act. You have been provided with the documents LACOE produced to FCMAT.

In regards to the specific categories of records identified in your August 4, 2014 correspondence, LACOE responds as follows:

5. All responsive documents to this request in the possession, custody, and control of LACOE have been produced.

6. LACOE has produced the board minutes and other written documents responsive to this request.

30. LACOE is not in possession of any written complaints of this nature. All other responsive documents to this request in the possession, custody, and control of LACOE have been produced.

31. All responsive documents to this request in the possession, custody, and control of LACOE have been produced.

32. The records requested do not exist.

33. The record requested is protected by the attorney-client privilege.

34. As I have repeatedly explained to you, LACOE does not have possession, custody, or control of this video recording. The report of the private investigator, containing stills of the video surveillance, has been produced to you. That is the only responsive document LACOE has regarding this request.

Sincerely,

Courtney M. Brady
Deputy General Counsel

CMB:riv

EXHIBIT D

MERLE WILLIAMSON FOUNDATION

DBA: WISDOM ACADEMY FOR YOUNG SCIENTISTS

Financial Statements and Supplemental Information

Year Ended June 30, 2013

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Financial Statements and Supplemental Information
Year Ended June 30, 2013

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P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

Report on Financial Statements

We have audited the accompanying financial statements of Wisdom Academy for Young Scientists, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

218 W. Douglas Avenue • El Cajon, CA 92020 Tel. (619) 447-6700 • Fax (619) 447-6707

Unmodified Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Wisdom Academy for Young Scientists as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit* Organizations is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional supplementary information, as required by the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2014 on our consideration of Wisdom Academy for Young Scientists' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wisdom Academy for Young Scientists' internal control over financial reporting and compliance.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014, except for capital assets and related expenditures, and related party transactions (Note F, Note L, and Note M) June 27, 2014

FINANCIAL STATEMENTS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Financial Position
June 30, 2013

ASSETS		
Current Assets		
Cash and cash equivalents	$	185,082
Accounts receivable		1,330,545
Prepaid expenditures		32,325
Total Current Assets		1,547,952
Noncurrent Assets		
Capital assets, net		333,724
Other Assets		
Deposits		30,911
Total Other Assets		30,911
TOTAL ASSETS	$	1,912,587
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$	152,249
Accrued payroll liabilities		12,428
Total Current Liabilities		164,677
Total Liabilities		164,677
Net Assets		
Unrestricted		1,747,910
Temporarily restricted		-
Total Net Assets		1,747,910
TOTAL LIABILITIES AND NET ASSETS	$	1,912,587

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Activities
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Revenue			
State aid, charter school general purpose grant	$ 1,236,199	$ -	$ 1,236,199
State aid, education protection account	515,580	-	515,580
Payments in lieu of property taxes	658,800	-	658,800
Federal revenue	-	505,490	505,490
Other state revenue	503,188	704,606	1,207,794
Interest	958	-	958
Other local revenue	60,735	-	60,735
Total Revenues	2,975,460	1,210,096	4,185,556
Net assets released from restrictions:			
Grant restrictions satisfied	1,210,096	(1,210,096)	-
TOTAL REVENUE AND SUPPORT	4,185,556	-	4,185,556
EXPENSES			
Certificated salaries	1,064,504	-	1,064,504
Classified salaries	571,532	-	571,532
Taxes and employee benefits	294,016	-	294,016
Books and supplies	179,307	-	179,307
Rentals, leases and repairs	409,866	-	409,866
Consultants	849,650	-	849,650
Other operating expenditures	147,977	-	147,977
Debt service interest	12,352	-	12,352
Depreciation expense	45,885	-	45,885
TOTAL EXPENSES	3,575,089	-	3,575,089
CHANGE IN NET ASSETS	610,467	-	610,467
NET ASSETS, BEGINNING OF YEAR	1,284,221	(57,187)	1,227,034
ADJUSTMENT TO BEGINNING NET ASSETS (Note L)	(146,778)	57,187	(89,591)
NET ASSETS, END OF YEAR	$ 1,747,910	$ -	$ 1,747,910

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Statement of Cash Flows
Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 610,467
Depreciation	45,885
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	(45,709)
Due from related entity	10,120
Prepaid expenses	(13,455)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	85,045
Accrued payroll liabilities	(14,744)
Settlement payment	(228,665)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	448,944
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	(63,050)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(63,050)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on line of credit	(250,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(250,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,894
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	49,188
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 185,082

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

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Financial Statements
Year Ended June 30, 2013

A. Organization and Summary of Significant Accounting Policies

Organization

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (the Academy) was organized on September 12, 2006 as a charter school pursuant to California Education Code §47600 under a charter agreement with Los Angeles Unified School District in July , 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education (LACOE). The Academy operates under a locally elected Board form of government and provides educational services to grades K-5 as mandated by the State and/or Federal agencies.

The Academy is a California public charter academy organized for the purpose of providing rigorous academic environment to a population of students traditionally labeled as underperforming or high-risk students. The Academy's vision is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the Academy is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor or grant restrictions.
- Temporarily restricted net assets consist of contributed funds or grants subject to donor or grant imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Academy may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Academy had no permanently restricted net assets during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Academy considers all highly liquid debt equity instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Academy's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments results in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as management believes that all amounts are collectible.

Capital Assets

Property and equipment are recorded at cost, or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the Academy's earnings. Management has elected to capitalize and depreciate all assets costing $1,000 or greater and a useful life of 1 year or more. All other assets are charged to expense in the year incurred. The Academy's policy is to evaluate the remaining lives and recoverability in light of the current conditions. It is reasonably possible that the Academy's estimate to recover the carrying amount of the property and equipment will change. Estimated useful lives range from one to fifty years depending on the asset.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition or when resources are received by the Academy prior to the Academy meeting the requirements for legal claim to the resources.

In subsequent periods, when both revenue recognition criteria are met or when the Academy has legal claim to the resources, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

All donor or grant restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Academy receives services donated by volunteers in carrying out the Academy's operations. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Block Grant Revenues and Payments in Lieu of Property Taxes

The Academy's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes two block grants based on statewide charter school rates multiplied by the Academy's average daily attendance (ADA) as reported at the Second Principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the Academy, which is funding in lieu of property taxes. The balance is paid from the state General Fund, in the form of the General Purpose Block Grant and the Categorical Block Grant.

Advertising

Advertising costs are expensed when incurred.

Income Taxes

The Academy is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The Academy is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Academy may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2013, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Academy follows provisions of uncertain tax positions as addressed in ASC 958. The Academy recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2013.

The Academy files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events

In preparing these financial statements, the Academy has evaluated events and transactions for potential recognition or disclosure through January 29, 2014, the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash in Bank

The Academy's cash ($185,082 as of June 30, 2013) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2013, the Academy did not have any cash that was exposed to uninsured deposit risk.

C. Accounts Receivable

As of June 30, 2013 accounts receivable consisted of:

Federal Government:		
Federal Grants	$	118,459
State Government:		
General Purpose Block Grant		460,031
Categorical Block Grant		34,889
Education Protection Account		515,580
Lottery Revenue		40,372
Other State Grants		128,037
Local Sources:		
In lieu of Property Taxes		10,875
Other Local Sources		22,302
Total	$	1,330,545

D. Prepaid Expenses

Prepaid expenses at June 30, 2013 consist of prepaid rent in the amount of $32,325.

E. Deposits

Deposits at June 30, 2013 consist of security deposits for facilities in the amount of $30,911.

F. Capital Assets

As of June 30, 2013 capital assets consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance
Leasehold improvements	$ 311,266	$ 59,600	$ -	$ 370,866
Equipment	37,987	-	-	37,987
Furniture and fixtures	141,990	3,450	-	145,440
Total capital assets	491,243	63,050	-	554,293
Less accumulated depreciation	(174,684)	(45,885)	-	(220,569)
Capital assets, net	$ 316,559	$ 17,165	$ -	$ 333,724

G. Accounts Payable

As of June 30, 2013 accounts payable consisted of:

Vendors payable	$ 20,647
Food services	130,639
Other liabilities	963
Total	$ 152,249

H. Operating Leases

On December 1, 2012 the School entered into a lease agreement with Elder T. Turner for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of $1,750 for a period of 60 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2014	$ 21,000
2015	21,000
2016	21,000
2017	21,000
2018	8,750
Total	$ 92,750

I. Functional Expenses

As of June 30, 2013 functional expenses consisted of:

	Program Services	Management and General	Total
Certificated salaries	$ 1,064,504	$ -	$ 1,064,504
Classified salaries	90,803	480,729	571,532
Taxes and employee benefits	207,622	86,394	294,016
Books and supplies	94,700	84,607	179,307
Rentals, leases and repairs	368,303	41,563	409,866
Consultants	592,632	257,018	849,650
Other operating expenditures	-	147,977	147,977
Debt service interest	-	12,352	12,352
Depreciation expense	32,120	13,765	45,885
Total expenses	$ 2,450,684	$ 1,124,405	$ 3,575,089

J. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The Academy has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement will not be material. As a result, no liability has been accrued.

Sick Leave

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulate sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, it is not appropriate to accrue the value of the accumulated sick leave.

K. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plan by an agency of the State of California. Certificated employees are members of the State Teachers' Retirement System (CalSTRS). The risks of participating in this multi-employer plan are different from single-employer plan in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Academy's participation in this plan for the fiscal year ended June 30, 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan's year-end at June 30, 2012 and June 30, 2011, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension	Plan	Year Ended June 30		Pending/	Year Ended June 30			Employees	Surcharge
Fund	Number	2012	2011	Implemented	2013	2012	2011	Participating	Imposed
CalSTRS	NPA	Yellow	Yellow	No	$ 85,865	$ 96,379	$ 71,650	24	No

NPA - Not publicly available

CalSTRS:

The Academy contributes to the State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2013 active plan members were required to contribute 8% of their salary and the employer contribution rate was 8.25% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The Academy made contributions as noted above. For the year ended June 30, 2013 the State contributed $55,094 on behalf of the Academy.

L. Adjustment to Beginning Net Assets

Deficit in beginning temporarily restricted net assets was the result of program expenditures in excess of restricted revenue sources. These expenditures were covered by unrestricted sources and as such the beginning balance is being adjusted to reflect those expenditures from unrestricted sources rather than temporarily restricted sources.

In addition, through review of capital assets we determined that beginning accumulated depreciation was understated by $89,591 and as such beginning net assets was adjusted to reflect the correction in accumulated depreciation.

M. Related Party Transactions

The Academy's Director of Operations and Vice Principal are brother and sister. The Director of Operations and Vice Principal work under the direction of separate supervisors.

The vice principal is the founder and executive director of a dance studio which the Academy has had a history of doing business with for the ASES program. For the year ended June 30, 2013 the Academy paid $24,000 to the studio for services provided in the ASES program.

In the 2011-12 fiscal year, the Academy entered into a settlement agreement with the former executive director of the school for $228,665. The settlement was paid to the former executive director during the 2012-13 fiscal year. The former executive director is the mother of the director of operations and vice principal.

The Academy leases two school sites from a revocable trust, OCI Development Corporation, which is owned by the former executive director. For the year ended June 30, 2013 the Academy paid OCI Development Corporation $216,986 for use of facilities. In addition, the Academy paid $59,600 for leasehold improvements associated with these buildings in the year ended June 30, 2013.

The Academy purchases books and supplies from the vendor OSE Business Services. The owner of OSE Business services is related to the former executive director, director of operations, and vice principal. The Academy paid $101,338 to OSE Business Services for materials and supplies during the year ended June 30, 2013.

N. Subsequent Event

In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month. The lease agreement, as of the date of this audit report, has not been approved by the governing board. The agreement has been tabled to be reviewed and approved at a later date.

In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014. The lease agreement, as of the date of this audit report, has not been approved by the governing board. The agreement has been tabled to be reviewed and approved at a later date.

In December 2013 the Academy sold a vehicle for $26,000. Concurrent with the sale of the vehicle was a payoff of the lease agreement associated with the vehicle. The payoff of the lease agreement and the sale of the vehicle, as of the date of this audit report, has not been approved by the governing board. The items were tabled to be reviewed and voted on at a later date.

The Academy is undergoing a fraud investigation with the Fiscal Crisis & Management Assistance Team (FCMAT) at the request of the Los Angeles County Office of Education. This fraud investigation encompasses multiple fiscal years, including the 2012-13 fiscal year reported on in this audit. The purpose of the investigation is to identify areas of concern resulting from conflicts of interest and related party transactions. There have not been any adjustments made to the financial statements that may result from the findings associated with the pending fraud investigation.

SUPPLEMENTAL INFORMATION

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Organization Structure
Year Ended June 30, 2013

Wisdom Academy for Young Scientists (Charter #839) was formed pursuant to Education Code Section 47600 under agreement with Los Angeles Unified School District granted in July, 2006. Effective July 1, 2011, the Academy was charter under the authority of the Los Angeles County Office of Education.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Dr. Dorothy Valenti	Chairperson	Three Year Term Expires June 30, 2014
Karen Haynes	Secretary	Three Year Term Expires June 30, 2013
Armando Espinosa	Treasurer	Three Year Term Expires June 30, 2014
Norman Golden	Member	Three Year Term Expires June 30, 2014
Cheryl Johnson	Member	Three Year Term Expires June 30, 2014
Eleanor Jones	Member	Three Year Term Expires June 30, 2014

ADMINISTRATION

Edward Cabil
Executive Director

Jason Okonkwo
Director of Operations

Karen Horowitz

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Average Daily Attendance
Year Ended June 30, 2013

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Classroom Based Attendance:				
Kindergarten	84.80	N/A	84.00	N/A
Grades 1-3	254.53	N/A	253.70	N/A
Grades 4-6	130.34	N/A	129.39	N/A
Total Classroom Based Attendance	469.67	N/A	467.09	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Instructional Time
Year Ended June 30, 2013

Grade Level	Minutes Requirement	2012-13 Actual Minutes	Number of Traditional Days	Status
Kindergarten	34,971	56,700	180	Complied
Grade 1	48,960	56,700	180	Complied
Grade 2	48,960	56,700	180	Complied
Grade 3	48,960	56,700	180	Complied
Grade 4	52,457	56,700	180	Complied
Grade 5	52,457	56,700	180	Complied

The Academy receives incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the Academy and whether they complied with the provisions of Education Code Sections 46200 through 46206. Charter schools must maintain their instructional minutes at the 1986-87 requirements as adjusted by Education Code sections later adopted.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Financial Trends and Analysis
Year Ended June 30, 2013

	Budget 2014 (Note 1)	2013	2012	2011
Revenues	$4,174,783	$4,185,556	$3,767,872	$2,657,973
Expenses	4,170,313	3,562,089	3,794,281	2,413,701
Change in Net Assets	4,470	623,467	(26,409)	244,272
Ending Net Assets	$1,854,971	$1,850,501	$1,227,034	$1,244,329
Unrestricted Net Assets	$1,867,620	$1,863,150	$1,227,034	$1,244,329
Unrestricted net assets as a percentage of total expenses	45%	52%	32%	52%
Total Long Term Debt	$ -	$ -	$ 250,000	$ -
Average Daily Attendance at P2	468.00	469.67	449.48	N/A

Note 1: The 2014 budget is presented for analysis only and is based on estimates of the 2013-14 fiscal year. The information has not been subject to audit procedures.

This schedule discloses the Academy's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Academy's ability to continue as a going concern for a reasonable period of time.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2013

June 30, 2013 Unaudited Actuals - Charter School Enterprise Fund	$ 1,883,889
Adjustments and Reclassifications:	
Overstatement of Cash and Cash Equivalents	(31)
Overstatement of Accounts Receivable	(88,512)
Understatement of Prepaid Expenses	32,325
Overstatement of Capital Assets, Net	(138,353)
Understatement of Deposits	30,911
Overstatement of Accounts Payable	40,109
Understatement of Accrued Payroll Liabilities	(12,428)
Total Adjustments and Reclassifications	(135,979)
June 30, 2013 Audited Financial Statement Net Assets	$ 1,747,910

This schedule provides the information necessary to reconcile the fund balance as reported on the Annual Financial and Budget Report Alternative Form to the net assets reported in the audited financial statements.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State Department of Education:			
Title 1	84.010	14329	191,437
IDEA - Special Education	84.027	13379	53,412
IDEA - Mental Health Services	84.027	14468	46,513
Total Special Education Cluster			99,925
Title II - Teacher Quality	84.367	14341	2,067
Total passed through State Department of Education			293,429
Total U.S. Department of Education			293,429
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education:			
National School Lunch Program	10.555	13391	212,061
Total passed through State Department of Education			212,061
Total U.S. Department of Agriculture			212,061
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 505,490

The accompanying notes to the schedule of expenditures of federal awards is an integral part of this schedule.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Academy and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wisdom Academy for Young Scientists (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and/or significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1, 2013-2, 2013-3, 2013-5, 2013-6 and 2013-9 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-4, 2013-7 and 2013-8 to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wisdom Academy for Young Scientists' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2013-9, 2013-10 and 2013-11.

The Academy's Response to Findings

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

Purpose of this Report

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

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA

WILKINSON HADLEY KING & CO. LLP
CPAS AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

Report on Compliance for Each Major Federal Program

We have audited Wisdom Academy for Young Scientists' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wisdom Academy for Young Scientists' major federal programs for the year ended June 30, 2013. Wisdom Academy for Young Scientists' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wisdom Academy for Young Scientists' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ABC Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wisdom Academy for Young Scientists' compliance.

Opinion on Each Major Federal Program

In our opinion, Wisdom Academy for Young Scientists complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of Wisdom Academy for Young Scientists are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wisdom Academy for Young Scientists' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ABC Academy's internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-9 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies which we considered to be significant deficiencies in internal control over compliance.

The Academy's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Academy's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. King, CPA
Richard K. Savage, CPA

Independent Auditor's Report on State Compliance

To the Board of Directors
Wisdom Academy for Young Scientists
Los Angeles, California

Report on State Compliance

We have audited the Academy's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the Academy's state programs identified below for the fiscal year ended June 30, 2013.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit Guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012*-13 published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States; and the State's audit guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13* published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the district's compliance with those requirements.

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

Description	Procedures in Audit Guide	Procedures Performed
Local Education Agencies Other Than Charter Schools		
Attendance Accounting:		
Attendance Reporting	6	N/A
Teacher Certification and Misassignments	3	N/A
Kindergarten Continuance	3	N/A
Independent Study	23	N/A
Continuation Education	10	N/A
Instructional Time:		
School Districts	6	N/A
County Offices of Education	3	N/A
Instructional Materials, General Requirements	8	N/A
Ratios of Administrative Employees to Teachers	1	N/A
Classroom Teacher Salaries	1	N/A
Early Retirement Incentive	4	N/A
Gann Limit Calculation	1	N/A
School Accountability Report Card	3	N/A
Juvenile Court Schools	8	N/A
School Districts and Charter Schools		
Class Size Reduction:		
General Requirements	7	Yes
Option One	3	Yes
Option Two	4	N/A
Only One School Serving Grades K-3	4	N/A
After School Education and Safety Program:		
General Requirements	4	Yes
After School Component	5	Yes
Before School Component	6	N/A
Charter Schools		
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-Based Instruction/Independent Study	15	N/A
Determination of Funding for Nonclassroom Based Instruction	3	N/A
Annual Instructional Minutes – Classroom Based	4	Yes

The term N/A is used above to mean either the Academy did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Basis for Qualified Opinion on State Compliance

As described in items 2013-10 and 2013-11 in the accompanying schedule of findings and questioned costs, the Academy did not comply with some requirements associated with the class size reduction program and the after school education and safety program. Compliance with such requirements is necessary, in our opinion, for the Academy to comply with the requirements applicable to the programs.

Qualified Opinion on State Compliance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Wisdom Academy for Young Scientists complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2013.

The Academy's Response to Findings of State Compliance

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-13*, published by the Education Audit Appeals Panel. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
January 29, 2014

FINDINGS AND RECOMMENDATIONS

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Auditor's Results
Year Ended June 30, 2013

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	X Yes ___ No
Noncompliance material to financial statements noted?	___ Yes X No

FEDERAL AWARDS

Internal control over major programs:	
One or more material weakness(es) identified?	X Yes ___ No
One or more significant deficiencies identified that are not considered material weakness(es)?	___ Yes X No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	X Yes ___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education Cluster
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	___ Yes X No

STATE AWARDS

Any audit findings disclosed that are reuired to be reported in accordance with *Standards and Procedures for Audits* of California K-12 Local Education Agencies?	X Yes ___ No
Type of auditor's report issued on compliance for state programs:	Qualified

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

A. Financial Statement Findings

Finding 2013-1 (30000)
Bank Reconciliations

Criteria or Specific Requirement
Determine that the Academy has sufficient internal controls to ensure proper recording of transactions and safeguarding of assets.

Condition
Upon completion of bank reconciliations, each month an adjustment is made to the financial statements for any amounts that are unknown as to the nature of the transaction. These amounts are being posted into suspense accounts with the intent of subsequently posting a journal entry to record the transactions into the correct expenditure or revenue account. At year end these items were not reconciled and posted into the proper accounts. In addition, these items are not supported by any documentation that verifies the amounts are appropriate or approved.

Questioned Costs
$13,735 recorded in suspense account

Context
Some items recorded in the bank reconciliations are not supported by invoices or approval documentation.

Effect
The Academy is at risk of recording errors and misappropriation of assets.

Cause
The Academy has not established adequate procedures to ensure that supporting documentation is provided for all transactions associated with the bank accounts. As a result, the individual charged with responsibility for reconciling bank accounts does not have sufficient information to adequately report information. Management officials from the school site are not providing information necessary to post correcting journal entries. In addition, these items are not being reviewed subsequent to completion of bank reconciliations.

Recommendation
Establish procedures to ensure supporting documentation is provided for all transactions. Ensure that the procedures include documentation of approval for expenditures and for subsequent review by management of the Academy.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Finding 2013-2 (30000)
Payroll Expense Reconciliations

Criteria or Specific Requirement
Determine that amounts for payroll are accurately reported and reconcile to supporting documentation.

Condition
Payroll expenses were not consistently reconciled to the general ledger.

Questioned Costs
None

Context
Adjusting journal entries were posted to the financial statements to correct the payroll liability and payroll expense.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures to ensure the timely reconciliation of payroll expenses and liabilities.

Recommendation
Establish clear policies and procedures to reconcile payroll liabilities and expense accounts monthly. The reconciliation should be reviewed and approved by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll reporting.

Finding 2013-3 (30000)
Year End Accruals and Closing Process

Criteria or Specific Requirement
Determine that the financial statements are accurately reported.

Condition
The Academy did not record closing transactions for accounts receivable, accounts payable, prepaid expenses, and capital assets. In addition, journal entries were posted to the financial statements resulting in recording differences between the trial balance provided for audit purposes and the amounts reported to the Los Angeles County Office of Education for inclusion in their unaudited actuals submitted to the California Department of Education.

Questioned Costs
None

Context
Adjusting journal entries were posted to the financial statements to correct accounts receivable, accounts payable, prepaid expenses, and capital assets.

Effect
The financial statements were misstated by a material amount.

Cause
The Academy has not adequately established written policies and procedures for year-end closing and recording of accruals.

Recommendation
Establish clear written policies and procedures for year-end closing which includes reconciliation of revenue and expense items sufficient to record accruals for accounts receivable, accounts payable, prepaid expenses and capital assets. Review year-end financial statements to ensure accuracy of reporting. Establish a timeline for closing to ensure no changes are made after submission of financial statements to oversight agencies.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of financial statements.

Finding 2013-4 (30000)
Payroll Documentation

Criteria or Specific Requirement
Ensure that individuals charged to payroll are employees of the Academy and that there are adequate controls over payroll to safeguard the assets of the organization.

Condition
Personnel Action Forms which document employee's position and approved pay rates are not complete. In 100% of Personnel Action Forms reviewed there were missing approval signatures on the forms. In addition, in 9 out of 10 I-9's reviewed the forms are not being completed correctly. The I-9 forms were either missing the documentation of what items were reviewed to verify eligibility for employment, missing employer signature of verification, or both.

Questioned Costs
None

Effect
The Academy is exposed to risk of noncompliance with I-9 requirements. In addition, the Academy is exposed to risk of paying individuals who are not approved by management.

Cause
The Academy has not established adequate procedures which require hiring documentation be completed and reviewed prior to filing away in the employee file.

Recommendation
Establish policies and procedures to ensure that hiring documentation is being completed, including approval signatures, and reviewed by management.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure appropriate controls over payroll.

Finding 2013-5 (30000)
Capital Assets

Criteria or Specific Requirement
Verify that amounts reported for Capital Assets are correctly stated and that estimates of useful lives are reasonable.

Condition
The Academy did not maintain a depreciation schedule at the time the audit was initially completed. The school was able to construct a depreciation schedule after the end of the audit. The depreciation schedule was constructed using data provided by the previous auditor along with new expenditures incurred during the 2012-13 fiscal year. As a part of our audit of capital assets subsequent to the initial audit date, we asked the Academy to provide evidence of the expenditures by pulling invoices and payments for items on the schedule. Significant time was taken to determine which expenditures were associated with the items selected. The schedule did not include enough information to make it easy for the Academy to pull invoices and supporting payments. In addition, some payments provided did not have an invoice or detail but only an amount showing on a credit card statement. Review of the newly constructed depreciation schedule showed that accumulated depreciation had been understated in prior years.

During our walk through we noted that the Academy did not tag their capitalized furniture, fixtures, and equipment and as such there is no way to track whether the items are still maintained at the school sites.

Context
Adjusting journal entries were posted to the financial statements to correct capital assets and accumulated depreciation.

Effect
The Academy is exposed to risk associated with disappearance of capital assets as there is not a tracking system for such items. In addition, the Academy was unable to identify a misstatement in the financial statements as they were not maintaining a depreciation schedule.

Cause
The Academy has not adequately established policies for tracking capital assets and ensuring that they are appropriately recorded in the financial statements. The Academy has relied on previous auditors to post adjusting journal entries for additions and depreciation. The Academy has not established procedures for disposal of capital assets.

Recommendation
Obtain an appraisal of all capital assets owned by the Academy to ensure that all assets of the Academy are tracked and recorded. Establish inventory procedures to ensure that all items are still in custody of the Academy at year end. Establish procedures to ensure recording of additions and depreciation are done as a part of year end closing procedures.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of capital assets.

Finding 2013-6 (30000)
Credit Card Supporting Documentation

Criteria or Specific Requirement
Ensure that the Academy has procedures in place to ensure allowable expenditures and safeguard assets.

Condition
The school is using credit cards to purchase some items and subsequently repaying the credit cards with a check. The credit card statements are being used as supporting documentation for the check written; however, the credit card statements do not include receipts for all expenditures for which they were used.

Questioned Costs
$5,858 known credit card expenses from sample selected.

Context
Credit card statements are being used as the only supporting documentation for some expenditure items.

Effect
Expense items paid with credit cards are not adequately supported by itemized receipts and approval documentation. The Academy is exposed to risk of misappropriation of assets.

Cause
The Academy has not established adequate written procedures requiring attachment of supporting invoices or receipts for credit card transactions.

Recommendation
Establish written procedures requiring the attachment of supporting invoices or receipts for all credit card transactions.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure supporting documentation is maintained for all transactions inclusive of credit card transactions.

Finding 2013-7 (30000)
Beginning Net Assets

Criteria or Specific Requirement
Ensure that amounts reported in the financial statements are materially correct.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Condition
Beginning net assets were not in agreement with prior year audited ending net assets. The Academy was unable to provide reconciling items that supported adjustments to beginning net assets. We attempted to contact the previous auditor to obtain a reconciliation and prior year audit adjusting journal entries but received no response.

Questioned Costs
None

Context
Amounts reported by the Academy as beginning net assets varied from the prior year audit report by $9,727. An adjustment was posted to bring the beginning balance in agreement with prior year audit report.

Effect
Beginning net assets were not in agreement with prior year audited ending net assets.

Cause
The Academy did not have procedures to reconcile beginning net assets with prior year audit report and did not have procedures in place to track prior year adjustments.

Recommendation
Establish written procedures to reconcile beginning net assets with audited ending net assets from the previous year.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure beginning net assets reconciles to audited ending net assets.

Finding 2013-8 (30000)
Inconsistent Reporting

Criteria or Specific Requirement
Verify that the Academy has reported accurate financial statements to oversight agencies.

Condition
The Academy is reporting to the Internal Revenue Service that they are operating on a calendar year but reporting to the Los Angeles County Office of Education and California Department of Education that they are operating on a fiscal year beginning July 1 and ending June 30. The financial reporting to the different oversight agencies is not consistent based upon different reporting of fiscal years.

Questioned Costs
None

Context
Established in California statute local education agencies report under a fiscal year beginning July 1 and ending on June 30. Internal Revenue Code requires that tax returns be prepared based upon the fiscal year of operation.

Effect
There is inconsistent reporting between the Academy and government agencies.

Cause
The Academy has not established a fiscal year with the Internal Revenue Service.

Recommendation
File necessary reports with the Internal Revenue Service to align tax reporting years with the Academy's fiscal year.

LEA's Response
The Academy will review this recommendation and subsequently take action to ensure consistent reporting between government agencies.

B. Federal Award Findings

Finding 2013-9 (50000)
Schedule of Expenditures of Federal Awards

Federal Major Program Identification

Award Year	Program	CFDA #	Federal Grantor	Pass-Through Agency
2012-13	National School Lunch Program	10.555	U.S. Department of Agriculture	California Department of Education
2012-13	Special Education Cluster	84.027	U.S. Department of Education	California Department of Education

Criteria or Specific Requirement
Determine that amounts reported in the Schedule of Expenditures of Federal Awards are accurately reported.

Condition
The Academy did not separately track expenditures for federal programs in their financial software.

Questioned Costs
Amounts expended under federal major programs audited were:

2012-13 National School Lunch Program (10.555) - $212,061
2012-13 Special Education Cluster (84.027) - $99,925

Context
OMB Circular A-133 requires the presentation of a schedule of expenditures of federal awards for any agency expending greater than $500,000 of federal awards.

Effect
The Academy had to go through every expenditure item to identify which items were expended under federal awards. It took a significant amount of time to complete the schedule of expenditures of federal awards and delayed the timing of audit procedures associated with the Single Audit requirements under OMB Circular A-133. In addition, failure to track expenditures separately exposes the Academy to risk of understating federal expenditures or potentially using the funds in unallowable manners such as supplanting required services.

Cause
The Academy has not established policies and procedures requiring separate tracking of federal expenditures. There are not adequate internal controls in place to evaluate federal expenditures to ensure that they are accurately reported, meet program requirements, and are not used to supplant existing services.

Recommendation
Establish written policies and procedures requiring separate tracking of federal expenditures. Review expenditures to ensure they meet program requirements.

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate reporting of federal expenditures.

C. State Award Findings

Finding 2013-10 (40000)
Class Size Reduction Program

Criteria or Specific Requirement
Verify that amounts reported on the form J-7CSR were accurate and were based on average daily enrollment taken from the first day of school through April 15 of the school year being reviewed.

Condition
In our review of the form J-7CSR the data was prepared using average monthly enrollment based upon the last day of the school month rather than average daily enrollment from the first day of classes through April 15.

Questioned Costs
None, See recommendation below

Context
Education Code Section 52124.5 states that school districts and charter schools should compute the average daily enrollment for each class by adding the active enrollment for each class for each instructional day starting from the first day of school through April 15, and dividing that total by the count of instructional days.

Effect
The eligible students reported for grade 1 was understated by 1 student.

Recommendation
Establish procedures to accurately calculate average daily enrollment for classes included in the class size reduction program. Revise the form J-7CSR to accurately report eligible students for grade 1. Revisions should be as follows:

Grade	Class Size	Eligible Students Original	Eligible Students Revised	Change in Funding
1st Grade	21.45 – 22.44	18	36	$ 19,278
1st Grade	22.45 – 22.94	17	0	$(18,207)
			Net Change in Funding	$ 1,071

LEA's Response
The Academy will review this recommendation and subsequently establish necessary procedures to ensure accurate calculations for the form J-7CSR. The Academy will amend the form J-7CSR to accurately reflect class sizes for the 2012-13 fiscal year.

Finding 2013-11 (40000)
After School Education and Safety Program

Criteria or Specific Requirement
A. Verify that elementary students being reported for attendance are participating in the full day of the program except as consistent with the LEA's established early release policy.
B. Verify that Indirect Costs are not in excess of 5% or the LEA's established indirect cost rate, whichever is lower.

Condition
A. Sign out sheets for the after school education and safety program did not include time student was released for 827 out of 896 days tested. It could not be determined if these students participated in the full day of the program or if they met early release policy of the LEA.
B. The Academy used an indirect cost rate of 5.26% which exceeds the allowable 5% for the program.

Questioned Costs
Program revenues were $112,500. Amounts in excess of allowable indirect costs were $2,660.

Context
A. Education Code 8483(a)(2) states that it is the intent of legislature that elementary school students attend the full day of the program every day in which students participate, except as consistent with the LEA's early release policy.
B. Education Code 8483.9(a) limits indirect costs to the lesser of the LEA's approved indirect cost rate or 5%.

Effect
A. It cannot be determined if the students participated for the entire day of the program.
B. The Academy exceeded allowable indirect costs.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Cause

A. The Academy has not established adequate policies and procedures to document time students were released from the program to ensure that only students who participated in the full day or met an early release exception based on the LEA's policies were counted towards attendance reported.
B. The Academy has not established adequate policies and procedures to ensure that indirect costs are not charged at amounts greater than allowable amounts for the program.

Recommendation

Establish procedures to document time students are released from the program and ensure that they meet requirements of the program to be counted for attendance purposes. Establish procedures to ensure correct indirect cost rates are being utilized.

LEA's Response

The Academy will review this recommendation and subsequently establish necessary procedures to ensure compliance with the after school education and safety program.

WISDOM ACADEMY FOR YOUNG SCIENTISTS
Schedule of Prior Year Audit Findings
Year Ended June 30, 2013

Finding/Recommendation	Current Status	Management's Explanation if Not Implemented
Finding 2011-1 Internal Control - Bank Reconciliation Over Site Bank reconciliations were not properly reviewed resulting in inconsistent bank to book balances. Establish procedures to ensure that an officer or a supervisor reviews the monthly bank reconciliation and authorize any correcting entries as applicable.	Partially Implemented	See Finding 2013-1
Finding 2011-2 Internal Control - Payroll Expenses Reconciliation Payroll Expenses were not consistently reconciled to the general ledger Establish policies and procedures to reconciled payroll expenses monthly and an independent person should perform the reconciliation. Reconciliation should be approved by management	Not Implemented	See Finding 2013-2

EXHIBIT E

DEDE DANCE STUDIO'S INVOICES BILLED TO WAYS
FY 10/1/2011 THRU 4/30/2014

Type	Date	Check Number	Name	Memo	Account	Amount
Bill Pmt -Check	11/07/2011	9361	DeDe Dance Studio	ASES Prog - Oct 2011	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	12/09/2011	9520	DeDe Dance Studio	ASES Prog Dance Activities Inv 102 - Nov 2011	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	12/16/2011	9624	DeDe Dance Studio	Student Activity Inv 103 - Dec 2011	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	02/02/2012	9749	DeDe Dance Studio	ASES - Student Activities - Jan 2012	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	03/06/2012	9857	DeDe Dance Studio	ASES tudent Activity - Feb 2012	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	04/27/2012	10116	DeDe Dance Studio	MARCH 31-2012 INV 202	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	04/27/2012	10116	DeDe Dance Studio	APRIL 27,2012 INV 201	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	05/31/2012	10231	DeDe Dance Studio	STUDENT ACTIVITES - May 2012	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	06/20/2012	10316	DeDe Dance Studio	STUDENT ACTIVITY - Jun 2012	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
					TOTAL FY 2011-12	**36,000.00**
Bill Pmt -Check	09/07/2012	10550	DeDe Dance Studio	ASES POSITION	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	11/01/2012	10783	DeDe Dance Studio	OCT-12 FOR ASES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	11/01/2012	10790	DeDe Dance Studio	ASES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	12/07/2012	10975	DeDe Dance Studio	STUDENT ACTIVITES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	04/12/2013	11566	DeDe Dance Studio	AFTER SCHOOL DANCE FOR JANUARY	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	04/12/2013	11571	DeDe Dance Studio	AFTER SCHOOL DANCE FOR MARCH	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	04/12/2013	11572	DeDe Dance Studio	AFTER SCHOOL DANCE FOR FEBRUARY	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
					TOTAL FY 2012-13	**28,000.00**
Bill Pmt -Check	10/08/2013	12357	DeDe Dance Studio	AFTER SCHOOL SATURDAY DANCE	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	10/08/2013	12356	DeDe Dance Studio	AFTERSCHOOL/SATURDAY DANCE	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	01/22/2014	12914	DeDe Dance Studio	DEC 2013 DANCE CLASS	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	01/22/2014	12916	DeDe Dance Studio	NOV 2103 DANCE CLASS	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	02/25/2014	13163	DeDe Dance Studio	AFTER SCHOOL/ WEEKEND DANCE CLASS	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	02/25/2014	13169	DeDe Dance Studio	AFTER SCHOOL/WEEKEND DANCE	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	04/07/2014	13412	DeDe Dance Studio	AFTER SCHOOL AND WEEKEND DANCE	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
Bill Pmt -Check	05/06/2014	13564	DeDe Dance Studio	AFTER SCHOOL/SATURDAY DANCE	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,000.00
					TOTAL FY 2013-14	**32,000.00**
					G. TOTAL	**96,000.00**

EXHIBIT F

OSE INVOICES BILLED TO WAYS
FY 7/1/2011 THRU 6/30/2014

Type	Date	Name	Memo	Account	Amount	REFERENCE
FY 2011-12						
Bill Pmt -Check	12/21/2011	OSE BUSINESS SERVICES	Replacement check - Inv #1 dtd 12/5/2011	Inv#1; Various Busines Supplies - REPLACEMENT CK	7,313.66	Check #9623
Bill Pmt -Check	01/19/2012	OSE BUSINESS SERVICES	Various Supplies Inv #2 dtd 12/18/11	9120.07 · Wells Fargo - 7545 (NEW MAIN)	8,702.54	Check #9669
Bill Pmt -Check	02/29/2012	OSE BUSINESS SERVICES	Inv 003 dtd 2/25/12	Supplies	5,172.39	Check #9851
General Journal	04/13/2012	OSE BUSINESS SERVICES	Purchase of materials - Invoice #5 dtd 4/3/12	Supplies	6,586.45	Cashier Check #18800227
General Journal	05/04/2012	OSE BUSINESS SERVICES	Supplies - Invoice #6 dtd 4/30/12	4310 · Instructional Materials	12,232.08	Cashier Check #18800152
General Journal	05/31/2012	OSE BUSINESS SERVICES	Supplies - Invoice #7 dtd 5/25/12	4350 · Office Supplies	9,433.54	Cashier Check #18800324
General Journal	06/20/2012	OSE BUSINESS SERVICES	Supplies - Invoice #8 dtd 6/18/12	4310 · Instructional Materials	7,092.24	Cashier Check #18800362
				TOTAL FY 2011-12	**57,532.90**	
FY 2012-13						
General Journal	07/25/2012	OSE BUSINESS SERVICES	Purchase supplies, Inv. #9 dtd 7/18	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,969.26	Cashier Check #18800420
Bill Pmt -Check	08/30/2012	OSE BUSINESS SERVICES	Supplies, Inv. #10 dtd 8/18	9120.07 · Wells Fargo - 7545 (NEW MAIN)	14,434.47	Cashier Check #18800223
General Journal	09/25/2012	OSE BUSINESS SERVICES	Purchase of supplies, Inv. #s 11 dtd 9/18 & 12 dtd 9/1	9120.07 · Wells Fargo - 7545 (NEW MAIN)	13,975.88	Cashier Check #18800238
Bill Pmt -Check	10/23/2012	OSE BUSINESS SERVICES	School supplies, Inv. # 13 dtd 10/18	9120.07 · Wells Fargo - 7545 (NEW MAIN)	9,537.52	Cashier Check #18800606
Bill Pmt -Check	12/14/2012	OSE BUSINESS SERVICES	Various Supplies/Equipt. Purchases inv. #14 dtd 11/12	9120.07 · Wells Fargo - 7545 (NEW MAIN)	10,156.38	Check #1104
General Journal	12/17/2012	OSE BUSINESS SERVICES	Supplies for schools	9120.07 · Wells Fargo - 7545 (NEW MAIN)	8,778.78	Cashier Check #87900740
Bill Pmt -Check	01/22/2013	OSE BUSINESS SERVICES	Misc school supplies, inv. #16 dtd 1/14/13	9120.07 · Wells Fargo - 7545 (NEW MAIN)	8,527.58	Check #11123
Bill Pmt -Check	02/20/2013	OSE BUSINESS SERVICES	Books, instr. materials and supplies, Inv#17 dtd 2/14	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,955.48	Check #11291
Bill Pmt -Check	03/26/2013	OSE BUSINESS SERVICES	Books, instr. materials and supplies, Inv#18 dtd 3/15	9120.07 · Wells Fargo - 7545 (NEW MAIN)	7,856.36	Check #11512
Bill Pmt -Check	05/02/2013	OSE BUSINESS SERVICES	Misc. materials and supplies, inv# 19 dtd 4/18	9120.07 · Wells Fargo - 7545 (NEW MAIN)	6,015.36	Check #11669
Bill Pmt -Check	05/28/2013	OSE BUSINESS SERVICES	Supplies, Inv. #20 dtd 5/18	9120.07 · Wells Fargo - 7545 (NEW MAIN)	7,588.23	Check #11807
Bill Pmt -Check	06/27/2013	OSE BUSINESS SERVICES	Books, instr. materials and supplies, Inv#21 dtd 6/21	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,542.40	Check #11946
				TOTAL FY 2012-13	**101,337.70**	
FY 2013-14						
Bill Pmt -Check	07/26/2013	OSE BUSINESS SERVICES	SCHOOL SUPPLES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	2,524.33	
Bill Pmt -Check	09/04/2013	OSE BUSINESS SERVICES	SCHOOL SUPPLIES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	3,777.67	
Bill Pmt -Check	09/26/2013	OSE BUSINESS SERVICES	2 PORTABLE PARTITIONS	9120.07 · Wells Fargo - 7545 (NEW MAIN)	6,589.08	
Bill Pmt -Check	09/26/2013	OSE BUSINESS SERVICES	CLASSROOM EQUIPEMENT AND SUPPLIES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	6,781.72	
Bill Pmt -Check	10/25/2013	OSE BUSINESS SERVICES	COPY PAPER AND JANITORAL SUPPLIES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	5,845.27	
Bill Pmt -Check	11/26/2013	OSE BUSINESS SERVICES	SUPPLIES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	6,063.34	
Bill Pmt -Check	12/23/2013	OSE BUSINESS SERVICES	SUPPLIES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	2,884.99	
Bill Pmt -Check	02/06/2014	OSE BUSINESS SERVICES	custodial and instuational supplies	9120.07 · Wells Fargo - 7545 (NEW MAIN)	8,832.15	
Bill Pmt -Check	03/20/2014	OSE BUSINESS SERVICES	MATERIALS AND SUPPLIES	9120.07 · Wells Fargo - 7545 (NEW MAIN)	4,402.92	
				TOTAL FY 2013-14	**42,701.47**	

Wisdom Academy for Young Scientists
706 E. Manchester Ave. .
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 1 Date Needed: 12/20/11

Prepare check payable to: DSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDING SOURCE:

____ Child Nutrition – Federal	X General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(Attach back-up such as invoices, receipts, budget letters, award/grant letter and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
School Supplies					See Invoice		7313.66

Notes: See Invoice
NSF replacement ck for ck written 12/20/2011

Total amount of check: $ 7313.66 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 12/20/11 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

RECEIVED 1/9/12

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: December 5, 2011
INVOICE # 1

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
2	Easel Pad-Stickable 4310		$ 61.88
35	Cases of Paper 8x11.5 4310		$ 1,225.00
4	Ball Pump and Neddle 4310		23.10
180	Econonmy Games Misc 4310		188.00
12	Fun Dough 4310		12.00
100	Scholatic Workbooks K-5 4200		2,000.00
	Custodial Supplies		
12	Clorox 1.5G 4320		48.00
48	Clorox Powder 32 oz 4320		92.00
12	PineSol 2G 4320		60.00
4	AntiBac Hand Soap 1G 4320		40.00
8	Tisue 4000 4320		160.00
12	Paper Seat Cover 4320		120.00
6	Tisue 2000 4320		150.00
12	Hand Towel Single Fold 4310		240.00
12	Light Bulbs T1 8' 4320		120.00
	Postage		
	USPS Stamps 5420		242.00
	Food Supplies		
25	Honey Maid 4700		199.75
20	Rice Crispy 4700		239.80
40	Austin Variety 45ct 4700		519.60
10	Austin Zoo 4700		70.00
4	Water 4700		24.00
	Furniture and Equipment		
1	Epson EX-51 4200		699.99
4	HP CB5XL4 Toner All Colors 4350		329.99
	Other Supplies		
		Sub-total	$ 6,725.21
		Sales Tax 8.75%	$ 588.45
		TOTAL	$ 7,313.66

THANK YOU FOR YOUR BUSINESS!

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

RECEIVED 12/21

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 1 Date Needed: 12/28/11

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDING SOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents

Disposal of check: ( ) Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
School Supplies					See Invoice		7313.66

Notes: See Invoice

Total amount of check: $ 7313.66 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 12/20/11 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 08.19.2010

OSE Business Services

6700 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: December 6, 2011
INVOICE # 1

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
2	Easel Pad-Stickable 4310		$ 61.98
35	Cases of Paper 8x11.5 4310		$ 1,228.00
4	Ball Pump and Neddle 4310		23.10
180	Economy Games Misc 4310		156.00
12	Fun Dough 4310		12.00
100	Scholatic Workbooks K-5 4200		2,000.00
	Custodial Supplies		
12	Clorox 1.5G 4320		48.00
48	Clorox Powder 32 oz 4320		92.00
12	PineSol 2G 4320		60.00
4	AntiBac Hand Soap 1G 4320		40.00
6	Tisue 4000 4320		150.00
12	Paper Seat Cover 4320		120.00
6	Tisue 2000 4320		150.00
12	Hand Towel Single Fold 4320		240.00
12	Light Bulbs T1 8' 4320		120.00
	Postage		
	USPS Stamps 5920		242.00
	Food Supplies		
25	Honey Maid 4700		199.75
20	Rice Crispy 4700		239.80
40	Austin Variety 45ct 4700		519.60
10	Austin Zoo 4700		70.00
4	Water 4700		24.00
	Furniture and Equipment		
1	Epson EX-51 4200		599.99
4	HP CB5XL4 Toner All Colors 4350		329.99
	Other Supplies		
		Sub-total	$ 6,726.21
		Sales Tax 8.75%	$ 588.45
		TOTAL	$ 7,313.66

NSF

THANK YOU FOR YOUR BUSINESS!

OM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 9623

OSE BUSINESS SERVICES 1/9/2012

ate	Type	Reference	Original Amt.	Balance Due	Discount	Payment
/17/2011	Bill	Inv#1	7,313.66	7,313.66		7,313.66
					Check Amount	7,313.66

/ells Fargo - 7545 (N Inv#1: Various Busines Supplies - REPLACEME 7,313.66

104 USE WITH 91663 ENVELOPE

Replacement check to check 9614.

ISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

9614

OSE BUSINESS SERVICES

12/21/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/17/2011	Bill	Inv#1	7,313.66	7,313.66		7,313.66
					Check Amount	7,313.66

Wells Fargo - 7545 (N Inv#1: Various Busines Supplies 7,313.66

CT DLT104 USE WITH 91663 ENVELOPE

12/21/11 = check 9614 = voided as NSF
01/09/12 = Replaced by check # 9623
Both checks for 7,313.66

NSF

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 2 **Date Needed:** 1/20/12

Prepare check payable to: OSE Business Service
Address: _____
_____
Phone: _____

INDICATE FUNDING SOURCE:

____ Child Nutrition – Federal	X General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(Attach back up such as invoice(s), receipt(s), purchase order, receiving report and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
School Supplies					See Invoice		870.54

Notes: _____

Total amount of check: $ 870.54 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 1/19/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okorikwo

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 374
Los Angeles, Ca 90045

DATE: December 15, 2011
INVOICE # 1

Bill To:
Western Academy for Young Scientists

Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
4	First Aid Kit + Refills	4350		$ 144.00
12	Cases of Paper 8x11.5	4310 SPED.		$ 420.00
4	Manilla Folder pk	4350		62.00
4	Post-it pk	4310 SP. ED		64.00
10	Crayon	4310 SP. ED		50.00
2	Pencil	4310 SP. ED		24.00
2	Hanging File Folder pk	4310 SP. ED		24.00
6	Green Folder	4310 SP. ED		120.00
2	Envelopes 500ct	4350		30.00
3	Office Scissor pk	4310 SP. ED		39.00
4	5" Binder	4350		56.00
4	Number Divider	4350		55.96
4	Mixed Highlighter pk	4310 SP. ED		32.00
1	Custom Address Stamp	4350		38.99
1	Legal Note Pad pk	4350		19.99
1	Fold Stamp	4350		19.99
2	Shole Punch	4310 SPED		39.98
3	Pencil Sharpener	4310 SPED		37.59
1	Brother TN350	4350		360.00
4	Canon MX882 Inkjet Cartridge	4350		64.00
2	HP 72XL Inkjet Cartridge	4350		79.99
	Custodial Supplies			
12	BerOKlean Disinfectant	4320		120.00
6	PolyGloves 5pk	4320		216.00
6	12-16g Clear Bag	4320		138.00
9	55g Industrial Bag 500ct	4320		215.82
6	Mop Stick w/ Head	4320		150.00
4	Broom	4320		48.00
10	Extra Soft SR 2000	4320		199.00
6	Kleenex	4320		143.64
16	Natural 400 Single Fold	4320		480.00
1	Drywall Package - 100SF Fills	4320		40.00
	Postage			
	USPS Stamps	5920		162.07
	Fed Ex/Kinkos	5920		153.00
	Food Supplies			
38	Honey Maid	4700		323.64
40	Rice Crispy	4700		510.60
60	Austin Variety 45ct	4700		779.40
1	S&F - Snacks and Fruits Variety 12/15	4700		66.71
	Furniture and Equipment			
2	Dell 15 Laptop Cart	4410		2,177.81
3	Projector Case	4410		60.00
4	AVI Card	~~4410~~ ~~4450~~	4420	64.00
	Other Supplies			
2	Toilet Paper Jumbo Dispenser	4720		60.00
	INSUFFICIENT FUNDS CHARGE	5833		$ 40.00
			Sub-total	$ 8,002.34
			Sales Tax 8.75%	$ 700.20
			TOTAL	$ 8,702.54

THANK YOU FOR YOUR BUSINESS!

/ISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 9669

OSE BUSINESS SERVICES 1/19/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
12/18/2011	Bill	1	8,702.54	8,702.54		8,702.54
					Check Amount	8,702.54

Wells Fargo - 7545 (N Various Supplies 8,702.54

UCT DLT104 USE WITH 91583 ENVELOPE

000143

Visdom Academy for Young Scientists
06 E. Manchester Ave.
os Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

NVOICE # 003 Date Needed: 2/24/12

Prepare check payable to: OSE Business Svcs.
Address: _____
_____
Phone: _____

INDICATE FUNDING SOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		
____	Title I		
____	Title II		
____	Title III		

(Attach back up documents such as invoices, receipts, purchase orders, receiving reports and all supporting documentation)

Disposal of check: ( ). Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Custodial Supplies					4320		
Office Supplies					4350		
Tested Instructional Mat					4310		6172.39

Notes: _____

Total amount of check: $ 6172.39 Check request prepared by: _____ Date: _____

_____ Approved by: _____ Date: _____ Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 08.19.2010

OSE Business Services

6700 La Tijera Blvd Ste 776
Los Angeles, Ca 90045

DATE: February 25, 2012
INVOICE #

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
6	Ink C0-226-cy 686652		$ 180.00
25	Office Impressions 92 Bright 20# 8.5 x 11 Case		$ 1,125.00
4	SPLS 70lb Crate Black		160.00
2	Base Fabric Exp Fl		84.00
2	Ink Canon 4 bk 687147		220.00
6	Ink C0-226, bl 686662		150.00
4	Ink C5-226-ye 687057		120.00
1	Ink C0-226-mg 686724		30.00
5	Premium Binder		250.00
40	Red Baseline Ruled Newsprint - Grade 1		423.20
16	Red Baseline Ruled Newsprint - Grade 2		169.28
16	Red Baseline Ruled Newsprint - Grade 3		169.28
6	College Ruled 8 1/2x11 Case		360.00
25	Office Impressions 92 Bright 20# 8.5 x 11 Case - Item# 582653		1,038.00
	Custodial Supplies		
6	Tissue Jumbo Roll 2000		240.00
4	1/2 Fold Paper Seat Cover		100.00
6	16g Bin Bag 500ct		200.00
4	55g Recycled Material Bag 500ct		200.00
2	Broom -Light Weight		40.00
6	Natural 400 Single Fold		360.00
		Sub-total	$ 5,625.76
		Sales Tax 8.75%	$ 546.63
		TOTAL	$ 6,172.39

THANK YOU FOR YOUR BUSINESS!

SDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 9851

QSE BUSINESS SERVICES 2/29/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
2/13/2012	Bill	Inv 003	6,172.39	6,172.39		6,172.39
					Check Amount	6,172.39

Wells Fargo - 7545 (N Supplies 6,172.39

JT DLT104 USE WITH 81663 ENVELOPE

000146

idom Acad y for Young Scientists
E. Manchester Ave.
Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

VOICE # 4 Date Needed: 3/28/12

epare check payable to: Ofc Business Services
dress: _____
_____
lone: _____

INDICATE FUNDING SOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

(Attach back up such as invoice, receipt, purchase order, receiving reports and all supporting documents)

sposal of check: ( ). Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Supplies & Equipment					See Invoice		4786.08
					* What account?		

Notes: _____

Total amount of check: $ 4786.08 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 3/26/12 Authorized by: _____ Date: _____
Jason Okonkwo (Co-Director)

REVISED 08.19.2010

W-9 on file

RECEIVED 3/27/12

/ISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 9914

OSE BUSINESS SERVICES 3/29/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
3/8/2012	Bill	4	4,786.08	4,786.08		4,786.08
					Check Amount	4,786.08

Wells Fargo - 7545 (N Inv #4 4,786.08

UCT DLT104 USE WITH 91663 ENVELOPE

Note: This check + OSE Invoice was voided and NO discussion or notes of why the transaction was voided or what happened to the supplies. Where the supplies delivered & Returned or Never delivered?

AM 11/27/13

isdom Academy for Young Scientists
16 E. Manchester Ave.
os Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 4 Date Needed: 3/20/12

Prepare check payable to: Office Business Services

Address: _____

_____

Phone: _____

INDICATE FUND SOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

(Attach back up such as invoice, receipts, purchase orders, receiving reports and all applicable documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Supplies & Equipment					See Invoice		4786.08
					* What account?		

Notes: _____

Total amount of check: $ 4786.08 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 3/26/12 Authorized by: _____ Date: _____
Jason Okonkwo (Co-Director)

W-9 on file

REVISED 08.19.2010

RECEIVED 3/27/12

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: March 8, 2012
INVOICE # 4

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
1	HI. PNCH, ELE OP		$ 150.00
1	STPLR, 747 BUSI		$ 34.99
12	Ready Index J- Dividers w/ Big Tab		134.16
1	Violence in Schools - Literature		46.00
1	Handook of Bullying in Schools - Literature		240.00
1	No Room for Bullies - Literature		25.76
1	Your Child - Literature		49.22
1	Ink Cli-226-mg 686724		30.00
6	Binder 4"		266.04
	Food Supplies		
18	Honey Maid		233.82
20	Rice Crispy		259.80
40	Austin Variety 45ct		519.60
	Furniture and Equipment		
3	DaLite Laptop Cart		2,177.61
	Custodial Supplies		
6	Kleenex		234.00
		Sub-total	$ 4,401.00
		Sales Tax 8.75%	$ 385.08
		TOTAL	$ 4,786.08

THANK YOU FOR YOUR BUSINESS!

OSE Business Services

6708 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: April 3, 2012
INVOICE # 5

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
1	STAMP, ORIGINAL	4310, 4350		$ 130.00
1	DTR, SLF-INKXT			$ 34.99
12	CLP,PPR,MED,J			134.15
8	HEAVY DUTY VIEW			48.00
2	FILE FOLDER			240.00
1	POST-IT 3X3			28.76
9	8.5X11 GLOSS PREM			299.99
1	3" BINDER			30.00
2	STAPLER			49.99
2	MAGIC TAPE			79.98
3	#10 SEC ENV			59.99
1	BD SWAG 300			9.99
3	BANDAID 185CT			74.97
2	DIVIDERS 5TAB			9.29
1	FILE,DVD,13 PK			19.99
1	CVR,RPT,GRPLCK			15.29
1	CLIP,BNDR,30PK			10.29
1	FILE,CASE,POLY			32.99
3	CLPBRD,CD,3PK			32.94
1	H.LPHCHR BWNGLN ELEC			99.97
2	DA LITE LAPTOP CART CHARGER 2PK			249.99
6	STICK PENS			77.94
	Custodial Supplies			
12	Clorox 1.8G	4320		48.00
48	Clorox Powder 32 oz			92.00
12	Pine Sol 2G			80.00
10	Antibac Hand Soap 1G			100.92
1	TP-HLDR-PB			36.68
1	680CHLAGEKEY			36.98
3	FEBREZELINE OCEANFRSH			83.94
1	CD. CAULK GUN			19.94
1	GE ULT 6L			18.94
2	PAD LOCK			35.93
6	Tissue 4000			233.94
3	FEBREZELINE TRPCL			83.94
1	SPACKLING			33.95
2	KW TOILET SEAT HDC			98.68
12	Paper Seat Cover			120.00
8	TISSUE JMBO			311.92
12	Hand Towel Single Fold			539.88
8	Microfiber Towel			320.00
6	Bar bel			186.72
	Food Supplies			
18	Honey Maid	4700		233.82
20	Rice Crispy			258.80
40	Austin Variety 45ct			519.60
11	Animal Cracker			$ 110.00
11	Mini Pretzels			$ 110.00
12	Cocoa Puffs Bar			120.00
11	Scooby Crackers			110.00
11	Gold Fish Crackers			110.00
15	Cinnamon Toast Bar			150.00
12	Strawberry Cherrios Bar			120.00
		Sub-total		$ 6,056.51
		Sales Tax 8.75%		$ 529.94
		TOTAL		$ 6,586.45

THANK YOU FOR YOUR BUSINESS!

0000188 / Office AU # — 11-24 / 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800227

ACCOUNT#: 4861-511475

Purchaser: MERLE WILLIAMSON FOUNDATION
Purchaser Account: 6072110148
Operator I.D.: cu016676 cu007525

April 13, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Six thousand five hundred eighty-six dollars and 45 cents **$6,586.45**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER–IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 6,586.45

NON-NEGOTIABLE

Purchaser Copy

COPY

0000188 / Office AU # — 11-24 / 1210(8)

CASHIER'S CHECK

0018800227

Operator I.D.: cu016676 cu007525

April 13, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Six thousand five hundred eighty-six dollars and 45 cents **$6,586.45**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US $ 6,586.45

Richard Lacey
CONTROLLER

⑈0018800227⑈ ⑆121000248⑆4861 511475⑈

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 6 **Date Needed:** 5/7/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	X General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail (X) Pick – Up by School ( ) Return to Originator ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Food Supplies					Services		12332.08
Custodial Supplies							
Office and Classroom Supplies.							

Notes: _____

Total amount of check: $ 12232.08 Check request prepared by: _____ Date: _____

_____

_____

Approved by: Jason Okonkwo (Budget Manager) Date: 5/3/12 Authorized by: _____ Date: _____ (Co-Director)

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: April 30, 2011
INVOICE # 8

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
5	HEAVY DUTY VIEW Spec Ed.	4310	$ 69.95
3	AVERY DURA VIEW Spec Ed	4310	$ 42.66
1	3.18 M-M PATCH CABLE	4350	9.99
40	RED BASELINE JUMBO NEWSPRINT	4310	639.20
16	RED BASELINE JUMBO NEWSPRINT-GR3	4310	169.28
40	RED BASELINE JUMBO NEWSPRINT-GR1	4310	423.20
60	O/I" COPY-20#/8.5X11/5-9	4310	2,399.40
24	EXPO DRY ERASE 16CT	4310	544.8
1	DOUBLE-SIDED MAGNETIC MARKBOARD W/ WOOD FRAME	4310	1,222.68
80	ECONOMY COMPOSITION BOOK	4310	95.20
12	SPLIT KEY RING PK/28	4310	40.68
36	CS PASS AROUND PACK CRAYONS	4310	935.64
14	COLORSPLASH PENCILS PK/240	4310	734.86
96	SUNWORKS GW CNSTR PAPER 9X1	4310	815.04
112	JUMBO PENCILS PK/12 NO ERAS	4310	446.88
6	CRAYOLA MARKER CLSSPACK 16CO	4310	359.94
16	RED BASELINE JUMBO NEWSPRINT-GR2	4310	169.28
	Custodial Supplies		
1	BLACK PLUNGER 16" PLASTIC	4320	10.99
1	ML 2" BRASS RESET COMBINA	4320	27.96
1	PLUNGER CADDY	4320	5.69
1	SOFTSOAP ANTIBACT	4320	14.11
6	CLOROX ULTRA GERM	4320	179.94
4	PALM LIQ ANTIBAC	4320	379.96
1	TOWEL ROLL WHITE	4320	15.57
1	HVY DEG	4320	15.57
	Food Supplies		
25	Honey Maid	4700	199.75
20	Rice Crispy	4700	239.80
40	Austin Variety 45ct	4700	519.60
20	Austin Zoo	4700	249.99
20	Cheeze It	4700	249.99
		Sub-total	$ 11,247.89
		Sales Tax 8.75%	$ 984.19
		TOTAL	$ 12,232.09

THANK YOU FOR YOUR BUSINESS!

0000183 / Office AU # | 11-24 / 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800152
ACCOUNT#: 4861-511483

Purchaser: MERLE WILLIAMSON FOUNDATION
Purchaser Account: 6225587545
Operator I.D.: cu018114 cu011423

May 04, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Twelve thousand two hundred thirty-two dollars and 08 cents **$12,232.08**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 12,232.08

NON-NEGOTIABLE

Purchaser Copy

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

10119

OSE BUSINESS SERVICES

5/4/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
4/30/2012	Bill	6	12,232.18	12,232.18		12,232.18
					Check Amount	12,232.18

Wells Fargo - 7545 (N Various Supplies 12,232.18

PRODUCT DLT104 USE WITH 91563 ENVELOPE

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 4 **Date Needed:** 5/31/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(F) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
See Invoice					See Invoice		$ 9,433.54

Notes: Cashiers Check
Don't Print Check

Total amount of check: $ 9,433.54 Check request prepared by: _____ Date: _____

_____ Approved by: _____ Date: 5/30/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: May 25, 2012
INVOICE # 7

5/4
5/31

	Bill To:		
	Wisdom Academy for Young Scientists		
Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
1	PREMIUM VEIW BINDER	4350	$ 29.99
4	COPIES X 400PGS	4350	$ 160.00
60	O/I* COPY-20#8.5X11/8-9	4350	2,399.40
24	EXPO DRY ERASE 16CT	4350	544.8
4	DIVIDER PLASTIC TABS	4350	48.99
1	DOUBLE-SIDED MAGNETIC MARKBOARD W/ WOOD FRAME	4410	1,222.68
	Custodial Supplies		
4	SHIPLOCK PANELING 8'X4"X.8"	4320	159.96
1	W/P H/D COMBI LCK	4320	29.99
1	ALL PURPOSE DRYWALL PATCH ANTI-MOLD	4320	13.99
1	KNOCKDOWN/SPATULA	4320	9.99
20	SOFT TOUCH 4000	4320	799.80
6	PALM LIQ ANTIBAC	4320	379.96
4	BAR RINSE	4320	119.96
10	12"X10" 6PK TRAY Eating Trays	4700 or 4390	499.90
10	16"X12" 6PK TRAY Eating Trays	4700 or 4390	549.90
3	PINE-SOL LEM CS	4320	119.97
10	CAN LINER 56G BLK	4320	399.99
1	H/D SPONGE 12PK	4320	29.99
	Food Supplies		
10	Honey Maid 13.99	4700	139.90
24	Rice Crispy 16.99	4700	407.76
24	Austin Variety 45ct 16.99	4700	407.76
8	Austin Zoo 12.99	4700	103.92
8	Cheeze It	4700	95.92
		Sub-total	$ 8,674.52
		Sales Tax 8.75%	$ 759.02
		TOTAL	$ 9,433.54

THANK YOU FOR YOUR BUSINESS!

0000188 / Office AU # — 11-24 / 1210(6)

CASHIER'S CHECK

SERIAL #: 0018800324

ACCOUNT#: 4861-511475

Purchaser: JASON C OKONKWO
Purchaser Account: 5284938570
Operator I.D.: cu003111

May 31, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Nine thousand four hundred thirty-three dollars and 54 cents **$9,433.54**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER–IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 9,433.54

NON-NEGOTIABLE

Purchaser Copy

0000188 / Office AU # — 11-24 / 1210(6)

CASHIER'S CHECK

0018800324

Operator I.D.: cu003111

May 31, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Nine thousand four hundred thirty-three dollars and 54 cents **$9,433.54**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US $ 9,433.54

Richard Leung
CONTROLLER

⑈0018800324⑈ ⑆121000248⑆4861 511475⑈

Postal Surcharge

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 8 Date Needed: 6/20/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	X General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Supplies					See Invoice		7092.24

Notes: Cashiers Check
Do Not Print Check

Total amount of check: $ 7092.24 Check request prepared by: _____ Date: _____

_____ Approved by: _____ Date: 6/19/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: June 18, 2012
INVOICE # 8

	Bill To:			
	Wisdom Academy for Young Scientists			
Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
60	O/I* COPY-20#/8.5X11/6-9	4310		2,399.40
	Custodial Supplies			
20	SOFT TOUCH 4000	4320		799.80
6	Kleenex	4320		149.94
6	PolyGloves 6pk	4320		216.00
10	12"X10" 6PK TRAY	"		499.90
6	12-16g Clear Bag	"		138.00
18	Natural 400 Single Fold	"		480.00
8	55g Industrial Bag 500ct	"		215.92
	Food Supplies			
36	Honey Maid	4700		323.64
40	Rice Crispy	4700		519.60
60	Austin Variety 45ct	4700		779.40
			Sub-total	$ 6,521.60
			Sales Tax 8.75%	$ 570.64
			TOTAL	$ 7,092.24

THANK YOU FOR YOUR BUSINESS!

0000188 / Office AU # — 11-24 / 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800362
ACCOUNT#: 4861-511475

Purchaser: JASON C OKONKWO
Purchaser Account: 5264938670
Operator I.D.: cu010909 cu013956

June 20, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES ***

Seven thousand ninety-two dollars and 24 cents **$7,092.24**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER–IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 7,092.24

NON-NEGOTIABLE

Purchaser Copy

0000188 / Office AU # — 11-24 / 1210(8)

CASHIER'S CHECK

0018800362

Operator I.D.: cu010909 cu013956

June 20, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES ***

Seven thousand ninety-two dollars and 24 cents **$7,092.24**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US $ 7,092.24

Richard Kenny
CONTROLLER

Security Features Included Details on Back.

⑈00188003621⑈ ⑆121000248⑆4861 511475⑈

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
JUL 27 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # _____ Date Needed: 6/19/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE: _____

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(4) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Misc. Supplies See Invoice					See Invoice		4969.26

Notes: _____

Total amount of check: $ 4969.26 Check request prepared by: _____ Date: _____

_____

_____ Approved by: _____ Date: 6/19/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: July 18, 2012
INVOICE # 9

	Bill To:			
	Wisdom Academy for Young Scientists			
Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
48	O/I: COPY-20#/8.5X11/6-9	4310		1,919.52
	Custodial Supplies			
16	SOFT TOUCH 4000	4320		639.20
6	Kleenex	"		149.94
6	PolyGloves 6pk	"		216.00
6	12-16g Clear Bag	"		138.00
18	Natural 400 Single Fold	"		480.00
8	55g Industrial Bag 500ct	"		215.92
	Food Supplies			
18	Honey Maid	4700		161.82
20	Rice Crispy	"		259.30
30	Austin Variety 45ct	"		389.74
			Sub-total	$ 4,569.44
			Sales Tax 8.75%	$ 399.82
			TOTAL	$ 4,969.26

THANK YOU FOR YOUR BUSINESS!

0000188 Office AU # | 11-24 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800420

ACCOUNT#: 4861-511475

Purchaser: JASON C OKONKWO
Purchaser Account: 5284936570
Operator I.D.: cu000271

July 25, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES ***

Four thousand nine hundred sixty-nine dollars and 26 cents **$4,969.26**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER--IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 4,969.26

NON-NEGOTIABLE

Purchaser Copy

FB004 11460932

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
SEP 28 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 11;12 Date Needed:

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail
(9) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Invoice #1					See Invoice		
Invoice 12					See Invoice		

Notes: _____

Total amount of check: $ 13,975.88 Check request prepared by: _____ Date: 9/25/12

Approved by: _____ Date: _____ Authorized by: _____ Date: 09/25/12
(Budget Manager) Jason Okonkwo (Co-Director)

REVISED 08.19.2010

OSE Business Services

Los Angeles, Ca 90045

DATE: September 10, 2012
INVOICE # 11

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
4	First Aid Kit + Refills	4350		$ 144.00
15	Cases of Paper 8x11.5	4350		$ 599.85
4	Manilla Folder pk	"		52.00
4	Post-it pk	"		64.00
10	Crayon	4310		50.00
2	Pencil	"		24.00
2	Hanging File Folder pk	4350		24.00
6	Green Folder	4350		139.00
2	Envelopes 500ct	"		39.98
3	Office Scissor pk	4310		39.00
4	5" Binder	4350		96.00
4	Number Divider	"		55.96
4	Mixed Highlighter pk	"		32.00
1	Custom Address Stamp	"		38.99
1	Legal Note Pad pk	"		19.99
1	Paid Stamp	"		19.99
2	3hole Punch	"		33.98
2	Pencil Sharpener	4310		37.58
1	Borther TN350	"		366.00
4	Canon MX882 InkJet Cartridge	"		84.00
2	HP 72XL InkJet Cartridge	"		79.98
	Custodial Supplies			
12	BarORinse Disinfectant	4320		120.00
6	PolyGloves 6pk	4320		216.00
8	12-16g Clear Bag	4320		138.00
8	55g Industrial Bag 500ct	"		216.92
6	Mop Stick w/ Head	"		150.00
4	Broom	"		48.00
10	Extra Soft BR 2000	"		199.00
6	Kleenex	"		149.94
10	12"X10" 6PK TRAY	"		499.90
20	SOFT TOUCH 4000	"		799.80
	Food Supplies			
36	Honey Maid	4700		323.64
40	Rice Crispy	"		510.60
60	Austin Variety 45ct	"		779.40
	Other Supplies			
2	Toilet Paper Jumbo Dispenser	4350		60.00
			Sub-total	$ 6,239.50
			Sales Tax 8.75%	$ 545.95
			TOTAL	$ 6,785.45

THANK YOU FOR YOUR BUSINESS!

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: September 1, 2012
INVOICE # 12

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
65	Cases of Paper 8x11.5 4310		$ 2,599.35
180	Econonmy Games Misc 4310		180.00
	Custodial Supplies		
12	Clorox 1.5G 4320		120.00
12	PineSol 2G 4320		240.00
2	Antibactierial Hand Soap CS 4320		109.98
6	Tisue 4000 4320		150.00
12	Paper Seat Cover 4320		120.00
6	Natural 4000 Single Fold 4320		299.94
12	Hand Towel Single Fold 4320		240.00
	Postage		
36	Honey Maid 4700		323.64
40	Rice Crispy 4700		519.60
60	Austin Variety 45ct 4700		779.40
	Furniture and Equipment		
1	Epson EX-51 4350		599.99
4	HP CB5XL4 Toner All Colors 4350		329.99
	Other Supplies		
		Sub-total	$ 6,611.89
		Sales Tax 8.75%	$ 578.54
		TOTAL	$ 7,190.43

THANK YOU FOR YOUR BUSINESS!

0000188 / Office AU #

11-24 / 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800238

ACCOUNT#: 4861-511483

Purchaser: JASON C OKONKWO
Purchaser Account: 5284936670
Operator I.D.: cu007525

September 25, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Thirteen thousand nine hundred seventy-five dollars and 88 cents **$13,975.88**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 13,975.88

NON-NEGOTIABLE

Purchaser Copy

FB004 11460932

000188 / Office AU # | 11-24 / 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800238
ACCOUNT#: 4861-511483

Purchaser: JASON C OKONKWO
Purchaser Account: 5284938670
Operator I.D.: cu007526

September 25, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Thirteen thousand nine hundred seventy-five dollars and 88 cents **$13,975.88**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 13,975.88

NON-NEGOTIABLE

Purchaser Copy

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
OCT 23 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 13 Date Needed: 10/24/12

Prepare check payable to: DSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	8 General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(✓) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
School Supplies See Invoice					See Invoice		9537.52

Notes: Cashiers Check

Total amount of check: $ 9537.52 Check request prepared by: LA Date: 10/24/12

_____

_____ Approved by: _____ Date: 10/22/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

REVISED 9.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: October 18, 2012
INVOICE # 13

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
80	8/11" COPY-20#/8.5X11/5-0	4310	$ 3,199.20
4	First Aid Kit + Refills	4350	$ 144.00
6	Stapler Pkg	4310	$ 113.94
4	Magic Tape	4310	163.96
4	Envelopes 500ct	4350	59.96
3	Office Scissor pk	4350	39.00
4	3.5" Binder	4350	96.00
4	Number Divider	4350	55.96
4	Mixed Highlighter pk	4310	47.96
2	Spectrum Bell Pack & Mesh Bag	4310	462.54
56	Jumbo Pencils No Eraser	4310	178.99
	Custodial Supplies		
3	BarORinse Disinfectant	4320	59.94
6	PolyGloves 6pk	4320	329.94
2	Antibacterial Hand Soap CS	4320	109.98
3	Tray Liner	"	74.97
6	Mop Head	"	150.00
1	Broom	"	24.99
2	Extra Soft BR 2000	"	119.48
12	Kleenex	"	299.88
12	Natural 400 Single Fold	"	599.88
6	Clorox Wipes	"	119.94
	Food Supplies		
36	Honey Maid	4700	467.28
36	Rice Crispy	4700	467.28
40	Austin Variety 45ct	4700	519.60
5	Disney Cracker	4700	64.95
	Furniture and Equipment		
48	Quality Tray 10x14		424.80
3	Quality Cart Black		375.72
	Other Supplies		
		Sub-total	$ 8,770.14
		Sales Tax 8.75%	$ 767.38
		TOTAL	$ 9,537.52

THANK YOU FOR YOUR BUSINESS!

0000188 Office AU # | 11-24 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800606

ACCOUNT#: 4861-511475

Purchaser: JASON C OKONKWO
Purchaser Account: 5284936670
Operator I.D.: cu016676 cu007394

October 23, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Nine thousand five hundred thirty-seven dollars and 52 cents **$9,537.52**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER–IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 9,537.52

NON-NEGOTIABLE

Purchaser Copy

FB004 [illegible] 11460932

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

IPA
NOV 26 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 14 Date Needed: 11/20/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	X General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
( ) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Please fax invoice							
office Supplies					4350		
Instructional Supplies					4366		
Food Supplies					4705		
Equipment					4410		

Notes: Cashiers check

Total amount of check: $ 10156-38 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 11/26/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 12.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: November 16, 2012
INVOICE # 14

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
80	O/I* COPY-20#/8.5X11/6-9	4350		$ 3,199.20
4	Envelopes 500ct	4350		59.96
	Custodial Supplies			
6	PolyGloves 6pk	4360		329.94
4	Antibactierial Hand Soap CS	"		219.96
4	Tray Liner	"		99.96
4	Extra Soft BR 2000	"		238.96
12	Kleenex	"		299.88
12	Natural 400 Single Fold	"		599.88
24	Hard Surface Wipes 4pk	"		474.81
	Food Supplies			
40	Honey Maid	4700		519.60
38	Rice Crispy	"		493.62
50	Austin Variety 45ct	"		649.50
	Furniture and Equipment			
1	DOUBLE-SIDED MOBILE DRY ERASE BOARD W/ WOOD FRAME (6' W X 4' H)			4410 765.00
1	FRANKLIN INDOOR ENCLOSED BULLETIN BOARD W/ TWO DOORS (5' W X 3' H)			4410 649.00
1	ABC MAGNETIC DRY ERASE BOARD (6' W X 4' H)			4410 489.00
5	Programable Micro Automatic Gate Remote (HomeLink Compatible)			4410 260.93
	Other Supplies			
			Sub-total	$ 9,339.20
			Sales Tax 8.75%	$ 817.18
			TOTAL	$ 10,156.38

THANK YOU FOR YOUR BUSINESS!

0000188 Office AU # | 11-24 1210(8)

CASHIER'S CHECK

SERIAL #: 0018800261

ACCOUNT#: 4861-511483

Purchaser: JASON C OKONKWO
Purchaser Account: 5284936670
Operator I.D.: cu016676 cu008157

November 26, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Ten thousand one hundred fifty-six dollars and 58 cents **$10,156.58**

WELLS FARGO BANK, N.A.
1144 E FLORENCE AVE
LOS ANGELES, CA 90001
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER – IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US $ 10,156.58

NON-NEGOTIABLE

Purchaser Copy

FB004 M4283 11460932

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID DEC 14 2012 BY:

PAID DEC 14 2012 BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 14 Date Needed: 11/19/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

- ____ Child Nutrition – Federal
- ____ Child Nutrition – State
- ____ ASES
- ____ Special Education
- ____ Title I
- ____ Title II
- ____ Title III
- X General Fund
- ____ Other

Describe: _____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail (X) Pick – Up by School ( ) Return to Originator ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Misc. School Supplies					See invoice		$12,152.38

Notes: Cashiers check

Total amount of check: $ 12,152.38 Check request prepared by: LL Date: 11/16/12

Approved by: _____ Date: 11/16/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 08 19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: November 16, 2012
INVOICE # 14

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION			AMOUNT
	Books, Instructional Materials, Office Supplies			
80	O/I* COPY-20#/8.5X11/8-9	4350		$ 3,199.20
4	Envelopes 500ct	4350		59.96
	Custodial Supplies			
6	PolyGloves 6pk	4360		329.94
4	Antibactierial Hand Soap CS	"		219.96
4	Tray Liner	"		99.96
4	Extra Soft BR 2000	"		238.96
12	Kleenex	"		299.88
12	Natural 400 Single Fold	"		599.88
24	Hard Surface Wipes 4pk	"		474.81
	Food Supplies			
40	Honey Maid	4700		519.60
38	Rice Crispy	"		493.62
50	Austin Variety 45ct	"		649.50
	Furniture and Equipment			
1	DOUBLE-SIDED MOBILE DRY ERASE BOARD W/ WOOD FRAME (6' W X 4' H)			4410 765.00
1	FRANKLIN INDOOR ENCLOSED BULLETIN BOARD W/ TWO DOORS (5' W X 3' H)			4410 649.00
1	ABC MAGNETIC DRY ERASE BOARD (6' W X 4' H)			4410 489.00
5	Programable Micro Automatic Gate Remote (HomeLink Compatible)			4410 250.93
	Other Supplies			
			Sub-total	$ 9,339.20
			Sales Tax 8.75%	$ 817.18
			TOTAL	$ 10,156.38

THANK YOU FOR YOUR BUSINESS!

11049

WISDOM ACADEMY FOR YOUNG SCIENTISTS
MAIN ACCOUNT
706 E. MANCHESTER AVENUE
LOS ANGELES, CA 90001
(323) 752-6655

Wells Fargo Bank, N.A.
16-24-1220

12/14/2012

PAY TO THE ORDER OF OSE BUSINESS SERVICES

$ **10,156.38

Ten Thousand One Hundred Fifty-Six and 38/100********** DOLLARS

Security features. Details on back.

OSE BUSINESS SERVICES
6709 La Tijera Blvd., Ste. 274
Los Angeles, CA 90045

MEMO Various Supplies/Equipment Purchases

AUTHORIZED SIGNATURE

VOID

⑈011049⑈ ⑆122000247⑆ 8235815451⑈

VOID

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 11049

OSE BUSINESS SERVICES

12/14/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/16/2012	Bill	14	10,156.38	10,156.38		10,156.38
					Check Amount	10,156.38

VOID

Wells Fargo - 7545 (N Various Supplies/Equipment Purchases 10,156.38

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 1104

OSE BUSINESS SERVICES 12/14/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/16/2012	Bill	14	10,156.38	10,156.38		10,156.38
					Check Amount	10,156.38

Wells Fargo - 7545 (N Various Supplies/Equipment Purchases 10,156.38

PRODUCT DLT104 USE WITH 91663 ENVELOPE

000180

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
DEC 15 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 15 Date Needed: 12/14/12

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	X General Fund
____ Child Nutrition – State	____ Other
____ ASES	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Misc. Supplies for School							$8,778.78

Notes: Cashiers Check

Total amount of check: $ 8,778.78 Check request prepared by: [signature] Date: 12/14/12

Approved by: _____ Date: 12/14/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 09 19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: December 14, 2012
INVOICE # 15

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
40	O/I COPY-20#/8.5X11/6-9 4200		$ 1,599.60
1	Guestures 4300		$ 29.99
1	License Word 4310		$ 29.99
	Custodial Supplies 4320		
6	Natural 400 Single Fold "		299.94
6	Extra Soft BR 2000 "		358.44
4	Mop Head (Single) "		37.38
3	Corn Broom - 10" "		59.97
	Food Supplies 4700		
20	Honey Maid "		259.80
17	Rice Crispy "		207.84
30	Austin Variety 45ct "		389.70
12	Water 8oz 35pk "		95.88
	Furniture and Equipment 4410		
1	6' 8" H FREESTANDING PORTABLE PARTITION - NINE PANELS (16' 9" L) 4410		4,703.91
	Other Supplies		
		Sub-total	$ 8,072.44
		Sales Tax 8.75%	$ 706.34
		TOTAL	$ 8,778.78

THANK YOU FOR YOUR BUSINESS!

0000879 Office AU # | 11-24 1210(8)

CASHIER'S CHECK

SERIAL #: 0087900740

ACCOUNT#: 4861-511475

Purchaser: MERLE WILLIAMSON FOUNDATION
Purchaser Account: 8225587545
Operator I.D.: cu015892 cu012243

December 15, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Eight thousand seven hundred seventy-eight dollars and 78 cents **$8,778.78**

WELLS FARGO BANK, N.A.
3649 STOCKER ST
LOS ANGELES, CA 90008
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER–IF THIS INSTRUMENT IS LOST, STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION AND REISSUANCE. AS A CONDITION TO CANCELLATION AND REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

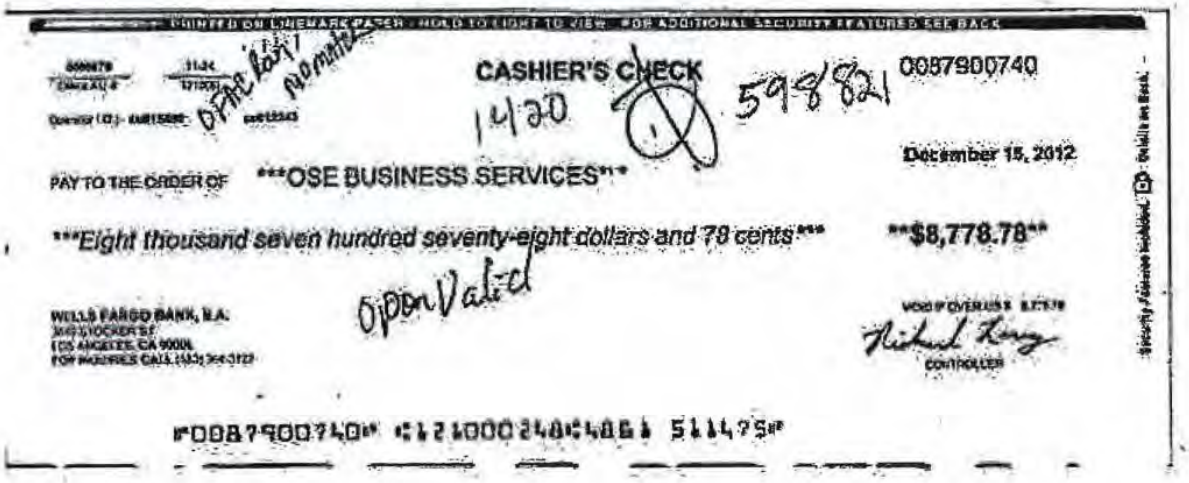
VOID IF OVER US $ 8,778.78

NON-NEGOTIABLE

Purchaser Copy

FB004 12382263

Routing	Sequence #	Paid Date	Amount	Account	Serial	Capture Source
10700543	8819710971	12182012	$8778.78	4851511475	87900740	00007340



PRINTED ON LANIEMARK PAPER · HOLD TO LIGHT TO VIEW · FOR ADDITIONAL SECURITY FEATURES SEE BACK

Date Lost/Name

CASHIER'S CHECK 598821 0087900740

1420

December 15, 2012

PAY TO THE ORDER OF ***OSE BUSINESS SERVICES***

Eight thousand seven hundred seventy-eight dollars and 78 cents **$8,778.78**

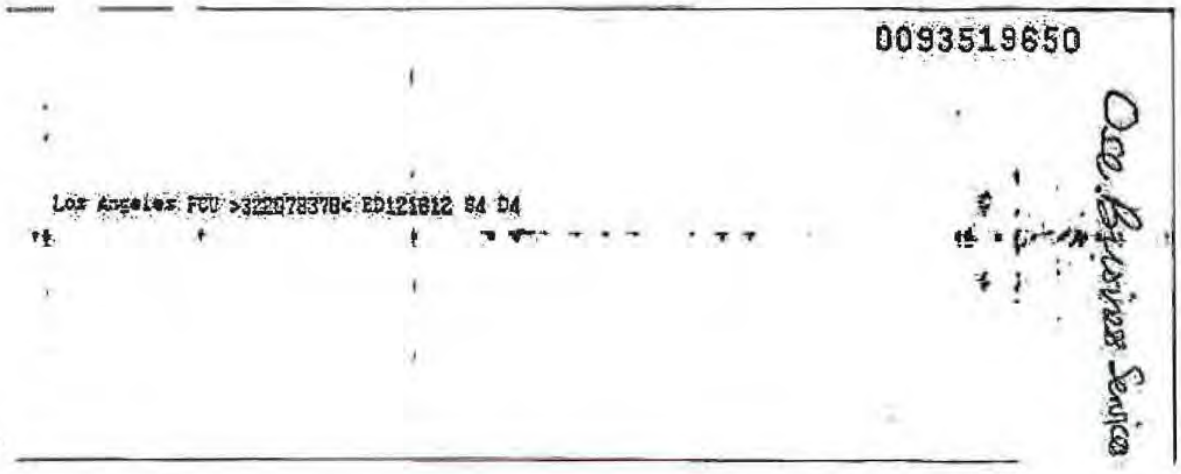
Open Valid

WELLS FARGO BANK, N.A.
[illegible]
LOS ANGELES, CA 90006
FOR INQUIRIES CALL [illegible]

VOID IF OVER [illegible]

Richard Long
CONTROLLER

⑈0087900740⑈ ⑆121000248⑆4851 511475⑈



0093519650

Los Angeles FCU >3220783780< ED121812 84 D4

Ose Business Service

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
JAN 23 2013
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 16 Date Needed: 1/14/13

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	_X_ General Fund
____ Child Nutrition – State	____ Other
____ ASES	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Misc. School Supplies					See invoice		$8,527.58

Notes: _____

Total amount of check: $ 8,527.58 Check request prepared by: LA Date: 1/14/13

Approved by: _____ Date: 1/14/13 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 07.19.2010

OSE Business Services

5709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: January 14, 2013
INVOICE # 16

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
2	Laser, Mono, TN3	4300	$ 307.96
1	Envelope #9, 2W	"	59.98
1	Fish Drive	"	16.60
2	File Folder	"	29.96
10	O/I* COPY-20#/8.5X11/5-9	4200	469.90
2	Jenga	4320	49.99
4	Bicycle Pokr	4310	27.92
4	Mancala	"	51.96
	Custodial Supplies	4320	
1	Val Int Flat White Paint - 1G	"	70.99
1	Val Ext Msnry Stc Wht Paint - 5G	"	169.00
1	Val Ext Msnry Stc Tan Paint - 5G	"	169.00
1	Blu Hwk Roller Kit	"	46.69
12	Clorox Wipes	"	237.40
12	55g Industrial Bag 500ct	"	432.00
8	12-16g Clear Bag	"	448.00
4	PineSol Lemon	"	106.92
5	Soap Hand Anti-Bac 4pk	"	479.94
4	Clorox Bich 3pk	"	67.96
8	Towels	"	239.94
4	Tissue Bath JJ 2PL 3.75"	"	199.96
1	Gloves Latex Large 100	"	87.96
1	Faucet Stem R	"	28.96
3	KS Sig Lido Bed/Bath Satin Nickel	"	179.82
1	Wall Protect 3-1/4" White	"	5.47
1	Schlage Acc Keyed SN	"	93.96
1	Doorstop Solid Brass	"	8.89
1	Husky 9 PC SAE/MIRC Folding Hex Set	"	19.99
	Food Supplies	4700	
6	Water 6oz 35pk	"	47.94
2	Paper Plates	"	51.98
8	Veg Tray	"	119.68
1	Dnr Napkins	"	17.99
12	Quaker Chewy	"	239.68
20	Kellogs Rice Crispy 40ct	"	339.80
14	Nature Valley - Oats n' Honey	"	237.86
16	Honey Maid	"	287.84
16	Austin Variety 45ct	"	287.84
	Furniture and Equipment		
1	Netgear R6300 AC Router 802.11AC Dual-Band	4350	434.98
1	Brother 8910DW Printer Dlux	4360	830.25
1	Sunroc SS Drinking Fountain	5430	819.99
	Other Supplies		
		Sub-total	$ 7,823.47
		Sales Tax 9.00%	$ 704.11
		TOTAL	$ 8,527.58

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 11123

OSE BUSINESS SERVICES 1/22/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/14/2013	Bill	16	8,527.58	8,527.58		8,527.58
					Check Amount	8,527.58

Wells Fargo - 7545 (N MISC SCHOOL SUPPLIES 8,527.58

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

PAID
FEB 21 2013
BY:

CHECK REQUEST

INVOICE # 17 Date Needed: 2/19/13

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDING SOURCE: _____

____ Child Nutrition – Federal	_X_ General Fund
____ Child Nutrition – State	____ Other
____ ASES	**Describe:**
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
See invoice					See invoice		4955.48

Notes: _____

Total amount of check: $ 4955.48 Check request prepared by: _____ Date: _____

Approved by: _____ Date: 2/15/13 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)

REVISED 08.19.2010

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: February 14, 2013
INVOICE # 17

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
66	O/I* COPY-20#/8.5X11/6-9	4310	$ 3,233.34
	Custodial Supplies		
12	Facial Tissue	4320	299.94
12	Clorox Wipes	4320	467.88
7	Brooms 12"	4320	139.93
5	Dust Pan w/ Handle	4320	134.95
	Food Supplies		
	Furniture and Equipment		
13	Quaker Chewy	4700	259.87
	Other Supplies		
		Sub-total	$ 4,535.91
		Sales Tax 9.25%	$ 419.57
		TOTAL	$ 4,955.48

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

11291

OSE BUSINESS SERVICES

2/20/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
2/14/2013	Bill	Inv 17	4,955.48	4,955.48		4,955.48
					Check Amount	4,955.48

Wells Fargo - 7545 (N Inv 17 - 4,955.48

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
MAR 26 2013
BY:

PAID
MAR 26 2013
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 18 Date Needed: 4/1/13

Prepare check payable to: OSE Business Services
Address: 6709 La Tijera Blvd #274
Los Angeles, CA 90045
Phone:

[redacted]:

____ **Child Nutrition – Federal**
____ **Child Nutrition – State**
____ **ASES**
____ **Special Education**
____ **Title I**
____ **Title II**
____ **Facilities Grant**

X **General Fund**
____ **Other**
Describe:

[redacted]

Disposal of check: ( ) Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Books, Instructional materials, Supplies					See invoice		$7,856.34

Notes: _____

Total amount of check: $ 7,856.34 prepared by: _____ Date: 3/22/13
(Administrative Assitant)

Approved by: _____ Date: 3/22/13 Authorized by: _____ Date: _____
(Director of Operations) (Executive Director)

REVISED 02.27.2013

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: March 15, 2013
INVOICE # 18

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
80	O/I* COPY-20#/8.5X11/6-9	4300	$ 3,919.20
1	Pendaflex Lgl Top Tab Folder 3/4" Manila 150 ct	4350	$ 25.26
10	Swingline 1/4" Standard Staples 5000 ct	4350	$ 39.90
12	EXPO 80989 Asst Chisel Tip Low Odor Dry Erase Marker Kit	4310	$ 311.52
4	Geographics Award Certificates Green Border 25 ct	"	$ 23.92
4	Geographics Award Certificates Blue Border 25 ct	"	$ 23.92
4	Geographics Award Certificates Red Border 25 ct	"	$ 23.92
14	Geographics Award Certificates Gold Border 12 ct	"	$ 83.72
4	Post-it 559 White 25 x 30 Self-Stick Easel Pad	4310	$ 183.84
2	Acco 72585 Jumbo Non-Skid Paper Clips, 10/100 ct	4350	$ 29.16
4	Office Impressions #90 Clasp Envelope 9 x 12 Kraft 100 ct	4350	$ 69.52
10	Crayola Broad Washable Marker Asst 8 ct - Item# 285484	4310	$ 99.99
10	Crayola Long Colored Pencils Assorted 12 ct - Item# 626637	4310	$ 99.90
11	Crayola Broad Washable Marker Asst 256 ct - Item# 958201	131.2 4310	$ 963.60
	Custodial Supplies	4320	
12	Lysol Disinfecting Wipes, 4/80 ct	"	368.40
24	Germ-X Original Hand Sanitizer with Pump Top, 67.6 oz	"	428.64
1	Lysol Disinfectant Spray 4/19 oz	"	33.50
	Food Supplies	4700	
12	Quaker Chewy	"	239.88
12	Rice Crispy Treats	"	239.88
	Other Supplies		
		Sub-total	$ 7,207.67
		Sales Tax 9%	$ 648.69
		TOTAL	$ 7,856.36

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

11512

OSE BUSINESS SERVICES

3/26/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
3/15/2013	Bill	18	7,856.36	7,856.36		7,856.36
					Check Amount	7,856.36

Wells Fargo - 7545 (N BOOKS INSTRUCTIONAL MATERIALS AND S 7,856.36

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
MAY 02 2013
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 019 Date Needed: 5/1/13

Prepare check payable to: USE Business Services
Address: 6709 La Tijera Blvd # 224
Los Angeles, CA 90045
Phone: _____

INDICATE FUNDINGSOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	ASES	Describe:	
____	Special Education		
____	Title I		
____	Title II		
____	Facilities Grant		

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Misc. Materials & Supplies					see invoice		$6,015.36

Notes: _____

Total amount of check: $ 6,015.36 prepared by: _____ Date: 4/31/13
(Administrative Assitant)

Approved by: _____ Date: 4/31/13 Authorized by: _____ Date: _____
(Director of Operations) (Executive Director)

REVISED 02.27.2013

OSE Business Services

INVOICE

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: April 18, 2013
INVOICE # 19

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies 4310		
60	Cases of Paper 8x11.5		$ 2,939.40
	Custodial Supplies 4320		
12	Clorox Bich 3pk		120.00
12	PineSol Lemon		240.00
5	Soap Hand Anti-Bac 4pk		479.94
4	Tissue Bath JJ 2PL 3.75"		199.96
12	Paper Seat Cover		120.00
6	Natural 4000 Single Fold		299.94
	Postage 5920		
16	Honey Maid		319.84
16	Rice Crispy		319.84
24	Austin Variety 45ct		479.76
	Furniture and Equipment		
	Other Supplies		
		Sub-total	$ 5,518.68
		Sales Tax 9%	$ 496.68
		TOTAL	$ 6,015.36

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

11669

OSE BUSINESS SERVICES

5/2/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
4/18/2013	Bill	19	6,015.36	6,015.36		6,015.36
					Check Amount	6,015.36

Wells Fargo - 7545 (N	MISC: MATERIALS AND SUPPLIES	6,015.36

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
MAY 28 2013
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 20 Date Needed: May 18, 2013

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

X	Child Nutrition – Federal	X	General Fund
X	Child Nutrition – State		Other
	ASES	Describe:	
	Special Education		
	Title I		
	Title II		
	Facilities Grant		

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Supplies					See Invoice		7588.23

Notes: _____

Total amount of check: $ 7588.23 prepared by: _____ Date: _____
(Administrative Assitant)

Approved by: _____ Date: 5/13/13 Authorized by: _____ Date: _____
(Director of Operations) (Executive Director)

REVISED 02.27.2013

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: May 18, 2013
INVOICE # 20

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
60	Cases of Paper 8x11.5		$ 2,939.40
4	Premiem Specialty Paper - Gold		$ 67.96
4	Premiem Specialty Paper - Blue		$ 67.96
4	Premiem Specialty Paper - Tan		$ 67.96
	Custodial Supplies		
12	Clorox Bich 3pk		120.00
12	PineSol Lemon		240.00
5	Soap Hand Anti-Bac 4pk		479.94
4	Paper Seat Cover		40.00
6	PolyGloves 6pk		329.94
6	Mop Head		150.00
2	Extra Soft BR 2000		119.48
12	Kleenex		299.88
12	Natural 400 Single Fold		599.88
	Postage		
24	Honey Maid		479.76
24	Rice Crispy		479.76
24	Austin Variety 45ct		479.76
	Furniture and Equipment		
	Other Supplies		
		Sub-total	$ 6,961.68
		Sales Tax 9%	$ 626.55
		TOTAL	$ 7,588.23

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

11807

OSE BUSINESS SERVICES

5/28/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
5/18/2013	Bill	20	7,588.23	7,588.23		7,588.23
					Check Amount	7,588.23

Wells Fargo - 7545 (N supplies 7,588.23

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID JUL 23 2013 BY:

PAID JUN 28 2013

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # _____ Date Needed: 6/26/13

Prepare check payable to: OSE. Business Services
Address: _____
_____
Phone: _____

INDICATE FUNDING SOURCE:

____	Child Nutrition – Federal	_X_	General Fund
____	Child Nutrition – State	____	Other
____	ASES	**Describe:**	
____	Special Education		
____	Title I		
____	Title II		
____	Facilities Grant		

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
							$
Books Materials, Office Supplies							$ 647.54
Custodial Supplies							$2263.39
Food Supplies							$1,005.18
Furniture / Equipment							$ 250.93
tax 9%							$375.00

Notes: _____

Total amount of check: $ 4,542.40 prepared by: LL (Administrative Assitant) Date: 6/27/13

Approved by: _____ (Director of Operations) Jason Okonkwo Date: 6/27/13 Authorized by: _____ (Executive Director) Date: _____

REVISED 02.27.2013

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: June 18, 2013
INVOICE # 21

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
12	O/I* COPY-20#/8.5X11/6-9	4350	$ 587.88
4	Envelopes 500ct	4350	59.96
	Custodial Supplies		
6	PolyGloves 6pk	4320	329.94
4	Antibactierial Hand Soap CS	4390	219.96
4	Tray Liner	4390	99.96
4	Extra Soft BR 2000	4390	238.96
12	Kleenex	4390	299.88
12	Natural 400 Single Fold	4320	599.88
24	Hard Surface Wipes 4pk	4320	474.81
	Food Supplies		
20	Honey Maid	4720	259.80
50	Austin Variety 45ct	4720	649.50
12	Water 8oz 35pk	4720	95.88
	Furniture and Equipment		
5	Programable Micro Automatic Gate Remote (HomeLink Compatible)	4390	250.93
	Other Supplies		
		Sub-total	$ 4,167.34
		Sales Tax 9%	$ 375.06
		TOTAL	$ 4,542.40

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

11946

OSE BUSINESS SERVICES

6/27/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
6/21/2013	Bill	21	4,542.40	4,542.40		4,542.40
					Check Amount	4,542.40

Wells Fargo - 7545 (N

4,542.40

:my for Young Scientists
:ster Ave.
'A 90061

Document #: _____
Vendor # _____

CHECK REQUEST

12 _____ Date Needed: 7/20/13

ayable to: OSE Business Services

_____
_____
_____

[redacted]: _____

_____ Child Nutrition – Federal
_____ Child Nutrition – State
_____ ASES
_____ Special Education
_____ Title I
_____ Title II
_____ Facilities Grant

X General Fund
_____ Other
Describe:
_____
_____
_____
_____

ch back up such as invoices, sole pt purchase order, receiving report and all supporting documents)

k: ( ) Mail
(X) Pick – Up by School

( ) Return to Originator
( ) Other: _____

ription	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
ffice?					See invoice		$2,523.80

Total amount of check: $ 2,523.80 prepared by: _____ Date: 7/20/13
(Administrative Assitant)

Approved by: _____ Date: 7/20/13 Authorized by: _____ Date: _____

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: July 16, 2013
INVOICE # 22

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
6	O/I* COPY-20#/8.5X11/6-9	4350	$ 293.94
2	Premium Heavy Weight Sheet Protectors	"	59.96
1	HL PNCH, ELE OP	"	$ 150.00
1	STPLR, 747 BUSI	"	$ 34.99
12	Ready Index J- Dividers w/ Big Tab	"	134.16
2	Safe Schools - Reference Literature	4310	92.00
2	Bullying Resolution Hanbook -Reference Literature	"	240.00
1	No Room for Bullies - Reference Literature	"	25.76
1	Parenting: Your Child - Reference Literature	"	49.22
1	Ink Cli-226-mg 686724	4350	30.00
6	Executive File Binder 4"	"	266.04
30	Heavy Duty Binder - Marron	"	359.70
30	Heavy Duty Binder - Navy	"	359.70
	Custodial Supplies		
	Furniture and Equipment		
	Other Supplies		
25	Postage 20ea	5920	220.00
		Sub-total	$ 2,315.47
		Sales Tax 9%	$ 208.39
		TOTAL	$ 2,523.86

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

12010

OSE BUSINESS SERVICES

7/26/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/18/2013	Bill	22	2,524.33	2,524.33		2,524.33
					Check Amount	2,524.33

2013-2014 fiscal year

Wells Fargo - 7545 (N SCHOOL SUPPLES 2,524.33 (1)

PRODUCT DLT104 USE WITH 91663 ENVELOPE

Invoice = 2,523.86
Pmt = 2,524.33 (1)
Δ = .47

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 23 Date Needed: 8/30/13

Prepare check payable to: OSE Business Services
Address: _____
_____
Phone: _____

[redacted]

_____ Child Nutrition – Federal
_____ Child Nutrition – State
_____ ASES
_____ Special Education
_____ Title I
_____ Title II
_____ Facilities Grant
_____ General Fund
_____ Other
Describe:
_____
_____
_____
_____

Disposal of check: ( ) Mail ( ) Return to Originator
( ) Pick – Up by School ( ) Other. _____

Description	Fund	Resource	Goal	Function	Objects/Acct	Location	Amount
school supplies					see invoice		$3,777.67

Notes: _____

Total amount of check: $3,777.67 prepared by: [signature] Date: 8/30/13
(Administrative Assitant)

Approved by: [signature] Date: 8/30/13 Authorized by: _____ Date: _____
(Director of Operations) Jason Okonkwo (Executive Director)

000206

REVISED 02.27.2013

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 2838 of 3489

OSE Business Services

6709 La Tijera Blvd Ste 274
Los Angeles, Ca 90045

DATE: August 18, 2013
INVOICE # 23

Bill To:
Wisdom Academy for Young Scientists

Quantity	DESCRIPTION		AMOUNT
	Books, Instructional Materials, Office Supplies		
5	Ink Cli-226-cy 886652	4300	$ 150.00
4	SPLS 70lb Crate Black	4300	160.00
2	Exec Fabric Exp Fl	4300	64.00
2	Ink Canon 4 bk 687147	4300	220.00
5	Ink Cli-226, bl 868562	4300	150.00
4	Ink Cli-226-ye 687057	4300	120.00
1	Ink Cli-226-mg 886724	4300	30.00
5	Premium Binder	4310	230.00
40	Red Baseline Ruled Newsprint - Grade 1	4310	423.20
16	Red Baseline Ruled Newsprint - Grade 2	4310	169.28
16	Red Baseline Ruled Newsprint - Grade 3	4310	169.28
8	College Ruled8 1/2x11 Case	4310	360.00
	Custodial Supplies		
6	Tisue Jumbo Roll 2000	4320	240.00
4	1/2 Fold Paper Seat Cover	4320	100.00
6	16g Bin Bag 500ct	4320	200.00
4	58g Recycled Material Bag 500ct	4320	280.00
2	Broom -Light Weight	4320	40.00
8	Natural 400 Single Fold	4320	360.00
		Sub-total	$ 3,465.76
		Sales Tax 8%	$ 311.81
		TOTAL	$ 3,777.87

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

12168

OSE BUSINESS SERVICES

9/4/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/18/2013	Bill		3,777.67	3,777.67		3,777.67
					Check Amount	3,777.67

2013 - 2014 Fiscal Year

Wells Fargo - 7545 (N SCHOOL SUPPLIES 3,777.67

PRODUCT OLT104 USE WITH 91663 ENVELOPE

EXHIBIT G

INDEPENDENT CONTRACTOR CONSULTING AGREEMENT
Merle Williamson Foundation dba Wisdom Academy for Young Scientists

THIS INDEPENDENT CONTRACTOR CONSULTING AGREEMENT (hereinafter "Agreement") is entered into by and between Merle Williamson Foundation dba Wisdom Academy for Young Scientists (hereinafter "School") and Jason Okonkwo (hereinafter "Consultant"), effective July 1, 2014.

RECITALS

A. SCHOOL is a non-profit corporation organized under the laws of the State of California to operate a charter school in the State of California.

B. Consultant is very experienced in operating a charter school. SCHOOL is retaining Consultant to provide services to SCHOOL as set forth below.

C. SCHOOL wishes to retain Consultant to provide such services to SCHOOL.

AGREEMENT

In consideration of the promises and of the mutual covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Independent Contracting Agreement and Services. SCHOOL hereby engages Consultant, and Consultant hereby accepts such an engagement upon the terms and conditions set forth herein. It is expressly understood between the parties that Consultant is an independent contractor and not an employee of SCHOOL. Consultant shall perform the following services: administrative support services. Consultant assumes full responsibility for the performance of his/her duties under the terms of this Agreement. SCHOOL acknowledges that it does not and will not control or direct Consultant with regard to the manner or means in which Consultant performs his/her duties under this Agreement. SCHOOL shall simply have the right to approve or disapprove the final products and/or services provided by Consultant and shall have the right to set deadlines for the completion of products and/or services pursuant to this Agreement. Consultant shall not be responsible for reporting to any officer, employee or agent in carrying out the services to be performed by him/her under the terms of this Agreement.

2. Effective Date and Term. The effective date of this Agreement shall be July 1, 2014, and the term of this Agreement shall begin on the effective date and shall remain in effect until DATE, unless terminated pursuant to section 16.

3. Confidentiality.

a. Confidential Information in General. During the course of this Agreement, Consultant may have access to Confidential Information of SCHOOL, its employees, and certain third parties such as customers and vendors. "Confidential Information" is information, which is not generally known to the public and, as a result, is of economic benefit to SCHOOL in the conduct of its business. SCHOOL and Consultant agree that Confidential

Information shall include, but not be limited to, all information developed or maintained by SCHOOL and/or its employees and and/or vendors and comprising the following items, whether or not such items have been reduced to tangible form (e.g., physical writing): contract terms, lesson plans, education plans, business development techniques, processes, inventions, development, equipment, prototypes, methods, databases, consulting agreements, product research, sales, marking and strategic plans, programming plans, advertising and promotion plans, products and "availability" information, existing and developing software products, source code, object code, technical documentation, flow charts, test results, models, data, research, formulas, ideas, trade names, service marks, slogans, forms, student lists, business forms, marketing programs and plans, business plans and strategies, layout and design, financial structure, operational methods and tactics, cost information, the identity of students or vendors of SCHOOL, accounting procedures, details, and any document, record or other information of SCHOOL relating to the above. Confidential Information include not only information belonging to SCHOOL or its customers and/or vendors, which existed before the date of this Agreement but also information developed by Consultant for SCHOOL or its customers and/or vendors during the time period that Consultant has provided services to SCHOOL, the term of this Agreement, and thereafter.

b. Restriction on Use of Confidential Information. Consultant shall not disclose to any third party or parties during or after the term of this Agreement, without the prior written consent of SCHOOL, any information relating to SCHOOL, its employees, customers, and/or vendors, or information regarding the affairs or operations of SCHOOL, including SCHOOL's Confidential Information. Consultant agrees that his use of Confidential Information is subject to the following restrictions during the time period that SCHOOL has retained Consultant, the term of this Agreement, and for an indefinite period thereafter so long as the Confidential Information has not become generally known to the public.

i. Nondisclosure. Consultant will not publish or disclose or allow to be published or disclosed, Confidential Information to any person who is not an employee of SCHOOL unless such disclosure is necessary to the performance of Consultant's obligations under this Agreement.

ii. Surrender Upon Termination of Agreement. Upon termination of this Agreement for any reason, Consultant will surrender to SCHOOL all documents and materials in his possession and/or control which contain Confidential Information. Consultant further agrees to return any and all other documents, materials, computer disks, or other items or property provided to Consultant by SCHOOL during the term of this Agreement upon the termination of this Agreement for any reason.

iii. Prohibition Against Unfair Competition. Consultant will not use any Confidential Information to engage in competition with SCHOOL at any time during the term of this Agreement or after the termination of this Agreement for any reason.

c. Solicitation of Employees.

i. Information About Employees. Consultant may be, or may have been, called upon to work closely with employees of SCHOOL in performing services under this Agreement. All information about such employees which becomes known to Consultant during the course of this Agreement, and which is not otherwise known to the public, including compensation or commission structure, is Confidential Information of SCHOOL and shall not be used by Consultant in soliciting employees of SCHOOL at any time during or after termination the termination of this Agreement.

ii. Solicitation of Employees Prohibited. During the term of this Agreement and for one (1) year following the termination of this Agreement, Consultant shall not, directly or indirectly ask or encourage any employee(s) of SCHOOL to leave their employment with SCHOOL, or solicit any employee(s) of SCHOOL for employment elsewhere. Consultant further agrees that he shall make any subsequent employer aware of this non-solicitation obligation.

d. Violations of Confidential Information, Solicitation and Written Material Clauses. Consultant agrees and acknowledges that the violation of any of the provisions contained in section 3 hereof would cause irreparable injury to SCHOOL, that the remedy at law for any violation or threatened violation thereof would be inadequate, and that SCHOOL shall be entitled to temporary and permanent injunctive relief or other equitable relief from a court of competent jurisdiction without the necessity of proving actual damages.

4. Compensation. SCHOOL shall pay Consultant for services performed pursuant to this Agreement, according the pay schedule attached as Exhibit "A."

5. Materials/Equipment/Costs. All materials and equipment needed by Consultant to carry out the services to be performed by him under this Agreement, shall be furnished by Consultant at his own expense.

6. Consultant's Obligation to Pay Taxes. All compensation called for under this Agreement will be paid without deductions or withholdings, and will be accompanied by a Form 1099 at year end. As an independent contractor, Consultant agrees that he/she will be responsible for the reporting and payment of any state and/or federal income tax or other withholdings on the compensation provided for his/her services under this Agreement. In addition, Consultant shall fill out and execute the form W-9 which is attached as Exhibit "B."

7. General Liability Insurance. Consultant expressly acknowledges and understands that SCHOOL shall have no obligation to provide general liability insurance for Consultant or his employees.

8. Corporate/Business Responsibilities/Workers' Compensation Insurance. Consultant shall be responsible for performing all duties incident to operating a business and/or corporation, including, but not limited to, obtaining all necessary licenses and paying all applicable taxes. Consultant expressly acknowledges and understands that SCHOOL shall have no obligation to provide workers' compensation insurance, unemployment insurance, health insurance or any employee benefits of any nature for Consultant. Consultant agrees to hold

harmless and indemnify SCHOOL for any and all claims arising out of any injury, disability or death of Consultant.

9. Other Activities. Consultant shall be permitted to engage in other activities for other businesses during the term of this Agreement, so long as he performs his duties pursuant to this Agreement.

10. Successors and Assigns. The rights and obligations of SCHOOL under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of SCHOOL. Consultant shall not be entitled to assign any of his rights or obligations under this Agreement without the prior written consent of an authorized officer of SCHOOL.

11. Governing Law. This Agreement shall be interpreted, construed, governed and enforced in accordance with the laws of the State of California.

12. Entire Agreement/Amendments. This Agreement reflects the only, sole and entire agreement between the parties relating in any way to the subject matter hereof. No statement, promise or different representations have been made which in any way form a part of or modify this Agreement. No amendment or modification of the terms or conditions of this Agreement shall be valid unless in writing and signed by the parties hereto.

13. Separate Terms. Each term, condition, covenant or provision of this Agreement shall be viewed as separate and distinct, and in the event that any, such term, covenant or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

14. Waiver. A waiver by either party of a breach of any provision or provisions of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.

15. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and sent by mail to Consultant at an address provided by Consultant, or hand delivered to Consultant, or to its principal office, in the case of the SCHOOL.

16. Termination. SCHOOL or Consultant each reserve the right to terminate this Agreement for any reason, upon 30 days written notice of termination.

17. Arbitration of Disputes. With the exception of any claims related to injunctive relief, which may be heard by a court of competent jurisdiction, all claims for monetary damages between the parties to this Agreement shall be resolved by binding arbitration under the commercial rules of JAMS in San Diego, California. Such arbitration shall be conducted in San Diego, California, before a single arbitrator selected through the usual and customary procedures of JAMS.

a. Any demand for arbitration shall be in writing and must be made within the time required by applicable law.

b. The arbitrator shall be a former or retired judge or attorney with at least ten years experience.

c. At the election of either party, the arbitration proceedings may be transcribed by a court reporter at the expense of the electing party and a written transcript may be provided to the arbitrator.

d. The arbitrator shall be requested to make factual findings and render a statement of decision, explaining the legal and factual basis for the award.

e. Final decisions by the arbitrator shall be rendered within ninety days from the date the arbitration hearings are completed.

f. The prevailing party shall be entitled to an award by the arbitrator of costs reasonably incurred in connection with the arbitration, including witness fees and expert witness fees, unless the arbitrator for good cause determines otherwise. Each party shall be responsible for its own attorneys' fees.

g. Costs and fees of the arbitrator shall be borne equally between the parties initially, but the arbitrator shall be requested to order restitution of such costs and fees by the non-prevailing party, unless the arbitrator for good cause determines otherwise.

h. The award or decision of the arbitrator shall be final, and binding, and may be entered as a judgment in any court of competent jurisdiction, in accordance with applicable law.

i. The provisions of Title 9 of Part 3 of the California Code of Civil Procedure, including section 1283.05, and successor statutes, permitting expanded discovery before the arbitration hearing, shall be applicable to all disputes which are arbitrated pursuant to this Agreement, provided, however, that the discovery limits in California Code of Civil Procedure section 94 shall be deemed applicable, to limit the scope and extent of such discovery.

18. Surrender of Documents Upon Termination of Agreement. Upon termination of this Agreement for any reason, Consultant will surrender to SCHOOL all documents and materials in his/her possession or control which contains SCHOOL confidential information. Consultant further agrees to return any and all other documents, materials, computer disks, or other items or property provided to Consultant by SCHOOL during the term of this Agreement upon the termination of this Agreement for any reason.

19. Counterparts. This Agreement may be executed in counterparts and, if so executed, each such counterpart shall have the force and effect of an original. A facsimile signature shall have the same force and effect as an original signature.

IN WITNESS HEREOF, the parties have executed this Agreement as of the date set forth above.

CONSULTANT:

Dated: June __, 2014

_____
Jason Okonkwo

MERLE WILLIAMSON FOUNDATION DBA WISDOM ACADEMY FOR YOUNG SCIENTISTS:

Dated: June___, 2014

By:_____

Title:_____

101806830.1

Exhibit A

EXHIBIT A
Compensation

Term of Agreement: Completion of Services

Rate: $100 per hour.

Work product to be delivered by Contractor (Check boxes as applicable, and set forth details as desired in space provided):

[ ] Oral recommendations/reports

[ ] Written reports
- [ ] Daily
- [ ] Weekly
- [ ] Monthly
- [ ] Upon Completion
- [ ] Other: Bi-weekly

Exhibit B

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

☐ Other (see instructions) ▶

Exemptions (see instructions):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

Employer identification number
☐☐ - ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at *www.irs.gov/w9*. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

EXHIBIT H

Wisdom Academy for Young Scientists

706 E. Manchester Avenue
Los Angeles, CA 90001
Phone: (323) 752 – 6655
Fax: (323) 762 – 6644

Charter Document

Petition Submitted on Appeal to the Los Angeles County Board of Education, and approved as reflected in LACOE Board Meeting Minutes on June 7, 2011.

Edward Cabil, Lead Petitioner

323-752-6655

This document reflects conditions and changes required by the Memorandum of Understanding between LACOE and WAYS.

Revisions Presented: May 20, 2014

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Introduction & Self Assessment

Introduction

Merle Williamson Foundation doing business as Wisdom Academy for Young Scientists (WAYS) is a public charter school of 520 students. WAYS became a charter school in July of 2006. WAYS is located in its original opening location in the South Los Angeles area of Green Meadows Villa. WAYS serves Kindergarten through grade five students. Now in our fifth year of operation, WAYS has quickly gained a strong reputation as an academically high performing charter successfully serving a population of students traditionally labeled as underperforming. As a charter school, WAYS is authorized by the Los Angeles County Board of Education (the "County") and the California State Board of Education, and receives public per-pupil funding, federal and local grants and in-kind donations to support its operations.

In our diligent task of seeking a renewal of the WAYS charter petition, the WAYS community has engaged an authentic and reflective examination process. We have thoroughly analyzed the strengths and weaknesses of our school community, and in doing so, highlighted our successful academic and fiscal results as well as made recommended adjustments. As a school community we are inspired by our successes and accountable to our challenges. We are committed to the ongoing vitality of WAYS and will highlight ways in which we seek to better serve our students and families. We respectfully submit this petition for charter renewal for the 2011 - 2012 – 2015 - 2016 school years.

We believe that WAYS provides a proven educational program in which all stakeholders – students, parents, teachers, community leaders and the school administration embrace a shared vision for the goal of providing a high quality, transformative learning experience that is steeped in principles of learning for the twenty-first century and is equitable for every child that joins the WAYS family.

A Brief Bio on the Founder of WAYS

Kendra Okonkwo is the founder of Merle Williamson Foundation (MWF) a California non-profit organization, and Executive Director of Wisdom Academy for Young Scientists. As a part of fulfilling her dream of giving back to her community, Kendra founded WAYS in 2005. Her mission in founding is to provide quality and enriching education for all children in her South Los Angeles community. Kendra obtained her Bachelor's Degree in Human Services with a minor in Early Childhood Education from California State Dominguez Hills and the following year, she obtained her Child Care License and Director's Permit. Kendra opened her first day-care center, Wisdom Preschool and private school in 1988, Wisdom School and Performing Arts Center.

Her awards and recognition include County of Los Angeles Certificate of Commendation, Department of Parks Award of Appreciation, President Clinton's

and Governor Davis' Award for Community Activist and Wisdom Academy Platinum Plaque for her Outstanding Contribution among many. Mrs. Okonkwo is an embodiment of a humanitarian to many and she continues to inspire children of the local community by her overflowing benevolence, words of wisdom and community outreach for South, Los Angeles.

A detailed analysis of the school student achievement data including STAR/CST, API and AYP Data

We believe the viability of WAYS' academic programs can be validated by assessment data that exemplifies WAYS success at educating those students whom the school seeks to educate. Our assessment outcomes indicate that WAYS is making an unprecedented effort in achieving its mission of providing a transformational learning climate by closing the achievement gap for African-American and Latino students. WAYS has consistently exceeded both Los Angeles Unified School District (the "District"), state and neighboring school outcomes on the California Standards Test in the areas of English Language Arts, Math and Science throughout the implementation of the charter. According to the following assessment results, WAYS has met the minimum criteria for renewal set forth by Education Code 47607.

	API	SWR	Met AYP
2009 – 2010	879	*	Yes
2008 – 2009	843	8	Yes
2007 – 2008	774	7	Yes
2006 – 2007	782	5	Yes

Our success at making AYP and achieving an unprecedented API score for our local area is but one indicator of our success. In an effort to convey a detailed composite of the WAYS' success we will employ a benchmarking strategy of our schools performance against similar schools and against public schools in our neighborhood.

API Scores of neighborhood schools (2009 – 2010)

School	API
Wisdom Academy for Young Scientists	**879**
Watts Learning Center Charter	860
96th St.	801
93rd St.	745
South Park Elem.	738

Graham Elem.	735
Compton Ave.	734
Russell Elem.	729
Grape Elem.	728
McKinley Elem.	717
LAUSD	709
Parmelee Elem.	707
Cornerstone Prep Charter	574

Among the 11 schools in our neighborhood, WAYS ranks 1st in API Scores, an accomplishment we are very inspired by.

School	SWR
Wisdom Academy for Young Scientists	8*
Watts Learning Center	6
96th St.	3
93rd St.	3
South Park Elem.	4
Graham Elem.	1
Compton Ave.	1
Russell Elem.	5
Grape Elem.	2
McKinley Elem.	2
Parmelee Elem.	2
Cornerstone Prep. Charter	1

<u>API for African-American and Socio-Economically Disadvantaged Subgroups</u>

WAYS has two significant subgroups that merit a distinct API. A comparison of the progress of these subgroups to our neighborhood schools that share the same significant subgroups highlights our achievements.

	African –	SED

	American	
Wisdom Academy for Young Scientists	881	879
Watts Learning Center Charter	858	855
96th St.	751	799
93rd St.	665	745
Compton Ave.	723	734
Grape Elem.	698	726
McKinley Elem.	682	717
Cornerstone Prep. Charter	582	570
LAUSD	662	691

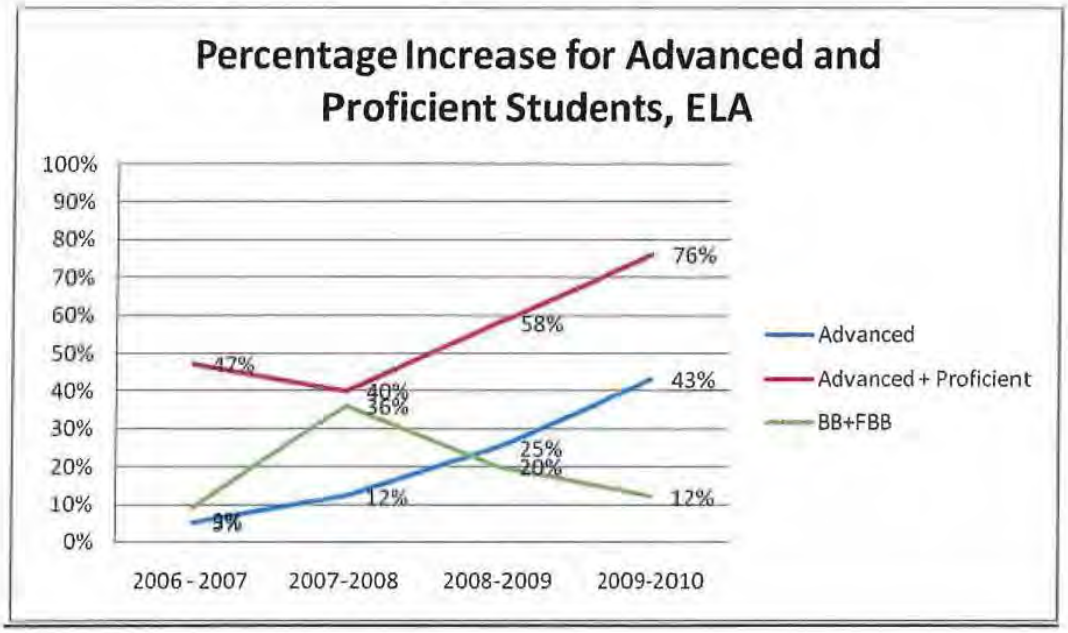
Wisdom Academy for Young Scientists ranks 1st among neighborhood schools for socio-economically disadvantaged students and African American Students.

Combined API analysis

A comparison of our API, Similar Schools Rank, and API for African American and Economically Disadvantaged students reveals that WAYS is meeting our mission of providing a transformational learning climate that empowers our students to succeed. These results also, reveal that WAYS is meeting its mission of providing a high-quality public education program when compared statewide, district wide and locally.

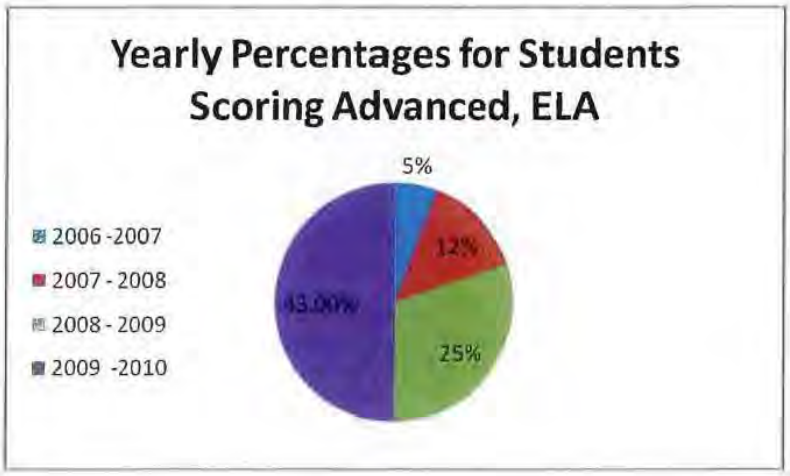
California Standards Test (CST) English Language Arts (ELA) Analysis

During our petition period, we have met our goal of continuously increasing the percentage of students that score advanced or proficient school wide while decreasing the number of students that score below basic and far below basic. WAYS students continue to show growth and exceed AYP goals with continued enrollment in the charter. This growth demonstrates a significant "value –add" for each year a student spends in the charter:



ELA trend analysis

When we compare school years by conducting an analysis of students scoring advanced and proficient, we find that overall the performance of our students in ELA has given us room for growth. When we analyzed the results of our 2008 assessments we designed new approaches to teaching reading comprehension and writing. We believe that reading comprehension and writing must be taught systematically and explicitly. We conducted an assessment of our ELA curriculum materials and at this time adopted supplemental materials to aid in the teaching of comprehension and writing. We also dedicated considerable to time to analyzing student progress in these areas. The results reflect school wide growth in our targeted areas with WAYS students who test advanced on ELA achieving yearly gains, growing from 5% during our initial testing year to 43% in 2009 – 2010.



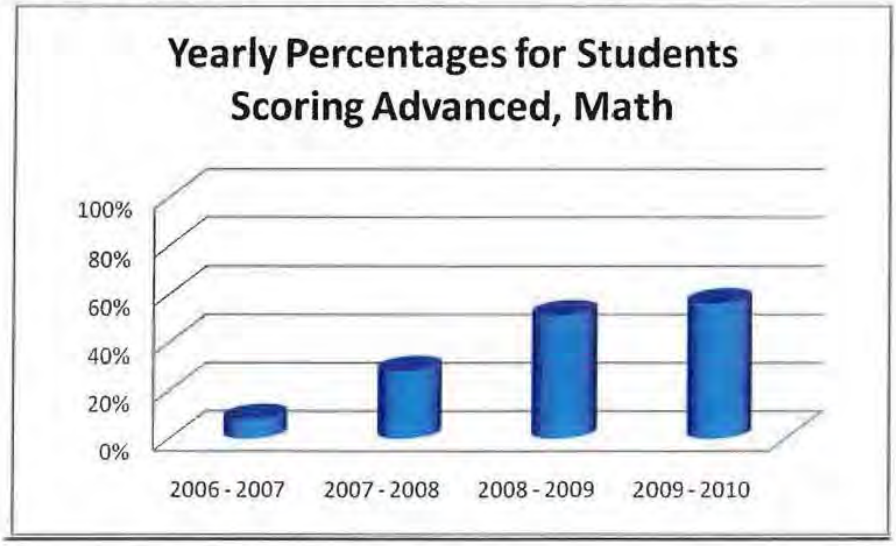
English Language Arts

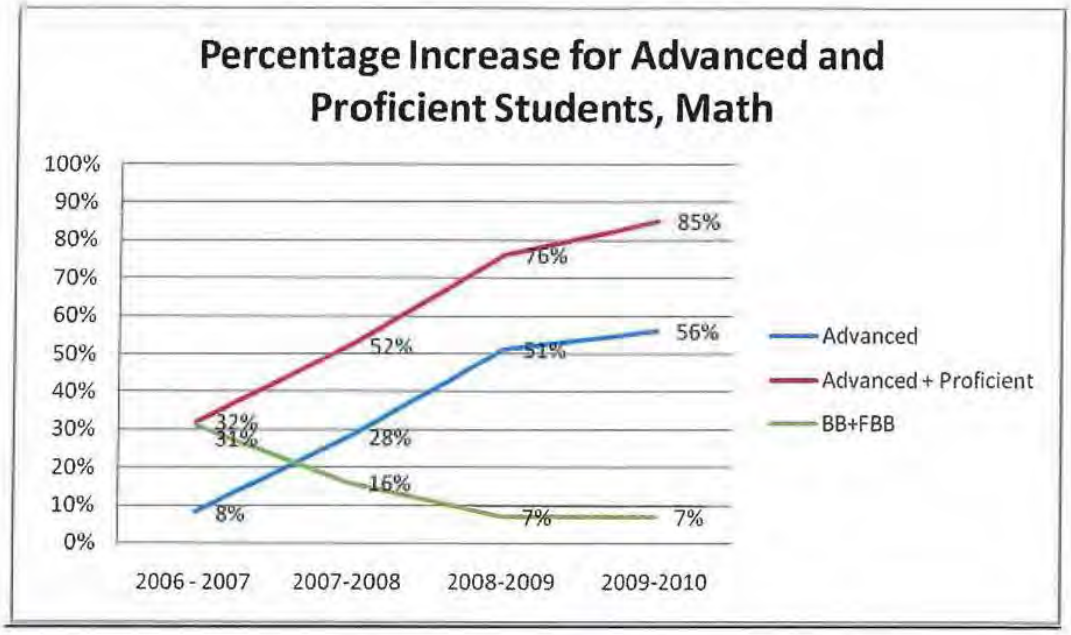
	2006-2007	2007 - 2008	2008-2009	2009 -2010
Advanced	5%	12%	25%	43%
Prof +Adv	47%	40%	58%	76%
BB+FBB	15%	36%	20%	12%

California Standards Test (CST) Math Analysis

During our petition period, we have met our goal of continuously increasing the percentage of students that score advanced or proficient in math school wide.

WAYS students continue to show growth and exceed AYP goals with continued enrollment in the charter. This growth demonstrates a significant "value –add" for each year a student spends in the charter:





Math

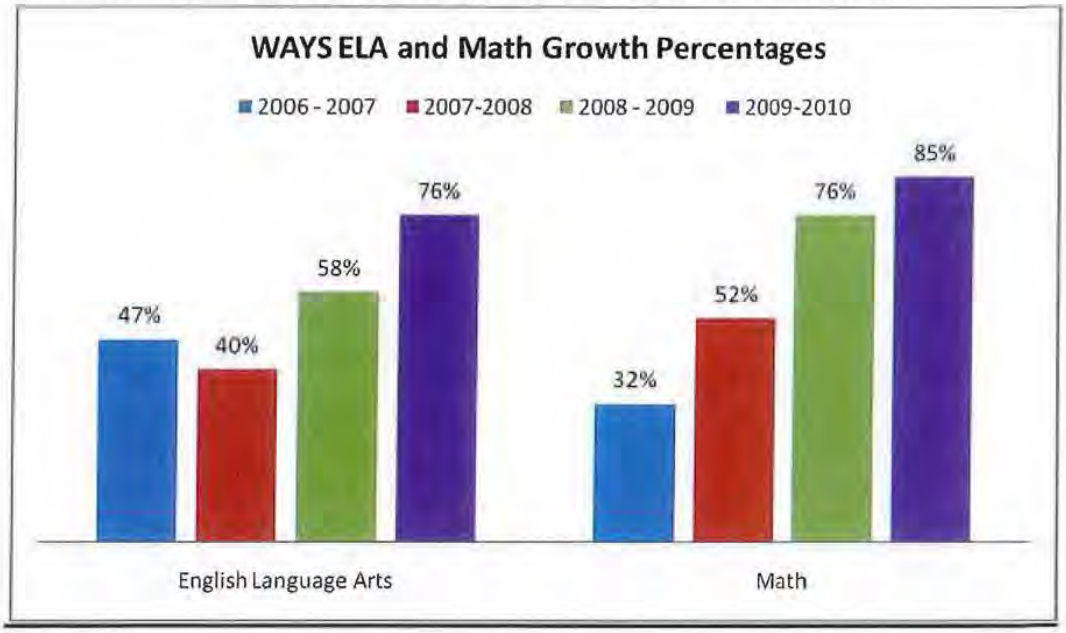
	2006-2007	2007-2008	2008-2009	2009-2010
Advanced	8%	28%	51%	56%
Adv+Prof	32%	52%	76%	85%
BB + FBB	31%	16%	7%	7%

Progress of Subgroups

When we examine the progress of our numerically significant subgroups, it is noted by the table below that each subgroup has met the school wide participation rate of 95% as well as AYP percent proficient targets during each year of testing.

Subgroups	2007 * (24.4)	2008* (35.2)	% Diff.	2009 *(46.0)	% Increase	2010	% Increase
School wide	51.9	35.9	- 16	53.7	**17.8%**	**76%**	**23%**
African American	51.3	35.4	-15.9	51.7	**16.3%**	**81**	**30%**
Socio – Eco. Disadv.	54.8	35.1	19.7	53.1	**33.4%**	**76**	**23%**

WAYS point gains for ELA and Math, Percent Advanced or Proficient



Year	English Language Arts	Math
2006 – 2007	47%	32%
2007 - 2008	40%	52%
2008 – 2009	58%	76%
2009 - 2010	76%	85%
4 – year gains	**+32**	**+53**

An explanation of how other periodic, formative assessment data is used informatively to guide instruction for all stakeholders

We believe that periodic assessments drive rigor. We regularly and systematically administer periodic and formative assessments that are given to teachers in advance, to be used as a road map to guide instruction. We use these assessments to track student progress though the year to provide meaningful data that can be used to make a difference in instruction. Beginning with the end in mind, teachers first create rubrics and benchmarks for student progress and use curriculum maps to plan their instruction for the year. An assessment calendar is generated that is aligned with curriculum maps and focuses on the standards that need to be assessed and re-assessed for proficiency. The curriculum maps and periodic assessments act as the guide for sound data-driven instruction.

We have seen an improvement in the effectiveness of teaching due to our use of software tools that allow us to successfully aggregate student data and analyze the results for strengths and weakness in instructional delivery, allowing teachers to change strategies in response to changing needs.

The results of periodic and formative assessments are regularly communicated with students and parents as part of our collaborative culture.

Actual In-Seat Attendance Rate

Year	Actual In-Seat Attendance Rate
2006 – 2007	183.09
2007 – 2008	179.06
2008-2009	180.05
2009-2010	227.74
Projected 2010-2011	265

WAYS fifth grade students at Lake Arrowhead Ranch Science Camp, Lake Arrowhead

A description of best practices that fulfilled our school's mission as well as challenges from the prior petition period

<u>We attribute our accomplishments to a variety of factors</u>

During the initial petition period, WAYS accomplished the following successes

- *Effective instructional techniques* – By creating an environment that is responsive to each students individual needs and designing lesson plans that differentiate instruction, our teachers are able to closely identify with each Young Scientists.

- *High Expectations for Student Achievement* – When one examines the programs of our school it is apparent that the strength of WAYS is student achievement. We are most encouraged by our student's performance. ISchool wide indicators of success reveal that we are meeting the goals of the charter as it is evident that our students are learning. We acknowledge that our charter is a contracted agreement with the County with student achievement as the foremost expected outcome. We further acknowledge our student achievement results:
  - We have met any required AYP in every year of operation

- We have been ranked in API decile 8 among statewide demographically comparable schools
- The academic performance of our students is greater than the academic performance of the majority of the public schools that our pupils would otherwise have been required to attend as well as the academic performance of the schools in LAUSD taking into account the composition of the student population whom we serve
- 43% of our students are scoring advanced on the CST in English language arts and 76% are scoring advanced or proficient.
- 56% of our students are scoring advanced on the CST in math and 85% of our students are scoring advanced or proficient in math on the CST.
- Less than 19% of our students are scoring at below basic or far below basic on the CST in English language arts, math
- Less than 10% of our students are scoring below basic or far below basic on the CST in science

- *Meeting the needs of Exceptional Students* – Another success we have achieved that adds to our strength of diversity is success with our exceptional population of students. Our exceptional students include students with Individual Education Plans with specific goals for Speech and Language Impairments, Development Delay, Specific Learning Disability and Autism.
- *Flexible scheduling* – Once we have aggregated and analyzed periodic and formative assessment data, adjustments in the daily schedule are sometimes needed that allow for additional time to master learning objectives that lead to standards mastery. Flexible scheduling also allows our students to delve deeper in concepts they are learning through the application of project – based learning.
- *Extended School Day/Increased Instructional Time* – Since the charter's inception, WAYS has provided a longer school day as well as a free after school program for families in need of such service. With the awarding of the ASES grant, we have been able to develop a comprehensive, academically enriched after school program that is tailored to meet the needs of our Gifted and Talented students as well as those who need intervention to progress at minimum one level of proficiency each year as measured by the California Standards Test. Students groups specific to the after school program have been created in Data Director, our assessment software program. This program is used to monitor the effectiveness of intervention and enrichment instruction provided during after school hours as well as communicate progress to parents. Physical fitness and enrichment activities such as Mock Trial, Entrepreneur's Club,

Doctor's Club, Kimya's 21st Century Nook Readers' Club, Princess, Club, Noble Men and Dance occur during the after school program.

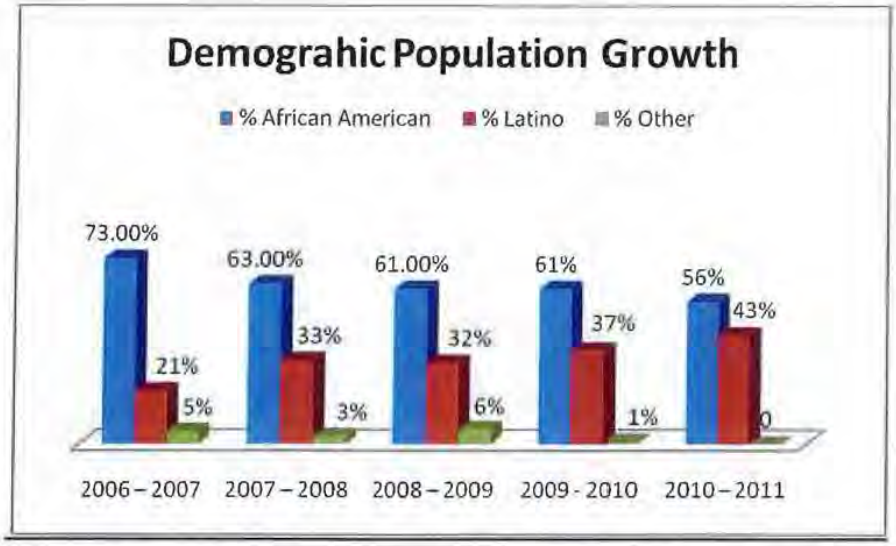
- *Integrated Core Curriculum with an Inquiry based approach* – The WAYS curriculum is integrated as a whole and connections are made between content, processes, knowledge and skills. We believe providing real time applications of what students learn increases the relevancy and meaningfulness of learning for our students. When you visit WAYS you will see classes in which all subjects are taught, multiple modalities to learning utilized with critical thinking and inquiry being promoted through the use of Bloom's Taxonomy.
- *Exemplary Science Education* - We believe we are dispelling the achievement myth that exists with underserved students and girls in science. We are making a bold attempt to prepare our students for 21st century career choices that will weigh heavily in the sciences. We are most proud of our accomplishments in science as they relate to our girls with50% of our participating girls scoring advanced in science on the CST and 78% scoring advanced or proficient in science on the CST.
- *Diversity* -WAYS is proud to support a learning environment that mirrors our community. The Green Meadows Villa area of Los Angeles is located two miles from the historic Watts area of South Los Angeles. The community has a racial mix of African-American and Hispanic -Latino residents. WAYS' student population is proud to represent both sub-groups. Our Hispanic – Latino student population has grown significantly during the petition to closely reflect that of the neighborhood. Similar to WAYS most students in the Similar Schools Rank qualify for Free or Reduced Lunch.

- *Highly qualified leadership, teachers and support staff* – Our faculty has been selected for their innovative yet complimentary talents, team attitude, diversity and commitment to urban students and their families. All of teachers and instructional aides are highly qualified and No Child Left Behind compliant. In addition to completing rigorous teaching training programs, many of our teachers have received Clear credential status

through participation in the Beginning Teacher Support and Assessment Program. Our faculty embraces the mission of the school and is encouraged to act as change agents in the lives of the students we serve.

- *Provided a transformational learning climate by succeeding with underserved students* – A feature that sets us apart from traditional charter schools is our efforts to educate the whole child and continuously find ways to meet the individual needs of all of our students We are proud of our success with underserved students. We have never expelled or "kicked out" a student from WAYS. We utilize interventions such as Student Success Team, parent education and counseling to address the unique needs of our student population.
- *Growth in Balance of Racial Ethnicity in Student Population*–We conducted a comprehensive outreach program to attract a diverse population of students, however due to our strong academic culture many of our students come to WAYS through the referral of our parents. Community involvement and engagement is an essential component of our success. We make intentional efforts to promote a school climate that systematically promotes communal bonds amongst students as well as encourages community awareness and service. Over the course of the petition period, students have learned to care for and rely on classmates of diverse backgrounds while drawing from the unique attributes of those other personalities and cultures.

School Year	% African American	% Latino	% Other
2006 – 2007	73.24	21.12	5.64
2007 – 2008	63.44	33.33	3.23
2008 – 2009	61.22	32.65	6.13
2009 - 2010	61.41	37	1.59
2010 – 2011	56.7	43.3	0



- *Student, Parent and Community Engagement* – We celebrate the success of our students with our parents and enjoy their input during monthly Family Nights. Parents serve on the Parent Advisory Council, which is elected yearly. Through their service we have held several successful fundraisers that have enabled our students to form the Student Travel and Research (STAR) program. Through the efforts of our parents, WAYS students have participated in science excursions to Ensenada, Mexico, Sacramento, Lake Arrowhead Ranch Outdoor Science Camp and the Aquarium of the Pacific, Under the Sea Stars overnight stay.

Challenges of initial petition period

Although accomplished in several dynamics, success has come with challenges that we humbly acknowledge and address

- *Leadership Transitions* –During the first year of operation WAYS was initially led by a leadership team consisting of consultants from California State University, Los Angeles. During this initial year of operation an alternative was sought to placing the leadership of the school at the direction of consultants. The WAYS Governing Board decided to hire a Principal as school leader. The first Principal of WAYS was Jan Lyle. Later during the initial year, Alake Watson joined WAYS as Principal. We are grateful for the contributions of the initial leaders of WAYS.

  In addition to the principal another leadership transition occurred with the recruitment of Loretta McDonald as Chairman of the WAYS Governing Board. Ms. McDonald has led the WAYS governing board for the past 3 years and has helped to provide sound counsel on fiscal matters as well as strategic leadership for the growth and development of WAYS. Ms. McDonald was chosen to lead the WAYS governing board for her knowledge of charter school operations and her expertise in charter

school finance and governance. She is a former charter school business executive. Ms. McDonald is a graduate of USC's Marshall School of Business and USC's Chief Business Operator Program for Charter Schools.

- *Outsourcing to a food service vendor*– We believe one important aspect of providing a transformational climate for our students involves feeding them a diet that is healthy, sustainable and nutritional in value. For this reason, we have struggled with the concept of outsourcing our meals to a food service vendor. We have made attempts to work with different vendors on menu planning and preparation; however, we feel it is most beneficial to prepare our students meals on-site. The outsourcing of our meal program is a challenge that we would like to remediate during the new petition period.

- *Facility Expansion* – Our student population continues to grow along with the reputation of the quality of our school program and although encouraged by the aspect of growth, we are challenged due to a lack of space in our current facility that will accommodate our entire student body. For this reason WAYS has a satellite site nearby in which two kindergarten classes are held.

<u>We've found a number of solutions to remediating our challenges</u>

- *To address our leadership challenges* and after careful consideration, we made another transition during our first year and hired our second Principal, Alake Watson. Ms. Watson was chosen for her strong commitment to urban education, instructional expertise on implementing standards – based, data – driven instruction and for her ability to lead a dynamic staff as a visionary. We are confident that we have the right person on board as we are experiencing outstanding school wide results under her leadership. Ms. Watson is a graduate of Pepperdine University's Educational Leadership Academy and is a current Doctoral Student in Pepperdine's Organizational Leadership program.
- *To address our challenge of meal program outsourcing* we have constructed a commercial kitchen that has received all necessary clearances for preparation of meals as commercial kitchen. (building and safety requirements)
- *To address our facility expansion needs*, WAYS is strategically planning to partner with local schools for additional space.

A detailed analysis of the extent to which WAYS has achieved its mission intended in the initial charter petition

Achievement of mission

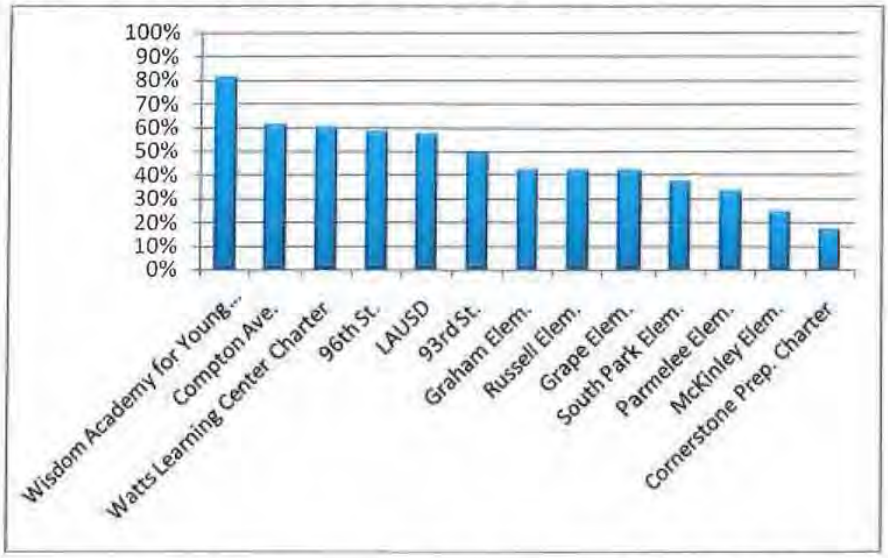
The mission of WAYS is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists. The mission is the centerpiece of the school's educational plan. The mission consists of three main concepts: Empowering students to be leaders, through high quality education that is anchored in the California State Standards, enabling them to become true scientists who are global citizens as evidenced by their participation in a rigorous content rich science program and expecting them to be leaders who will act as change agents in their local community. We have made measurable strides toward our mission during our past 4 years:

- *Closing the achievement gap for underserved students in science* – We are proud of our accomplishments in science education and more remarkably our success with dispelling the norm of low performance in science amongst girls. Through a rigorous application of the California State Standards for science we have been able to strengthen and expand our FOSS curriculum to include meaningful real-time science education for our students through high quality instruction that is standards – based, thematic and partnered with scientific organizations such as Heal the Bay, The California Science Center, The Aquarium of the Pacific, Arrowhead Lake Science Camp. For effective science instruction, teachers use the 5 E model of instruction in which teachers are to Engage, Explore, Explain, Elaborate, and Evaluate. Students learn from these guided principles through hands on activities, such as games, and projects. WAYS' students have participated in hands on science through the extensive care of animals, which they were able to "adopt" and care for during non-school hours. Our focus on science is a factor in the strength of our API score. When we benchmark the progress of our students against those in our neighborhood schools we find that our students benefit greatly from an educational program with science as a focus:

Wisdom Academy for Young Scientists	**81%**
Compton Ave.	61%
Watts Learning Center Charter	60%
96th St.	58%
LAUSD	57%
93rd St.	49%
Graham Elem.	42%
Russell Elem.	42%
Grape Elem.	42%

South Park Elem.	37%
Parmelee Elem.	33%
McKinley Elem.	24%
Cornerstone Prep. Charter	17%

When we examine the results of our neighboring schools on the CST for Science, our results reveal that WAYS leads our neighboring schools in the percentage of students scoring advanced and proficient.



- *Implementation of a rigorous California standards based education* – WAYS' educational program uses inquiry-based approach to create a student-centered learning community, and address students' individual interests, developmental levels, and learning styles. The curriculum is grounded in the California standards and adheres to the concepts and goals identified in the state frameworks. Instruction emphasizes power standards that focus on depth of instruction instead of quantity of instruction by systematically pacing instructional units. WAYS' program is structured around a dynamic and integrated curriculum that has been aligned with the California core curriculum of English-Language Arts, Mathematics, Science, and Social Science. The infusion of purposeful technology serves to stimulate students' enthusiasm and interest in linking students to the global community in the learning process.

- *Partnerships with community service organizations that promote student leadership* – Partnerships with organizations such as the American Leukemia Society and Heal the Bay, give our students opportunities to fulfill the WAYS mission of empowering our students to be leaders. Recently our students raised nearly $700.00 for the American Leukemia

Society's "Pennies for Patients" program. In collaboration with Heal the Bay our students have assisted with Malibu and Santa Monica Beach Cleanups, as well as in Coastal Cleanup Day, the world's largest volunteer event that occurs annually in September. WAYS participates as one of only a few sites that are located in the metropolitan Los Angeles area. WAYS students were recently featured in a one – hour documentary on the significance of Coastal Cleanup Day which aired on September on KTLA.WAYS' partnership with Heal the Bay began through a collaboration with the Watts Gang Task Force in which we've partnered to be active participants in remediating gang activity in the immediate area of WAYS. Each year we host Thanksgiving dinner for families and friends of WAYS and give away gift baskets of food provided through a partnership with Neighborhood Outreach Council. This is a student led event in which turkeys are given away to families in need and the entire school community is invited this celebratory event.

- *Parent Participation* - Our parents act as integral part of WAYS helping us to achieve our mission through partnering with us in their child's education. Parents are encouraged to willingly volunteer 30 hours per year as well as participate in parent education and training classes and monthly Family Nights. We created Family Nights as a means of providing our parents a window of opportunity to grasp the concepts and objectives of their child's learning through their participation in fun, hands-on activities with their children that promote the California state standards.

How WAYS meets the needs of subgroups African American, Socio-Economically Disadvantaged, English Learners and Students with Disabilities

African American

Our African – American students benefit mostly from a positive growth in school climate where high expectations for learning as well as behavior are upheld. As a Professional Learning Community, we monitor the progress of our students through supportive management tools that are tracked through Response to Intervention and Instruction(RTI^2). Through home visits we develop we develop

relationships with our students and their families that allow for a team centered approach to helping our students success.

Economically Disadvantaged

The saying, "It takes a village to raise a child" is apparent and observable at WAYS. As a school community, we believe and expect all of our students to become high achievers. We have found success with our African-American students through adopting a whole – child approach to education. We are cognizant of the fact that a child's education is socially dynamic and therefore must reach beyond the classroom to include families, extended family , teachers, *the student* and all stakeholders involved in the child's educational success. As a means of collaboration with our families, we conduct home visits, have monthly Family Nights where dinner is served to all attendees. We also partner with social welfare organizations such as Operation School Bell where children in need receive school uniforms and the Neighborhood Outreach Council which provides free food that is available to families in upon request. At WAYS we maintain an open door policy within our school community where the school administrators and teachers are highly accessible.

Implementation of program components of charter

Educational program–We are proud of our accomplishment of achieving the learning outcomes proposed in our initial petition.

Achievement of school wide goals–WAYS is achieving its mission of "growing our own scientists" by providing an educational program that gives our students early exposure to the skills that will be in demand in the twenty-first century. We have accomplished our task of achieving a "systems" approach for the sustainment of the WAYS organization. All aspects of the schools operations are effective in promoting high student achievement. Our students learn in a clean, well-maintained facility amongst caring adults who model positive interactions for our students resulting in a disciplined school environment.

Innovative Program

Several pioneering programs distinguish WAYS as an innovative educational model:

Exemplary Hands – on, Project Based Science Education Program	Cultural Diversity of Staff and Students
Incorporation of STEM initiatives	Elective Block Period - Fun Friday!
Stellar Performing Arts Program incorporating dance and physical fitness	Student Travel and Research Program – fourth grade tours to Sacramento, third grade tours to Catalina Island, fifth grade tours to Lake

	Arrowhead Ranch Outdoor Science Camp
Well Balanced Core Curriculum in which all subjects are taught	After school enrichment and intervention program
Environmental Ambassadors Program	Summer Enrichment Program - Summer Science and Dance Camps
NASA Fellow Teacher Program Participation	Awarded grant funding from the Walton Family Foundation's high Quality Charter Schools Grant, William C. Bannerman Foundation After School Education and Safety (ASES), Community Beautification and Riordan Foundation
Cognitive Behavior Counseling Program	Strong Environmental Partnerships with CA Science Center, Aquarium of the Pacific and Generation Earth
Ongoing Professional Development based on the Principals of the Professional Learning Community (PLC) and Response to Intervention (RTI) model	WASC Initial Candidacy Accreditation

21st century learning in action – what you will see when visiting Wisdom Academy for Young Scientists

- Students who are happy and love their school
- A print rich environment –a variety of reading material, non-fiction, fiction, reference, student made
- Technically rich environment with student learning enhanced by the use of computers, SMART boards, and document and video cameras
- Thematic classrooms that change periodically (per trimester) and focus on the different genres of science – life, physical and earth
- Student created graphs, charts and projects with a thematic focus
- Elective learning with a focus on art, music, crafts, dance, cooking, gardening and service learning
- A variety of activities going on at the same time
- Older children helping younger children
- Children working collaboratively to solve problems
- A demonstration of group norms of expected behavior
- A faculty committed to the success of urban students

Curriculum Framework

The California State Content Standards operates as a guiding framework for both curriculum and assessment development at WAYS. WAYS will transition from the CA State Content Standards to the Common Core Standards when deemed appropriate and mandated by the State of CA. Until such time, the CA Standards will be used in the following ways:

- Used to map curriculum into units and lessons
- Used to as a guide when writing behavioral level performance objectives for lessons.
- Incorporated into Adopted Text Program outcomes and assessments
- Used as a guide when developing formative and summative unit level benchmark performance assessment rubrics.
- Aggregated into benchmark performance indicators for tri-yearly summative benchmark performance assessment.

WASC Accreditation

To evaluate the strength of our programs, we sought an outside evaluation. As a result, WAYS is accredited with the Western Association of Schools and Colleges. WAYS received initial candidacy status in May of 2010.

Our administrative team participates as WASC Visiting Committee Members to evaluate schools seeking candidacy. Our participation on these visits provides us with a powerful tool for benchmarking the continual growth and improvement of WAYS.

We developed our Expected School wide Learning Results through participation in the accreditation process. Our ESLR's give us a framework for achieving the school's mission of empowering students to become leaders, change agents and true scientists.

Young Scientists as Global Citizens who will

- Through early exposure to science, learn on a platform that is educationally equitable
- Develop an appreciation and respect for cultural differences
- Develop a personal connection to learners of different cultures
- Communicate effectively their ideas and learning to others
- Contribute to their community through responsible actions that benefit humanity

Young Scientists as Leaders of the 21st Century who will

- Work together to solve complex, real world problems through project based learning
- Think critically and creatively

- Be Technologically literate and competent in reading, mathematics, sciences and performing arts
- Develop independence as lifelong learners and problem solvers

Young Scientists as Researchers who will

- Know how to comprehend, apply, analyze, synthesize and evaluate
- Ask essential questions
- Work collaboratively through teamwork to produce a culture of scientific discovery

Young Scientists as Thriving Learners who will

- Demonstrate confidence in their abilities and develop high self-esteem
- Learn the habits that contribute to a healthy lifestyle
- Will experience wellness through physical fitness and proper nutrition

An analysis of how data analysis and professional development were used to improve instruction

Professional development at WAYS focuses on improving the ability of teachers to ensure academic success for all learners. Although, the majority of our students are scoring on grade-level on formative and summative assessments, during the initial petition period we have found new ways to refine our instructional strategies for providing more individualized instruction that is strategically designed to meet the *academic and social* needs of our students. The Professional Learning Community (PLC) and Response to Intervention^2 models have provided a framework for implementation of our professional development goals. Additionally, strategic planning occurs that is structured by the design of SMART goals. SMART goals are Specific, Measureable, Attainable, Realistic and Timely. An example of a recent SMART goal analyzed the recent performance data of third grade students in ELA, specifically writing conventions. A SMART goal was developed to increase the percentage of students demonstrating proficiency on both periodic assessments and the CST. Strategies and action steps were developed that addressed scheduling, grouping of students into groups that delineate the level of support needed as intensive, strategic or benchmark. Through collaboration, a key component of the PLC model, grade level teams continue to monitory the performance of students in groups with the expectation of student movement to benchmark groups as well as moving up one proficiency level on the CST, within a designated period of time.

The results of our professional development planning and our expected outcomes are shared with parents at the beginning of the year during Back to School Night and ongoing throughout the year during Family Nights and Parent/Student/Teacher conferences.

How the WAYS' Governing Board has provided leadership for effective implementation of the charter

Our governing board has provided excellent leadership in matters of strategic planning, finance, law, human resources, negotiation and evaluation. Members of the board have received training in and comply with the regulations for open local government meetings set forth in the Ralph M. Brown Act. During the petition period the governing board established a finance committee, which provided incentives for increasing student achievement relative to student attendance. Their effective leadership in this area resulted in an increased average daily attendance rate of 95% for the 2009 – 2010 school year. The governing board has also formed special committees for community outreach, and public relations. The governing board meets monthly on the last Thursday of each school month. The board has fulfilled its purpose of ensuring that WAYS carries out the school mission and vision.

The District has benefited from WAYS' existence

Our charter school is a vital component of our community. Most of our students live in the immediate area and are the recipients of a high quality education. The achievement of our students is a most direct benefit of WAYS to the District. We understand our obligation to our students, their families and the District. We are grateful for the opportunity to make the kind of impact on the lives of the children we serve that will influence them to go to college, to study the sciences if they choose and to live as life - long learners.

WAYS desires to continue to make a positive impact in the lives of the children we serve by providing the kind of educational opportunities that have propelled our school to become the leading school of 3 in our local area that has an API score of 800 or above. We believe that diversity is an indication of the strength of our program and we are proud to represent the ethnic groups of our surrounding neighborhood with 57% percent of our students being African-American and 43% being Hispanic – Latino. Our parent testimonials assure us that they are committed to the further growth of WAYS. WAYS owes a great deal of its success to the leadership parents and will continue to give parents opportunities to contribute to WAYS and the community overall.

While we recognize the growth of our neighboring schools, we believe that WAYS provides a choice for a high-quality, enriched education as evidenced by the scholastic achievement of our students who would have otherwise attended other neighborhood schools.

Affirmations

As the lead petitioner, I Edward Cabil, hereby certify that the information submitted in this petition for the renewal of a California public charter school for a 5 year term, Wisdom Academy for Young Scientists also referred to herein as, "WAYS" and "Charter School", located at 706 E. Manchester Ave., Los Angeles, with satellite sites at 7651 S. Central Ave., Los Angeles, and 8778 S. Central Ave. Los Angeles , is true to the best of my knowledge and belief; I also certify that this petition does not constitute the conversion of a private school to the status of a public charter school; and further, I understand that if awarded a charter, the Charter School will:follow any and all federal, state, and local laws and regulations that apply to the Charter School, including but not limited to :

- The Charter School shall be nonsectarian in its programs, admission policies, employment practices and all other operations. [Ref. Education Code Section 47605(d)(1)]
- The Charter School shall not charge tuition. [Ref. Education Code Section 47605(d)(1)]
- The Charter School shall not discriminate against any student on the basis of the characteristics listed in Education Code Section 220 (actual or perceived disability, gender, nationality, race or ethnicity, religion, sexual orientation, or any other characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code.
- The Charter School shall admit all students who wish to attend the Charter School, and who submit a timely application; unless the Charter School receives a greater number of applications than there are spaces for students, in which case each application will be given equal chance of admission through a public random drawing process. Except as required by Education Code Section 47605(d)(2), admission to the Charter School shall not be determined according to the place of residence of the student or his or her parents within the State. Preference in the public random drawing shall be given as required by Education Code Section 47605(d)(2)(B). In the event of a drawing, the chartering authority shall make reasonable efforts to accommodate the growth of the Charter School in accordance with Education Code Section 47605(d)(2)(C). [Ref. Education Code Section 47605(d)(2)(A)-(B)]
- The Charter School shall not enroll pupils over nineteen (19) years of age unless continuously enrolled in public school and making satisfactory progress toward high school diploma requirements.
- The Charter School shall not require any child to attend the charter school nor any employee to work at the charter school.
- In accordance with Education Code Section 47605(d)(3), if a pupil is expelled or leaves the charter school without graduation or completing the school year for any reason, the charter school shall notify the superintendent of the school district of the pupil's last known address within 30 days, and shall, upon request, provide that school district with a

copy of the cumulative record of the pupil, including a transcript of grades or report card, and health information. [Ref. California Education Code Section 47605(d)(3)]

- The Charter School shall meet all statewide standards and conduct the student assessments required, pursuant to Education Code Sections 60605 and 60851, and any other statewide standards authorized in statute, or student assessments applicable to students in non-charter public schools. [Ref. Education Code Section 47605(c)(1)]
- The Charter School shall be deemed the exclusive public school employer of the employees of Wisdom Academy for Young Scientists for purposes of the Educational Employment Relations Act. [Ref. Education Code Section 47605(b)(5)(O)]
- The Charter School shall adhere to all provisions of federal law related to students with disabilities including, but not limited to, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990 and the Individuals with Disabilities in Education Improvement Act of 2004.
- The Charter School shall meet all requirements for employment set forth in applicable provisions of law, including, but not limited to credentials [Ref. Title 5 California Code of Regulations Section 11967.5.1(f)(5)(C)]
- The Charter School shall ensure that teachers in the Charter School hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools are required to hold. As allowed by statute, flexibility will be given to noncore, noncollege preparatory teachers. [Ref. California Education Code Section 47605(l)]
- The Charter School shall at all times maintain all necessary and appropriate insurance coverage.
- The Charter School shall, for each fiscal year, offer at a minimum, the number of minutes of instruction per grade level as required by Education Code Section 47612.5(a)(1)(A)-(D).
- The Charter School will follow federal, state, and local laws and regulations that apply to it.
- The Charter School shall maintain accurate and contemporaneous written records that document all pupil attendance and make these records available for audit and inspection. [Ref. California Education Code Section 47612.5(a)]
- The Charter School shall, on a regular basis, consult with its parents and teachers regarding the Charter School's education programs. [Ref. California Education Code Section 47605(c)(2)]
- The Charter School shall comply with any jurisdictional limitations to locations of its facilities. [Ref. California Education Code Section 47605-47605.1]

- The Charter School shall comply with all laws establishing the minimum and maximum age for public school enrollment. [Ref. California Education Code Section 47612(b), 47610]
- The Charter School shall comply with all applicable portions of the No Child Left Behind Act.
- The Charter School shall comply with the Public Records Act. Government Code § 6250, et seq.
- The Charter School shall comply with the Family Educational Rights and Privacy Act.
- The Charter School shall comply with the Ralph M. Brown Act.
- The Charter School shall meet or exceed the legally required minimum of school days. [Ref. Title 5 California Code of Regulations Section 11960]
- The Charter shall comply with all applicable State and Federal Laws in serving students with disabilities, including, but not limited to, Section 504 of the Rehabilitation Act ("Section 504"), the Americans with Disabilities Act ("ADA") and the Individuals with Disabilities in Education Improvement Act ("IDEA").

1 Educational Program

The address of the Charter School is located at:

706 E. Manchester Avenue

Los Angeles, California 90001

Satellite Sites at:

7651 S. Central Ave.

Los Angeles, California 90001

8778 S. Central Ave.

Los Angeles, California 90001

The phone number of the Charter School is (323) 752 - 6655

The contact person for the Charter School is Edward Cabil, Executive Director.

The term of this charter shall be from July 1, 2011 – July 1, 2016

The number of rooms at the Charter School is 13 with scheduled expansion to 25 by the end of the charter term.

The grade configuration is Kindergarten - Fifth.

The number of students in the first year will be 520.

The grade level(s) of the students the first year will be Kindergarten — Five.

The opening date of the Charter School is September 7, 2011.

The admission requirements include: Students must reside in state of CA.

The operational capacity will be 26 classrooms, 580 students.

The instructional calendar will be: 187 Days, August – May – (See Appendix A)

The bell schedule for the Charter School will be: 8:00 – 2:45, K – 5.

1.1 Attendance Requirements

Wisdom Academy for Young Scientists will adopt a school calendar with at least 180 full-days and provide more instructional minutes than required by the State of California through the use of an extended day schedule. The calendar for the 2012-2013 school year will be the similar the District's 2012-2013 Single Track Instructional School Calendar.

1.2 Statement of Intent

Wisdom Academy for Young Scientists (WAYS) is committed to developing a model comprehensive elementary program that meets the unique needs of the 21st century student. We respectfully submit this charter petition for approval by Los Angeles County Board of Education for the period of five school years, 2011-2012- 2015 – 2016. We intend to prove that a scientifically based curriculum can balance project-based learning with explicit, rigorous standards-based instruction and, in so doing, attain academic excellence.

Mission

The mission of WAYS is to create a transformational learning climate in which students become *"Empowered to be Leaders Change Agents and True Scientists"*.

Vision

The vision of WAYS is to create an educational program that educates the whole child. This includes an intentional engagement of development of the child's intellect, physical body, emotions, and spirit.

Our charter school intends to establish a program that educates the whole child. Our goals include:

- Support each student in meeting the California State Content Standards.
- Create a climate that supports each student's love of learning, psychology of success, inquiry and problem solving skills, and social and emotional growth.
- Incorporate a variety of assessment strategies including the regular use of authentic assessments, standardized tests, diagnostic tests, portfolios, and parent surveys. In addition, WAYS will create tailored aggregate benchmark assessments which will be used to measurable student performance related to key learning outcomes in core curriculum areas three times a year in all grades and use the results to make decisions related to instructional approaches necessary for the success of individual students, whole class progress evaluation, and program evaluation.
- Achieve each student's mastery of language arts and mathematics California content standards as defined in the Measurable Student Outcomes section of this petition.
- Significantly improve student connections among between conceptual understandings, practical applications, skills, procedures, content and appropriate vocabulary pertaining to each (California standards-based).
- Significantly improve student computation skills and mathematical literacy.

- Provide intentional and systematic strategies for the successful progress of our significant subgroups as well as special education students and our primarily English Language Learner population.
- Include each child's parents in the process of their education.
- Systematically teach and support students in their skills for being healthy, happy, safe, and contributing members of the WAYS community and the community around them.

1.3 School Description

WAYS will be autonomous and responsible for all aspects pertaining to the daily operation and governance of the school, including its on-site administration, site-based instruction and professional development, curriculum and methodology development, and delivery of instruction to an ethnically diverse and economically challenged student population.

WAYS will offer parents a creative and innovative educational alternative. Learning will be experientially based. The classroom atmosphere will encourage students to act independently, cooperatively, responsibly and attentively. Our program will incorporate a student-centered curriculum that is aligned with the state content standards. It will incorporate multi-age grouping of students for instruction, team teaching, experiential activities, plentiful choices for students, and an intentionally supportive and humanistic culture—all within an internally motivating environment that promotes student self-regulation rather than punishments and rewards.

We will offer a single -track traditional calendar (similar to the LAUSD single track calendar in the first year of operation).

1.4 Projected Student Enrollment and Build-Out Plan

Wisdom Academy for Young Scientists' anticipated enrollment is 520 students in grades K-5 for the first school year. The following is the student population by site and grade level:

Manchester Campus	2011 – 2012	2012-2013	2013 – 2014	2014 – 2015	2015 - 2016
Kindergarten	26	0	0	0	0
First	68	48	48	48	48
Second	22	48	48	48	48
Third	44	48	48	48	48
Fourth	24	30	30	30	30
Fifth	24	30	30	30	30
Total	**208**	**204**	**204**	**204**	**204**

Salvation Army Campus	2011 – 2012	2012-2013	2013 – 2014	2014 – 2015	2015 - 2016
Kindergarten	46	48	48	48	48
First	44	48	48	48	48
Second	44	48	48	48	48
Third	44	48	48	48	48
Fourth	44	48	48	48	48
Fifth	44	30	30	30	30
Total	**266**	**270**	**270**	**270**	**270**

Kinder Campus	2011 – 2012	2012-2013	2013 – 2014	2014 – 2015	2015 - 2016
Kindergarten	46	48	48	48	48
Total	**46**	**48**	**48**	**48**	**48**

Identification of Those Whom the School Is Attempting to Educate

The target students will be children in grades K-5 from around the greater Los Angeles area with a focus on students from the immediate residential area of Green Meadows Villa.

The nearest existing LAUSD school is South Park Elementary. Last year its student population was 82% Hispanic and 18% African-American. 63% of its students were English language learners. 97% of the pupils qualify for free and reduced price meals. WAYS strives to make its student demographic profile to be similar to that of the surrounding community.

The Los Angeles Unified School District (LAUSD) is the largest school district in California and the second largest in the nation, serving nearly 700,000 students in its schools. The district serves a diverse student population, representing dozens of ethnicities and languages, but the majority of LAUSD students identify themselves as Hispanic/Latino. Over a third of the district's students are English language learners, with the majority of these students speaking Spanish as their native language. Like most large urban districts, LAUSD serves many students from families living below the poverty line, with a significant population qualifying for free and reduced lunch through the National School Lunch Program.

A large percentage of students throughout Los Angeles currently attend underperforming district schools. Nearly one – third of LAUSD schools are part of federal Program Improvement (PI), with dozens of schools in their third, fourth, or fifth year of PI. District-wide performance on the California Standards Test for the 2009 – 2010 school year was below the state average, with 43.4 percent of students district-wide earning a proficient or advanced score on the English-Language Arts portion of the test and 48.0 scoring proficient or advanced in

math. The district's Base API score for 2009-2010 was 709, but the average for Hispanic students were lower at 686. The Average for African American students was lower at 663 compared to 849 for white students.

Among the two-thirds of LAUSD students who do receive a high school diploma, there are clear and persistent differences in college preparation among racial/ethnic groups. Students from minority groups or those raised in poverty consistently demonstrate lower levels of achievement on standardized tests and enroll in fewer college preparatory classes. As a result, poor and minority students are not adequately prepared to continue education at the college level.

We will conduct a comprehensive outreach program to attract a diverse population of students and talented teachers. Community involvement and engagement will be a critical emphasis of the WAYS II strategy. We will make intentional efforts to promote a school climate that systematically promotes communal bonds among students as well as encourages community awareness and service. Over the course of their school years, pupils will learn to care for and rely on classmates of many diverse backgrounds while drawing from the unique attributes of those other personalities and cultures.

1.5 Process for Staff Selection

At Wisdom Academy for Young Scientists, all staff shall be selected by an open, objective and competitive process. WAYS shall screen applicants for basic criteria, namely: credentials, team teaching ability/experience, years of experience, area of academic expertise. A staff selection committee initially made up of administration, board members and parents has been developed for the purpose of recruiting and hiring staff. After the initial teaching staff has been selected, teachers shall also be on the SSC. panel of educational experts, board members and the Executive Director conducted the search for the Principal .

Teacher candidates are asked to do the following:

- Submit a write up on their philosophy on teaching.
- Observe one of our teachers in class, fill out a questionnaire on their observation and participate in a short non-formal discussion with a few SSC members.
- Prepare and present a one -hour lesson to one of our classes (teachers and members of our SSC observe), followed by a short informal interview with SSC members.
- Participate in a formal interview with a majority of the SSC and all Principals.

Wisdom Academy for Young Scientists shall select its own staff. WAYS believes that all persons are entitled to equal employment opportunity. Charter School shall not discriminate against qualified applicants or employees on the basis of

race, color, religion, sex, gender identity, sexual orientation, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, or any other characteristic protected by California or federal law. Equal employment opportunity shall be extended to all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall, and dismissal from employment. Wisdom Academy for Young Scientists staff shall consist of persons who are committed to Wisdom Academy for Young Scientists philosophy.

The hiring process has been an ongoing process and has included:

Interviewing and collecting from applicants:

- Resume
- College transcripts
- References
- TB Clearance
- Department of Justice Clearance
- Credentials, licenses, etc.
- Verifying previous employment

1.6 Educated Persons of the 21st Century

The successful 21st century citizen must embody an amalgamation of self awareness, adaptability, ambition, internal motivation, intellectual prowess coupled with a broad knowledge base, advanced oral and written communication skills, advanced analytic reading abilities, creative critical thinking ability, confidence to take intellectual and emotional risks, management and collaboration skills—all under the umbrella of social responsibility, and all noted as attributes that are best established during the elementary school years when identities are developing.

Educated persons of the 21st century will require skills beyond the basic reading, writing, and arithmetic. Educated persons will require complex analytical skills combined with mutual respect, integrity, and responsible citizenship to prepare them for an ethnically and culturally diverse global society. They will have a strong and healthy self-concept and see themselves as autonomous, cooperative, respectful and productive lifetime learners. They will be self-disciplined, intuitive, self-motivated, and pro-social toward others and in their personal choices. They will be able to work and live harmoniously with others and the environment and interact in a manner that is flexible, healthy, purposeful, and creative.

Educated persons of the 21st century will understand that life existence is interconnected and interdependent and will see themselves as integral members of a diverse community. They will have developed a broad knowledge base and acquired skills that will allow them to be constructive, successful, and contributing members of society.

Educated persons of the 21st century will be:

- Intrinsically motivated life-long learners.
- Able to reflect on and evaluate one's own learning.
- Able to solve problems effectively and proactively.
- Able to communicate clearly to effectively transmit facts, ideas, emotions and opinions using oral, written, and visual language.
- Able to read, infer, and interpret a variety of print material, i.e. literature, poetry, newspapers, reference sources, texts, graphs, and applications.
- Able to discern mathematical relationships, reason logically, and use mathematical techniques effectively in practical application.
- Able to understand and apply the major strands of scientific thought, methods, facts, hypotheses, and theories.
- Well versed in the histories of the United States, of the world, and of the original civilizations, and able to use the many lessons contained therein to make responsible decisions as active members of a democracy.
- Appreciative of and exposed to experiences in the arts: music, painting, sculpting, carpentry, craft work, and cooking.
- Highly skilled in the art of collaboration.
- An accountable, responsible member of his/her community.
- Experience participation in a free and democratic society.

1.7 Goals and Objectives

1.7.1 School Wide Goals

WAYS is committed to integrity and quality in all phases of its operation. All members of the WAYS team embrace our commitment to excellence and inquiry. We believe that to be a truly effective center of learning, we must ensure that we are an effective learning organism.

WAYS will take a systems approach to developing a school-wide culture of quality, grounded in the California State Standards and the WASSC (Western

Alliance for the Study of School Climate) eight factors of Quality School Climate. These eight factors are:

1. Appearance and Physical Plant
2. Faculty Relations
3. Student Interactions
4. Leadership/Decision Making
5. Discipline Environment
6. Learning and Assessment Environment
7. Attitude and Culture
8. School-Community Relations

1.7.2 Learning Outcomes

The learning goals at WAYS are based on the development of self-responsible, intrinsically motivated, critical thinking students. Our goals are that students in grades K-5 will become proficient or better in their ability to gather, analyze and use information, communicate precisely, solve problems, work cooperatively, think creatively, initiate action, and participate in a global society all while gaining English proficiency.

WAYS' educational program will use a technology-rich inquiry-based approach to create a student-centered learning community, and address students' individual interests, developmental levels, and learning styles. The curriculum will be grounded in the California standards and adhere to the concepts and goals identified in the state frameworks. Instruction will emphasize power standards that focus on depth of instruction instead of quantity of instruction by systematically pacing instructional units. WAYS' program will be structured around a dynamic and integrated curriculum that has been aligned with the California core curriculum of English-Language Arts, Mathematics, Science, and Social Science. The infusion of purposeful technology will serve to stimulate students' enthusiasm and interest in linking students to the global community in the learning process.

WAYS will strive to use inquiry as the leading but not exclusive pedagogical approach. Inquiry, interpreted in the broadest sense, is the process initiated by the learner or the teacher that moves the learner from his or her current level of understanding to a new and deeper level of understanding. Ultimately our goals for student learning will mean:

- Becoming proficient with a wide variety of techniques for inquiry including scientific method, concept attainment, concept mapping, inductive and deductive reasoning, classification, and the interpretation of data.
- Developing an orientation toward exploring, wondering and questioning, and thinking independently and creatively.
- Drawing connections among content, ideas, and findings and relating them to one's own life context.

- Researching and seeking information.
- Become skilled at making predictions, designing research, and collecting data.
- Becoming confident in their abilities to make and test their own theories and generalizations.
- Working in research teams. Resolving conflict and differences of interpretation. Stretching their skills in different roles within a group dynamic.

Our educational program will have a positive impact on increasing the interest of girls in math and science to help fill the void of women in science and engineering fields. Most notably, WAYS will build on the success of the last petition period in which our students superseded the performance it's neighboring schools according to WAYS' most recent Academic Performance Index scores:

API Scores of neighborhood schools (2009 – 2010)

School	API
Wisdom Academy for Young Scientists	**879**
Watts Learning Center Charter	860
96th St.	801
93rd St.	745
South Park Elem.	738
Graham Elem.	735
Compton Ave.	734
Russell Elem.	729
Grape Elem.	728
McKinley Elem.	717
LAUSD	709
Parmelee Elem.	707
Cornerstone Prep Charter	574

Statewide rank of neighborhood schools 2009 – 2010

A further look at our neighboring schools also reveals that WAYS ranks 1st in Statewide Rankings.

School	SWR
Wisdom Academy for Young Scientists	8
Watts Learning Center	6
96th St.	3
93rd St.	3
South Park Elem.	4
Graham Elem.	1
Compton Ave.	1
Russell Elem.	5
Grape Elem.	2
McKinley Elem.	2
Parmelee Elem.	2
Cornerstone Prep. Charter	1

1.8 Goals of the Program

We live in an age of continuous and ever accelerating technological evolution. Demand for qualified specialists in the sciences, engineering, information, and computer technology is growing exponentially, and with it comes an increased need for highly educated specialists. As a result, many high tech companies depend on foreign specialists that they retain on work visas. Our goal is to "Grow Our Own" scientists to help fill the void.

1.9 How Learning Best Occurs and the WAYS Curriculum

At the heart of the WAYS Curriculum will be the **California State Content Standards.** These standards are mapped onto each grade level curriculum and systematically met throughout each unit of instruction. The standards will be used to benchmark each student's academic progress as well.

At WAYS we believe one-size fits all approach to teaching and learning does not exist, therefore a myriad of instructional strategies are utilized by our talented instructional staff. As in the prior petition period, **Inquiry-based Learning** will be the instructional design of preference at WAYS. Working under the principle that the instructional design for any given content or concept should be determined by that concept or content, the WAYS curriculum development process will develop the most appropriate instructional strategies to meet the necessary standards. In many situations, **Direct Instruction** will be the most appropriate means to teaching particular skills and procedures. Yet WAYS will make a commitment to incorporate inquiry-based designs whenever appropriate. Inquiry-based instructional designs include such strategies as scientific inquiry, concept attainment, mental maps, inductive reasoning, problem-based learning, classification, literature analysis, primary sources data analysis, inductive questioning, and creative and artistic design.

A large portion of the learning at WAYS will be structured using a **Project-Based Learning Approach** (Ronald J. Newell, 2003). This approach provides a means for students to take charge of their own learning by actively planning, researching, and developing an in-depth study of a topic of interest. Students will be responsible for selecting a topic, implementing the project, and taking part in an assessment and reflection process of their product and process efforts. In many cases, students will be responsible for deciding what processes they will use to achieve the project, according to their individual learning styles. It is the role of the teacher to guide the students, set expectations, facilitate questions, create clear learning targets, and offer support for learners who need more direct intervention.

Differentiated Instruction is a key instructional strategy at WAYS. Differentiated instruction is the means by which our teachers will employ intervention strategies for students that are collaboratively grouped across grade levels. Differentiated Instruction is provided for our students as identified as GATE, our Resource students as well as general population. Additionally, teachers will differentiate lessons by:

- Clear expectations and learning goals for individual students
- Differentiation of content and curriculum to provide greater access for all learners
- Developing program specific benchmarks and assessments
- Utilizing multiple modalities for learning – auditory, visual, kinesthetic
- Examining and altering instructional practices

Decisions that are made based on student data are essential to our program's success. **Data – Driven Instruction** is an additional instructional strategy that our teachers use consistently while utilizing our data software program Data Director. A transition of manual to electronic aggregation of data has greatly enabled our teachers to systematically hone in and disaggregate to identify the

standards a student has mastered as well as those that need to be re-taught. Examples of data driven practices include:

- Assessments that are aligned with the California State Content Standards
- Multi – tiered assessments - diagnostic, benchmark, district quarterly and teacher created
- Pre and post tests, re-instruction and re-assessment
- Determining individual student proficiency for specific standards

As WAYS moves into its next petition period, the focus of Data – Driven Instruction will be aimed at providing greater access to our kindergarten and first grade classes to more rigorous assessment practices. We anticipate this data will help us to glean our early elementary practices for effectiveness to off-set students basic and below basic achievement at higher -grade levels.

Curriculum Mapping – Backwards by Design

PLC – Professional learning communities

WAYS will incorporate an **Integrated Curricular Approach** across content areas. The primary thematic vehicle for curriculum integration will be a problem-based science unit. Math, reading, and social studies will be integrated into broad themes related to an authentic scientific problem. Data analysis will require the application of math skills, report writing will incorporate language skills, and research implications will inherently involve social implications. However, any of the core subject areas could be determined as the best unit anchor concept and the others would be integrated where meaningful.

Teaching will be conducted with the intention of promoting each student's **Psychology of Success or Achievement**. As one examines the idea of a success psychology it becomes evident that there are a whole series of ideas that seem to be rooted in this unifying phenomena. The terms, self-esteem, achievement psychology, intrinsic motivation, movement psychology, and success psychology are all characterized by the same fundamental components. A substantial amount of research indicates that all these orientations lead to academic success (Auer, 1992; Benham, 1993; Klein & Keller, 1990; Joseph, 1992; Rennie, 1991; Solley & Stagner, 1956). When we pair the research down to its fundamental components, we see that there are 3 factors that make up ones psychological orientation toward success. They are the following:

- Mastery-orientation vs. helpless-orientation relating to one's self-efficacy.
- Degree of a sense of acceptance and belonging.
- Internal vs. external locus of control.

WAYS will take a **Systemic Approach to Learning Context**. We hold that all aspects of the pedagogical and leadership process are related. Classroom

management is a form of instruction. Assessment is inherently instruction. Instruction is management. Empowering leadership leads to empowered teachers, which leads to empowered students. Deliberate and intentional effort from all members of the team is essential.

WAYS will **Celebrate and Support the Diversity** of our school family. WAYS will reflect diversity in its choice of curriculum content, in its choices of school traditions, and in its incorporation of the Arts to site a few examples. WAYS will continue to build on its success of addressing the needs of its diverse learners as demonstrated by its success with two significant subgroups that merit a distinct API, African American and Economically Disadvantaged:

	African – American	SED
Wisdom Academy for Young Scientists	881	879
Watts Learning Center Charter	858	855
96th St.	751	799
93rd St.	665	745
Compton Ave.	723	734
Grape Elem.	698	726
McKinley Elem.	682	717
Cornerstone Prep. Charter	582	570
LAUSD	662	691

WAYS will make a **Commitment to Parental Involvement.** When it comes to parental involvement and its powerful influence, the knowledge base is broad and clear. The most comprehensive survey of the research is a series of publications developed by Anne Henderson and Nancy Berla: *The Evidence Grows* (1981); *The Evidence Continues to Grow(1987);* and *A New Generation of Evidence: The Family is Critical to Student Achievement* (1995). Citing more than 85 studies, these publications document the profound and comprehensive benefits for students, families, and schools when parents and family members become participants in their children's education and their lives. All references to "parent" in this charter may be interpreted broadly to include the adults who play an important role in a child's family life, since other adults—grandparents, aunts, uncles, step-parents, foster parents, guardians—may carry the primary responsibilities. As students are guided through a curriculum that helps them make connections between what they are learning and their own prior knowledge and experiences, their interest in the classroom curriculum and learning is dramatically increased.

In addition, classroom teachers will be encouraged to join and will be reimbursed for membership and conference attendance in the following professional organizations:

- The National Council for Teachers of Mathematics (NCTM)
- The National Association for the Education of the Young Child (NAEYC)
- The Association for Supervision and Curriculum Development (ASCD)
- The National Science Teacher Association (NSTA)

1.10 How the objective of enabling pupils to become self-motivated, competent, life-long learners will be met by the school

The school through its employment of inquiry-based learning strategies will meet the objective of enabling pupils to become self-motivated, competent, life-long learners will be met by the school through its employment of inquiry-based learning strategies.

During inquiry-based learning experiences, students explore ideas and phenomena, tackle familiar and unfamiliar problems, then reflect on and analyze their findings with one another.

Teachers closely facilitate this process, encouraging students to inquire and investigate, to analyze, create, develop, describe, and reflect on and finally disseminate understandings. Through these experiences, on a daily basis, students learn to make choices and experience autonomy. They become self-motivated and competent learners. Students come to know that their interests, ideas and abilities are respected and valued. These experiences are carefully integrated with the knowledge, skills, and conceptual understanding identified in the California content standards.

1.12 Rigorous, Standards-Based Curriculum

Wisdom Academy for Young Scientists will offer a rigorous, standard-based curriculum that is composed of core subjects in the areas of English/Language

Arts, Mathematics, Social Science, Science, Visual and Performing Arts, and Physical Education. Common themes will be developed that are parallel and correspond to one another. In addition to academic subjects, an interdisciplinary curriculum of inquiry will be designed around themes that incorporate local and global issues in the content.

1.13 Textbooks and Supplemental Resources

Course	Textbook	Publisher
English-Language Arts, K-5	Open Court Reading	SRA McGraw Hill
Math, K- 5	Saxon Math	Saxon
Science	Foss	Delta Education
Social Studies/ Kinder	Our World Now and Long Ago	Harcourt
Grade 1	School and Family	Houghton Mifflin
Grade 2	Neighborhoods	Houghton Mifflin
Grade 3	Communities	Houghton Mifflin
Grade 4	California Studies	Houghton Mifflin
Grade 5	The United States, Making a New Nation	Houghton Mifflin

1.14 English Language Arts Curriculum

The English Language Arts program at WAYS will be based on the California State Standards and will educate students to be highly capable readers with the ability to apply their comprehension and analytical skills in becoming fully functioning citizens in our democracy. Their high levels of comprehension in all genres of text will build the foundation for academic success as they move into their middle school programs. In alignment with the State Board of Education's Framework for Reading Instruction, WAYS will provide students with reading/language arts skills instruction that will result in their ability to gather and

critically evaluate information using varied reference sources, as well as understand and analyze fiction and recognize nuances within it. Reading instruction will be an integral portion of the ninety -minute language arts curriculum. Teachers will work together in grade levels to identify state standards on which to focus. All classrooms will provide at least 90 minutes of English Language Arts instruction daily.

Integral to the WAYS Language Arts Curriculum the use of the Open Court Reading Curriculum (OCR), a research-based curriculum grounded in systematic explicit instruction of phonemic awareness, phonics and word knowledge, comprehension skills and strategies, inquiry skills and strategies, and writing and language arts skills and strategies.

Reading fine literature is one of the founding principles of Open Court Reading, and the program literature selections exemplify how different forms of literature can all express a particular theme. Through various genres, children progressively deepen their understanding of the thematic learning units presented in each grade level.

Open Court develops phonemic awareness, the alphabetic principle, and the understanding of how print works. As the program progresses, it explicitly teaches sound-spelling correspondence to support decoding (reading) and encoding (spelling) with the goal being children reading literature independently by the middle of first grade.

Beginning in Kindergarten, Open Court focuses on increasing children's phonemic awareness. Beginning with phonological awareness, children listen for environmental sounds, manipulate words, compare word length, clap syllables, and work with rhymes. Gradually, children begin to work with individual sounds, phonemes, as they learn to blend sounds to make words and segment words into their component phonemes through a clearly defined instructional sequence. At the same time, children are also developing their understanding of the alphabetic principle that sounds can be mapped onto letters as children connect sound and letters and blend them to read words.

Children using Open Court are systematically and explicitly introduced to sounds and spellings. This includes teaching letter shapes, sounds, and spellings with sufficient opportunities for students to practice and apply their phonics knowledge. Adams (1990) notes, however, that teaching sounds and spellings is not enough. Children need specific instruction on how to blend. Blending instruction in Open Court is explicit and has been recognized as instructionally sound and effective.

1.15 Test Scores Gains for Open Court Schools in California

The results in the report "Test Score Gains for Open Court Schools in California: Results From Three Cohorts of Schools" (McRae, 2002) show that Open Court schools out gain Non-Open Court comparison schools by 50 to 75 percent (19 points vs. 12 points for grade 2, 13 points vs. 7 points for grade 3) based on 3-year gain scores involving about 300 schools. The largest differences involve

schools serving concentrations of Low Socio-Economic Status students, where the differences over 3 years are most impressive (23 point gains for Open Court schools compared to 9 point gains for Non-Open Court schools). Based on 1-year gains for more than 700 schools, Open Court schools out gain Non-Open Court comparison schools by a factor of four (5.2 points vs. 1.2 points for grade 2). The results of the study provide clear and convincing evidence that students attending schools using Open Court materials acquire basic reading skills faster than students attending demographically similar schools not using Open Court materials.

1.16 English Learner Programs

English Language Learners

The School provides a comprehensive program for English learners to be successful. The school follows state procedures on classification and reclassification. Students are placed in Structured English Immersion or English Language Mainstream programs according to language proficiency, providing simultaneous instruction at the various proficiency levels. Students at Wisdom receive differentiated instruction to optimize their ability to be successful in English language arts, math and other content classes. SDAIE strategies are implemented in all programs to provide differentiated instruction and comprehensible input. English learners also receive daily English Language Development instruction to progress in their language acquisition. Throughout the year, teachers administer both formative and summative assessments, including CELDT, CST and trimester benchmarks. Students are also assessed with interim assessments for language development. Teachers use data from assessments to inform instruction, meeting in collaborative groups to design lessons that include supportive instruction strategies. This collaborative approach has allowed Wisdom to effectively close the achieve gap for EL students, as evidenced by the CST scores for this population of students.

CELDT Data

For participating students who test in CELDT annually we have seen the following results:

	2006 – 2007	2007-2008	2008 – 2009	2009-2010
Listening	459	461.47	417.8	528.5
Speaking	460.2	477.2	444.02	459.63
Reading	398	509.68	474.4	419.57
Comprehension	*	*	*	447
Writing	369	463.62	471.95	451.05
Overall	463.16	442.15	436.4	455.89

At Wisdom, English learners are placed in either a Structured English Immersion (SEI) program or a English Language Mainstream (ELM) program. Students with less than reasonable fluency in English are placed in a SEI program. Students with reasonable fluency in English are placed in a ELM program. Reasonable fluency is defined as scoring a minimum of early intermediate on each subsection of the CELDT. Students in both programs will receive English Language Development (ELD) instruction daily as well as instruction in all content areas with differentiation strategies such as SDAIE. Classes with at least one English learner must be assigned a teacher with an EL authorization, such as a CLAD, or a teacher who is actively in training for an EL authorization.

(California Education Code [EC] Section 305)A parent or guardian may request placement in an English Language Mainstream placement by requesting the placement without a waiver. However, Wisdom still has an obligation to ensure that students receive ELD and access to other core content areas from teachers who are qualified to provide such instruction

(Castañeda v. Pickard, 1981).

When a parent or guardian of an EL wishes to have his/her student placed in a program that is an alternative to SEI or ELM, a waiver is required. An alternative program is likely to be some form of bilingual education such as a two-way or dual-immersion program. Parental exception waivers shall be granted unless the school principal and educational staff have determined that an alternative program would not be better suited for the overall educational development of the student. The school has an obligation to create an alternative program if 20 parents or more within a grade request it.

(CCR, Title 5, section 11309 [b][4])(EC310,311).

1.17 ELD Curriculum

At Wisdom, we believe in defining and meeting the needs of all subgroups. During ELD instruction, Our English learner students receive instruction according to the California English Language Development Standards. In addition, Wisdom utilizes the ELD curriculum provided with our English language arts curriculum, Wonders. Wisdom utilizes the supplemental materials combined with a variety of instructional strategies to ensure the success of our EL students. These strategies include:

- Collaboration with parent and in grade level teams using RTI Success
- Modified Lessons for all five proficiency levels
- Differentiated Instruction specific to English Learners in the general education setting

- SDAIE Strategies
- Thinking maps
- Culturally relevant lessons
- SMART Boards and Document Cameras that allow for visual support

The general Wisdom curriculum caters to the four domains of English Language Development, listening, speaking, reading and writing through rich hands –on experiences such as performing arts, cooking, science projects, games and listening center activities.

1.18 MATHEMATICS CURRICULUM

The mathematics program at WAYS will educate students to be powerful mathematicians with the ability to use their deep conceptual understanding of mathematics and their proficiency with basic facts to solve both routine and novel problems. Our math program will be in alignment with the California Mathematics Frameworks and the National Council of the Teachers of Mathematics. WAYS will use a research-based text, a heavy emphasis on the development of conceptual understanding through the use of concrete material exercises, making interdisciplinary connections, and relating math to science and problem-based learning contexts. The WAYS mathematics curriculum will be aligned with the California mathematics content standards and those adapted from the Third International Study of Mathematics and Science (TIMMS).

The proven Saxon Math curriculum will form the discipline specific Math foundation at WAYS. For more than 20 years both classroom results and scientific research have shown Saxon Math to be effective. Saxon's approach to teaching mathematics is supported by solid foundational research in cognitive science, and it has been found to be consistently effective for children of varying ability levels and socioeconomic backgrounds.

The Saxon Math series was developed by first breaking down complex concepts into related increments, because smaller pieces of information are easier to teach and easier to learn. The instruction, practice, and assessment of those increments were systematically distributed across each grade level. Then the daily lessons were extensively field-tested to ensure their grade-level appropriateness and effectiveness.

At the core of the Saxon series is the premise that students learn best if:

(1) Instruction is incremental and distributed across the level;

(2) Practice is continual and distributed across the level; and

(3) Assessment is cumulative and distributed across the level.

The Saxon approach differs from most programs in that, instead of massing instruction, practice, and assessments, Saxon Math distributes them throughout the lessons and school year. Most math programs use a massed approach,

whereby instruction, practice, and assessment of a skill or concept occur within a short period of time and are usually clustered within a single chapter or unit. In Saxon Math, as students regularly encounter new increments of instruction, they are also continually reviewing and being frequently assessed over previously introduced math concepts. This approach ensures that students truly integrate and retain math concepts rather than forget them.

Research Support for the Saxon Approach

Literature suggests there is value in a teaching method that uses small, easily digestible chunks of information (Brophy & Everston, 1976; Ausubel, 1969). Studies by Rosenshine and Stevens (1986) and Brophy and Everston (1976) demonstrated the importance of using incremental steps when teaching new information. Hirsch (1996) pointed out that the human mind can handle only a small amount of new information at one time: A child's mind needs time to digest the new information, fostering memory and meaning, before the child can move on to a set of new information.

Effective incremental development involves teaching increments several times throughout a school year. This method is called "distributed instruction," or "spaced instruction." Distributed instruction is "the tendency, given an amount of time, for spaced presentations of a unit of information to yield much better learning than massed presentations" (Dempster & Farris, 1990). Foundational research has shown that distributed instruction results in greater student achievement than instruction that is not distributed (English, Wellburn, & Killian, 1934). Research has also provided evidence that student recall is superior under conditions of distributed instruction than under conditions of massed instruction (Glenberg, 1979; Hintzman, 1974). Distributed instruction has been found effective in a variety of subjects, including mathematics, science, and reading comprehension (Dempster, 1988; Hintzman, 1974; Reynolds & Glasser, 1964; English, Wellborn, & Killian, 1934). Dempster and Farris (1990) concluded that distributed instruction "is one of the most remarkable phenomena to emerge from laboratory research on learning. In many cases, two spaced presentations are about twice as effective as two massed presentations, and the difference between them tends to increase as the frequency of repetition increases."

Calvery & Wheeler's 1993 study presents the findings from a yearlong comparison of Saxon Math K-3 and the Holt Math Series at the second and third grade. When both second- and third-grade students were combined, the pretest results indicated that the students using the Saxon program scored significantly below the students using the Holt program. However, after a year of implementing the Saxon program, these students made statistically significantly higher achievement gains on the SAT 8 than the students using the Holt program. Despite starting at a lower achievement level, the Saxon program helped these students close the achievement gap and reach the level of higher performing students.

As a supplement to the Saxon program, WAYS will utilize Harcourt Math. During the second year of the initial petition, WAYS adopted Harcourt Math. Harcourt Math was chosen for its strong alignment to the California Content Standards as evidenced by publications of California editions and research based best practices as defined by research. These best practices include

- Practice
- Explicit instruction
- Questioning strategies
- Use of visuals

According Geary (1994), *Practice* is important for reinforcing students' knowledge and for preparing students to move on to new topics and new types of problems. Review helps students retain knowledge and improve performance. Additionally in Harcourt Math, *Explicit Instruction* is facilitated by clear development in every lesson. In the Teacher's Edition for all grade levels, explicit instruction is developed through Guided Instruction, which includes questions, that help students connect the lesson topic to previously learned material, facilitate conceptual understanding and efficient skill development, and help students avoid common errors. Regarding *Questioning Strategies*, in Harcourt Math in a given lesson four or five good, open- ended questions challenge students to analyze, apply, react to, or reflect on content. Providing students time to answer results in more comprehensive, higher-quality answers (Rowe 1974). In Harcourt Math the *Use of Visuals* accompany questions and teaching suggestions are included throughout the program. Visuals are used to help teachers provide critical scaffolds to understanding and therefore, memory.

1.19 Science Curriculum

Wisdom will utilize the Full Option Science System (FOSS) developed at the Lawrence Hall of Science, University of California at Berkeley. The FOSS developers are dedicated to the proposition that students learn science best by doing science. Teachers and students do science together when they open the FOSS kits, engaging in enduring experiences that lead to deeper understanding of the natural world.

FOSS is a complete and effective K–8 science curriculum. FOSS includes student books, field-tested materials and investigations, a friendly teacher guide, assessment tools, a web site for students, parents and teachers, and much more. FOSS also provides teacher support, including professional development and materials management.

With the FOSS program, teachers and students "do" science together. The science curriculum is taught as an active enterprise that emphasizes students' abilities and capacities. The FOSS kits are hands-on, engaging, and lead to a deeper understanding of the natural world.

The FOSS program is adapted for Spanish speaking English Learners. It includes interdisciplinary activities for math and language arts as well as activities conducted at home to enhance parent participation.

FOSS will be used in conjunction with teacher made science projects that will cover the California content standards for science.

In her study "Project Inquiry: Effects of Professional Development on Science Achievement" (May 2003), Carol Temple of the Charleston and Berkeley County schools presents data from a comprehensive evaluation of FOSS. The evaluation design included both Charleston and Berkeley County schools and assessed the relationships between FOSS inquiry-oriented instructional components and science achievement on two different assessments.

Results from the evaluation provide evidence that teachers who were trained by staff to implement standards-based, inquiry-oriented instructional strategies and who use the FOSS science materials purchased by Project Inquiry had students who performed significantly higher on both science assessments. In addition, students whose teachers asked questions requiring application, analysis, synthesis and evaluation performed better on the performance and constructed/open-ended response assessment tasks than students of teachers who asked knowledge and comprehension questions alone.

The basic principles of the science program will advance scientific knowledge by requiring all students to observe objects and events, think about how they relate to what is known, test their ideas in logical ways, and generate explanations that integrate the new information into the established order. Thus the major focus in science will be what we know (content) and how we come to know it (process).

Developmentally appropriate science exploration will be designed for each grade level that are mapped by California Standards and divided into units. In each unit, scientific concepts will be introduced that create and foster cooperative learning groups, projects to result in a deep understanding of natural things. For example, the second grade curriculum will emphasize "How Things Around Us Are Connected and Interrelated" by studying interactions, energy, light and sound; the invisible force, inside and outside the earth. In third grade the larger concept will be build around "How Things Around Us Vary and How We Can Affect Change"—simple experiments; electrical energy; tine change; astronomy; classification of organisms; animal studies.

The thinking processes at the kindergarten level will be comparing, communicating, and observing; grades 1-2, beginning organizing, comparing, communicating observing; grades 3-4 – advanced organizing, comparing, communicating observing; grade 5 – relating, organizing, comparing, communicating and observing.

1.20 Social Studies Curriculum

The Wisdom Academy for Young Scientists will maintain our objective of producing citizens who internalize social responsibility. Our students will study diverse peoples, both modern and historical, to highlight the similarities of human

needs and goals shared among peoples. Inherent in this lesson is the development of understanding and validation of diverse cultures. A key element of such study is becoming aware of the experiences and perspectives of differing cultures. This requires an in-depth focus in lieu of a superficial, shallow awareness of many different peoples. In our shared commitment to the Ten Common Principles set out by the Coalition of Essential Schools, we simultaneously adhere to Mastery of California State standards to insure that students learn to use their minds well while we engage students in these interdisciplinary "living" studies. We will use the Houghton-Mifflin series of social studies textbooks that are compatible with the California State Social Studies Standards.

1.21 Physical Education

The physical education program will provide a balance between physical fitness, social development and body awareness. The program will be based on the California State Standards . Fitness gram will be utilized and serve as a guide to set benchmarks for the program. There will be units on dance, gymnastics, basic body conditioning, body health and nutrition. Games will be used to promote participation and cooperation skills. The students at the Wisdom Academy for Young Scientists will learn the importance of maintaining a healthy mind and body. The philosophy is that "Everyone Can" and all students possess the capacity to take care of and feel good about their bodies, and to have positive relationships with others.

The primary goals of the Physical Education program are:

- Movement Skills and Body Awareness.
- Self-Image and Personal Development.
- Social and Cooperation Skill Development.

1.22 Visual and Performing Arts

The California State Standards for visual and performing arts will form a bridge for the students at WAYS to achieve excellence. The arts program will support and extend the learning experiences for students in basic literacy and advance skills in Language Arts, Math, Science, and History-Social Science. The arts program will engage students in meaningful activities and lesson sessions involving analytical and creative thinking and help them practice discipline and team work to deliver student produced products. Wisdom Academy for Young Scientists recognizes the "arts" program as an essential learning dimension to excellent teaching and learning. The arts program will celebrate cultural diversity in dance, painting, music forms and theory from a global perspective.

Wisdom Academy for Young Scientists will offer a visual and performing arts program that is aligned with the national and CA state learning standards. These standards recommend that students should:

- Be able to communicate in four arts disciplines – music, visual arts, dance and theatre.
- Be able to communicate proficiently in at least one art form.
- Be able to present basic analyses of works of art.
- Have an informed acquaintance with exemplary works of art from a variety of world cultures and historical periods.
- Be able to relate various types of arts knowledge and skills across the arts disciplines.

1.23 SPECIFIC GOALS FOR PROVIDING AND ENSURING EQUAL ACCESS TO ACADEMICALLY LOW ACHIEVING STUDENTS

WAYS will provide and ensure equal access for all learners, including gifted, special education students, English Language Learners and at-risk students, by:

- Creating an environment responsive to the different learners.
- Differentiating the curriculum to meet each learner's needs.
- Extended School Day/Increased Instructional Time.

Additionally, at WAYS a culture of high expectations is present for all learners. The WAYS Professional Learning Community (PLC) provides a means for improving the instructional outcomes for all students and achieving the ultimate goal of PLC work is to ensure that all students learn. Therefore, the PLC at WAYS is also, accountable to the specific needs and success of our significant subgroups.

Through PLC work, grade level teams meet to identify students who are not yet proficient on benchmark and summative assessment results. The specific strategies for PLC work involve a committee of educators work together to identify current research and practice that addresses the needs of below proficient students in similar demographic subgroups (in the past it has been a commonplace finding of this committee to determine a need for extended learning time). The committee further researches best practices that are currently being implemented in similar school settings, reviews current research and works as a team to fit the most promising practices into our reality. The student Intervention process begins early in the school year with this review. Concurrently, we analyze a variety of data, including: CST results; California English Language Development Test (CELDT) scores, classroom performance and student work. Through this initial analysis, students who appear to be non proficient or underachieving are identified. Teachers then follow up on each individual student by reviewing cumulative records, previous interventions, assessments, report cards and other data. By the beginning of September we

meet in grade level teams, highlight individual student concerns and brainstorm possible accommodations and future actions, including intervention.

Once students are identified for intervention, small groups are formed for differentiated instructional time during class and after school. Parents are informed about the options. If added supports are needed a Student Success Team meeting is held.

To further address the needs of all learners WAYS utilizes the Response to Intervention model. This model was implemented as a tool for guiding data – driven decision making that is specific to personalized to highlight the individual needs of our students.

Additionally, Universal Design for Learning (UDL) is utilized and is a part of the RTI approach in which tools are provided in the general education classroom to create an environment in which students with a variety of learning styles and needs have easier access to the curriculum. Some of these tools include: document projectors so that all students have large, clear visual input of textbooks and worksheets, and SMART Boards for optimum interactive learning opportunities for all students. Furthermore, our Response to Intervention Program has been developed overtime and has molded in response to the individual unique needs of our students. A description of the specific strategies used is outlined below:

Tier I

Initial interventions are all in the classroom and are provided by the classroom teacher. In every classroom, there is systematic small group instruction that focuses on equal access to the curriculum. Based on common assessments, teachers review and/or re-teach all high stakes concepts as needed. They also provide adequate guided practice time to ensure mastery of the concept. Scaffolding strategies are consistently used to support struggling students. These include cooperative learning, small groupings, and S.D.A.I.E. strategies. Classroom interventions are further supported at some grade levels by instructional assistants working under the direction of the classroom teacher. This is a well coordinated effort that immediately supports or extends all learning.

There is additional phonics review (first and second grade only) for struggling students. Students are recommended based on diagnostic assessments such as BPST and/or DIBELS scores.

The DIBELS program is used by **kindergarten and first grade** teachers to identify students needing extra help as early as possible. It provides a consistent looking glass for the identification of at risk students at the earliest possible point in the system. DIBELS data will guide the summer instructional academy for kindergarten and first grade.

Tier II

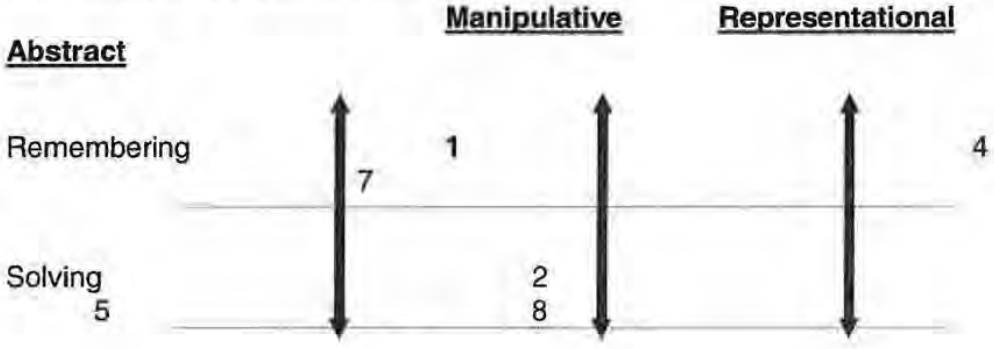
The second level of intervention contains additional support outside the classroom. Our Extended Learning Programs strategically address the needs of struggling students that need more than differentiated instruction.

The report by Julie Aronson, Joy Zimmerman and Lisa Carlos, sponsored by the US Department of Education, "Improving Student Achievement by Extending School: Is It Just a Matter of Time." Is the basis for the design of our Extended Learning Program. Additionally, Mike Schmoker's work, "Results Now: How We Can Achieve Unprecedented Improvements in Teaching and Learning" will be referenced to help formulate specific planning for extended time. The research referenced indicates that academically at-risk students benefit from **extended** instruction, with additional time identified as a more effective practice than pull-out programs. Throughout the implementation of the extended day program, evaluative measures will be taken to ensure relevancy with educational theory and practice.

To ensure a continuum of services for students not yet proficient, the Extended Learning Program will be implemented throughout the five year petition period if needed. The program will be monitored by the school principal. Multiple measures will be used to identify students that would benefit from additional instruction. At the beginning of each year all students K - 5 grade who score below 325 /Basic in reading/language arts or mathematics, or below advanced on the CELDT will be initially enrolled in an Extended Learning class. At each quarter, benchmark assessments will be examined and additional students who are scoring below proficient will be added to the program.

Inquiry Based Learning

Built in to all inquiry-based learning activities will be a cognitive map to success used by the teacher for each student. The model below depicts this Cognitive Developmental Sequence. All instruction will include a solid grounding in concrete investigation (point #3), and sufficient processing at the representational level (point #6) before assuming students can work confidently with any concepts, theories, principles, or abstractions. As teachers and students each become comfortable working through this sequence, they both gain confidence that there are no students that will be left behind.



Investigating 3 6
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Learning targets within the pedagogical task will be clarified so that the teacher can a) intervene in the learning process for those learners that need support and b) provide enrichment and extension activities for those students that have demonstrated mastery of the concept.

Learners of all abilities will be offered curriculum topics that are relevant to their lives and encouraged to make ideas personally meaningful.

A continuous process of pedagogical reflection will be undertaken to find solutions to helping struggling students meet the most challenging standards.

Each learner's knowledge, understanding, and interest will be assessed formally and informally throughout each unit of instruction. Individual learner needs will be assessed using a variety of measures such as school designed tests and performance assignments, state-mandated standardized tests, Open Court Assessments, Saxon Math Assessments, The Paragon Learning Style Inventory, teacher assignments, portfolios, etc. Students identified as Gifted and Talented will be provided more and advanced academic challenges, opportunities to peer tutor, and individualized home-based projects.

The extended school day at WAYS provides an opportunity to meet the aforementioned needs through increased instructional time. Since the charter's inception, WAYS has provided a longer school day as well as a free after school program for families in need of such service. With the awarding of the ASES grant, we have been able to develop a comprehensive, academically enriched after school program that is tailored to meet the needs of our Gifted and Talented students as well as those who need intervention to progress at minimum one level of proficiency each year as measured by the California Standards Test. Students groups specific to the after school program have been created in Data Director, our assessment software program. This program is used to create formative assessments that allow us to monitor the effectiveness of intervention and enrichment instruction provided during after school hours as well as communicate progress to parents. Physical fitness and enrichment activities such as STEM, Girl Scouts, Drill Team, Drama, Dance and Art occur during the after school program.

1.24 English Learners

Wisdom Academy for Young Scientists will meet all requirements of State and Federal laws relative to program components and student achievement expectations for English Learners. Students will be identified, provided supporting instructional programs and reclassified in accordance to the Federal Program Monitoring (FPM) regulations. Students will be identified as less than reasonably fluent in English or reasonably fluent in English and placed in

Structured English.. Immersion or English Language Mainstream programs correspondingly. Both of these programs are simultaneous instruction programs, meaning that both programs provide ELD and content instruction. Students will receive differentiated instruction based on their needs and English language proficiency. (California Education Code [EC] Section 305)

All English Learners will participate in the core California standards-based curriculum appropriate for their grade level as fully as their English language fluency will allow. To accelerate learning English and the mastery of the standards-based curriculum, teachers will provide special assistance during regular instruction and , if needed, tutorial assistance will be provided outside of core class time.

Although classes will be diverse, with English learners and English-only students in the same classes, English Learners will receive the support of the SEI program or the ELM program in which they are placed. Teachers will to provide ELD and comprehensible input . To support the curriculum. ELD will be provided daily for 45 minutes It will emphasize the four domains: listening, speaking, reading and writing. ELD will be based on the Common Core ELD Standards.

The School will continually explore innovative ways and implement successful practices by which English learners can achieve their fullest potential.

Comprehensible input for curriculum will be presented to English learners utilizing Specially Designed Academic Instruction in English (SDAIE) techniques. This will include instruction utilizing sheltered English, cooperative learning groups and small group instruction. Sheltered English includes strategies that make language comprehensible. This requires an awareness of the student's prior knowledge and experiences, consistently building on background knowledge, using visuals, focusing on 1-2 major concepts and drawing out the main points. Cooperative grouping of students will encourage a peer coaching atmosphere and a high level of motivation to communicate and, thereby, exercise oral language skills. Small group instruction will allow opportunity for individualizing the instruction to the needs of those particular students who have additional needs.

Wisdom's hands-on curriculum will enrich all curricular areas by emphasizing four critical elements: content, connections, comprehensibility and interaction. Instruction will be organized to assure a high frequency of interaction between students and other students, their teachers and the curriculum activities. English language methodologies, in close alignment with constructivist practices of our program, will stress the use of students' background knowledge, visual perceptual skills and modeling. Teachers incorporate modified presentations by using pictures, songs, props, gestures, dramatization, and relevant displays. Appropriate pacing and integration of reading, writing, speaking and listening will be applied.

1 Structured English Immersion Program□This program is designed to provide instruction overwhelmingly in English with primary language support in order to

acquire the academic English Fluencythey need to meet grade level content standards.

In accordance with Title III of the No Child Left Behind Act of 2001, states must establish performance targets, or annual measurable achievement objectives (AMAOs), to

Which districts are held accountable. The AMAOs to which our English Learners are held accountable are:

- AMAO 1: Make annual progress toward achieving English proficiency, as measured by the CELDT
- AMAO 2: Achieve and maintain English proficiency, as measured by CELDT
- AMAO 3: Demonstrate adequate yearly progress in English Language Arts (ELA) and □Mathematics as measured by the California Standards Test (CST scores), or the California Modified Assessment (CMA)

Wisdom recognizes that the development of□ formal or academic English is a key instructional goal for English learners, beginning in the primary grades. Wisdom will provide curricula and supplemental curricula to accompany core reading and mathematics series to support this. This will be accompanied with relevant training and professional development provided by outside sources and by the English Learner coordinator.

Wisdom will ensure that are teachers of English learners devote approximately 60 minutes a week to instructional activities in which pairs of students at different ability levels or different English language proficiencies work together on academic tasks in a structured fashion. These activities practice and extend material already taught.

A 45-minute block is devoted to ELD instruction, while proficient and English-only students have opportunities to work in small flexible grouping on activities such as re-teach or pre-teach activities, partner reading, writing projects that are in different phases of the writing process, sustained silent reading, Daily Oral Language, math, projects and journal writing.

Reclassification Procedures

Reclassification procedures utilize multiple criteria in determining whether to classify a pupil as proficient in English including, but not limited to, all of the following:

- Assessment of language proficiency using an objective assessment instrument including, but not limited to, the California English Language Development Test or CELDT. Students may take an alternative test as well as refine specified by the IEP if the board approves an alternative test.
- Participation of the pupil's classroom teachers and any other certificated staff with direct responsibility for teaching or placement decisions of the pupil to evaluate the pupil's curriculum mastery.

- Parental opinioand consultation, achieved through notice to parents or guardians of the language reclassification and placement including a description of the reclassification process and the parents opportunity to participate, and encouragement of the participation of parents or guardians in the reclassification procedure including seeking their opinion and consultation during the reclassification process. □
- Comparison of the pupil's performance in basic skills against an empirically established range of performance and basic skills based upon the performance of English proficient pupils of the same age that demonstrate to others that the pupil is sufficiently proficient in English to participate effectively in a curriculum designed for pupils of the same age whose native language is English.

Strategies for English Learner Instruction and Intervention

The English Language Development program is a process through which the students achieve advanced fluency in all areas of language: listening, speaking, writing, and reading. Instruction is differentiated to address specific needs. Students are actively involved in questioning, collecting data, reflecting on the information, using the information, and assessing their work. In addition, the culture and home language of our students are valued, respected, and incorporated into the learning process. Students are aided in comprehensible input through SDAIE strategies, and develop academic English through systematic and comprehensive English Language Development instruction.

Identification

Potential new EL students are first identified according to the Home Language Survey. Students whose Home Language Survey indicate a language other than English are tested using the California English Language Development Test upon enrollment. Their scores on the CELDT determine their individual proficiency level for purposes of planning their instruction.

Parent Involvement and Notification

Once an English learner student is identified, a conference is scheduled with the parent to outline the instructional program, the teachers' role in implementing the instructional program, the school's role in supporting the instructional program, and the parent's role in supporting the student to succeed.

Instructional Materials

Wisdom uses the following instructional materials and instructional resources to support English learner students: classroom instruction is aligned to ELD instructional framework and standards, English Language Arts textbooks and materials are state-adopted and contain a built-in ELD component, supplemental ELD material. Each classroom contains a culturally relevant classroom library, classroom instruction incorporates the use of hands-on activities using objects and artifacts related to real life, and manipulatives, and technology is used as a

tool for language acquisition.

Special Education Considerations for English Learners

Wisdom Academy for Young Scientists maintains careful consideration for English learners referred to special education and English learners with a disability, as documented on IEPs and 504 plans. The school has created a framework for strengthening ELL academic support; improving the methods by which educators gather information; and building a collaborative team to manage this process.

When English learners have testing accommodations, then these testing accommodations transfer to the testing of their English development. Assessment accommodations are changes in testing materials or procedures that enable students to participate in assessments in a way that assesses abilities rather than disabilities. Without accommodations, the assessment may not accurately measure the student's knowledge and skills. Each English learner with disabilities is assessed for English language development using accommodations, modifications, or alternate assessments for the CELDT if specified in the pupil's IEP or 504 Plan (5CCR 11516.)

Wisdom Academy for Young Scientists maintains additional considerations for English learners referred to special education evaluation. The school strives to ensure that English learners are not overrepresented or underrepresented in special education and that their referral to special education is not based on English proficiency (Diana vs. State Board of Education (1970)). The school follows all regulations set by IDEA in the assessments of English learners. Assessments and other evaluation materials used to assess English learners are selected and administered so as not to be discriminatory on a racial or cultural basis. Assessments are also provided and administered in the child's native language or other mode of communication and in the form most likely to yield accurate information on what the child knows and can do academically, developmentally, and functionally, unless it is clearly not feasible to so provide or administer. (20 U.S.C. 1414(b)(1)-(3), 1412(a)(6)(B))
Because Wisdom for Young Scientists understands that English learners have special consideration, the SST and IEP team will include staff member designated as the English learner advocate. This staff member will, at minimum, hold an EL authorization, such as a CLAD. This EL advocate will, as part of a multidisciplinary team, consider the language needs of ELs when developing, reviewing or revising IEPs. The EL advocate will be responsible for observing the student and ensuring that appropriate interventions are created and monitored. Assessment results must be considered by individuals knowledgeable about the child, assessment, and placement alternatives. (IDEA 1997)

Parents must understand the proceedings of IEP meetings and parents have the right to an interpreter at all SST and IEP meetings. (IDEA 1997)

1.17.1 English Learner Identification and Annual Assessments

All initially enrolling students at Wisdom will complete a Home Language Survey. If a language other than English is indicated on the survey, the California English Language Development Test (CELDT) will be administered within 30 calendar days to determine English proficiency. Results of the initial assessment will determine whether a student is classified as an English learner or as Initially Fluent English Proficient (IFEP). The results of the CELDT will be shared with parents and program options will be discussed. Initially, EL students will be placed according to CELDT results in either a SEI or ELM program. Annually, all EL students will continue to take the CELDT within the annual testing window or any approved alternative assessment per their IEP. Results will be shared with parents annually CELDT results will determine annual placement and placement will be shared with parents.

(20 U.S.C. §§ 6312, 7012)

Wisdom has created a reclassification process in order to transition students from EL status to Reclassification Fluent English Proficient (RFEP). Reclassification criteria has been approved based on state board of education criteria. This criteria includes both CELDT and CST results, or alternative assessmentif specified by a student's IEP. Students need to score early advanced or higher overall and intermediate or higher on all subdomainsand achieve a minimum score of 325 on the CST. Parents and teachers are also asked to participate in the reclassification process.

(CELDT) (EC § 313(d)(1); 5 CCR § 11303(a); (EC § 313(d)(4); 5 CCR § 11303(d)); (EC § 313(d)(2); 5 CCR § 11303(b)); (EC § 313(d)(3); 5 CCR § 11303(c).)

In addition to year-end summative assessment, Wisdom Academy for Young Scientists assesses all EL students systematically throughout the year using trimester benchmarks. Ongoing assessments include curriculum-based unit assessments and language development assessments EL portfolios will be maintained for each EL student and incorporate ELA standards acquisition, written observations and work samples.

For purposes of NCLB Title III accountability, English Learners will meet the federal and state AMAO targets—specifically ensuring that students enrolled in the school make at least one level of growth on the CELDT annually, and the school will ensure that at least 50% of EL students enrolled for four years will be at the Basic level or above on the STAR tests and that all students enrolled for five years will be at the Basic Level or above on STAR tests.

Monitoring of Students Progress, Program Implementation and Annual Evaluation

Student achievement will be monitored and summarized in ELD, ELA and math along with the curricular goals of the school. The language acquisition rate of students will be monitored through ongoing classroom assessments, focused assessments and benchmark assessments—in addition to the CELDT and STAR programs.

Implementation of program components will be monitored as well as student achievement. Classrooms will be visited regularly through learning walks using observational protocols. The results of the observation will be shared with staff and stakeholders to evaluate program implementation annually..

Parents of English Learners

Wisdom works collaboratively with parents and actively encourages parental involvement. Parents of English learners will receive annual notification of CEDLT results and program placement through written materials and annual meetings.

(EC § 52164.1(c); 5 CCR § 11511.5.); (20 U.S.C. §§ 6312, 7012.)

Per state requirements, Wisdom will also maintain a District-Level English Learner Advisory Committee (DELAC) when 51 or more English Learners are enrolled. Due to the structure of the school, the DELAC will serve the same purpose as an English Learner Advisory Committee (ELAC). Parents or guardians of English Learners not employed by Wisdom will make up a majority (51 percent) of the committee. Parents and guardians will be trained on the various responsibilities of the DELAC. The DELAC will advise Wisdom on programs and services for English learners, including revising the master plan for English learners, conducting district-wide needs assessment, establishing goals for programs and services of English learners, reviewing Wisdom's reclassification procedures and reviewing the written notifications required to be sent to parents and guardians. (5 CCR § 11308(c)(1).); (5 CCR § 11308(c)(2).); (5 CCR § 11308(c)(3).); (5 CCR §11308(c)(4).); (5 CCR § 11308(c)(5).); (5 CCR § 11308(c)(6).); (5 CCR § 11308(c)(7).)(b); (5 CCR § 11308(d).) **Translation:**

Wisdom maintains constant communication with parents and guardians and, in order to include all families, Wisdom makes every effort to provide translated documents. Wisdom provides parents with information on school and parent activities in a format and, to the extent practicable, in a language the parents can understand. When 15 percent or more of students enrolled at Wisdom speak a single primary language other than English, as determined by the Home Language Survey from the preceding year, all notices, reports, statements and records sent to parents of such students are written in English and the primary language.

(EC § 48985; 5 CCR § 11316.); (20 U.S.C. § 6318 (e)(5).)

Professional Development in English Learner Instruction and English Language Development

Teachers at Wisdom engage in a week of professional development before the school year as well as weekly professional development after school hours.

During this time, teachers will receive training on instruction for English learners and strategies for English Language Development, among other subjects.

1.25 Suggested Daily Schedule for the Structured English Immersion Program

The school day at WAYS begins at 8:00 am and ends at 2:45 pm.

Kindergarten	
8:00am – 8:15am	Morning Drills
8:15am – 9:00am	Language Arts
9:00am – 9:30am	P.E.
9:30am – 11:15am	Language Arts
11:15am – 11:45am	Social Studies
11:45am – 12:15pm	Lunch/Recess
12:15pm – 1:15pm	Math
1:15pm – 2:00pm	Science
2:00pm – 2:45pm	ELD
2:45pm	Dismissal
First Grade	
8:00am – 8:15am	Morning Drills
8:15am – 9:00am	Language Arts
9:00am – 9:30am	P.E.
9:30am – 11:15am	Language Arts
11:15am – 12:00pm	Science
12:00pm – 12:30pm	Lunch/Recess
12:30pm – 1:30pm	Math
1:30pm – 2:00pm	Social Studies

2:00pm – 2:45pm	ELD/ Journal Writing
2:45pm	Dismissal
Second Grade	
8:00am – 8:15am	Morning Drills
8:15am – 10:00am	Language Arts
10:00am – 10:30am	P.E.
10:30am – 11:15am	Language Arts
11:15am – 12:15pm	Math
12:15pm – 12:45pm	Lunch/Recess
12:45pm – 1:15pm	Science
1:15pm – 2:00pm	Social Studies
2:00pm – 2:45pm	ELD/Journal Writing
2:45pm	Dismissal
Third Grade	
8:00am – 8:15am	Morning Drills
8:15am – 10:30am	Language Arts
10:30am – 11:00am	P.E.
11:00am – 11:20am	Language Arts
11:20am – 12:30pm	Math
12:30pm – 1:00pm	Lunch/Recess
1:00pm – 1:35pm	Science
1:35pm – 2:00pm	Social Studies
2:00pm – 2:45pm	ELD/Journal Writing
2:45pm	Dismissal

Fourth Grade	
8:00am – 8:15am	Morning Drills
8:15am – 10:00am	Language Arts
10:00am – 11:00am	Math
11:00am – 11:45am	P.E.
11:45am – 12:45pm	Science
12:45pm – 1:15pm	Lunch/Recess
1:15pm – 2:00pm	Social Studies
2:00pm – 2:45pm	ELD/Journal Writing
2:45pm	Dismissal
Fifth Grade	
8:00am – 8:15am	Morning Drills
8:15am – 10:00am	Language Arts
10:00am – 11:00am	Math
11:00am – 11:45am	P.E.
11:45am – 12:45pm	Science
12:45pm – 1:15pm	Lunch/Recess
1:15pm – 2:00pm	Social Studies
2:00pm – 2:45pm	ELD/Journal Writing
2:45pm	Dismissal

1.26 REFERENCE TO NCLB

- Wisdom Academy for Young Scientists agrees to comply with the provisions of No Child Left Behind. It has completed goal two of the ELA planas they apply to certificated and paraprofessional employees of charter schools. All classified support staff and teacher's assistants will be in full compliance with all provisions by January 8, 2006. It also agrees

to adhere to the provisions regarding "Public School Choice" and "Choice Students." Also, teachers comply with NCLB requirements for EL Authorizations.

1.27 SPECIAL EDUCATION PROGRAM

Overview

Wisdom Academy for Young Scientists recognizes its obligations under federal and state law to identify and provide equitable services to children voluntarily enrolled by their parents/guardians in WAYS. At WAYS we will ensure the educational program for students with disabilities reflects the mission of the school by sustaining an inclusive learning environment, allowing special education students to learn and *become leaders and true scientists* in an environment that supports the individual talents and gifts of each student.

WAYS shall comply with all applicable State and Federal Laws in serving students with disabilities, including, but not limited to, Section 504 of the Rehabilitation Act ("Section 504"), the Americans with Disabilities Act ("ADA") and the Individuals with Disabilities in Education Improvement Act ("IDEA").

WAYS will be its own local educational agency ("LEA") and will apply directly for membership in the Los Angeles County Special Education Local Plan Area ("SELPA") in conformity with Education Code Section 47641(b). Should WAYS be denied membership in the Los Angeles County SELPA, it will apply for membership in the El Dorado County Charter SELPA. As described below, Wisdom Academy for Young Scientists shall negotiate a Memorandum of Understanding ("MOU") between the SELPA and WAYS related to the delineation of duties between the SELPA and WAYS. A copy of the MOU will be presented to LACOE upon execution.

In the event WAYS seeks membership with a different state-approved SELPA, the school will provide notice to LACOE and the SELPA before June 30th of the prior year for which services are to commence.

WAYS shall comply with all state and federal laws related to the provision of special education instruction and related services and all SELPA policies and procedures; and shall utilize appropriate SELPA forms. WAYS will participate in the state's quality assurance process for special education (i.e., verification reviews, coordinated compliance self-reviews, complaints monitoring, procedural safeguards, and the local plan.) WAYS will participate in internal validation review.

WAYS may request related services (e.g., Speech, Occupational Therapy, Adapted P.E., Nursing, and Transportation) from the SELPA, subject to SELPA approval and availability. WAYS may also provide formal and informal counseling; speech and language services; and initial and triennial psychological evaluations by hiring credentialed or licensed providers through private agencies or independent contractors.

WAYS shall be solely responsible for its compliance with Section 504 and the ADA. The facilities to be utilized by the School shall be accessible for all students with disabilities.

Parents will be informed of our Special Education Program during recruitment, at orientation, and in the parent-student handbook.

Services for Students under the "IDEA"

The following description regarding how special education and related services will be provided and funded is being proposed by Wisdom Academy for Young Scientists for the sole purpose of providing a reasonably comprehensive description of the special education program in the Charter Petition.

WAYS intends to provide special education instruction and related services in accordance with the IDEIA, Education Code requirements, and applicable policies and practices of the Special Education Local Plan Area ("SELPA").

WAYS will follow SELPA policies and procedures, and shall utilize SELPA forms in seeking out and identifying and serving students who may qualify for special education programs and services and for responding to record requests and parent complaints, and maintaining the confidentiality of pupil records. WAYS will comply with SELPA protocol as to the delineation of duties between the central office and the local school site in providing special education instruction and related services to identified pupils.

Staffing

All special education services at Wisdom Academy for Young Scientists will be delivered by individuals or agencies qualified to provide special education services as required by California's Education Code and the IDEA. Charter School staff shall participate in all mandatory District in-service training relating to special education.

Wisdom Academy for Young Scientists will be responsible for the hiring, training, and employment of site staff necessary to provide special education services to its students, including, without limitation, special education teachers, paraprofessionals, and resource specialists WAYS ensure that all special education staff hired by WAYS is qualified pursuant to SEPLA policies, as well as meet all legal requirements.

WAYS Resource Specialist Teacher in collaboration with independent contractors and general education teachers will be responsible for providing special education instruction, which are delineated in individual students' IEPs. This instruction will be based on the unique needs of each student and may include small group or individual intervention in a separate classroom or inside a classroom in a collaborative co-teaching model based on the frequency and need of services as outlined in each student's IEP. This instruction will be led by a qualified resource teacher with the required state credential.

Notification and Coordination WAYS shall follow SELPA policies as they apply to all SELPA LEAs for responding to implementation of special education services.

Identification and Referral

WAYS shall have the responsibility to identify, refer, and work cooperatively in locating Charter School students who have or may have exceptional needs that qualify them to receive special education services. WAYS will implement SELPA policies and procedures to ensure timely identification and referral of students who have or may have, such exceptional needs. A pupil shall be referred for special education only after the resources of the regular education program have been considered, and where appropriate, utilized.

WAYS will follow child-find procedures to identify all students who may require assessment to consider special education eligibility, including English Learners, and special education and related services in the case that general education interventions do not provide a free appropriate public education to the student in question.

WAYS will have a pre-referral process that will distinguish between linguistic and cognitive barriers to academic achievement to avoid the misclassification of English Learners in Special Education, as it is a significant problem that impedes the academic development of this large and growing student population. This is addressed in the section titled "Special Education Considerations for English Learners".

Additionally, WAYS will provide to Responsiveness to Intervention (RTI) Model, which promotes early identification of students who may be at risk for learning difficulties.

Assessments

The term "assessments" shall have the same meaning as the term "evaluation" in the IDEIA, as provided in Section 1414, Title 20 of the United States Code. WAYS will determine what assessments, if any, are necessary and arrange for such assessments for referred or eligible students in accordance with the SELPA's general practice and procedure and applicable law. WAYS shall work to obtain parent/guardian consent to assess Charter School students. WAYS will use SELPA forms to develop, maintain, and review assessments and IEPs in the format required by the SELPA, including assessment and IEP data into the SELPA data system in accordance with SELPA policies and procedures. WAYS will maintain copies of assessments and IEP materials for review by the SELPA. WAYS will submit to the SELPA and CDE all required reports, in a timely manner as necessary to comply with state and federal laws. WAYS will use SELPA forms to develop, maintain, and review assessments and IEPs in the format required by the SELPA, including assessment and IEP data into the SELPA data system in accordance with SELPA policies and procedures. WAYS will maintain copies of assessments and IEP materials for review by the SELPA.

IEP Meetings

WAYS shall arrange and notice the necessary IEP meetings. IEP team membership shall be in compliance with state and federal law. WAYS shall be responsible for having the following individuals in attendance at the IEP meetings: the Principal and/or WAYS designated representative with appropriate administrative authority as required by the IDEIA; the student's special education teacher; the student's general education teacher if the student is or may be in a regular education classroom; the student, if appropriate; and other Charter School representatives who are knowledgeable about the regular education program at WAYS and/or about the student. The Charter School shall arrange for the attendance or participation of all other necessary staff that may include, but are not limited to, an appropriate administrator to comply with the requirements of the IDEIA, a speech therapist, psychologist, resource specialist, and behavior specialist; and shall document the IEP meeting and provide of notice of parental rights.

WAYS will provide translation services upon request.

Standardized Testing

Students who have IEPs will receive the modifications that are outlined in their IEP such as, but not limited to, supervised breaks during a test part, or used math manipulatives on the mathematics or science tests; simplified test directions; test questions read aloud to student or use of audio, not visual presentation (except in ELA); Calculator and arithmetic tables or formulas on math and science tests (if not part of the focal construct); visual magnifying equipment; computer use (including word processing software with spell and grammar check tools turned of for essay responses to writing portion of a test; assistive devices that do not interfere with the independent work of the ssudent on the multiple-choice and/or essay responses (writing portion of the test)(i.e. handheld optical magnifiers, screen readers, magnification software, speech recognition system, physical supports or assists); responses dictated to a scribe, audio recorder, or speech-to-text converter and the student provides all spelling and language conventions; word processing software with spell and grammar check tools enabled on the essay responses writing portion of test (if grammar, spelling, or language conventions is not the intended construct); test individual students separately, provided that a test examiner directly supervises the student, and test students in a small group setting extra time on a test within a testing day.

IEP Development

WAYS shall make decisions regarding eligibility, goals/objectives, program, services, placement, and exit from special education pursuant to its IEP process. Programs, services and placements shall be provided to all eligible Charter

School students in accordance with the policies, procedures and requirements of the SELPA and State and Federal law.

IEP Implementation The Charter School shall be responsible for all school site implementation of the IEP. WAYS shall provide the parents with timely reports on the student's progress as provided in the student's IEP, and at least quarterly or as frequently as progress reports are provided for the Charter School's non-special education students, whichever is more. WAYS shall also provide all home-school coordination and information exchange. WAYS shall also be responsible for providing all curriculum, classroom materials, classroom modifications, and assistive technology.

All IEPs will be maintained in accordance with state and federal student confidentiality laws. Service providers form other agencies, who provide instruction or a related service off the school site, will also be provided a copy of the IEP.

IEPs will be secured in a locked fire proof cabinet.

Interim and Initial Placements of New Charter School Students

For students who enroll in WAYS from another school district outside of the SELPA with a current IEP, the SELPA and WAYS shall conduct an IEP meeting within thirty days. Prior to such meeting and pending agreement on a new IEP, WAYS shall implement the existing IEP at WAYS, to the extent practicable or as otherwise agreed between the Charter School and parent/guardian.

Non-Public Placements/Non-Public Agencies

The Charter School shall be solely responsible for selecting, contracting with, and overseeing all non-public schools and non-public agencies used to serve special education students.

Non-discrimination

It is understood and agreed that all children will have access to WAYS and no student shall be denied admission nor counseled out of WAYS due to the nature, extent, or severity of his/her disability or due to the student's request for, or actual need for, special education services.

Parent/Guardian Concerns and Complaints

WAYS shall respond to parental concerns or complaints related to special education services. WAYS shall instruct parents/guardians to raise concerns regarding special education services, related services and rights directly to the Charter School.

The Charter School's designated representative shall investigate as necessary, respond to, and address the parent/guardian concern or complaint.

The Charter School, as the LEA, shall be ultimately responsible for determining how to respond to parent concerns or complaints.

WAYS shall respond to any complaint to or investigation by the California Department of Education, the United States Department of Education, or any other agency.

Due Process Hearings

The Charter School may initiate a due process hearing or request for mediation with respect to a student enrolled in Charter School if the Charter School determines such action is legally necessary or advisable. In the event that the parents/guardians file for a due process hearing, or request mediation, WAYS shall defend the case.

WAYS shall have sole discretion to settle any matter in mediation or due process. The Charter School shall also have sole discretion to file an appeal from a due process hearing or take other legal action involving any Charter School student necessary to protect its rights.

SELPA Representation WAYS shall represent itself at all SELPA meetings.

Funding

WAYS understands that it will be subject to the allocation plan of the SELPA.

Section 504 of the Rehabilitation Act

Wisdom Academy for Young Scientists recognizes its legal responsibility to ensure that no qualified person with a disability shall, on the basis of disability, be excluded from participation, be denied the benefits of, or otherwise be subjected to discrimination under any program of WAYS. Any student, who has an objectively identified disability which substantially limits a major life activity including but not limited to learning, is eligible for accommodation by the School.

A 504 team will be assembled by the principal of Wisdom Academy for Young Scientists and shall include parents/guardians, the student (where appropriate), and other qualified persons knowledgeable about the student, the meaning of the evaluation data, placement options, and accommodations. The 504 team will review the student's existing records, including academic, social and behavioral records and is responsible for making a determination as to whether an evaluation for 504 services is appropriate. If the student has already been evaluated under the IDEA, but found ineligible for special education instruction or related services under the IDEIA, those evaluations may be used to help determine eligibility under Section 504. The student evaluation shall be carried out by the 504 team who will evaluate the nature of the student's disability and the impact upon the student's education. This evaluation will include consideration of any behaviors that interfere with regular participation in the

educational program and/or activities. The 504 team may also consider the following information in its evaluation:

a. Tests and other evaluation materials that have been validated for the specific purpose for which they are used and are administered by trained personnel.

b. Tests and other evaluation materials include those tailored to assess specific areas of educational need and not merely those which are designed to provide a single general intelligent quotient.

c. Tests are selected and administered so as to ensure that when a test is administered to a student with impaired sensory, manual or speaking skills, the test results accurately reflect the student's aptitude or achievement level or whatever factor the test purports to measure rather than reflecting the student's impaired sensory, manual or speaking skills.

The final determination of whether the student will or will not be identified as a person with a disability is made by the 504 team in writing and notice is given in writing to the parent or guardian of the student in their primary language along with the procedural safeguards available to them. If during the evaluation, the 504 team obtains information indicating possible eligibility of the student for special education per the IDEIA, a referral for special education assessment will be made by the 504 team.

If the student is found by the 504 team to have a disability under Section 504, the 504 team shall be responsible for determining what, if any, accommodations or services are needed to ensure that the student receives a free and appropriate public education ("FAPE"). In developing the 504 Plan, the 504 team shall consider all relevant information utilized during the evaluation of the student, drawing upon a variety of sources, including, but not limited to, assessments conducted by Wisdom Academy for Young Scientists professional staff.

The 504 Plan shall describe the Section 504 disability and any program modification that may be necessary. All 504 team participants, parents, guardians, teachers and any other participants in the student's education, including substitutes and tutors, must have a copy of each student's 504 Plan. The site administrator will ensure that teachers include 504 Plans with lesson plans for short-term substitutes and that he/she review the 504 Plan with a long-term substitute.

A copy of the 504 Plan shall be maintained in the student's file. Each student's 504 Plan will be reviewed regularly to determine the appropriateness of the Plan, continued eligibility or readiness to discontinue the 504 Plan.

2 Measurable Student Outcomes

Wisdom Academy for Young Scientists will meet all statewide standards and conduct the student assessments required pursuant to Education Code 60605.

This section satisfies Education Code Section 47605(b)(5)(C), which requires a description of "The method by which pupil progress in meeting pupil outcomes is to be measured." The school will meet the growth target as required by NCLB and in the Public Schools Accountability Act of 1999.

Given that WAYS will be dedicated to providing equal opportunity for all students, we will employ a curriculum fully aligned with the California content standards.

The academic goals and outcomes pertain to all students: general education, socioeconomically disadvantaged, English learners, students in special education, and gifted students.

2.1 Curricular Exit Outcomes

Curricular Focus	Goals	Measurable Outcomes
English Language Development- Beginning Level	• Students will advance one language proficiency level per year, as measured by the CELDT. • Increase proficiency in listening, speaking, reading and writing according to ELD Common Core standards.	• Students will advance one language proficiency level per year, as measured by the CELDT Individual Score Reports. The CELDT will be administered annually. • Advance one language proficiency level in each CELDT sub-domain for listening, speaking, reading and writing. • EL students will demonstrate the same average rate of improvement in proficiency on the annual Smarter Balanced assessments as the rest of the student population at Wisdom Academy.
English Language Development – Early Intermediate Level	• Students will advance one language proficiency level per year, as measured by the CELDT. • Increase proficiency in listening, speaking, reading and writing	• Students will advance one language proficiency level per year, as measured by the CELDT Individual Score Reports. The CELDT will be administered annually.

	according to ELD Common Core standards.	• Advance one language proficiency level in each CELDT sub-domain for listening, speaking, reading and writing. • EL students will demonstrate the same average rate of improvement in proficiency on the annual Smarter Balanced assessments as the rest of the student population at Wisdom Academy.
English Language Development - Intermediate Level	• Students will advance one language proficiency level per year, as measured by the CELDT. • Increase proficiency in listening, speaking, reading and writing according to ELD Common Core standards.	• Students will advance one language proficiency level per year, as measured by the CELDT Individual Score Reports. The CELDT will be administered annually. • Advance one language proficiency level in each CELDT sub-domain for listening, speaking, reading and writing. • EL students will demonstrate the same average rate of improvement in proficiency on the annual Smarter Balanced assessments as the rest of the student population at Wisdom Academy.
English Language Development – Early Advanced Level	• Students will reclassify from EL status to RFEP status, per reclassification procedures. • Demonstrate proficiency in listening, speaking, reading and writing according to ELD Common Core standards. • Through monitoring after reclassification,	• Percentage of students reclassified will increase by 5% each year. • Advance one language proficiency level in each CELDT sub-domain for listening, speaking, reading and writing until reclassified. • Reclassified students will demonstrate the same average rate of

	students will continue demonstrating fluency comparable to that of the district's average English-only students.	improvement in proficiency on the annual Smarter Balanced assessments as the rest of the student population at Wisdom Academy.
English Language Development - Advanced Level	• Students will reclassify from EL status to RFEP status, per reclassification procedures. • Demonstrate proficiency in listening, speaking, reading and writing according to ELD Common Core standards. • Through monitoring after reclassification, students will continue demonstrating fluency comparable to that of the district's average English-only students.	• Percentage of students reclassified will increase by 5% each year • Advance one language proficiency level in each CELDT sub-domain for listening, speaking, reading and writing until reclassified. • Reclassified students will demonstrate the same average rate of improvement in proficiency on the annual Smarter Balanced assessments as the rest of the student population at Wisdom Academy.

Curricular Focus	Goals	Measurable Outcomes
English Language Arts	Demonstrate literacy in reading, writing, speaking and listening by: • constructing meaning from a variety of texts using comprehension strategies, prior knowledge and personal experience; • initiate reading opportunities and read independently for 30 minutes or longer; • write with fluency in a variety of genres for a variety of audiences, i.e. reflective journal, persuasive essay, report, science observation, personal letter, business letter, creative story, poem;	• The percentage of students achieving at the proficient and • advanced level on the Smarter Balanced will increase by 5% each year. • The school will meet AYP targets. • The percentage of English learners achieving at the proficient and advanced level on the Smarter Balanced will increase by 5% each year. • The school will meet AYP targets for English learners in ELA

	• apply the writing process and conventions of writing; • use speaking skills to present information, narrative, and response to literature; • apply presentation strategies effectively.	
Mathematics	Demonstrate fluency in the mathematics concepts, and the CA Standards including Number Sense, Algebra and Functions, Measurement and Geometry and Statistics Data and Probability. Students will demonstrate mathematical reasoning, and basic computational skills as well as communicate and apply these skills in various settings.	• The percentage of students achieving at the proficient and advanced level on the Smarter Balanced will increase by 5% each year. • The school will meet AYP targets. • The percentage of English learners achieving at the proficient and advanced level on the Smarter Balanced will increase by 5% each year. • The school will meet AYP targets for English learners in math.
Science	Demonstrate proficiency of the content standards in physical, life, and earth sciences, investigation and experimentation.	• The percentage of students achieving at the proficient and advanced level on the CST will increase by 5% each year. • Percentage of students achieving at the proficient and advanced level in progress reports supported by performance assessments will increase by 5% each year. • The percentage of English learners achieving at the proficient and advanced level on the CST will increase by 5% each year. • Percentage of English

		learner students achieving at the proficient and advanced level in progress reports supported by performance assessments will increase by 5% each year.
History/Social Science	Demonstrate proficiency of the content standards in history, geography, economics, government and society as well as intellectual, reasoning, reflection and research skills.	• Percentage of students achieving at the proficient and advanced level in progress reports supported by performance assessments will increase by 5% each year. • Percentage of English learner students achieving at the proficient and advanced level in progress reports supported by performance assessments will increase by 5% each year.

2.2 Performance Goals and Outcomes

WAYS will track and analyze the following factors that influence academic achievement and growth.

Factor	Measurable Expected Outcome
Student Conduct	• Average daily attendance rate of at least 95%. • Tardiness continually decreases each year. • Suspensions/expulsions decrease each year. • Mediation referrals decrease each year.
Parental Involvement	• 70% of parents attend ongoing parent-teacher conferences. • Parent attendance at special programs, festivals and forums will increase annually.
Professional Development	80% participation in annual two-week program held prior to opening of school each year and at ongoing professional development programs during the year.

Teacher Performance	• Knowledge of curriculum. • Competence in pedagogy. • Professional attitude. • Effective teaching strategies.
Financial Solvency	No deficit in the operation budget.

2.4 Extent to which all pupils demonstrate that they have attained skills, knowledge and attitudes specified as goals

Wisdom Academy for Young Scientists believes the following outcomes are attainable each year and will measure them as shown:

To prepare students in grades Kindergarten and 1 to meet their measureable goals WAYS will encourage and maintain a constant stream of interaction with the parents. At WAYS we believe we family involvement plays a pivotal role in continued development from early childhood education through primary grade levels. Specific strategies for parental involvement at this stage include additional parent education workshops for parents to learn ways to support their child at home as well as additional resources and supports sent home with parents to support their children at home.

During a workshop, for example, parents will practice having their child come to read a fluency passage with a timer. Kindergarten parents are also invited once a month to the classroom to participate in an independent work time session with their child guided by their teachers. These activities have clearly provided parents practice that can be continued at home.

Parents are informed through beginning of year orientations of the process for Kindergarten and Grade 1 Assessments. For example, at the beginning of the year, students in grades K and 1 participate in diagnostic assessments administered by teachers using the BPST and DIBELS assessment tools. These exams explicitly test early literacy skills.

The DIBELS and BPST program will be used by kindergarten and first grade teachers to identify students needing extra help as early as possible. They provide a consistent looking glass for the identification of at risk students at the earliest possible point in the system. DIBELS data will guide summer instruction for kindergarten and first grade when provided.

For summative assessment purposes, K and Grade 1 students will participate in Stanford 10 testing along with upper grade students. The results of these assessment will be analyzed to determine obtainment of measurement goals for this specialized group of students.

Additionally, for upper grades the following benchmark goals will be in place.

1. During each testing year of the new petition period, WAYS will increase its proficiency by 5% in English Language Arts and Mathematics as measured by the CST. WAYS will meet prescribed growth targets for the Academic

Performance Index as well as make Adequate Yearly Progress (AYP) as determined by a growth in percentage points in the areas of English Language Arts and Math that meets or exceeds California's growth targets for AYP.

Measure: Annual state standardized, standards-based test results.

2. The percentage of students reflecting a minimum of one trimester's growth per one trimester of instruction in Math, Reading and Science will increase annually and meet or exceed the expectations of the authorizer for all of its schools.

English Learners

Wisdom Academy for Young Scientists will provide additional and appropriate educational services to English learners until they have demonstrated English-language skills comparable to that of the district's average native English-language speakers and have recouped any academic deficits which may have been incurred in other areas of the core curriculum. (CCR, Title 5, section 11302). Services must continue until ELs meet objective reclassification criteria, as outlined in the school's Charter and Master Plan for English Learners (EC313). This means that EL students must be provided with ELD and SDAIE, as needed, and/or primary language instruction until they are redesignated as fluent English proficient (FEP).

Wisdom Academy for Young Scientists will also ensure that all students meet grade-level core curriculum standards within a reasonable amount of time. Wisdom Academy for Young Scientists maintains simultaneous programs, providing students with English Language Development and other EL services along with full access to the core curriculum. Focused instruction for these students builds on their cultural and linguistic strengths and provides meaningful access to a curriculum that is standards-based, cognitively complex, rigorous, and coherent.

If the student does not comprehend enough English to allow full access to the core curriculum, Wisdom Academy implements a plan for ELs to recoup any and all academic deficits before the deficits become irreparable. These plans include, but are not limited to, small group instruction with a teacher or paraprofessional, comprehensible input through SDAIE instruction and other instructional supports to help the student quickly accelerate to meet grade level standards in each content subject. (CCR, Title 5, sections 11302[a] and [b]).

Wisdom Academy for Young Scientists maintains a process to determine the effectiveness of programs for English learners, including language proficiency and content subject proficiency. The school will evaluate how programs for English learners produce within a reasonable period of time through annual CELDT assessments. The school will track academic results indicating that

English learners are achieving and sustaining parity of academic achievement with students who entered the district's school system already proficient in English by tracking annual state standardized tests and benchmark assessments administered once a trimester, as well as weekly classroom assessments. Information will be provided to teachers, parents, and students on the progress being made toward meeting the state student achievement standards. Wisdom Academy for Young Scientists will maintain these procedures to improve school site EL program implementation and to modify the program, as needed, to ensure that each English learner achieves full proficiency in English and academic achievement at grade level as rapidly as possible.

(20 U.S.C. 1703 (f), Castaneda v. Pickard [5th Cir. 1981] 648 F.2d 989, 1009-1011; EC 6400 (f).)

Measures:

End-**Benchmark Assessments**

As a method ofmonitoring student achievement throughout the academic school year, WAYS teachers will use the following assessments as benchmark assessments: teacher assignments and Measuring Up standards based assessments (weekly), curriculum based assessments such as story tests and unit exams (given according to the pacing plan), and writing portfolio samples (bi-monthly). Rubrics for writing are created by grade-level teams during Summer Professional Development and during Pupil-Free Professional Development days throughout the school year. In addition, standards based benchmark assessments (DataDirector) are implemented every two months.

	English Language Arts	Mathematics	Science
K – 1	Teacher Created Assessments DIBELS OCR Unit Assessments Accelerated Reader Data Director Benchmark Assessments	Teacher Created Assessments Saxon Unit Assessments Data Director Benchmark Assessments	Teacher Created Assessments Foss Competency Assessments Data Director Benchmark Assessments
2nd – 5th Grade	Teacher Created Assessments OCR Unit Assessments Accelerated Reader Data Director	Teacher Created Assessments Saxon Unit Assessments Data Director Benchmark Assessments	Teacher Created Assessments Foss Competency Assessments Data Director Benchmark Assessments

	Benchmark Assessments		

- Benchmark Assessments: Each unit of instruction will include one or more critical benchmark performance assessments that provide evidence of student achievement. Instruction will assume that all students will need to demonstrate the benchmark competencies. Rubrics will be developed for all benchmark assessments. Benchmarks assessment will be aligned with the CST.
- .

3. The percentage of students scoring at the Proficient level or above on the STAR language arts, mathematics and science assessments will increase annually; the percentage of students scoring at the Below Basic and Far Below Basic will decrease annually.

Measure: Annual state standards-based test.

4. WAYS will meet or exceed Academic Performance Index growth targets on annual standardized tests in at least 3 out of 4 years.

Measure: Annual state standardized test results.

5. Students will meet or exceed the LAUSD's actual attendance rate.

Measure: Attendance records at the end of each year.

6. Students will demonstrate pro-social behavior and a strong commitment to classroom and school community.

Measures: WASSC School Climate Inventory and WAYS "Participation Rubric" that sets standards and growth targets for:

- Student participation in cooperative learning groups, class projects and daily circle discussions
- Student participation in classroom services provided for the school community (scientist club, school environmental beautification, etc...)
- Student participation in bimonthly all-school assemblies
- Student participation in culminating presentations that share the depth and breadth of knowledge gained during a core study with parents and other classrooms

We developed our Expected Schoolwide Learning Results through participation in the accreditation process. Our ESLR's give us a framework for achieving the school's mission of empowering students to become leaders, change agents and true scientists.

Young Scientists as Global Citizens who will

- Through early exposure to science, learn on a platform that is educationally equitable
- Develop an appreciation and respect for cultural differences
- Develop a personal connection to learners of different cultures
- Communicate effectively their ideas and learning to others
- Contribute to their community through responsible actions that benefit humanity

Young Scientists as Leaders of the 21st Century who will

- Work together to solve complex, real world problems through project based learning
- Think critically and creatively
- Be Technologically literate and competent in reading, mathematics, sciences and performing arts
- Develop independence as lifelong learners and problem solvers

Young Scientists as Researchers who will

- Know how to comprehend, apply, analyze, synthesize and evaluate
- Ask essential questions
- Work collaboratively through teamwork to produce a culture of scientific discovery

Young Scientists as Thriving Learners who will

- Demonstrate confidence in their abilities and develop high self-esteem
- Learn the habits that contribute to a healthy lifestyle
- Will experience wellness through physical fitness and proper nutrition

2.5 Goals for the Demonstration of Skills, Knowledge and Understanding

Students will receive specific instruction centered in the California content standards for each grade level. They will demonstrate measurable growth as identified in the outcomes above, and student achievement will be tracked three times a year in mathematics, reading and language arts for each specific standard using the "Standards Master" assessment system (or a comparable system) as well as the school-wide benchmark assessment system.

Each student will make significant growth in standards-based achievement demonstrated through ongoing classroom assessments, Standards Mastery and/or Benchmark assessments each trimester, and the state's standards-based assessments. The assessments employed and administered at the school level will be refined over time to ensure that the measures allow students to demonstrate their mastery of the breadth and depth of the standards, and the results will be aggregated and analyzed to ensure the continuing improvement of the school's curriculum, instructional, and assessment programs. The goal is that all students demonstrate that they are reaching high levels of academic achievement, which allows them to maximize their full potential and prepare them for success in the future.

The school and its administrators and staff are committed to meeting its API and AYP targets—increasing the numbers of students at the proficient and above levels on the STAR tests each year, and ensuring that all students enrolled at the school for two years or more will be at the Basic level or above on the STAR tests.

Teaching staff is committed to conducting a thorough analysis of STAR results at the detailed, reporting cluster level to ensure student mastery of the content on the tests. Analyses will focus on achievement in language arts and mathematics for all subgroups, as specified in NCLB, Title 1 requirements. CELDT test results will be analyzed to ensure that growth in student achievement on this test will fully address the NCLB Title 3 requirements.

California State Content Standards

The California State Content Standards will operate as a guiding framework for both curriculum and assessment development at WAYS. The CA Standards will be used in the following ways:

- Used to map curriculum into units and lessons
- Used to as a guide when writing behavioral level performance objectives for lessons.
- Incorporated into Adopted Text Program outcomes and assessments
- Used as a guide when developing formative and summative unit level benchmark performance assessment rubrics.
- Aggregated into benchmark performance indicators for tri-yearly summative benchmark performance assessment.

2.5.1 English Language Arts

Reading: 1.0 Word Analysis, Fluency, and Systematic Vocabulary Development

Kindergarten	1st
Concepts About Print 1.1 Identify the front cover, back cover, and title page of a book. 1.2 Follow words from left to right and from top to bottom on the printed page. 1.3 Understand that printed materials provide information. 1.4 Recognize that sentences in print are made up of separate words. 1.5 Distinguish letters from words. 1.6 Recognize and name all uppercase and lowercase letters of the alphabet. ***Phonemic Awareness*** 1.7 Track (move sequentially from sound to sound) and represent the number, sameness/difference, and order of two and three isolated phonemes	*Concepts About Print* 1.1 Match oral words to printed words. 1.2 Identify the title and author of a reading selection. 1.3 Identify letters, words, and sentences. ***Phonemic Awareness*** 1.4 Distinguish initial, medial, and final sounds in single-syllable words. 1.5 Distinguish long-and short-vowel sounds in orally stated single-syllable words (e.g., ***bit/bite).*** 1.6 Create and state a series of rhyming words, including consonant blends. 1.7 Add, delete, or change target sounds to change words (e.g., change ***cow*** to ***how; pan*** to ***an).*** 1.8 Blend two to four phonemes into recognizable

(e.g., ***/f, s, th/, /j, d, j/***). 1.8 Track (move sequentially from sound to sound) and represent changes in simple syllables and words with two and three sounds as one sound is added, substituted, omitted, shifted, or repeated (e.g., vowel-consonant, consonant-vowel, or consonant-vowel-consonant). 1.9 Blend vowel-consonant sounds orally to make words or syllables. 1.10 Identify and produce rhyming words in response to an oral prompt. 1.11 Distinguish orally stated one-syllable words and separate into beginning or ending sounds. 1.12 Track auditorily each word in a sentence and each syllable in a word. 1.13 Count the number of sounds in syllables and syllables in words. ***Decoding and Word Recognition*** 1.14 Match all consonant and short-vowel sounds to appropriate letters. 1.15 Read simple one-syllable and high frequency words (i.e., sight words). 1.16 Understand that as letters of words change, so do the sounds (i.e., the alphabetic principle). ***Vocabulary and Concept Development*** 1.17 Identify and sort common words in basic categories (e.g., colors, shapes, foods). 1.18 Describe common objects and events in both general and specific language.	words (e.g., ***/c/ a/ t/*** = cat; ***/f/ l/ a/ t/*** = flat). 1.9 Segment single syllable words into their components (e.g., ***/c/ a/ t/*** = cat; ***/s/ p/ l/ a/ t/*** = splat; ***/r/ l/ ch/*** = rich). ***Decoding and Word Recognition*** 1.10 Generate the sounds from all the letters and letter patterns, including consonant blends and long-and short-vowel patterns (i.e., phonograms), and blend those sounds into recognizable words. 1.11 Read common, irregular sight words (e.g., ***the, have, said, come, give, of).*** 1.12 Use knowledge of vowel digraphs and ***r-*** controlled letter-sound associations to read words. 1.13 Read compound words and contractions. 1.14 Read inflectional forms (e.g., ***-s, -ed, -ing)*** and root words (e.g., ***look, looked, looking).*** 1.15 Read common word families (e.g., ***-ite, -ate).*** 1.16 Read aloud with fluency in a manner that sounds like natural speech. ***Vocabulary and Concept Development*** 1.17 Classify grade-appropriate categories of words (e.g., concrete collections of animals, foods, toys).

2nd	3rd
Decoding and Word Recognition 1.1 Recognize and use knowledge of spelling patterns (e.g., diphthongs, special vowel spellings) when reading. 1.2 Apply knowledge of basic syllabication rules when reading (e.g., vowel-consonant-vowel = ***su/ per;*** vowel-consonant/consonant-vowel = ***sup/ per).*** 1.3 Decode two-syllable nonsense words and regular multi-syllable words. 1.4 Recognize common abbreviations (e.g., ***Jan., Sun., Mr., St.).*** 1.5 Identify and correctly use regular plurals (e.g., ***-s, -as, -is)*** and irregular plurals (e.g., ***fly/ flies, wife/ wives).*** 1.6 Read aloud fluently and accurately and with appropriate intonation and expression. ***Vocabulary and Concept Development*** 1.7 Understand and explain common antonyms and synonyms. 1.8 Use knowledge of individual words in unknown compound words to predict their meaning. 1.9 Know the meaning of simple prefixes and	*Decoding and Word Recognition* 1.1 Know and use complex word families when reading (e.g., ***-ight)*** to decode unfamiliar words. 1.2 Decode regular multisyllabic words. 1.3 Read aloud narrative and expository text fluently and accurately and with appropriate pacing, intonation, and expression. ***Vocabulary and Concept Development*** 1.4 Use knowledge of antonyms, synonyms, homophones, and homographs to determine the meanings of words. 1.5 Demonstrate knowledge of levels of specificity among grade-appropriate words and explain the importance of these relations (e.g., ***dog/ mammal/ animal/ living things).*** 1.6 Use sentence and word context to find the meaning of unknown words. 1.7 Use a dictionary to learn the meaning and other features of unknown words. 1.8 Use knowledge of prefixes (e.g., ***un-, re-, pre-, bi-, mis-, dis-)*** and suffixes (e.g., ***-er, -est, -ful)*** to determine the meaning of words.

suffixes (e.g., ***over-, un-, -ing, -ly).***	
4th	*5th*
Word Recognition *1.1 Read narrative and expository text aloud with grade-appropriate fluency and accuracy and with appropriate pacing, intonation, and expression.* *Vocabulary and Concept Development* *1.2 Apply knowledge of word origins, derivations, synonyms, antonyms, and idioms to determine the meaning of words and phrases.* *1.3 Use knowledge of root words to determine the meaning of unknown words within a passage.* *1.4 Know common roots and affixes derived from Greek and Latin and use this knowledge to analyze the meaning of complex words (e.g., international).* *1.5 Use a thesaurus to determine related words and concepts.* *1.6 Distinguish and interpret words with multiple meanings.*	*Word Recognition* *1.1 Read aloud narrative and expository text fluently and accurately and with appropriate pacing, intonation, and expression.* *Vocabulary and Concept Development* *1.2 Use word origins to determine the meaning of unknown words.* *1.3 Understand and explain frequently used synonyms, antonyms, and homographs.* *1.4 Know abstract, derived roots and affixes from Greek and Latin and use this knowledge to analyze the meaning of complex words (e.g., controversial).* *1.5 Understand and explain the figurative and metaphorical use of words in context.*

Reading: 2.0 Reading Comprehension

Kindergarten	1st
Structural Features of Informational Materials 2.1 Locate the title, table of contents, name of author, and name of illustrator. ***Comprehension and Analysis of Grade-Level-Appropriate Text*** 2.2 Use pictures and context to make predictions about story content. 2.3 Connect to life experiences the information and events in texts. 2.4 Retell familiar stories. Kindergarten Structural Features of Informational Materials (cont.) 2.5 Ask and answer questions about essential elements of a text.	*Structural Features of Informational Materials* 2.1 Identify text that uses sequence or other logical order. ***Comprehension and Analysis of Grade-Level-Appropriate Text*** 2.2 Respond to ***who, what, when, where,*** and ***how*** questions. 2.3 Follow one-step written instructions. 2.4 Use context to resolve ambiguities about word and sentence meanings. 1st Structural Features of Informational Materials (cont.) 2.5 Confirm predictions about what will happen next in a text by identifying key words (i.e., signpost words). 2.6 Relate prior knowledge to textual information. 2.7 Retell the central ideas of simple expository or narrative passages.

2nd	3rd
Structural Features of Informational Materials 2.1 Use titles, tables of contents, and chapter headings to locate information in expository text. ***Comprehension and Analysis of Grade-Level-***	*Structural Features of Informational Materials* 2.1 Use titles, tables of contents, chapter headings, glossaries, and indexes to locate information in text.

Appropriate Text 2.2 State the purpose in reading (i. e., tell what information is sought). 2.3 Use knowledge of the author's purpose(s) to comprehend informational text. 2.4 Ask clarifying questions about essential textual elements of exposition (e.g., ***why, what if, how).*** 2.5 Restate facts and details in the text to clarify and organize ideas. 2.6 Recognize cause-and-effect relationships in a text. 2.7 Interpret information from diagrams, charts, and graphs. 2.8 Follow two-step written instructions.	***Comprehension and Analysis of Grade-Level-Appropriate Text*** 2.2 Ask questions and support answers by connecting prior knowledge with literal information found in, and inferred from, the text. 2.3 Demonstrate comprehension by identifying answers in the text. 2.4 Recall major points in the text and make and modify predictions about forthcoming information. 2.5 Distinguish the main idea and supporting details in expository text. 2.6 Extract appropriate and significant information from the text, including problems and solutions. 2.7 Follow simple multiple-step written instructions (e.g., how to assemble a product or play a board game).

4th	5th
Structural Features of Informational Materials 2.1 Identify structural patterns found in informational text (e.g., compare and contrast, cause and effect, sequential or chronological order, proposition and support) to strengthen comprehension. *Comprehension and Analysis of Grade-Level-Appropriate Text* 2.2 Use appropriate strategies when reading for different purposes (e.g., full comprehension, location of information, personal enjoyment). 2.3 Make and confirm predictions about text by using prior knowledge and ideas presented in the text itself, including illustrations, titles, topic sentences, important words, and foreshadowing clues. 2.4 Evaluate new information and hypotheses by testing them against known information and ideas. 2.5 Compare and contrast information on the same topic after reading several passages or articles. 2.6 Distinguish between cause and effect and between fact and opinion in expository text. 2.7 Follow multiple-step instructions in a basic technical manual (e.g., how to use computer commands or video games).	*Structural Features of Informational Materials* 2.1 Understand how text features (e.g., format, graphics, sequence, diagrams, illustrations, charts, maps) make information accessible and usable. 2.2 Analyze text that is organized in sequential or chronological order. *Comprehension and Analysis of Grade-Level-Appropriate Text* 2.3 Discern main ideas and concepts presented in texts, identifying and assessing evidence that supports those ideas. 2.4 Draw inferences, conclusions, or generalizations about text and support them with textual evidence and prior knowledge. ***Expository Critique*** 2.5 Distinguish facts, supported inferences, and opinions in text.

Reading: 3.0 Literary **Responses** and Analysis

Kindergarten	1st
Narrative Analysis of Grade-Level-Appropriate Text 3.1 Distinguish fantasy from realistic text. 3.2 Identify types of everyday print materials (e.g., storybooks, poems, newspapers, signs, labels).	*Narrative Analysis of Grade-Level-Appropriate Text* 3.1 Identify and describe the elements of plot, setting, and character(s) in a story, as well as the story's beginning, middle, and ending.

3.3 Identify characters, settings, and important events.	3.2 Describe the roles of authors and illustrators and their contributions to print materials. 3.3 Recollect, talk, and write about books read during the school year.
2nd	*3rd*
Narrative Analysis of Grade-Level-Appropriate Text *3.1 Compare and contrast plots, settings, and characters presented by different authors.* *3.2 Generate alternative endings to plots and identify the reason or reasons for, and the impact of, the alternatives.* *3.3 Compare and contrast different versions of the same stories that reflect different cultures.* *3.4 Identify the use of rhythm, rhyme, and alliteration in poetry.*	*Structural Features of Literature* *3.1 Distinguish common forms of literature (e.g., poetry, drama, fiction, nonfiction).* *Narrative Analysis of Grade-Level-Appropriate Text* *3.2 Comprehend basic plots of classic fairy tales, myths, folktales, legends, and fables from around the world.* *3.3 Determine what characters are like by what they say or do and by how the author or illustrator portrays them.* *3.4 Determine the underlying theme or author's message in fiction and nonfiction text.* *3.5 Recognize the similarities of sounds in words and rhythmic patterns (e.g., alliteration, onomatopoeia) in a selection.* *3.6 Identify the speaker or narrator in a selection.*
4th	*5th*
Structural Features of Literature *3.1 Describe the structural differences of various imaginative forms of literature, including fantasies, fables, myths, legends, and fairy tales.* *Narrative Analysis of Grade-Level-Appropriate Text* *3.2 Identify the main events of the plot, their causes, and the influence of each event on future actions.* *3.3 Use knowledge of the situation and setting and of a character's traits and motivations to determine the causes for that character's actions.* *3.4 Compare and contrast tales from different cultures by tracing the exploits of one character type and develop theories to account for similar tales in diverse cultures (e.g., trickster tales).* *3.5 Define figurative language (e.g., simile, metaphor, hyperbole, personification) and identify its use in literary works.*	*Structural Features of Literature* *3.1 Identify and analyze the characteristics of poetry, drama, fiction, and nonfiction and explain the appropriateness of the literary forms chosen by an author for a specific purpose.* *Narrative Analysis of Grade-Level-Appropriate Text* *3.2 Identify the main problem or conflict of the plot and explain how it is resolved.* *3.3 Contrast the actions, motives (e.g., loyalty, selfishness, conscientiousness), and appearances of characters in a work of fiction and discuss the importance of the contrasts to the plot or theme.* *3.4 Understand that theme refers to the meaning or moral of a selection and recognize themes (whether implied or stated directly) in sample works.* *3.5 Describe the function and effect of common literary devices (e.g., imagery, metaphor, symbolism).* *Literary Criticism* *3.6 Evaluate the meaning of archetypal patterns and symbols that are found in myth and tradition by using literature from different eras and cultures.* *5th Narrative Analysis of Grade-Level-Appropriate Text (cont)* *3.7 Evaluate the author's use of various techniques (e.g., appeal of characters in a picture book, logic and credibility of plots and settings, use of figurative language) to influence readers' perspectives.*

2.6 Process by Which Curriculum, Materials and Instructional Activities Are To Be Selected

The books utilized for each course, course material, and instructional activities at Wisdom Academy for Young Scientists are chosen through a collaborative effort between a team comprised of the principal, teachers and curriculum and instruction consultant. This WAYS curriculum development team has begun an ongoing process of material selection, curriculum mapping, unit development, lesson design, assessment development and identification of teaching strategies for different courses at WAYS. The principal and teachers have selected textbooks from the state approved list that best suit the needs of their students. To encourage innovation, and emphasis on technology, teachers will have the flexibility to use books or strategies that are not on the WAYS recommended list as long as they achieve the required results.

2.7 Delineation Of When And How Pupil Outcomes Will Be Assessed

Students are first assessed (using Saxon Math, CELDT, and McLeod Assessment of Reading Comprehension assessments and a writing prompt) upon matriculation. They then are given periodic assessments on a trimester basis to monitor progress. At the end of the school year, students take the CST and teacher created summative assessments. The CELDT is administered to English learner students within thirty days of initial enrollment and at least annually thereafter during the testing window until reclassified as Fluent English Proficient (RFEP) per reclassification procedures.

See Element 3 for more details related to formative and authentic assessments.

2.8 Identification of Who Will Be Accountable For Student Progress

The following guidelines have been established to guide the development of the curriculum and to keep in sight the goal of improved student learning.

California State Curriculum Frameworks and State Standards will provide the base content for the instructional program.

Wisdom Academy for Young Scientists will chart student progress from year to year on the State of California's adopted standardized and standards-based statewide examinations.

Wisdom Academy for Young Scientists will meet or exceed all County and state standards and will establish a policy to ensure that evidence of improved pupil learning is shared with the parents, the County, and the state.

Advancement from one grade to the next requires demonstration of mastery of the concepts and development of the skills in alignment with the standards required by the California Department of Education.

Wisdom Academy for Young Scientists will make available after-school tutorials, as preventative measures for those students deemed at-risk of being held back.

Specific times will be allocated to provide the opportunity and time for teachers to discuss and share concerns related to student progress before students matriculate to the next grade. Teachers will have time prior to the start of the school year to evaluate students' standardized test scores from the previous year and to identify individual strengths, areas of concern and focus for each student. Student progress reports will be used to monitor student progress. Parent conferencing on student progress will occur twice per year.

Once per year, the Executive Director will be responsible for preparing and presenting a report to the Governing Board that details and summarizes the school's progress toward meeting its goals during the previous school year. The Executive Director is committed to ensuring that a robust assessment and accountability system is in place on an ongoing basis at the school, and that the information be used effectively and in a timely manner to ensure the high quality of the school's program for all of its students. If needed, the Board can take measures, based on this report that will ensure the school is consistently making progress toward its goals. Such an action, may include creating a working committee, made up teachers, parents, administration and students, to take a closer look at elements of the report, conduct research as necessary, and make appropriate recommendations.

In accordance with the provisions set forth in No Child Left Behind, WAYS will track student achievement data in order to ensure students are meeting required proficiency levels. Teachers and administrators will analyze data and use it as a tool when planning curriculum, designing interventions and adopting curricular materials. The administration, to include the principal, teachers, and the special education program coordinator will coordinate all efforts in order to maximize student achievement.

2.9 Student Retention and Promotion

Wisdom Academy for Young Scientists strives to ensure that students show progress in their achievements and is ready to be promoted to the next level. For those students who are identified as "at risk" of retention, a meeting will be called that includes the teacher, parents and special education program coordinator. At this meeting it may be determined that a Student Success Team (as described in the Special Education section above) is necessary to develop an educational plan that will include tutorials, special classes and learning strategies that best suit the student. Parent conferencing on the student's progress will occur every couple of months. If necessary the option of summer school and after school enrichment classes will be offered as a measure to curtail retention.

If we believe a student needs to be retained, we will hold a Student Success Team meeting and discuss the repercussions of this action. If the team agrees that this is in the best interest of the child then all measures will be taken to

ensure that this will be a positive experience for the student. These measures include:

- Meeting with the team and the student
- Creating an accepting environment in the class.
- Creating many opportunities for success for the student in the classroom.
- Ensuring that the student receives the necessary assistance and support to ensure future promotion.

Specific times will be allocated to provide the opportunity and time for teachers to discuss and share concerns related to student progress before students matriculate to the next grade.

2.10 Reference to NCLB

WAYS accepts the NCLB premise that all children will succeed and will review its Adequate Yearly Progress annually, with special attention given to the progress of sub-groups. The Principal will recommend and the Board will approve annual action plans to meet Adequate Yearly Progress goals.

At WAYS you will see older children reading with younger children

3 Methods for Assessing Student Progress

3.1 THE METHODS FOR ASSESSING STUDENT PROGRESS AT WAYS WILL INCLUDE THE FOLLOWING:

- CA STATE STANDARDIZED TESTS (I.E., STAR TESTING PROTOCOL, CST)
- Text based pre and post assessments
- Tri-yearly standards-based Benchmark performance assessments
- Unit level standards-based Benchmark performance assessments
- Formal and Informal Classroom assessment (tests, projects, worksheets, presentations, personal communication, surveys, anecdotal records)
- Portfolio evaluation
- Parent Conferences, and Student-led conferences

3.2 Use of Standardized Test Scores in Measuring Pupil Progress

Our students will participate fully in the Standardized Testing and Reporting (STAR) program. WAYS agrees to comply with and adhere to the State requirements for participation and administration of all state mandated tests.

Teachers need only review the test results, which will be presented to them in a graphic format. These tests measure student outcomes to monitor progress, highlight student -learning deficiencies for teachers, and increase teachers' pedagogical efficiency (teachers can shift time away from test preparation and scoring to other activities).

Assessments will be tied to ongoing teacher, classroom and grade level goals and action plans. The collaboration and monitoring of this information will allow for the sharing of resources and innovative solutions.

Teaches will share data with students and classrooms will work together to establish action plans. Data and action plans can also be shared with parents through class and school newsletters to involve them in the collaborative effort of continuous improvement.

With measures matched to our philosophy and instructional intents, we will develop and will build upon our assessment system, which will enable us to systematically:

- Assess the progress of individual children in our curriculum, with particular emphasis on their academic, standards-based achievement.
- Evaluate the effectiveness of the school program in meeting its objectives, relative to our own standards and compared to schools serving similar students in the district.

- Contribute to the continual strengthening of curriculum and instructional processes at the individual, team, and program levels.
- Be accountable to students, parents, our community, the County and the state.

Wisdom Academy for Young Scientists will participate in the state-mandated testing programs. They will enable us to track individual students' and the school's performance from year to year; however, these tests do not fully meet the assessment needs of the classroom teachers nor are they designed to encourage students' self-reflection. For these latter purposes, students will prepare portfolios composed of the projects, daily work, journal samples, self-evaluations, writing samples, exhibitions, reading logs, analytic reflections and other tasks which students complete over the course of the instructional year. To provide a more complete picture of student growth, the school will institute a system of benchmark assessments at the end of each trimester—faculty designed, administered, and scored—tied to the full school curriculum, including rigorous measurement of student standards-based achievement.

The Charter School agrees to comply with and adhere to the State requirements for participation and administration of all state mandated tests. If the Charter School does not test (i.e., STAR, CELDT, CAHSEE) with the District, the Charter School hereby grants authority to the state of California to provide a copy of all test results directly to the District as well as the Charter School . A copy of the school's test results must be submitted on a CD on or before September 30 following that spring's test administration, The CLDT results must be submitted to the District no later than two weeks after receipt of the CD from the state's vendor.

3.3 Use of Longitudinal, Survey and other Data in Measuring Pupil Progress

Students will be given a variety of ongoing assessments, including teacher observations, performance-based assessments, grade-level assignments, presentations, and projects, as well as the "Standards Master" assessments, and Unit level "Benchmark" assessments. The Principals will ensure that all necessary assessments are completed in a timely manner and that teachers use the information from the assessments to modify their curriculum accordingly.

California-aligned "Standards Master" assessments developed by Renaissance Learning Co. (a testing and curriculum tool developed by Renaissance Learning Inc. that is aligned to California state standards in math, reading and language arts) or a comparable system will be used to measure students' and classroom growth towards mastery of state standards in mathematics, language arts and reading. These assessments will be conducted three times a year; extensive reports will be generated compiling both classroom and individual student results. Reports will be used to inform both standards based classroom curriculum development and individual student support programs. This assessment and/or other comparable state content standards aligned testing program will be used until our benchmark assessments are completed.

The faculty will come together to agree on benchmark tasks and assessments that represent key objectives for curriculum and instruction to be included in student portfolios and Student Assessment Collections, addressing the state standards and additional criteria by which student performance should be judged. We will examine how the evidence contained in student portfolios can be used to determine each student's progress toward the attainment of specific goals, and develop our portfolio criteria in a manner that maximizes this attainment. The appropriateness of various assessment strategies will be reevaluated by the staff as needed—considering such areas as whole child growth and development (academic, social, physical, creative, critical thinking, etc.), content standards mastery, curriculum effectiveness, level of task difficulty and student mastery.

Of greatest importance is the opportunity for the faculty to establish clear measures of growth that are direct outcomes of the school's full educational goals. The criteria for evaluation of student growth will, of course, reflect achievement in terms of California's content standards, but may also be chosen to include curricular goals measuring the growth of the "whole child" -- honoring the richness of the school's broader curriculum goals

Ongoing student assessment will include additional tools such as checklists, narrative descriptions, anecdotal records of observations, parent conference notes, teacher-designed tests, teacher-developed rubrics, rating forms, surveys, personal conference data and student portfolios.

WAYS' students participate in an extra-curricular dance recital. Teachers support students through home visitations and attendance at family events.

3.4 Benchmark Assessments

The establishment of our benchmark assessment will begin with Staff work during our professional development days in August and will continue the first trimester of the 2011 - 2012 Academic Year. Both large scale and smaller scale benchmark assessments will be developed and employed.

Small-scale benchmark assessment will be done during each unit of instruction, as well as ongoing performance assessments related to the CSTP and unit goals. These benchmark assessments will act to guide instruction, indicate the

need to modify strategies for individuals of whole classes, act as targets for student self-assessment toward their goals, and operate as the primary source of summative unit level grading criteria.

Broad-scale Benchmark assessments will be given in each trimester of the 2011-2012 academic year, evaluated with the aim of using the improved assessment tools from the second trimester as well as a second and additional set to be employed alongside the former set during the final trimester of the 2011 - 2012 academic year. Staff development days in June will be used to review of Benchmark assessment tools employed during the prior year. In this manner, our target goal of a completed and effective Benchmark Assessment Structure can be achieved by the end of the 2011 - 2012 Academic Year of school.

Benchmark assessments of student academic growth will be designed by the faculty to provide an accurate assessment of student progress in mastering grade-level standards and will be essential to the success of our instructional program. Assessments will be designed to for three specific purposes:

1. Entry-level Assessment – Essential questions: Do students possess crucial prerequisites skills and knowledge? Do students already know some of the material that is to be taught? The assessment will contain a range and balance of items, some of which reach back to measure where students are, others will reach forward to identify those students who may already know the new material.

2. Progress Monitoring – Essential question: Are students progressing adequately toward achieving the standards? Teachers will adjust instruction so that all students are constantly progressing. Teachers will continually look for indicators among student responses and in student work. Monitoring will also include checking for understanding during instruction, checking homework, unit/chapter tests or quizzes. Assessment will be tied to items already taught and will be used as the basis for making we-informed adjustments to instruction. Teachers will rely on answers to the following:

i. Should I move ahead or spend more time on the current phase of instruction?

ii. Are students able to practice what they have learned through independent activities, or do I need to provide additional instruction?

iii. Can I accelerate the planned instruction for some or all students, and if so, what is the best way to do that?

3. Summative Evaluation – Essential question: Have students shown concrete evidence that they have met the goals for each unit as defined by each content standard or group of standards?

The Benchmark assessments will be organized around a Student Assessment Collection, including the results of the trimester's on-demand tests. Each piece of the "Student Assessment Collection" (SAC) that is gathered for evaluation in the Benchmark assessments for each student will be evaluated by the classroom teacher for growth over time using criteria reviewed and approved by the faculty as a whole. One additional faculty member will review each (SAC) to establish

the validity of the overall evaluation. The faculty will also establish criteria for the evidence to be included in the SAC, a description of the dimensions to be evaluated, and criteria for determining levels of achievement for the collections as a whole, including a clearly defined "Mastery" level.

The Benchmark assessments primarily serve a "formative" function, and will provide a powerful, concrete, and results-focused opportunity for the faculty to refine the school's vision and program, to help each other in their work with students, and to identify and address the needs of individual students in a timely way.

3.5 Portfolios

Consistent with our instructional philosophy, portfolios will give students opportunities for choice and to show their individual interests and talents. In addition to offering teachers a tool for gauging students' progress and their strengths and challenges, the portfolio design will include procedures to bring students and parents into the assessment process. By asking students to reflect on their own performance, we will empower them to recognize and be responsible for their own learning.

The full collection of evidence will lead to a student portfolio for teacher will use with students and parents, and the results for all students (with anonymous examples of the variety of student performances) can be used for accountability within the school community and with broader educational stakeholders.

3.6 Specific Standards That Students Must Demonstrate Proficiency In; Process School Will Use to Ensure That Students Meet the Statewide Performance Standards And Evidence Of Improved Pupil Learning

Each grade level teacher will identify, with review and approval by the faculty, one third of the specific state content standards for language arts, mathematics, history-social science, and science for instructional emphasis and student mastery in each trimester. Student progress will be assessed using a variety of ongoing classroom assessments, and at the end of the trimester, the Standards Master and Benchmark assessments. The time unit for demonstrating student learning is the trimester. The results of these assessments will be evaluated formatively to identify content in need of additional instruction and/or summative to identify and verify specific content mastered.

3.7 Assessment Schedule

ASSESSMENT FRAMEWORK	DESCRIPTION OF ASSESSMENT TOOL	DATE
PRE-POST TESTING	TEACHER-MADE TESTS/OBSERVATIONS PUBLISHER'S ASSESSMENTS	FALL/ SPRING

ANNUAL	STATE TESTING & REPORTING SYSTEM CALIFORNIA WRITING TEST FOR GRADE 4 FITNESSGRAM FOR GRADE 5 CALIFORNIA ENGLISH LANGUAGE DEVELOPMENT TEST (Annually or 30 days from enrollment)	SEPTEMBER
	EXIT INTERVIEWS	JUNE
	PERFORMANCE ASSIGNMENT	MAR/APR
BI-ANNUAL	Open Court Reading Unit Assessments Saxon Math Assessments	SEP/JAN
	THE WORK SAMPLING SYSTEM	ON-GOING
	DEVELOPMENTAL GUIDELINES & CHECKLIST	OCT/MAR
	PORTFOLIOS	FEBRUARY/ MAY
TRI-ANNUAL	SUMMARY REPORTS (PARENT CONFERENCES)	NOV/MAR/JUNE

The School will track and analyze the following factors that influence academic achievement and growth.

Measurable Outcomes	Expected Outcomes	Assessment Tools
Student Conduct	Average daily attendance of 95%	Student Records
	Tardiness will decrease each year by 5%	
	Suspensions/expulsions will decrease each year by 5%	
Parent Involvement	90% will attend on-going parent teacher conferences during the year	Running Records/Sign-In Sheets

	90% will attend at least two parent workshops during the academic year	
	Participation of parents with children in special events/programs will increase 20% each year until 90% are involved	
	90% will join the Parent Teacher Association (PTA)	By the end of year three
	Parent attendance at performing arts events, science fairs, festivals, and forums will grow by 10% yearly beginning with 65% the first year	
Teacher Involvement	Participation in school planning/collaboration sessions will be measured by sign-in sheets	90% is required
Professional Development	100% attendance at the annual one-week retreat prior to school opening	Running Records/Sign-in Sheets
State-mandated standardized tests	California Standards Test (CST)	Students who are continuously enrolled for at least two years, and have at least one year of prior testing will improve performance by no less than one proficiency level until norm is reached.
Grade-level competency and continuing higher levels of proficiency	FOSS Assessment System (formative and summative) Open Court Reading Assessments Saxon Math Assessments	Students who are continuously enrolled for at least two years, and have at least one year of prior testing will improve performance by no less than (4) percentage points each year until

		grade level competency (70+) is reached, at which point students will improve at least by three (3) percentage points each year
Teacher Performance	Student attainment of CA standards as evidenced in benchmark assessment performance and test scores.	Comparison of Student designated test scores and percentages of students achieving benchmarks.
	Competence in pedagogy	Principal/ Peer/ Self Evaluations
	Professional Attitude	Parent/Student Surveys
	Effective teaching strategies	Adherence to terms of contract. Rating on WASSC Classroom Climate Pedagogy scale.
	Effective classroom management	Rating on WASSC Classroom Climate management scale.
Financial Solvency	No deficit in the operation budget after the initial two years of operating (time frame allows for start-up costs)	Independent Annual Audit Forecast Budget

3.8 Methods to ensure that all statewide standards are met and pupil assessments conducted

To ensure that all statewide performance standards are met and to ensure continual evidence of pupil learning, WAYS shall conduct testing pursuant to Education Code Section 47605(c) as well as its own assessment and evaluation processes. Multiple forms of assessment will be used to measure student achievement and progress, tailor programs of instruction, validate and continuously improve teaching methods, gauge the school's performance in

comparison to similar schools throughout the state, and provide the metrics for programmatic audits reported to the County and the California Department of Education (CDE).

3.9 Process school will use to ensure that students meet the statewide performance standards and evidence of improved student learning

Staff has identified what students should know (California state content standards) and what they should be able to do (performance standards) in all learning areas at critical points in their education (see Element 2). Steps in this process include: reviewing the school's mission, purpose, and expectations, reviewing state and district standards, developing exit outcomes and graduation standards, and listing specific academic outcomes that students will demonstrate in each subject area, grade, or skill level.

Linking standards to curriculum and assessment: Standards, curriculum, and assessment are aligned with each other, with state guidelines, and with the school's educational goals. Professional development includes training in the use of data-driven decision -making and educators review the alignment of assessment and curriculum with the state content standards at least twice a year.

Determining assessments that will actually measure if curriculum has been learned and monitoring progress toward goals: This includes a combination of portfolios and assessments. Instruments used measure important student objectives and reflect the vision of the school but do not adversely affect the learner. Progress is objectively measured by the annual statewide assessments for each grade (CST, etc.) and by other adopted statewide assessments (CELDT, etc.). Classroom teachers may also measure achievement in a traditional manner, such as through quizzes, essays, tests, and exams.

The staff will:

- Set baseline expectations for incoming students (e.g., information from previous assessments);
- Recommend additional support if needed;
- Administer all assessments, including school, County, and state-required testing (e.g., STAR, proficiency tests, CST);
- Develop evaluative comparisons with similar populations using disaggregated data;
- Set priorities for professional development;
- Assist with the allocation of resources.

3.10 Process for Conducting Pupil assessment Pursuant to EC60602.5

WAYS will administer the CELDT, CST, and other state-mandated assessments as required. It will adhere to the administration protocols specified in the relevant State Department of Education bulletins.

3.11 Identification of the Grading Policy

Trimester progress reports will be issued identifying students' strengths, abilities, interests and areas for improvement. These progress reports will effectively summarize a student's development and progress in English Language Arts, English Language Development, Mathematics, Social Studies, Science, Working Skills, Human Relations and Life Skills and will reflect student's progress toward grade level state standards. The progress report, which lists strategies, attitudes and skills required in each area, along with a rating system, will be implemented. The following is an example:

E = Exceeds Grade Level Expectations

M = Meets Grade Level Expectations

W = Working Toward Grade Level Standards

R = Requires Assistance

Reading

___ Enjoys books and recognizes the power of text

___ Reads with grade level fluency

___ Uses phonics conventions to sound out unfamiliar words

___ Has a grade level appropriate sight vocabulary

___ Comprehends and absorbs written ideas

___ Uses text as a resource for gathering facts and ideas

Student-Parent Conferences will be held three times per year to discuss the students' development and progress and to set goals on how school and home can support and promote student's efforts toward achievement. The conferences will teach each student to take command of his/her development and learning. The portfolio-based conference allows a student to evaluate current levels of strength and weakness in all developmental areas (academics, creativity and artistic expression, critical thinking, social development and motor development). Students gather evidence of their aptitudes and skills, analyze the evidence, and then set goals for the next progress period (approximately a trimester).

Parents are invited to tri-yearly conferences where younger students (grades K – 1) display current levels of development in activities centers, and older students (grades 2 – 5) display current levels of development by presenting evidence of work and reflective analysis from their portfolios. Once parents have had the opportunity to observe their child's skills first hand, they will sit with their child and

teacher to discuss the student goals for the upcoming progress period, and develop a parent/teacher plan to support the child's attainment of those goals.

Portfolio-based student led conferences have proven to be an essential tool for nurturing student ownership of learning and development, as students are not simply included in the process of evaluation, but in fact put at the helm in the analysis and goal setting process. Additionally, this process involves parents directly in the observation and analysis of student development, and in supporting specific goals for growth. Student-Parent conferences allow each the student support team to celebrate each child's hard work, to share in the process of self reflection, and finally to set attainable goals for the coming months at school and home.

The overall focus of our reporting system (which includes report cards, Student-Parent Conferences and the six year [K – 5] cumulative portfolio) will be: 1) to offer parents information on their children's progress in a form they can understand and use effectively, 2) to certify the attainment of learning goals, and 3) to identify where additional work is needed and set appropriate goals and strategies. The development and refinement of our assessment tools will be continually evaluated and improved upon in order to meet the individual needs of our student population. Assessment tools and reporting systems are to be modified as the goals for students are further developed and evolving methodologies become incorporated into our educational program.

The Charter School agrees to comply with and adhere to the State requirements for participation and administration of all state mandated tests.

4 Governance

Wisdom Academy for Young Scientists' governance structure is set up to support the school's overall mission and vision with all stakeholders being involved on all levels of school governance.

As provided for in the California Corporations Code, the corporation is governed by a Board of Directors (Governing Board), whose members have a legal and fiduciary responsibility for the operation of the charter school. The primary purposes of the corporation are to manage, operate, guide, direct, support and promote WAYS and its mission. The governance structure is organized to serve the educational vision of the school by ensuring that decision-making is responsive to the charter school's needs and that staff are held responsible for student outcomes. To accomplish this, WAYS has a governance structure consisting of one major decision-making body, the WAYS Governing Board. Additionally, the Governing Board receives staff analysis of programs and recommendations by the WAYS Executive Director, in his or her capacity as the corporation's chief executive officer.[1] Any reference to "CEO" in this or other charter documents means the Executive Director.

Governing Board

The Governing Board makes all policy and business decisions affecting WAYS' legal, fiscal and corporate matters, not otherwise delegated, to ensure implementation of the charter. Currently, the Governing Board consists of five persons representing parents and community members. The number of members of the Governing Board may be changed from time to time as provided in the Bylaws of the corporation. The Governing Board is empowered to make oversight and financial decisions to uphold the mission of WAYS. The Governing Board is also responsible for appointing, evaluating, compensating and, if necessary, replacing the Executive Director. The Executive Director, as Chief Executive Officer of the corporation (with duties and responsibilities as delegated by the Board), manages the day-to-day operations of WAYS. The Governing Board has adopted Bylaws consistent with the California Non-profit Corporations Code and this charter. To the extent any provision in the bylaws is inconsistent with this charter or any MOU with the County, the charter and/or MOU prevails and the bylaws shall be revised accordingly.

[1] The initial charter petition presented in 2011 contained an error in the organizational chart for WAYS. That chart incorrectly included the paid executive director position within the "Board of Directors" box. Due to potential conflicts of interest, the paid Executive Director cannot be a member of the Board of Directors. Rather the Executive Director is hired/evaluated/released directly by the Board of Directors. All other employees are hired through the Executive Director and/or designees. The organizational chart has been corrected.

WAYS shall comply with the Brown Act. The Governing Board of WAYS will meet monthly. The Notice of Governing Board Meetings, Agendas and Minutes will be posted in the main office on the information bulletin board as well as in common passing areas at a minimum of three days before the meeting.

Wisdom Academy for Young Scientists will operate as a DBA of the Merle Williamson Foundation (MWF), a non-profit corporation established in the State of California under the guidelines set forth by the state and in compliance with Federal laws establishing non-profit corporations. MWF has been granted tax-exempt status under section 501 (c) (3) of the Internal Revenue Code. An governing school board has been appointed. This board is responsible for developing and establishing a set of governing bylaws as required by laws that will apply to the Wisdom Academy of Young Scientists.

Members of the WAYS' executive board, any administrators, managers or employees, and any other committees of the School shall comply with federal and state laws, nonprofit integrity standards and the County's Charter School policies and regulations regarding ethics and conflicts of interest. (Appendix B - Organizational Chart, Board Questionnaire and Resume).

WAYS and/or its non-profit corporation are a separate legal entity and will be solely responsible for the debts and obligations of the Charter School.

The County reserves the right to appoint a single representative to the charter school board pursuant to Education Code Section 47604(b).

4.1 Process Which Ensures Staff, Students and Other stakeholder Involvement

4.2 School Community

The School Community refers to all teachers, support staff, parents, students, administration and community representatives that are involved with the school. The School Community shall have an opportunity to be involved and participate in school wide matters. Opportunities to be involved on the board, advisory council, working committees, etc. are available for all of its members. Whole School Community meetings will be regularly scheduled at an hour that is conducive to parent participation.

4.3 Parents

Wisdom Academy for Young Scientists recognizes that parents and other family members are the most valuable people in each child's life and that they possess insights into the child's abilities and needs. Therefore, we feel that it is imperative that we work closely with them to develop the most successful and enriched educational experiences possible for each child. Parent involvement is an important and integral part of our program. The following will be implemented at our school to accomplish this goal.

The office staff reviews with parents the Home-School agreement, at the time of enrollment. WAYS will encourage parents to sign an agreement indicating they

understand and agree to the level of involvement necessary to optimize success for their child in our program. Teachers and parents will annually review and evaluate this agreement and make any necessary modifications

Parents are strongly encouraged to commit to school service and involvement at the requested amount of four hours per school month, in a manner, which is flexible with their work schedules. Parent's interests, skills and availability are discussed to determine how they can best serve the school community. Parents have the option of working in classrooms, on the playground and/or taking some work home to assist the teacher. Although there is no penalty to the student or family who does not meet this standard, a meeting with the parents will be scheduled to discuss the importance of their participation and solutions to those obstacles that are preventing the family from being involved at the school.

Parents will be asked to join the Parent Council, which will be developed and led by the parents. The parent group provides a forum for parents to gather for the purpose of coordinating parent volunteerism, fundraisers and activities that support the school program and goals.

Parents will be asked to form committees, when necessary to provide a forum for parent concerns and standard procedures to address concerns and initiate solutions to said concerns. This may involve working to assist in the development of school policies and procedures.

Parent workshops that share information on skills and techniques that can assist them in areas such as Core Knowledge Skills/Sequence, Standards Based Learning And Assessment, Literacy Development, Social Development And Effective Conflict Resolution, The Successful Learning Environment At Home And School, How To Promote Learning During The Summer, and the like, will be offered on a regular basis. These workshops are intended to help parents gain a greater understanding of our program and how they can work closely with us to help their child succeed in school.

Parents will be provided with information on an ongoing basis regarding the content of the educational program and on-going school meetings and events. Written material will be translated into Spanish to keep all of our families informed.

Staff will advise and consult with parents regarding the school's educational program at the orientation meetings and community discussions. Parents will be encouraged to reinforce the educational program by monitoring their child's progress, responding to written notices and reports, engaging in conversations with school personnel as needed and attending student-led conferences twice per year.

Our school will strive to ensure that parents and family are visible members of the school community. Room-parents responsible for setting up a telephone tree to keep parents informed will be established as part of our school.

Grievance Procedure for Parents and Students

WAYS will designate at least one employee to coordinate its efforts to comply with and carry out its responsibilities under Title IX of the Education Amendments of 1972 (Title IX) and Section 504 of the Rehabilitation Act of 1973 (Section 504) including any investigation of any complaint filed with WAYS alleging its noncompliance with these laws or alleging any actions which would be prohibited by these laws. WAYS will notify all its students and employees of the name, office address, and telephone number of the designated employee or employees.

WAYS will adopt and publish grievance procedures providing for prompt and equitable resolution of student and employee complaints alleging any action, which would be prohibited by Title IX, or Section 504. WAYS will implement specific and continuing steps to notify applicants for admission and employment, students and parents of elementary and secondary school students, employees, sources of referral of applicants for admission and employment, and all unions or professional organizations holding collective bargaining or professional agreements with the recipient, that it does not discriminate on the basis of sex or mental or physical disability in the educational program or activity which it operates, and that it is required by Title IX and Section 504 not to discriminate in such a manner.

4.4 Student Involvement

Wisdom Academy for Young Scientists recognizes that the students themselves are the experts when it comes to knowing the interests, abilities and strengths, which they possess. Often times students' strengths are overlooked when they are compared to conventional success criteria. Our goal is to ensure that children know they are valued. We plan to meet our goals by identifying and building on strengths and by encouraging the development of additional skills and thereby implement the following:

Create and incorporate a curriculum that is experientially based in order to maintain a high level of intrinsic motivation in the student and build on his or her inner desire to learn.

Identify children's learning strengths, then use our findings to inform the creation of a powerful curriculum that utilizes these strengths, thus allowing children to experience the values of developing and employing skills mastery.

Build on each child's interests, experiences, culture awareness and appreciation, social skills, and their abilities in an effort to maximize their learning.

Cross curriculum will be offered that emphasis the importance of science now and in the future as it relates to our natural environment, sharing learning experiences through assemblies, field trips and working on school community events, such as the annual "Science Fair."

4.5 Teacher Involvement

Wisdom Academy for Young Scientists recognizes the importance of teacher input in matters that directly involve their classroom and student achievement. WAYS will strive to ensure that teachers become more involved in the governance of the school and the development and implementation of curriculum programs in the school. Therefore, the governance structure is set up to be inclusive of the teacher's input and we have purposefully left room to further develop our curriculum, so that teachers along with parents could have some input into the instructional program.

Teachers participate as members of a collective in our ongoing program development, staff development and the administrative decision making process. They participate in designing and running staff development workshops, where teachers share experience and methodology with one another, overseen by the Academic Co-Principals. Through continuous analysis of our philosophy, and weekly reflection on our practices in action, our staff collective works toward greater unification.

Teachers will meet weekly after school with the principal to share concerns, communicate requests, discuss program goals, assess overall student progress, evaluate program effectiveness, develop plans to implement policies, and discuss individual student needs. Teachers will be encouraged to serve on working committees to provide input that will help shape policies and effect change.

4.6 Community Involvement

We recognize that Wisdom Academy for Young Scientists community is a part of a larger community and should therefore take more effective measures to make it possible for the community to become actively involved. To this end, WAYS has formed a working committee do the following:

Elect representatives from the scientific, business and educational community to serve on the School Board.

Continually seek community partnerships that will enhance the instructional program and support the vision and goals of the school.

Make concerted efforts to establish collegial relationships with the District's elementary schools in the area, for the purpose of increased student achievement within the District.

4.7 Methods By Which Schools Consult With Parents and Teachers Regarding School's Organizational Program

As part of the process of creating a small learning community where everyone has a sense of ownership and purpose, Wisdom Academy for Young Scientists Board of Directors has been formed of parents, community members, and other stakeholders. Parent and teacher involvement will be ensured in the following manner.

A Site Council composed of teachers, parents and at least one student representative will meet monthly at the school to discuss school issues and policies.

Student-led conferences will be held at least biannually in order to facilitate communication among their business partners (parents), teachers, administration, and students; track the progress of the students; and develop any necessary interventions.

Parent/guardians will be encouraged to form committees that will plan events and fundraisers, review curriculum and policies, or get involved in other areas of interest consistent with the vision, mission, and policies of the school.

Wisdom Academy for Young Scientists staff will maintain open lines of communication at all times with parents. Beyond meeting with staff at student-led conferences, parents will be advised that teachers will be available for additional conferences as needed.

4.8 Decision-Making Process and Organizational Chart

An organizational chart is provided (See Appendix B). The school community and the established parent groups will be major stakeholders and vital participants in school governance. School committees needed to research and work on identified needs of the school will evolve from the school board and parent group. A Site Council that will offer information, support and resources to the Board will be developed within the 1st year of operation.

The Board of Wisdom Academy for Young Scientists will be made up of 5 – 15 members that include community member representatives. Paid employees of WAYS may not sit on the Governing Board of WAYS. The board members are made up of the founding parents, educators, and community members. (see Appendix C). The County reserves the right to appoint a single representative to serve on the Board pursuant to Education Code section 47604 (b). The remaining members will be nominated from the school community and outer community members, based on their expertise and desire to promote a quality educational program. These individuals may have backgrounds in areas such as business, law, fundraising, community outreach, finance, mental health, etc., along with their willingness to serve a needed role on the WAYS Board. During the term of this charter, WAYS will comply with the provisions of the Brown Act and Government Code section 1090, as those sections are amended from time to time. WAYS will email a copy of all meeting notices to the County's Charter Schools Office.

The Governing Board ultimately will be charged with assessing how the school is doing overall. The Executive Director will provide an annual report to the Board of Directors of the Merle Williamson Foundation in April of each year. Once the Governing Board receives reports from the administration, with regards to the academic progress of the students, the level of parent involvement and the financial status of the school, it will review the information and ascertain whether recommendations need to be made or committees need to be formed to work on

specific issues. These committees may examine closely the curriculum and staffing priorities for maximum effectiveness; identifying budgetary priorities involving the use of discretionary funds; evaluating the academic effectiveness of the school program, its administration and staff, and make recommendations for improvement, accordingly. These committees are established to implement the business of the Governing Board and to facilitate it's functioning. Furthermore, the Governing Board facilitates communication and team building and acts as negotiator for disagreements.

Matters that arise concerning budgets, curriculum, school discipline, and other school matters will begin at the level of teachers and parents. The Governing Board may, from time to time, establish committees and working groups to develop a policy for the school regarding specific issues and present its findings to the Governing Board and the School Community. WAYS has adapted a set of detailed procedures and policies for all fiscal matters, which are outlined in Element I. Core policies that the board will adopt include:

- Fiscal Policies – how the school's budget is drafted, approved and monitored; budget development calendar; staff roles related to fiscal issues.
- Instructional Program Policies – when necessary, establish formal policies to clarify or add specific/amend specific charter elements
- Personnel Policies – Establishes how the school recruits, hires, monitors, compensates, and dismisses staff. Policies will also be adopted that address state and federal labor laws related to non-discrimination, leaves, sexual harassment, and other matters. These policies will be adopted prior to hiring staff and will be drafted with legal consultation.
- Student and Parent Policies – how the school recruits orients, admits, disciplines, suspends, and expels students. These polities will also clarify parents' roles and responsibilities.
- Legal Policies – Board members' legal responsibilities, including conflict of interest, duty of care, confidentiality (See Appendix E).
- Internal Board Policies – Board composition and renewal/succession and to clarify any policy ambiguities
- Policy, policy – this policy will help to keep the policy development process at a minimum and describe how policies are made and revised.

The Governing Board will:

- Insure that the entire school is moving in the direction of the school vision.
- Serve as a clearinghouse for information to facilitate communication.

- Monitor committees to ensure progress toward goals and accomplishment of duties.
- Assist Administration in dealing with incoming information to the school and disseminating information to the School Community.

4.9 School board decisions

Board Members shall consider no business at any meeting at which a quorum is not present.

A quorum shall consist of a majority of the sitting voting members.

The board will make decisions using a majority vote (51% of the board members).

Board members who were not in favor of an approved motion must fully support the organization as it carries out the majority's decision.

Every member has the right to participate in the discussion and every designated voting member has the right to vote on all issues before the Board or any Board Committee.

The School Principal, with the support of staff, will develop and execute the school policies and develop and implement procedures consistent with such policies. The Principal will make decisions that govern ongoing operations, such as selection of curricular field trips, purchase of instructional materials and equipment, facilities, improvements and repairs, expenditures related to facilitation of instructional program and operation of school, etc. The Principal will make efforts to establish collaborative relationships with community members and organizations that will support the instructional program of the school. The job description for the Principal is found in Element 5 of this petition. The principal is responsible for designing and implementing the academic program. The teachers report to the principal, who in turn reports to the Executive Director.

4.10 Assurance that Wisdom Academy for Young Scientists will comply with all laws

Wisdom Academy for Young Scientists affirms that it:

- Is not a conversion from a private school.
- Will be non-sectarian in our programs, practices and employment.
- Will not discriminate on the basis of disability, gender, nationality, race or ethnicity, religion, sexual orientation, or any other characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code.
- Will not charge tuition.

- Will continuously plan and strive to achieve a racial and ethnic balance that is reflective of the general population residing in Los Angeles County.
- Will not compel students to attend or teachers to be employed at the charter school.
- Will not enroll pupils over 19 years of age unless continuously enrolled in public school and making satisfactory progress toward high school diploma requirements.
- Will adhere to minimum age requirements for the purposes of admission.

4.11 Amendments to charter

Following approval, the governing board of Wisdom Academy for Young Scientists may request from the County governing board an amendment of the charter at any time prior to expiration. Modifications to this charter agreement may be made only with the approval of the County Board of Education.

Expansion of the charter school beyond the initial configuration described in the approved petition, i.e., adding grade levels, increasing enrollment or adding new sites must formally be approved by the Board of Education prior to implementation. An amendment to the charter will be presented to the Charter School Board for approval. If the charter school wishes to use a calendar, which differs significantly from any of the District's calendars, or change the calendar, we will obtain County approval prior to implementation.

Responding to Inquiries

WAYS shall promptly respond to all inquiries, including but not limited to, inquiries regarding financial records, from the County and shall consult with the County regarding any inquiries. WAYS acknowledges that it is subject to audit by the County including, without limitation, audit by the County.

If an allegation of waste, the County receives fraud or abuse related to the Charter School operations the Charter School shall be expected to cooperate with any investigation undertaken by the County and/or the Office of the Inspector General, Investigations Unit.

Notifications

Notification is to be made to the County of any notices of workplace hazards, investigations by outside regulatory agencies, lawsuits, or other formal complaints, within one week of receipt of such notices by WAYS.

See Appendix B: Merle Williamson Foundation dba Wisdom Academy for Young Scientists Governance Structure

5 Employment Qualifications and Rights

Governing Law: The qualifications to be met by individuals to be employed by the school. Education Code Section 47605(b)(5)(E).

Wisdom Academy for Young Scientists will select a group of professionals committed to the education of all children.

5.1 Process for Staff Selection

At Wisdom Academy for Young Scientists (WAYS), all staff shall be selected by an open, objective and competitive process. WAYS shall screen applicants for basic criteria, namely: credentials, team teaching ability/experience, years of experience, area of academic expertise. A Staff Selection Committee (SSC) initially made up of administration, board members and parents has been developed for the purpose of recruiting and hiring staff. After the initial teaching staff has been selected, teachers shall also be on the SSC. A panel of educational experts, board members and the Executive Director conducted the search for the Principal.

Teacher candidates are asked to do the following:

- Submit a write up on their philosophy on teaching.
- Observe one of our teachers in class, fill out a questionnaire on their observation and participate in a short non-formal discussion with a few SSC members.
- Prepare and present a one -hour lesson to one of our classes (teachers and members of our SSC observe), followed by a short informal interview with SSC members.
- Participate in a formal interview with a majority of the SSC and all Principals.

Wisdom Academy for Young Scientists shall select its own staff. WAYS believes that all persons are entitled to equal employment opportunity. WAYS shall not discriminate against qualified applicants or employees on the basis of race, color, religion, sex, gender identity, sexual orientation, pregnancy, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, or any other characteristic protected by California or federal law. Equal employment opportunity shall be extended to all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall, and dismissal from employment. Wisdom Academy for Young Scientists staff shall consist of persons who are committed to Wisdom Academy for Young Scientists philosophy.

The hiring process has been an ongoing process and has included:

Interviewing and collecting from applicants:

- Resume
- College transcripts
- References
- TB Clearance
- Department of Justice Clearance
- Credentials, licenses, etc.
- Verifying previous employment
- Selection of top candidate

5.2 Staff Recruitment Process

- Wisdom Academy for Young Scientists (WAYS) Hiring Committee will publicize openings in career and education websites, newspapers, Universities, in the local community and ask for referrals from community members and other stakeholders.
- Professional employees will be required to submit a resume and cover letter while classified hourly employees will fill out an employee application.

5.3 Job Descriptions for Positions

The following job descriptions outline key school positions, including qualifications and responsibilities. Job descriptions will be revised as necessary to reflect the needs of the school.

- Executive Director
- Principal
- Director of Operations
- ESL Coordinator
- Special Education Coordinator
- Administrative Assistant
- Classroom Teachers
- Curriculum Specialist
- Resource Specialist Teacher
- Resource Specialist Teacher Aide
- Para-Professional

EXECUTIVE DIRECTOR

Purpose:

The Executive Director is responsible for leading and managing the WAYS charter schools. The Executive Director designs and executes a strategic plan to ensure the excellence, sustainability, and growth of the schools. As a WAYS in size and complexity, an Executive Director is responsible for effectively managing and scaling an increasingly complex organization. The Executive Director is an agent of the Merle Williamson Foundation Board of Directors and directly accountable to the Merle Williamson Foundation, for all WAYS business and operations. The Executive Director will report to the Board of Directors and will manage the performance of school leaders and staff, and serves as the corporation's Chief Executive Officer ("CEO").

Qualifications:

- Experience working with low-income communities, and in particular working with children from low-income backgrounds to achieve exceptional results in academics, sports, the arts, community service, etc.
- A proven track record of success in building and/or managing a complex organization or enterprise (e.g., a high-performing school or network of schools, a successful non-profit or for-profit organization)
- A willingness to travel, with significant travel during the initial training period required.
- A minimum of a bachelor's degree from a four-year college or university.

Highly Preferred

- Experience leading a high-performing school serving children from low-income communities.
- Familiarity with the local community, including the political, educational and philanthropic landscape.
- Masters or Doctorate degree

Key Qualities, Knowledge, Skills, and Abilities:

The Executive Director shall demonstrate the following beliefs and have the following qualities:

Proves the Possible

- Possesses an unshakable, deeply held personal belief that children growing up in low-income communities can achieve at high levels and can demonstrate exceptional personal character.
- Makes decisions and enables other to make decisions based on what is best for students.

Drives Results

- Drives relentlessly to achieve exceptional outcomes on behalf of kids, and does so by demonstrating clear intellect, setting and achieving goals, and managing with grit and tenacity.
- Thrives in an entrepreneurial environment that involves high energy and rapid change.

- Constantly focuses on identifying opportunities to learn and grow, has a track record of strong change management in an organization, and proactively seeks to supplement strong instincts with new ideas and best practices.

Builds Relationships

- Operates with an exceptional level of self-awareness, humility and integrity in all interactions.
- Builds relationships marked by trust, integrity and respect, and does so with a variety of stakeholders including teachers, leaders, students, parents, donors, community members, and Board members.

Manages People

- Believes that the essential purpose of his/her work will be to support and develop leaders, teachers and staff members in order to ensure that outstanding teaching and learning takes place every day in WAYS classrooms.
- Inspires and effectively manages (directly and indirectly) staff to achieve extraordinary results, and offers a clear vision and direction for all staff members.

Provides Instructional Leadership and Manages Operations

- Establishes the academic vision and goals and takes ultimate responsible for ensuring instructional quality and academic performance.
- Increases the efficiency and effectiveness of operations in order to drive even stronger results in school performance.

As the leader of a WAYS, the Executive Director is responsible for ensuring the high quality, strategic growth and operational sustainability of the school. In order to do so, the Executive Director's key responsibilities include:

Developing and executing on the Merle Williamson Foundation and WAYS vision.

- Work with the local Board, key funders and partners, and the leadership team to develop a strategic vision and implementation plan to accomplish it.
- Set clear academic, growth, operational, and financial goals and manage to them; adapt as necessary given changes in internal and external environment
- Manage strong public transparency systems including public compliance and internal and external reporting.

Build a high-performing team of professionals that is able to support schools in their drive to deliver transformational educational outcomes for students.

- Recruit and develop future school leaders and a leadership team.
- Build and support a strong, cohesive culture that reflects core WAYS values and leads to a strong and aligned identity.

- Introduce strong and consistent accountability systems to ensure progress toward shared goals. Promote transparent decision-making processes and embrace distributive leadership principles over time.

Building the short and long-term organizational capacity and brand required for excellence, sustainability, and growth.

- Build staff capacity and infrastructure systems necessary to sustain the organization as scale and complexity grow. Develop organization-wide systems to meet the varied needs of a rapidly-growing organization, including financial management, budget planning, compliance, human resources (including teacher and school leader recruitment and development) contract negotiation, facilities management, vendor management, fundraising and marketing, legal, and information technology.
- Ensure that the organization has a viable long-term financial plan and a diversified and sustainable funding base. Manage development efforts to meet ambitious annual goals by identifying, cultivating, and soliciting public, individual and foundation sources of giving. In particular, ensure that schools are maximizing all public revenue sources.
- Oversee marketing efforts, branding initiatives, and advocacy work on behalf of the Merle Williamson Foundation and WAYS at local, state, and national levels.

The Executive Director will perform the role of Head of School with the following responsibilities.

- Provide management and support of individual School Leader(s) (including hiring/firing decision and management of transitions with Board approval)
- Develop and oversee academic vision and priorities
- Provide oversight of the implementation and alignment of high-quality curriculum, assessment, data management, and other academic systems (including management of common core transition).
- Ensure school-wide talent planning and processes including performance management, onboarding, recruitment, etc.
- Manage internal school review processes
- Ensure WAYS achieves annual and multi-year financial sustainability goals and budget results

Engaging Key constituents to build strategic support for WAYS.

- Develop a strong, engaged, and active local Board in close partnership with the Board chair.
- Build coalitions, relationships, and partnerships with key stakeholders in support of the organization's mission and goals. This group of stakeholders likely includes the local school district, charter authorizer, parents, donors, community members, and leaders of community and political organizations.

PRINCIPAL

Purpose:

The position of Principal is a Full time/Exempt position/with an at-will-work agreement. Candidate must have proven experience in educational leadership, educational vision for and experience and success with at-risk children, demonstrated ability in program design and/or development, entrepreneurial, and interest and commitment to educational reform.

Qualifications:

- Bachelor's degree from an accredited institution; and
- California Teaching Credential; CLAD or BCLAD
- California Administrative Services Credential
- Masters Degree

The primary roles and responsibilities of the Principal shall include/but are not limited to:

- The Principal is responsible for instructional leadership, including developing school direction, in collaboration with the Director of Operations and Executive Director, consistent with WAYS needs and goals.
- The Principal is responsible for setting and maintaining high standards for student performance. The Principal is responsible for enabling the school to meet the improvement standards and other goals and obligations established in the charter.
- The Principal shall cooperate, with prior approval from the Executive Director, with outside evaluators in their efforts to assess the school's performance by establishing strong systems for data management and analysis and making the same available to the evaluators. The Principal shall assist the Executive Director in developing and implementing a school accountability plan.
- The Principal must ensure smooth running of daily school operations, which includes managing crises effectively, maintaining discipline and order in the school and most importantly ensuring the overall safety and security of the school.
- The Principal, in constant collaboration with all stakeholders, shall be the lead person in the implementation of WAYS discipline policies.
- The Principal is responsible for managing staff and employees at all school sites. Managing staff includes utilizing each employee in an effective manner as well as evaluating and responding to professional development needs. The Principal must also conduct periodic evaluations on performance and give feedback in a timely manner.
- The Principal must develop and manage relationships with parents, family and students including monitoring student status and progress and ensuring that students are aware of progress.

- The Principal is expected to be committed to the school's mission, vision and policies and to promote and enforce the same in concert with the Executive Director.
- The Principal will attend and prepare a report for each scheduled WAYS board meeting. The report will take into consideration the school accountability plan.
- The Principal will assist the Executive Director by helping to edit and or write grants.
- The Principal will work in collaboration with the Director of Operations in developing and proposing an annual budget for the fiscal year with input from faculty and parents and present it to the Executive Director.
- Prepare regular student achievement reports
- Recruit, evaluate and manage staff including instructional consultants, certificated teaching staff, classified staff and special programs classified assistants.
- Develop, coordinate and assess instructional programs including standards based core curriculum intervention programs special education program master plan for English Learner students.
- Supervise school wide curriculum and assessment mapping including regular student achievement data analysis.
- Develop Master Schedule in alignment with instructional program needs and supervise implementation of schedule.
- Manage and direct safe school program including emergency operations and student discipline.
- Develop and implement relevant and meaningful professional development for instructional personnel.
- Supervise implementation and or implement school policies.
- Supervise and support all compliance related reporting including categorical programs (Title, Bilingual) Civil Rights Compliance, Federal Meal Program.
- Supervise and support the maintenance of all Enrollment and admissions procedures and records as well attendance procedures and records.
- Facilitate the development of school wide vision goal setting and positive school culture.
- Train and coach teaching staff on school wide teaching and learning practices.
- Coordinate and support parent workshops, parent participation programs and family evaluations.

DIRECTOR OF OPERATIONS, FINANCIAL MANAGER

Purpose:

The position of Director of Operations is a Full time/Exempt position/with an at-will-work agreement. Under direct supervision of the Executive Director, and in collaboration with the Principal: The Director of Operations is responsible for

planning, coordinating, and supervising the day-to-day business operations of the organization; and is responsible to plan, organize; prepare, develop, monitor, review, analyze, maintain and adjust the organizations budgets, funds, and accounts; coordinate, direct, and participate in financial record-keeping and related auditing functions to assure accurate and timely accounting and reporting of funds and budgets.

Qualifications:

- B.A. or B.S. degree from a recognized four-year college.
- Three years broad, varied and increasingly responsible experience with budgeting, computer information systems, and organizational procedures.
- Possession of a Certified Public Accountant (CPA) License is highly desirable;
- Two years of experience in finance or accounting work;
- At least one years in a management/supervisory position involving policy development, and budget preparation.
- Charter school experience desirable.

Knowledge, Skills, Abilities:

- Knowledge of principles, methods and procedures, related to purchasing, operation, safety, computer networking programs, food service, budgeting and accounting, electronic data processing techniques and methods, purchasing and inventory control systems;
- Knowledge of principles, methods, techniques and strategies of organization, management and supervision; Knowledge of law, policies and regulations pertaining to youth and employee records;
- Preparation of financial and statistical documents and reports;
- Analyze student achievement data, draw logical conclusions and prepare comprehensive reports;
- Deal effectively and graciously with situations requiring tact and judgment;
- Exercise patience, common sense, and good humor to thrive within the pressures, competing priorities and demands of a school office environment.

The primary roles and responsibilities of the Director of Operations shall include/but are not limited to:

- Prepares necessary documentation to hire, upgrade, terminate or authorize special payments to staff.
- Processes Department of Justice Live Scan appointments; may be designated to be the Custodian of Records, and monitor Live Scan results.
- Plans and coordinates arrangements for school and community activities; acts as liaison between school and other schools, the Charter Authorizer, outside agencies, the parents, and the public at large.
- Develops, implements, and monitors work policies, practices, systems, and methods that are effective, efficient, and consistent with Charter School standards, policies, and procedures.
- Collaborates with the school Principal to coordinate master calendar of

meetings and events.

- Investigates circumstances of employee on-the-job injuries; prepares required documentation; and reports safety hazards.
- Scrutinizes facility wear and tear and makes recommendations as to facility improvement.
- Monitors accountability timelines and coordinates timely completion of administrative/clerical tasks.
- Promotes and maintains a positive and effective school climate by ensuring that all interactions with staff, students, parents, and the public at large are prompt, efficient, helpful and friendly.
- Finance: Plans, coordinates, supervises and administers the financial operations of the Charter School, including accounting, budgeting and payroll;
- Assures compliance with policies, practices and procedures; plans, organizes, coordinates, administers, integrates, evaluates and controls such functions as accounting, budgeting and payroll for the Charter School;
- Gathers, reviews, compiles, organizes, coordinates, analyzes and integrates all accounting functions, statistical analyses and financial reports;
- Provides leadership and works with staff to develop and retain highly competent, service-oriented staff through training and management practices;
- Participates in various budget review sessions and incorporates revisions; reviews, evaluates and within level of authority, approves requisitions and invoices and monitors expenditures to appropriate funds or accounts;
- Plans, organizes, coordinates and supervises internal and external auditing functions;
- Advises Board Members, Executive Director, and management regarding financially related issues;
- Confers with representatives of private firms, other governmental agencies, legal authorities and the public in regard to matters affecting financial services;
- Establishes and maintains effective working relationships with federal, state, county and District staff; perform other duties as assigned.

SPECIAL EDUCATION COORDINATOR

Purpose:

The Special Education Coordinator will provide leadership and professional development to drive the special education program at all sites, and ensure compliance to established policies, procedures and/or regulations.

The Special Education Coordinator reports to and is evaluated by the Principal

Qualifications:

- Bachelor's degree from an accredited institution; Masters or Doctorate degree preferred.
- California Teaching Credential; CLAD or BCLAD; highly-qualified status according to NCLB
- Possession of a valid California credential for Level I or Level II Education Specialist (Mild/Moderate) credential with Autism Authorization preferred.
- Demonstrated success teaching students from educationally–□ underserved areas
- Two years of successful and demonstrated case management skills required
- Four years of successful, full–□time teaching experience in Special Education preferred
- Knowledge of state and federal special education policy, laws, and regulations.
- Knowledge of computer-based IEP programs
- Excellent organizational, planning, and implementation skills
- Ability to manage the ambiguity and multiple priorities inherent in an entrepreneurial environment
- Relentlessly results-oriented
- Ability to communicate and interact effectively with multiple constituencies
- Excellent written, communication and presentation skills
- High proficiency in Microsoft Excel, PowerPoint, Word, and Outlook
- Initiative, leadership and tenacity
- Ability to stay positive through challenges
- Detail-oriented team player willing to roll up sleeves and get the job done
- Unquestioned integrity and commitment to WAYS mission.

Responsibilities:

- Manage all IEPs at all sites and be responsible for all IEP development,
- Including IEP meeting coordination and facilitation.
- Develop related goals and objectives and recommend policies, planning, and implementation by working with school staff to meet the needs of students with special needs.
- Serve as a resource for information regarding special education services, programs and policies and ensure that procedures are appropriate in relation to policies required by local SELPA, state, and federal regulatory requirements.
- Analyze data, plan activities, monitor programs/services, respond to others and consult with teachers, administrators and WAYS staff.
- Address other duties and processes required to maintain the school's program of services and compliance for all sites.
- Maintain knowledge of current Special Education regulations and best practices
- Support general education teachers and administrators in implementation of appropriate strategies to meet the needs of students with IEPs

- Support implementation of accommodations and modifications for students with IEPs in the general education classroom and during Special Education service time
- Analyze assessment results to drive instruction and IEP development
- Develop and assist with appropriate behavior management techniques for students with special needs
- Train and evaluate all Special Education Instructional Aides
- Develop IEPs in accordance with federal, state and district standards
- Create and maintain Special Education documentation and reports as required by federal, state and district regulations
- Ensure IEP timeline compliance of all caseload
- Administer formal academic assessments
- Analyze and report on results of academic assessments
- Write academic reports for Initial and Triennial IEPs
- Manage relationships with instructional consultants to ensure students receive all individually-[illegible] prescribed IEPs services (i.e. Occupational Therapy, Language and Speech, etc.)
- Coordinate formal assessments for related services with WAYS providers and instructional consultants
- Schedule and facilitate IEP meetings in a collaborative and professional manner
- Provide direct services to students with special needs
- Develop positive relationships with parents and families in order to engage them in the IEP process and keep them apprised of student progress
- Influence the RTI and SST process
- Provide special education program leadership at all sites
- Manage and/or assist with the development of 504 plans at all sites
- Develop and provide ongoing professional development for general and special education staff and administrators
- Assist in the preparation of Informal Dispute Resolution, mediation and due process material.

ENGLISH AS A SECOND LANGUAGE (ESL) PROGRAM COORDINATOR

Purpose:
The ESL Program Coordinator will provide curriculum and instruction support to all WAYS school sites as they work to ensure that each student is able to reach his or her academic potential. The ESL Program Coordinator is responsible for six main areas: a) development of English Language Arts standards and assessments, b) analyzing data in order to modify curriculum and assessment to meet students' needs, c) providing professional development to support the sharing of best practices and use of English Language Learner support strategies in all content areas, d) ensuring compliance with federal and state ESL program requirements, e) working with school leaders (principals, assistant principals, grade level and department chairs) to support school based teacher

coaching and f) directly coaching teachers to support the development of each teacher's reading and writing instructional pedagogy. The ESL Program Coordinator will work collaboratively with other content area coordinators, the Assistant Principal and the Special Education Program Coordinator, to advise principals and teachers on developing instructional strategies and intervention programs to support the learning of all students. The ESL Program Coordinator reports to and is evaluated by the Principal.

Qualifications:

- Bachelor's degree (required), master's degree (preferred)
- At least 3 years of experience teaching reading or writing to historically underserved students in grades K-5 required; 5 years or more of teaching experience in grades K-5 preferred and ESL certification a plus
- Prior experience in aligning standards and creating common assessments and in leading adults in the creation of curricula;
- Experience leading professional development or teacher collaboration;
- Experience in analyzing data and using results to modify curricula to ensure increased student mastery;
- Strong knowledge of literacy content area and pedagogical practices to ensure high level engagement and academic mastery for students with low academic performance
- Achieved significant academic gains as a teacher in his or her own right;
- Experience with teaching in an ESL setting using sheltered instruction pedagogy and working with DELAC committees
- Prior experience developing units and lessons with the end goal in mind, using standards to develop lessons and familiarity with multiple forms of assessment;
- Knowledge of and experience with backwards designed curricular models and preferably Understanding by Design ®
- Multi-faceted, multi-skilled, resourceful, and willing to do whatever it takes to help our students reach a level of academic excellence
- Possess an entrepreneurial spirit, be flexible, willing and able to play different roles at the school, and to go above and beyond to meet the varied and constant needs of the students of WAYS.
- Model positive and healthy character traits and habits, such as being organized, consistent and understanding
- Excellent organizational, communication and facilitation skills
- Comfort and willingness to actively participate in school community as staff, including, but not limited to: team and all staff meetings, traveling to conferences and recruitment events, tutoring students, and chaperoning school trips.
- Unquestioned integrity and commitment to the WAYS mission and willingness to serve the WAYS community
- Spanish bilingual a plus

Responsibilities:

- Work with teachers, school leaders, and grade level leaders to create and improve aligned reading and writing curriculum resources:
  - Common and K-5 vertically aligned local standards that address state and national standards
  - Common assessments aligned to local, state and college readiness standards
- Work with the Academic team on the implementation of network-wide assessments
- Analyze student achievement data
- Work collaboratively with school leaders to make instructional decisions based on student performance
- Collaborate with principals in determining appropriate resources and support for teachers
  - Cultivating a standards-based, data and results-oriented culture
  - Provide feedback on scope and sequences, unit plans, lessons and assessments that align with WAYS college readiness standards
  - Model teaching
- Serve as an expert in national trends and best practices in literacy curriculum development and instructional strategy for historically underachieving students
- Secure external resources, professional development and materials to support individual literacy teachers, literacy teams and school teams
- As a leader on the academic team, make recommendations on best practices for supporting curriculum alignment across all grade levels, courses and individual schools
- Lead and facilitate professional development around analyzing data, planning and instructional best practices in reading and writing for Literacy teachers and ELL support strategies for teachers in all content areas.
- Evaluate the current ESL program and determine next steps to improve the quality and implementation of the program
- Monitor ESL program compliance and provide training for teachers and school leaders on DELAC, ESL, and all applicable program requirements
- Provide differentiated instructional coaching in literacy as determined in collaboration with school leaders that could include:
  - Observe teachers and provide specific strategies for improved instructional delivery

ADMINISTRATIVE ASSISTANT

Purpose:

The position of the Administrative Assistant is a full time Exempt Supervisory position with an at-will work agreement. Manages the school office and is responsible for the supervision of the clerical activities of the school.

Qualifications:

- Commitment to the Mission and Vision of WAYS and the success of the organization.

- Proficient with Microsoft Word, Excel, Access, Adobe, Photoshop, Access, and Outlook.
- Graduation from high school, an Associate of Arts degree from a recognized two year college or 60 semester or equivalent quarter units from a recognized college or university is preferred, Bachelors Degree from an accredited four-year university preferred.
- Two years of experience in clerical work or related field.
- Bilingual Spanish/English

Knowledge, Skills, Ability:

- Plan and supervise clerical work for maximum efficiency in the utilization of staff, including scheduling, establishing priorities, and responding to problems.
- Prepares school reports such as attendance reports and payroll
- Deal tactfully with administrators, employees, parents, students, and the public
- Demonstrate initiative and good judgment while working under pressure and frequent interruptions
- Train clerical employees and evaluate performance
- Interpret regulations and policies
- Obtain and impart information tactfully and accurately
- Understand, interpret, and apply pertinent laws, rules, regulations, and procedures
- Organize files and keep accurate records
- Work effectively with employees, students, and the public
- Use a personal computer to input, edit, extract, and format data and information
- Produce, retrieve, and store word-processing and email documents.
- Communicate effectively orally and in writing
- Type rapidly and accurately using a computer keyboard

Specific Duties:

- Supervises the enrollment, transfer, discharge, and readmission process for students and the preparation of related records and files.
- Supervises the preparation of student enrollment and attendance report.
- Supervises the maintenance of student records, including assessment results, test scores, discipline citations, medical reports and records, and other documents.
- Supervises student medication dispensation and injury reports.
- Supervises Requisitions, receives, and distributes/stores classroom, school office and Work Room materials and supplies; maintains ongoing inventory; processes packing slips.
- Prepares and processes field trip requests.
- Maintains school web site.
- Assists in writing, translating (if bilingual), publication, and distribution of weekly school newsletter.

- Plans, establishes, and supervises the implementation of clerical procedures to insure timely preparation and submission of reports and records.
- Supervises clerical work related to such matters as enrollment, attendance, curriculum, personnel, organization, budgeting, accidents, student grades, special programs, time reporting, and requisitions and purchase orders for supplies and equipment.
- Reviews communications, bulletins, reports, and other items, advises on necessary actions and provides information to school personnel, parents, students, and others.
- Interprets County and school policies, and coordinates and provides approved information to parents, students, school personnel, and the public.
- Prepares a variety of letters, memos, forms, reports, arithmetical summaries, and other material, typically using computer software.
- Compiles, interprets, and codes data from various sources; enters data utilizing computer systems and programs for functions such as procurement, finance, student attendance, and personnel; and prepares related reports.
- Checks forms and records for completeness and accuracy.
- Maintains files, records, and other information.
- Responds to employee/public inquiries by telephone and in person to provide or request information.
- Orders, receives, and distributes office supplies.
- Receives, sorts, and distributes incoming and outgoing correspondence.
- Operates a variety of office equipment, e.g., computers, printers, copiers, calculators, typewriters, microfilm machines, facsimile machines, etc.

CLASSROOM TEACHER

Job Purpose:

To provide an appropriate educational atmosphere, which encourages positive student learning and to participate in a dynamic setting with other classroom teachers, administrators, instructional teams and other staff members in the development and implementation of the school's programs and goals.

Qualifications:

- Bachelor's degree from an accredited institution; and
- California Teaching Credential; CLAD or BCLAD; highly-qualified status according to NCLB

Knowledge, Skills, Ability:

- Knowledge of prescribed curriculum and child development
- Ability to communicate effectively using written and oral communication skills
- Knowledge of current research

- Basic knowledge of technology; planning and organizational skills
- Manage the classroom and supervise students
- Skill in analyzing, diagnosing and evaluating student progress and programs
- Knowledge of varied learning styles
- Use effective, positive interpersonal skills
- Commit to a core set of belief established in our Charter about teaching, learning, and ongoing professional development.

Job Duties and Responsibilities:

- Works with administrators and instructional teams to plan and implement hands-on programs and activities for students and the school.
- Participates in a cooperative effort with faculty and staff to plan, implement and evaluate programs of continuing school improvement.
- Fosters a classroom climate conducive to learning.
- Plans instruction, sets goals and implements the specified curriculum
- Assist all students in achieving academic standards and establishing high expectations.
- Monitors students' progress towards achieving instructional objectives and goals.
- Works with students, instructional teams, parents and administrators to develop individual learning plans, independent study programs and academic remediation processes.
- Utilizes classroom management techniques conducive to an effective classroom climate.
- Maintains complete and accurate student academic and disciplinary records.
- Shows sensitivity to students, parents and the community and promotes student self esteem.
- Maintains professional relationship between school and parents.
- Maintains contact with parents through parent-teacher conferences, telephone, or written communications.
- Encourages parental involvement through school activities, connecting home and school.
- Integrate the use of technology and multimedia in the classroom.
- Follow federal and state laws, as well as the letter and the spirit of the Charter and the Governing Board policies and directives from the Principal/Designee.

Minimum Performance Expectations:

- Programs of Study: Bases instruction on adopted curricular for the school and the charter; demonstrates accurate and current knowledge in subject field; develops appropriate lessons to teach instructional objectives; employs a variety of instructional strategies to augment achievement; uses content scope and sequence in planning.

- Classroom Climate: Provides an atmosphere conducive to learning consistent with established school discipline procedures; encourages students' attendance; sets high positive expectations for student performance; accommodates individual learning differences.
- Management Systems: Organizes teaching strategies to maximize allocated instructional time to increase student learning.
- Provides relevant examples and demonstrations to illustrate concepts and skills; provides instructional pacing that ensures student understanding.
- Incorporates higher level thinking skills; provides remediation activities for students; integrates a variety of technology applications and learning tools to augment student achievement.
- Student Progress: Gathers, stores, and monitors data related to student learning for use in assessing progress toward achieving the instructional objectives.
- Communication: Communicates with students, parents, educational personnel, and others; communicates regularly and effectively with students, co-workers, parents/guarding, and the community, and exhibits appropriate interactive skills; follows confidentiality procedures regarding students, parents/guarding, and fellow staff members.

Professional Work Habits: Demonstrates behavior that reflects established professional responsibilities (i.e. attendance, punctuality and verbal/nonverbal communication); adheres to established laws, policies, rules and regulations; interacts appropriately with students, other educational personnel, and parents.

RESOURCE SPECIALIST TEACHER

Job Purpose:

Provides instruction and services for those pupils whose needs have been identified in an individualized educational program developed by the individualized education program team and who are assigned to regular classroom teachers for the majority of a school day.

Qualifications:

- Bachelor's degree from an accredited institution; and
- Possession of a clear Resource Specialist Certificate; and
- Special Education Credential Mild/Moderate and/or Moderate/Severe; or
- Special Instruction Credential – Special Education/Learning Handicapped.
- CLAD/CTEL or equivalent certification
- NCLB Highly Qualifies Teacher status

Knowledge, Skill, Ability:

Knowledge and skills in education assessment, consulting, coordination, interpretation and implementation of laws and regulations, staff development, and parent education to perform the competencies listed in the duties and responsibilities; effective interpersonal skills and flexibility in meeting new and/or

changing conditions.

Job Duties and Responsibilities:

- Provides direct instruction in the academic areas to resource specialists program pupils on a one-to-one or small group basis, either in the resource room or the regular classroom;
- Provides information and assistance to individuals with exceptional needs and their parents;
- Monitors pupil progress on a regular basis, participating in the review and revision of the instructional education programs, as appropriate; refers pupils who do not demonstrate appropriate progress to the individualized education program team;
- Evaluates student growth in academic achievement, self concept, and social skills;
- Provides emphasis at the secondary school level on academic achievement, meeting proficiency standards, career and vocational development, and preparation for adult life;
- Assists in the selection, training, and evaluation of resource specialist instructional aides.
- Provides consultation services as follows: identification and assessment of behavior patterns in pupils;
- Pursuant the determination of behavior as a consequence of a disability, the resource teacher will be responsible for creating a behavior intervention plan to be followed in the classroom.
- Utilization of evaluation data for the modification of instruction and curriculum;
- Application of effective classroom management techniques;
- Identification of resources appropriate to individuals with exceptional needs to regular staff members, parents, and guardians;
- Development of pre-vocational and/or vocational plans for individuals with exceptional needs;
- Acceptance by regular classroom teachers and students of individuals with exceptional needs.
- Coordinates referral and assessment procedures;
- Assists in the coordination of the individualized education program team meetings;
- Coordinates instructional planning (i.e., the development and implementation of individualized educational programs for individuals with exceptional needs);
- Coordinates the implementation of special education services provided individuals with exceptional needs;
- Assists in the coordination of designated instruction and services;
- Coordinates the collection of relevant information for those students referred to the individualized education program team;
- Coordinates the organization and distribution of special education media and materials for resources in regular classrooms;

- Coordinates individualized instruction and activities of the resource specialist program with regular classroom curriculum;
- Coordinates special education in-service workshops and workshops for staff and/or parents;
- Coordinates follow-up activities to insure service delivery to all individuals with exceptional needs.
- Interpret and Implement Laws, Regulations, and Other Compliance Requirements: schedules and monitors referral procedures in accordance with legal requirements;
- Monitors the development of individualized educational programs and conduct review meetings in accordance with legal requirements;
- Processes information leading to approval of services by child, parent, or guardian;
- Provides leadership for assuring full compliance with legal requirements.
- Parent Education: provides parents with basic knowledge of assessment procedures in instrumentations and how to utilize the information;
- Provides parents with basic understanding of remedial methods and techniques as they relate to their own child's program;
- Provides parents with basic home enrichment in home management techniques designed to meet the needs of their child;
- Counsels parents in areas related to their child's abilities including strengths and weaknesses as well as the child's needs and goals including career and vocational planning alternatives;
- Provides parents with information as to effective utilization of community resources.
- Staff Development: Assists in planning parent education workshops;
- Attends special education in-service training as required and participates in providing in-service education for regular school staff.

RESOURCE SPECIALIST TEACHER AIDE

Job Purpose:

In conjunction with the Resource Specialist teacher, provides specialized tutorial and small group assistance to students with special needs and/or who are performing below capacity in identified academic areas.

Qualifications:

- Commitment to the Mission and Vision of WAYS and the success of the organization.
- Proficient with Microsoft Word, Excel, Access, Adobe, Photoshop, Access, and Outlook.
- Graduation from high school.
- An Associate of Arts degree from a recognized two year college or 60 semester or equivalent quarter units from a recognized college or university is preferred.

Knowledge, Skills, Ability:

- Understand, interpret, and apply pertinent laws, rules, regulations, and procedures
- Organize files and keep accurate records
- Work effectively with employees, students, and the public
- Use a personal computer to input, edit, extract, and format data and information
- Produce, retrieve, and store word-processing and email documents.
- Communicate effectively orally and in writing
- Type rapidly and accurately using a computer keyboard

Job Duties and Responsibilities:

- Works with individual students or small groups of students to reinforce learning of materials or skill initially introduces and outlines by the teacher.
- Assist the teacher in devising special strategies for reinforcing learning materials and skills based on a sympathetic understanding of individual students, their needs, interest, and abilities.
- Monitors work, corrects papers, and supervises curriculum-based testing and makeup work as assigned by the teacher.
- Serves as the chief source of information and help to any guest teacher assigned in the absence of the regular teacher.
- Performs clerical, classroom maintenance, and instructional duties as assigned by the teacher.
- Alerts the teacher of any problem or special information about an individual student.
- Performs assigned supervision of students during recess, lunch, and on field trips.
- Performs assigned non-instructional duties, such as snack time.
- When requested, serves as a resource person the IEP, or ESL teams.
- Demonstrates ethical behavior and confidentiality of information about student's n school environment and community.
- Participates in in-service training programs as approved.
- Maintains safe working environment and encourages colleagues to be safe-minded in the performance of all school-related duties.
- Performs other assignments as directed by the teacher, principal, or administrative staff.
- Assists as directed by teacher in the effort to successfully maintain students with special needs in an integrated setting, as determined by the IEP or ESL team.

CURRICULUM SPECIALIST

Purpose:

To provide support and assistance to all classroom teachers in the implementation of WAYS program goals.

Qualifications:

- Bachelor's degree from an accredited institution; and
- California Teaching Credential; CLAD or BCLAD
- Minimum of three years of teaching experience in the elementary or secondary level
- Experience in collaborative planning and delivery of differentiated staff development to classroom practitioners; literacy training, knowledge of differentiated classroom instructional practices that promote student academic success; knowledge and understanding of the needs of a diverse student population.

Knowledge, Skills, Ability:

Curriculum Specialists are required to poses all knowledge, skills and abilities that are required of classroom teachers.

Job Duties and Responsibilities:

- Conduct demonstration lessons and assist teachers with curriculum and pacing of instructional programs.
- Conduct focused classroom observations of all teachers.
- Assist classroom teachers in infusing culturally relevant teaching strategies and scaffolding for diverse learners.
- Assist classroom teachers in diagnosing reading difficulties and planning appropriate intervention and accommodation strategies for all students.
- Plan and conduct professional development for teachers.
- Plan and conduct informational meetings for parents to assist them in understanding instructional materials, and student progress.
- Plan, facilitate, and attend grade level meetings.
- Monitor implementation of instructional program.
- Works with administrators and instructional teams to plan and implement hands-on programs and activities for students and the school.
- Participates in a cooperative effort with faculty and staff to plan, implement and evaluate programs of continuing school improvement.
- Maintains professional relationship between school and parents.
- Follow federal and state laws, as well as the letter and the spirit of the Charter and the Governing Board policies and directives from the Principal/Designee.

PARA-PROFESSIONAL

Purpose:

Assisting the classroom teacher with maintaining classroom order; providing support to the instructional program within assigned classroom with specific responsibility for working with individual and/or small groups of students; monitoring student behavior during non-classroom time and providing clerical support to teacher/s and staff.

Qualifications:

- Commitment to the Mission and Vision of WAYS and the success of the organization.
- Proficient with Microsoft Word, Excel, Access, Adobe, Photoshop, Access, and Outlook.
- Graduation from high school.
- An Associate of Arts degree from a recognized two year college or 60 semester or equivalent quarter units from a recognized college or university is preferred.

Knowledge, Skills, Ability:

- Understand, interpret, and apply pertinent laws, rules, regulations, and procedures
- Organize files and keep accurate records
- Work effectively with employees, students, and the public
- Use a personal computer to input, edit, extract, and format data and information
- Produce, retrieve, and store word-processing and email documents.
- Communicate effectively orally and in writing
- Type rapidly and accurately using a computer keyboard

Job Duties and Responsibilities:

- Works with individual students or small groups of students to reinforce learning of materials or skill initially introduces and outlines by the teacher.
- Assist the teacher in devising special strategies for reinforcing learning materials and skills based on a sympathetic understanding of individual students, their needs, interest, and abilities.
- Monitors work, corrects papers, and supervises curriculum-based testing and makeup work as assigned by the teacher.
- Serves as the chief source of information and help to any guest teacher assigned in the absence of the regular teacher.
- Performs clerical, classroom maintenance, and instructional duties as assigned by the teacher.
- Alerts the teacher of any problem or special information about an individual student.
- Performs assigned supervision of students during recess, lunch, and on field trips.
- Performs assigned non-instructional duties, such as snack time.
- When requested, serves as a resource person the IEP, or ESL teams.
- Demonstrates ethical behavior and confidentiality of information about student's n school environment and community.
- Participates in in-service training programs as approved.
- Maintains safe working environment and encourages colleagues to be safe-minded in the performance of all school-related duties.
- Performs other assignments as directed by the teacher, principal, or administrative staff.

- Assists as directed by teacher in the effort to successfully maintain students with special needs in an integrated setting, as determined by the IEP or ESL team.

No Child Left Behind

The enactment of the No Child Left Behind Act of 2001 (NCLB) requires specific qualifications for teachers and paraprofessionals.

- All teachers will be highly qualified.
- Paraprofessionals will meet NCLB qualifications. Completed at least two years of study at an institution of higher education; Obtained an associate's (or higher) degree; or
- Met a rigorous standard of quality and can demonstrate through a formal state or local academic assessment in knowledge of, and the ability to assist instructing, reading, reading readiness, writing, writing readiness, mathematics, and mathematics readiness.
- Paraprofessionals hired before the enactment must meet the required qualifications no later than January 8, 2006. The exceptions for paraprofessionals are for those who act as translators or whose duties consist solely of conducting parental involvement activities. A paraprofessional may not provide any instructional service to a student unless he or she is working under the direct supervision of a teacher.

NCLB requires the use of effective methods and instructional strategies that are based on scientifically based research, which strengthens the core academic program.

Teacher Credential Assurance Wisdom Academy for Scientists:

- Shall meet all requirements for employment set forth in applicable provisions of law, including, but not limited to credentials, as necessary. [Ref. Title 5 California Code of Regulations Section 11967.5.1(f)(5)(C)]
- Shall ensure that teachers in Wisdom Academy for Young Scientists hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools are required to hold. As allowed by statute, flexibility will be given to non-core, non-college preparatory teachers. [Ref. California Education Code Section 47605(l)]

Teachers selected to insure that the needs of English Learners are met will have CLAD, BCLAD, LDS, BCC, or SB1969 certification and all teachers will be trained in the effective use of sheltered-English.

All substitute teachers of core and college-preparatory classes will be appropriately credentialed.

All credential documents will be maintained on file at Wisdom Academy for Young Scientists and will be subject to periodic inspection by County.

Credential Monitoring:

All teachers will be highly qualified as defined by No Child Left Behind. Appropriate records of credentials held by Wisdom Academy for Young Scientists teachers and supporting documentation will be monitored and maintained by the WAYS Central Office. Credentials will be monitored by the WAYS Central Office Human Resources Administrator in compliance with state and federal law.

Performance Evaluations

The school administrators, using both formal and informal observations, will observe all staff and instructional consultants on an ongoing basis. Informal observations can occur during any instructional time and will include a post-observation communication. Formal observations will include a pre-observation conference as well as a post-observation conference. Pre-observation may be in-person. Post-observation conferences will be in person and will occur soon after the observation. Results of formal and informal observations, consisting of the employee's and the administrator's observations and recommendations, will be put in writing and included within the employee's own professional development plan and the school's personnel file. Nothing in this section limits the school administrators from conducting other observations of an informal or unannounced nature.

The principal supervises and evaluates the administrative assistants, classroom teachers, curriculum specialist, instructional consultants, resource specialist teachers, resource specialist teacher aides, para-professionals, and program coordinator. The principal will set goals with them and evaluate them on their performance and on the extent to which they achieved their goals.

The principal will observe the classified employee performing his/her duties and review their work on an ongoing basis. Informal and formal observations can occur at any time during the school day and will include post-observation communication. Results of formal and informal observations and recommendations will be placed in the classified employee's personnel file.

All staff and instructional consultants shall have the right to make written objections to the observations or review findings within one week of receipt by stating areas of disagreement. These objections will be attached to the observation and/or evaluation and kept in the management file. If an employee disagrees with an evaluation, a written objection may be appended to the review.

Compensation and Benefits

Salary Schedule

The Chief Executive Officer of the Corporation, in consultation with the Board of Directors, will develop a competitive salary scale for the school. This salary scale will be informed by the salary schedule of Los Angeles Unified School District, the salaries of leading private and charter schools in Los Angeles and surrounding communities, and best practices in salary schedules among charter schools nationally.

Administrative and executive staff salaries will be based on experience, past performance, areas of specialty, and other factors as determined by school administration and agreed to by prospective employee. A comprehensive benefits package (medical, dental and vision) will be included as part of each full-full time employee's compensation.

Work Calendar

Each staff member will work the number of days agreed upon in his/her individual work agreement, which will address the following:

- Salaries
- Details related to holidays, illness, personal days, vacation, and bereavement
- Determination of full-time or part-time status
- Employee discipline procedures and the employee's due process rights for appealing disciplinary action

Wisdom Academy for Young Scientists will adhere to applicable federal and state mandates, including:

- Family Medical Leave Act (FMLA)
- California Family Rights Act (CFRA)

Professional Standards

Wisdom Academy for Young Scientists employees will be expected to engage in professional behavior with fellow employees, students, and parents.

5.4 Credentials, Requirements and Qualifications of Staff

Teachers shall be required to hold a California credential or other document equivalent to that which a teacher in other public schools would be required to hold. The Principal and/or designee. will monitor such documentation. Copies of required forms and records will be kept at the school. WAYS may choose to contract with the Los Angeles County Office of Education to monitor teaching credentials. Highly qualified teachers will be required to have prior educational experience (i.e. teaching, paraprofessional, child development center, or school volunteer), where the work experience is found beneficial to education. Teachers will have either a clear credential or an alternate certification based on No Child Left Behind. WAYS will comply with federal guidelines on the N.C.L.B. act.

WAYS will require that each employee (paid or volunteer) of the school submit to a criminal background check and furnish a criminal record summary as required by Education Code Section 44237. The Executive Director or designee will conduct a background investigation, including T.B. clearance and fingerprinting shall be required for all employees, both classified and certified personnel.

5.5 Measures of Assessment of Performance

5.5.1 Teachers

The Principal will observe teachers at least three times a year and evaluate them on these five categories and their underlying Teacher Performance Expectations (TPE):

5.5.1.1 Making Subject Matter Comprehensible to Students

TPE 1 – Specific Pedagogical Skills for Subject Matter Instruction

5.5.1.2 Assessing Student Learning

TPE 2 – Monitoring Students Learning During Instruction

TPE 3 – Interpretation and Use of Assessment

5.5.1.3 Engagement and Supporting Students in Learning

TPE 4 – Making Content Accessible

TPE 5 – Student Engagement

TPE 6 – Developmentally-appropriate Teaching Practices

TPE 7 – Teaching English Learners

5.5.1.4 Planning Instruction and Designing Learning Experiences for Students

TPE 8 – Learning About Students

TPE 9 – Instructional Planning

5.5.1.5 Creating and Maintaining Effective Environments for Student Learning

TPE 10 – Instructional Time

TPE 11 – Social Environment

5.5.1.6 Developing as a Professional Educator

TPE 12 – Professional, Legal and Ethical Obligations

TPE 13 – Professional Growth

5.5.1.7 Other Staff

All staff other than teachers, with the exception of the Executive Director and Director of Operations, reports to and are evaluated by the Principal, who will set goals with them and evaluate them on their performance and on the extent to which they achieved their goals. The Director of Operations reports to and is evaluated by the Executive Director.

5.6 Procedure to be used For Adequate Background Checks

Wisdom Academy for Young Scientists will adhere to California laws, including fingerprinting, drug testing, and prohibitions regarding the employment of any person who has been convicted of certain violent or serious felonies, including but not limited to specified sex offenses, or felony controlled substances offenses, under Education Code Section 45122.1 or 44836. All Charter School employees are required prior to starting work to provide:

5.6 Staff Development

Teachers are the key to the success of our program. Wisdom Academy for Young Scientists will put forth great effort into recruiting, hiring and training highly qualified teachers. These teachers have chosen their careers primarily out of a deep caring for children and a personal sense of responsibility to the future of our society. . We recognize that supporting teachers is the first step to supporting students. Thus we have carefully selected teachers whose goals are aligned with those of the school and then facilitate each teacher's development process in a manner that respects and supports his or her individual teaching style.

The teachers who will join our staff will recognize the importance of a child-centered learning environment, and continually seek to improve their skills in facilitating such an environment. They will recognize the importance of meeting our educational standards and work to support the needs of individual students in reduced-size classrooms. They demonstrate a value for and embrace a lifelong learning process.

The staff development at WAYS will focus on integrating the interdisciplinary curriculum and rigorous state standards. Teachers will be trained on how to utilize the standards based instructional materials and texts in the process of developing backwards planning and curriculum mapping.

WAYS holds that each teacher brings a unique set of skills, insights and creativity. Therefore, all teachers are provided time to work in team clusters to continue to refine and develop teaching skills. In-service staff development to review goals and objectives, to stimulate curriculum enhancement, and to explore effective methods of assessment, including establishing a uniform portfolio assessment system across grade levels will be implemented. Ongoing staff development outside of our school is encouraged and viewed as opportunities to provide for professional growth and to ensure proper renewal of clear credentials. Team building and conflict resolution skills will also be a part of our staff development program element.

Team teaching will be a major component of our staff development program. Team meetings will be held every week to develop curriculum objectives and theme projects, exchange ideas and information relative to their clusters and their profession, and develop solutions to problems or social conflicts that may have arisen in their classrooms. Mentoring by experienced teachers, who have been in our school more than two years, or by administration is will be a major part of our program Mentors will make routine observations of new staff, meet

individually to offer suggestions, assistance and information vital to learning and incorporating the school philosophy, goals and objectives.

Teachers will participate in weekly grade level meetings to discuss and review/prepare lesson plans, develop benchmark assessments, gather materials, review class work and organize classrooms and learning groups. This time is recognized as crucial to the successful planning and implementing of classroom objectives and student achievement. The Principal will work with the staff to provide assistance as needed. This time will be considered part of the teacher's workweek on which their annual salary is based.

The WAYS in-service teacher training program consists of approximately 10 days before the start of the first year and 5 days of each subsequent school year; 2 days after spring and winter breaks, 2 days staff retreat and 5 days at the end of the school year. During this time, teachers will work on identifying successful strategies for direct and explicit instruction of needed skills. During these days, teachers receive intensive training on the school's educational philosophy and curriculum development to ensure successful implementation of the curriculum aligned with the state standards. Teachers also participate in on-going weekly staff development meetings for approximately 2-3 hours each week. These meetings include teacher support sessions, discussions and training on an agreed upon topic, sharing of curriculum ideas and implementation, upcoming events, special education, student issues, etc.

5.7 Child abuse reporting

Wisdom Academy for Young Scientists will, before opening the school, develop child abuse reporting procedures that are consistent with all child protection laws.

5.8 Personnel policy

Wisdom Academy for Young Scientists will have complete fiscal autonomy and zero-based budgeting. A personnel policy and procedures manual will be developed to delineate the relationship between staff and the school. These policies will be presented to all staff prior to the school opening. After the school's opening this will be made readily available to staff in May of each year prior to the start of the following school year. Staff will have the opportunity to review said policies and provide feedback, which may in turn affect said policies.

Certificated and classified personnel will be hired by at will contacts. Contracts will be renewed based on demonstration of meeting those requirements outlined in the teacher contacts, adhering to the policies and procedures outlined in the WAYS Staff Policy and securing a satisfactory staff evaluation. The expectations outlined in the staff evaluation form are in alignment with and support the mission and vision of WAYS.

Wisdom Academy for Young Scientists shall be an equal opportunity employer. No Districtschool district or County employee shall be required to or denied the right to be employed at Wisdom Academy for Young Scientists.

Employees will be eligible to receive Worker's Compensation Insurance, unemployment insurance and Medicare, as applicable, with WAYS and the employee contributing appropriate amounts. The school will ensure that employee benefits are extended under the provisions of the Family Medical Leave Act (CFRA) and Labor Code 233 to all employees.

6 Health and Safety

6.1 SCHOOL WILL MEET THE REQUIREMENTS THAT EACH EMPLOYEE OF THE SCHOOL FURNISH CRIMINAL RECORD SUMMARY AS REQUIRED IN EC44237

Wisdom Academy for Young Scientists shall comply with the provisions and procedures of Education Code 44237, including the requirement that as a condition of employment each new employee must submit two sets of fingerprints to the California Department of Justice for the purpose of obtaining a criminal record summary. No employee shall be permitted to commence work at WAYS until clearance has been obtained from the Department of Justice. Policies and procedures shall be adopted for issues such as fires, earthquakes, compliance with health and safety laws and other emergency responses.

6.2 HOW THE SCHOOL WILL ENSURE THAT ITS FACILITIES ARE SAFE

Wisdom Academy for Young Scientists will maintain a safe and secure environment for its students, staff, administration, school volunteers, and visitors. WAYS has developed a school safety plan and it will acquire emergency supplies for the school. Additionally, WAYS has developed and implemented the following policies and procedures:

- Periodic Fire and Earthquake Drills.
- Policies and procedures for responding to natural disasters and emergencies.
- Policies relating to the administration of prescription drugs and other medications.
- Equipped with disaster emergency supplies including water, food, blankets and supplies necessary to sustain the campus population for three days.
- Ensure that a minimum of 75% of the staff is CPR/First Aid certified.
- Procedures for preventing contact with blood-borne pathogens.
- Policy that establishes the school functions as a drug, alcohol and tobacco-free workplace and that adheres to Title IV of the Safe and Drug-Free Schools and Communities Act.
- Policy that require that all school employees (paid or volunteer), furnish the school with a criminal background check and submit a criminal record summary as described in Education Code 44237.
- A requirement that all enrolling students and staff provide records documenting current immunizations.
- Ensure that administrator and staff receive sexual harassment training.

WAYS will have a Health, Safety and Emergency Plan in place prior to beginning the operation of the school. WAYS will ensure that staff has been trained in health, safety, and emergency procedures and will maintain a calendar and conduct emergency response drills for students and staff. WAYS, its employees and officers will comply with the Family Educational Rights and Privacy Act (FERPA) at all times. WAYS shall require all employees of the Charter School, and all volunteers who will be performing services that are not under the direct supervision of a Charter School employee, and any onsite vendors having unsupervised contact with students to submit to criminal background checks and fingerprinting. The Charter School will maintain on file and available for inspection evidence that the Charter School has performed criminal background checks for all employees and documentation that vendors have conducted required criminal background checks for their employees prior to any unsupervised contact with students.

The written policies will updated and revised as needed and distributed as appropriate to all students and staff annually. Emergency and school safety procedures will routinely be covered during staff development.

6.3 HOW THE SCHOOL WILL ENSURE THAT ITS AUXILIARY SERVICES ARE SAFE (FOOD SERVICES, TRANSPORTATION, CUSTODIAL SERVICES, HAZARDOUS MATERIALS)

WAYS may provide food for our students that is prepared in our commercial kitchen. WAYS reserves the right to prepare food on site in our commercial kitchen or contract with a third party vendor.

The school will maintain a list of locally stored hazardous materials and will prepare a safety plan. The school will also request periodic safety inspections from its insurer.

6.4 ROLE OF STAFF AS MANDATED OR NON-MANDATED CHILD ABUSE REPORTERS

WAYS Learning administrators and employees are responsible for complying with the Child Abuse and Neglect Reporting Act, California Penal code Sections 11165.7, 11165.8, and 11166.

6.5 TB, vision, hearing and scoliosis compliance

Records of student immunizations shall be maintained, and staff shall follow the L.A. County's requirements and timelines for periodic TB tests using the Mantoux tuberculosis test. Students will not be permitted to enroll and staff will not be permitted to work without negative TB clearances. WAYS will provide screening of pupils' vision and hearing as well as screening for scoliosis to the same extent as would be required if the students attended a non-charter public school.

6.6 Maintenance, repairs and improvement

WAYS will contract with outside professionals for the ongoing custodial and grounds maintenance of the property. The Coordinator of Operations of Wisdom Academy for Young Scientists is responsible for supervising the following:

- The janitorial service and ensuring daily cleaning duties are carried out.
- Gardening services.
- Rubbish pick-up service.
- Outside contractors for major repairs or improvements.

6.7 Insurance Requirements

The County under any of the County's self-insured programs or commercial insurance policies. shall provide no coverage to WAYS. WAYS shall secure and maintain, at a minimum, insurance as set forth below with insurance companies acceptable to the County[A.M. Best A-, VII or better] to protect the Charter School from claims which may arise from its operations.

It shall be the Charter School's responsibility, not the County's, to monitor its vendors, contractors, partners or sponsors for compliance with the insurance requirements.

The following insurance policies are required:

1. Commercial General Liability, including Fire Legal Liability, coverage of $5,000,000 per Occurrence and in the Aggregate. The policy shall be endorsed to name the County as named additional insured and shall provide specifically that any insurance carried by the County which may be applicable to any claims or loss shall be deemed excess and the Charter School's insurance shall be primary despite any conflicting provisions in the Charter School's policy. Coverage shall be maintained with no Self-Insured Retention above $15,000 without the prior written approval of the Office of Risk Management for the County.

2. Workers' Compensation Insurance in accordance with provisions of the California Labor Code adequate to protect the Charter School from claims that may arise from its operations pursuant to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation Insurance coverage must also include Employers Liability coverage with limits of $1,000,000/$1,000,000/$1,000,000.

3. Commercial Auto Liability, including Owned, Leased, Hired, and Non-owned, coverage with limits of $1,000,000 Combined Single Limit per Occurrence if the Charter School does not operate a student bus service.

If the Charter School provides student bus services, the required coverage limit is $5,000,000 Combined Single Limit per Occurrence.

4. Fidelity Bond coverage shall be maintained by the Charter School to cover all Charter School employees who handle, process or otherwise have responsibility for Charter School funds, supplies, equipment or other assets. Minimum amount of coverage shall be $50,000 per occurrence, with no self-insured retention.

5. Professional Educators Errors and Omissions liability coverage with minimum limits of $3,000,000 per occurrence and $3,000,000 general aggregate.

6. Sexual Molestation and Abuse coverage with minimum limits of $3,000,000 per occurrence and $3,000,000 general aggregate. Coverage may be held as a separate policy or included by endorsement in the Commercial General Liability or the Errors and Omissions Policy.

7. Employment Practices Legal Liability coverage with limits of $3,000,000 per occurrence and $3,000,000 general aggregate.

8. Excess/umbrella insurance with limits of not less than $10,000,000 is required of all high schools and any other school that participates in competitive interscholastic or intramural sports programs.

**Coverage and limits of insurance may be accomplished through individual primary policies or through a combination of primary and excess policies. The policy shall be endorsed to name the County as named additional insured and shall provide specifically that any insurance carried by the District which may be applicable to any claims or loss shall be deemed excess and the Charter School's insurance shall be primary despite any conflicting provisions in the Charter School's policy.*

Evidence of Insurance

The Charter School shall furnish to the County within 30 days of all new policies inceptions, renewals or changes, certificates or such insurance signed by authorized representatives of the insurance carrier. Certificates shall be endorsed as follows:

"The insurance afforded by this policy shall not be suspended, cancelled, reduced in coverage or limits or non-renewed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County

Facsimile or reproduced signatures may be acceptable upon review by the Office of Risk Management and Insurance Services. However, the County reserves the right to require certified copies of any required insurance policies.

Should the Charter School deem it prudent and/or desirable to have insurance coverage for damage or theft to school, employee or student property, for student accident, or any other type of insurance coverage not listed above, such insurance shall not be provided by the County and its purchase shall be the responsibility of the Charter School.

Additionally, the charter will at all times maintain a funds balance (reserve) of its expenditures as required by section 15450, Title 5 of the California Code of Regulations.

6.8 Hold Harmless/Indemnification Provision

To the fullest extent permitted by law, the Charter School does hereby agree, at its own expense, to indemnify, defend and hold harmless the County and the Board of Education and their members, officers, directors, agents, representatives, employees and volunteers from and against any and all claims, damages, losses and expenses including but not limited to attorney's fees, brought by any person or entity whatsoever, arising out of, or relating to this Charter agreement. The Charter School further agrees to the fullest extent permitted by law, at its own expense, to indemnify, defend, and hold harmless the County and the Board of Education and their members, officers, directors, agents, representatives, employees and volunteers from and against any and all claims, damages, losses and expenses including but not limited to attorney's fees, brought by any person or entity whatsoever for claims, damages, losses and expenses arising from or relating to acts or omission of acts committed by the Charter School, and their officers, directors, employees or volunteers. Moreover, the Charter School agrees to indemnify and hold harmless the County for any contractual liability resulting from third party contracts with its vendors, contractors, partners or sponsors.

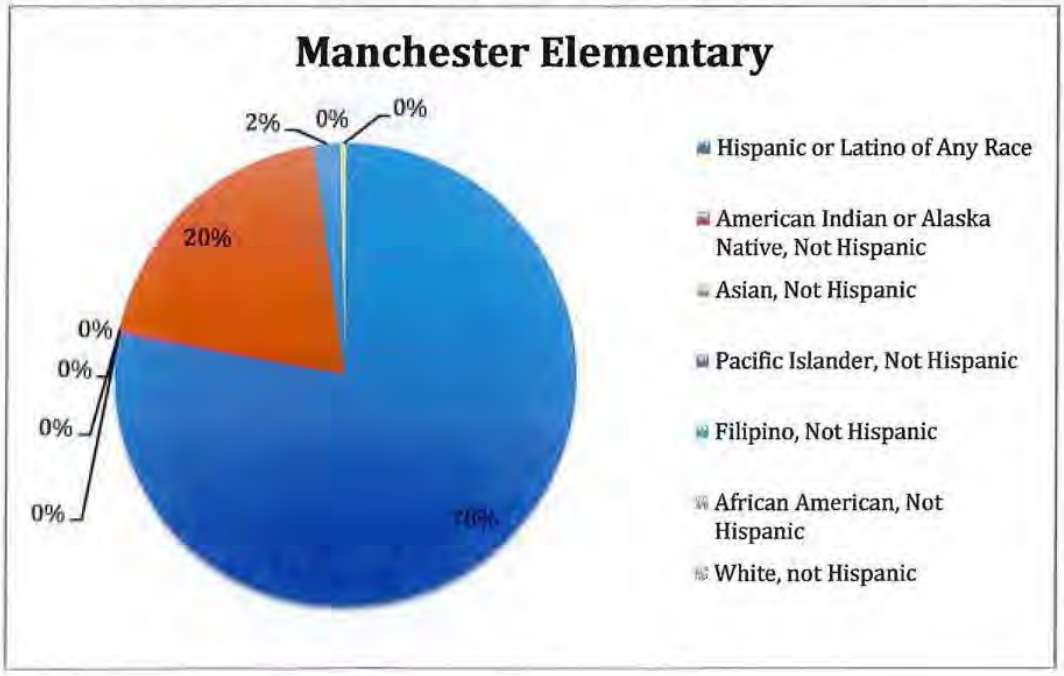
7 Means to Achieve Racial and Ethnic Balance

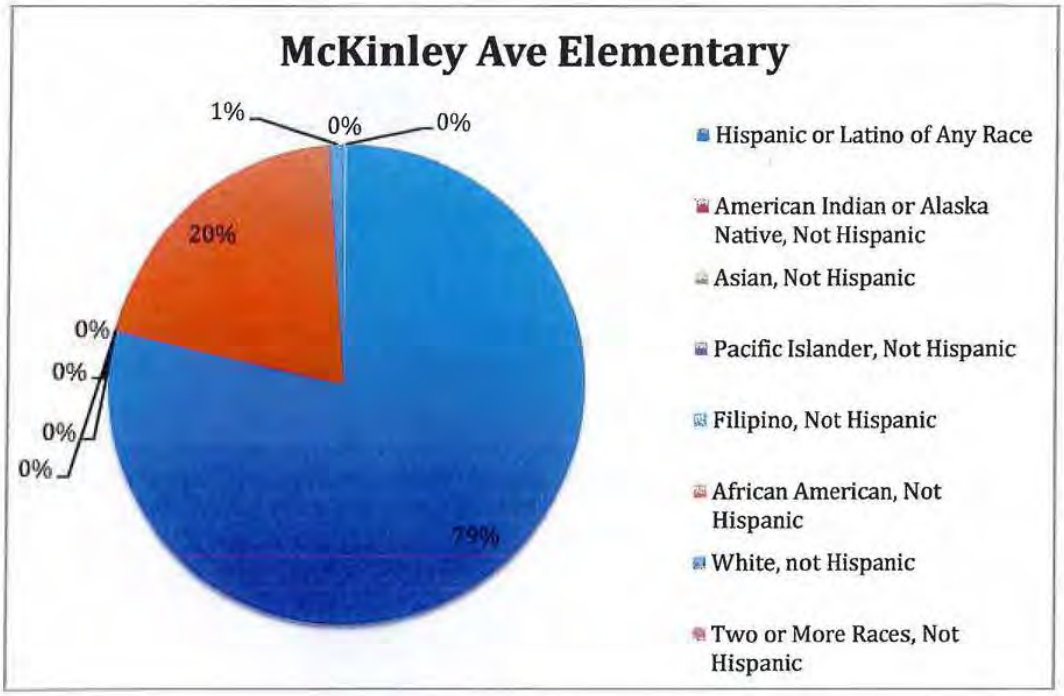
Governing Law: The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the district to which the charter petition is submitted. Education Code Section 47605(b)(5)(G).

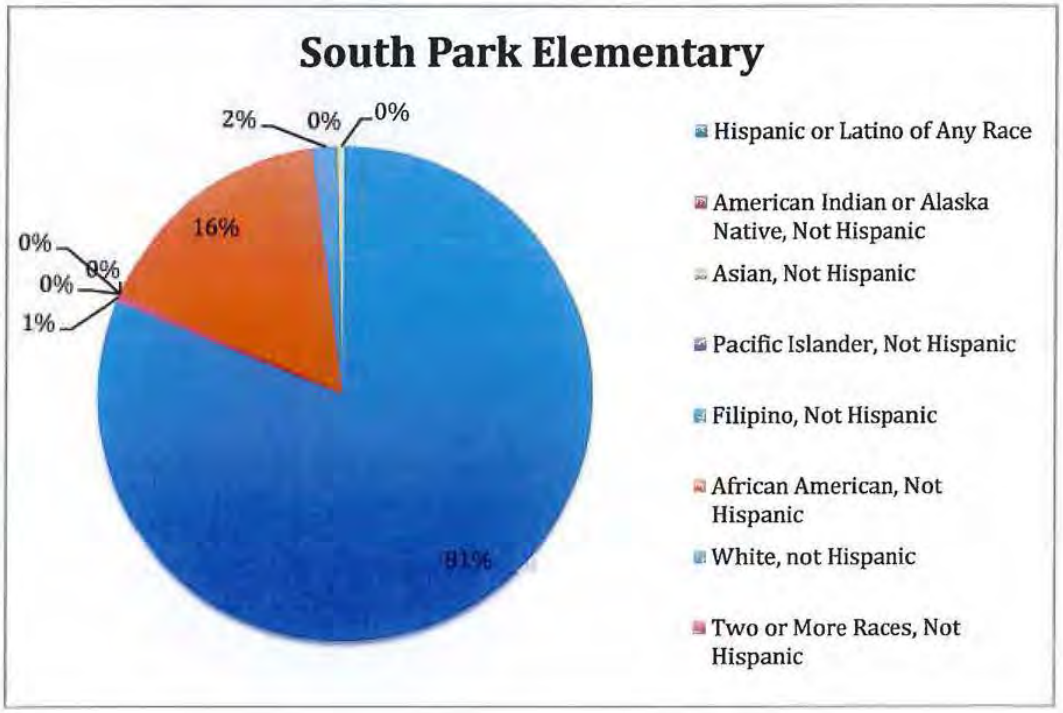
WAYS will continuously plan and strive to recruit students of various racial and ethnic groups in order to achieve a balance reflective of the general population residing within the territorial jurisdiction of the LAUSD, the district where the petition was initially submitted. WAYS will conduct informational meetings for parents and students interested in what our school offers. Open houses and school tours will be conducted on a regular basis during the school year as well.

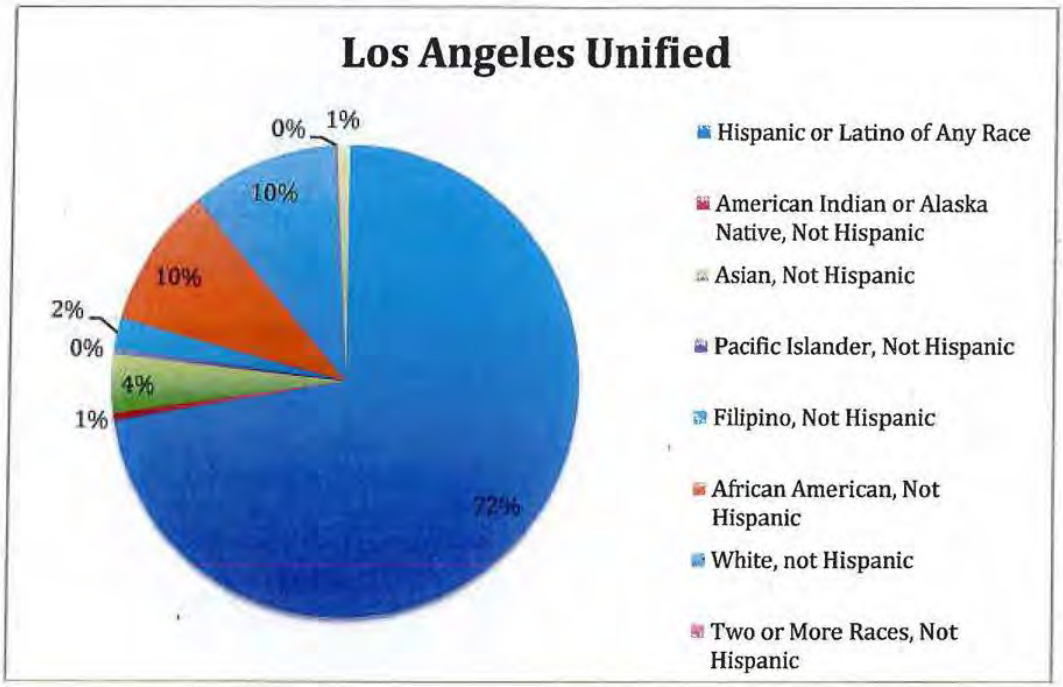
Target Community

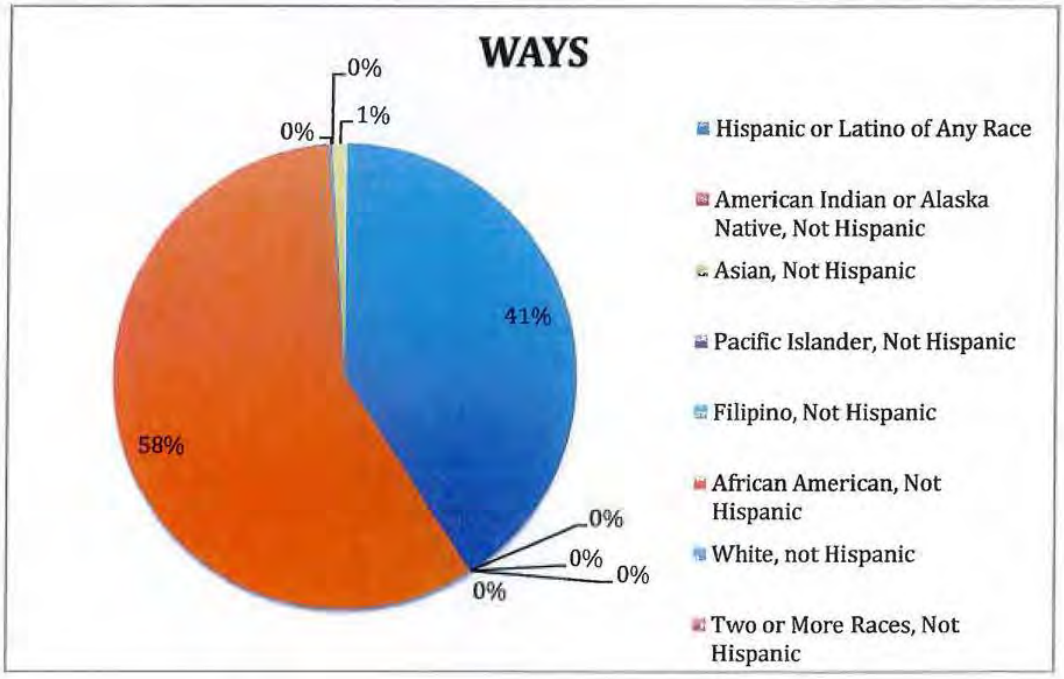
Diversity is central to the mission of the Charter School. WAYS will have a plan in place during the term of the charter to achieve and maintain the ethnic balance ratio goal of the surrounding district schools. Our goal is to reach the district's goal within our first year. In order to do so, we will analyze application and enrollment data each fall so that we can increase our outreach efforts as necessary to make sure the ethnic balance ratio is achieved.




McKinley Ave Elementary
1%
0%
0%
20%
0%
0%
0%
0%
79%
Hispanic or Latino of Any Race
American Indian or Alaska Native, Not Hispanic
Asian, Not Hispanic
Pacific Islander, Not Hispanic
Filipino, Not Hispanic
African American, Not Hispanic
White, not Hispanic
Two or More Races, Not Hispanic


South Park Elementary
2%
0%
0%
16%
0%
0%
0%
1%
81%
Hispanic or Latino of Any Race
American Indian or Alaska Native, Not Hispanic
Asian, Not Hispanic
Pacific Islander, Not Hispanic
Filipino, Not Hispanic
African American, Not Hispanic
White, not Hispanic
Two or More Races, Not Hispanic





7.1 Nonsectarian Compliance

WAYS is nonsectarian in its programs, admission policies, employment practices, and all other operations, will not charge tuition. WAYS does not discriminate against any student on the basis of ethnicity, race, national origin, gender, disability, socioeconomic status, perceived disability, religion, sexual orientation, or any other characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code or association with an individual who has any of the aforementioned characteristics). Diversity is central to the mission of the Charter School. WAYS will annually update and revise its plan to achieve and maintain a racial and ethnic balance among its students reflective of LAUSD.

7.2 Federal Compliance

As a recipient of federal funds, including federal Title I, Part A funds, WAYS has agreed to meet all of the programmatic, fiscal and other regulatory requirements of the No Child Left Behind Act of 2001 (NCLB) and other applicable federal grant programs. WAYS understands that it is a local educational agency [LEA] for purposes of federal compliance and reporting purposes. WAYS agrees that it will keep and make available to the County any documentation necessary to demonstrate compliance with the requirements of NCLB and other applicable federal programs, including, but not limited to, documentation related to funding, required parental notifications, appropriate credentialing of teaching and paraprofessional staff, the implementation of Public School Choice and Supplemental Educational Services, where applicable, or any other mandated federal program requirement. The mandated requirements of NCLB, Title I, Part A include, but are not limited to, the following:

- Through the parent student handbook, notify parents at the beginning of each school year of their right to know the professional qualifications of their child's classroom teacher including a timely notice to each individual parent that the parent's child has been assigned, or taught for four or more consecutive weeks by, a teacher who is not highly qualified.

- Develop jointly with, and distribute to, parents of participating children, a school-parent compact.

- Hold an annual Title I meeting for parents of participating Title I students.

- Develop jointly with, agree on with, and distribute to, parents of participating children a written parent involvement policy.

- Submit biannual Consolidated Application to California Department of Education (CDE) requesting federal funds

- Complete and submit Local Education Agency (LEA) Plan to CDE
- Complete reform planning process with stakeholders and submit to CDE all appropriate documents for Title I school wide status, if applicable; otherwise, identify and maintain roster of eligible students for the Title I Targeted Assistance School Program
- Maintain inventory of equipment purchased with categorical funds, where applicable
- Maintain appropriate time-reporting documentation, including semi-annual certification and personnel activity report, for staff funded with categorical resources, where applicable

WAYS also understands, that as part of the oversight of the school, the County may conduct program review of federal and state compliance issues.

Wisdom Academy for Young Scientists embraces the idea of racial and ethnic diversity and will strive to achieve a racial and ethnic balance that is reflective of the district.

We will recruit by strategically disseminating application handouts to 1) businesses frequented by the local community members that are racially diverse, 2) school personnel of County program improvement and overcrowded schools in the area (with their approval), 3) private and public preschools in a 5 mile radius 4) at town hall meetings open to the local community. Recruitment efforts shall include publicizing our instructional program, hosting Community Open Houses, providing ongoing tours of the school, and speaking to interested parents. All printed material will be disseminated in languages that are reflective of our school community. WAYS will periodically publicize its programs and activities multi-lingual periodicals and online. WAYS will maintain a racial and ethnic balance that is reflective of the community through the aforementioned public outreach efforts.

7.3 Recruitment and Outreach Plan

Below is the Charter's written plan to achieve and maintain the District's ethnic balance goal.

WAYS will conduct a comprehensive outreach program to attract a diverse population of students and talented teachers. Community involvement and engagement will be a critical emphasis of the WAYS strategy. We will make intentional efforts to promote a school climate that systematically promotes communal bonds among students as well as encourages community awareness and service. Over the course of their school years, pupils will learn to care for

and rely on classmates of many diverse backgrounds while drawing from the unique attributes of those other personalities and cultures. Specific strategies that we have enacted include recruitment at local community events such as the Los Angeles County Sheriff's National Night Out at the Florence/Firestone Station. This is a free event heavily attended by local families and sponsored by donations from neighborhood businesses such as Wisdom Academy for Young Scientists.

To add to our recruitment efforts, volunteers will be stationed at community resource centers such as the Salvation Army, YMCA and Boys and Girls Clubs to generate interest and engage parents in discussions about the services WAYS offer.

Also, WAYS will establish and maintain partnerships with local private pre-schools and Early Education Agencies, including but not limited to Head Start, and Children's Institute, Inc. Through these partnerships, WAYS will engage the parents and generate interest in WAYS's educational program offerings

To achieve our goal of a racial and ethnic balance, WAYS will advertise on two local radio stations that are heavily favored within the community, KJLH, a long-time medium of the African – American community and Latino 96.3 a radio medium popular with Hispanic listeners.

Ultimately, the creation of a multifaceted dynamic website has helped to glean the interest of those parents who have only heard of WAYS but were not quite sure of our offerings. Many parents who call or visit our school mention that they first visited our website and felt compelled to visit the school. The WAYS website located at www.wisdomacademy.org and encourages parents to seek enrollment for their child or join the waitlist for a future space.

As a result of these efforts WAYS will maintain a waiting list, and enjoy the benefits of a racially balanced school population in which all cultures are recognized and respected.

WAYS will make the following additional efforts to achieve the ethnic balance of the district:

- Recruit by strategically disseminating application handouts to 1) businesses frequented by the local community members that are racially diverse, 2) school personnel of surrounding program improvement and overcrowded schools in the area (with their approval), 3) private and public preschools in a 5 mile radius 4) at town hall meetings open to the local community. Recruitment efforts shall include publicizing our instructional program, hosting Community Open Houses, providing ongoing tours of the school, and speaking to interested parents. All printed material will be disseminated in languages that are reflective of our school community. WAYS will periodically publicize its programs and activities multi-lingual periodicals and online. WAYS will maintain a racial and ethnic balance that is reflective of the community through the aforementioned public outreach efforts.

- Presentations and information distribution at community centers such as The Salvation Army Community Youth Center, Colonel Leon H. Washington Park and Community Center, Ted Watkins Park and Community Center, Head Start locations and other pre-school and child care centers, local churches and other faith based organizations.
- Additional presentations and information distributions will take place at community events, in Los Angeles County Public Libraries, local social service agencies such as the Department of Social Services, and local businesses and grocery stores.
- House meetings at the homes of parent volunteers in the community.
- Advertisements in local newspapers such as the LA Watts Times and the La Opinion, El Mundo Spanish Newspapers, and the LA Weekly Newspaper.

These recruitment efforts ensure that parents residing in the targeted area are informed about the availability of WAYS as a viable option for the education of their children. We expect that this targeted outreach will help to achieve the goal of reflecting the general population residing in the district.

Wisdom Academy will provide to the County all requested information using County forms, including the ethnic survey. The Charter will utilize a student information system that government agencies can inter-face with for compliance monitoring. The student information system will contain the following information listed below for compliance purposes:

Every effort will be made to reach out to all families with children in Kindergarten through fifth grade within a five-mile radius of the school. Families will be notified through community meetings, mailings, personal phone calls, and possibly newspaper advertisements. We expect to hold at least three informational meetings during the winter and spring of each year where we will share information about the Wisdom Academy for Young Scientists and our alternative setting for families and their children.

In addition, WAYS expects referrals from local preschools as well as from local community service organizations.

Each family showing interest will be sent an application packet (See Appendix G). Parents are responsible for completing an application. Once the student list has been set, a waiting list will be developed for those students still wishing to enroll should space become available.

The charter school shall maintain an accurate accounting of the ethnic and racial balance of students enrolled in the school, along with documentation of the efforts the school has made to achieve racial and ethnic balance in accordance with the charter petition and standards of charter legislation.

8 Admissions

8.1 Admission requirements

In accordance with Education Code Section 47605 (d)(2) (A), WAYS shall admit all students who wish to attend, up to the school's enrollment limit. The school adheres to entrance age requirements set by law.

Students applying to Wisdom Academy for Young Scientists are required to complete an application and submit immunization records and previous school records. Students are accepted on a first-come, first-served basis, with the following exceptions: (1) students residing in the District shall be given first priority; (2) siblings of enrolled students shall be given priority; (3) children of staff shall be given priority limited to 10% (4) children of founding members shall be given a priority limited to 10%(5) students who reside in the State of California and (6) a lottery, in accordance with the Education Code Section 47605(d)(2), shall be conducted to fill available places in the event that there are more applicants than placements available (See Appendix F). These listed exceptions apply when a public random drawing is present. Enrollment preferences will also be given to students who reside within LAUSD. Currently enrolled students who do not withdraw their enrollment nor were dismissed from the school will be given a preferred seating for the following year.

8.2 Lottery

When the number of applicants to WAYS exceeds the number of open seats, a random public drawing will be conducted by a non-affiliate of WAYS. To ensure maximum access the drawing will take place during evening hours on the campus of WAYS and will be used to assign available seats to parents who have expressed interests in WAYS and have completed the lottery registration form by the due date. The lottery will take place during the third week of May, two weeks after the registration deadline. Parents will be informed of the rules concerning the lottery upon registration for the lottery. At the conclusion of the random drawing, the non-affiliate will draw additional names to allow for the formation of a waiting list. If space becomes available to a child on the waiting list, the parents will be notified within one business day and will have three business days to claim their seat.

Wisdom Academy for Young Scientists offers a choice for students, parents, and the community to an alternative approach to teaching. WAYS will hold an Orientation Meeting before the school year begins to discuss the School's philosophy and policies to ensure their understanding of the school's vision, curriculum program and policies. In the event a parent is unable to attend an orientation, the Executive Director or Principal will make an appointment to meet

with said parent to discuss the information otherwise obtained from the orientation. Parents are notified that Wisdom Academy for Young Scientists is not subject to the Field Act and many other provisions of the Education Code. The Charter School will adhere to all procedures related to confidentiality and privacy of records.

8.3 McKinney-Vento Homeless Assistance Act

The Charter School will adhere to the provisions of the McKinney-Vento Homeless Assistance Act and ensure that each child of a homeless individual and each homeless youth has equal access to the same free, appropriate public education as provided to other children and youths.

9 Annual Financial Audits

Wisdom Academy for Young Scientists shall obtain an annual financial conducted in accordance with generally accepted auditing standards and in accordance with the state audit guide. The auditor shall be a qualified Certified Public Accountant with experience auditing California public schools. The annual audit report will be forwarded to the State Controller and the Los Angeles County Office of Education. Any exceptions in the audit will be resolved to the satisfaction of the County. The School Board Finance Committee will develop a contract that includes the scope of the audit and requirements in the form of a Request for Application (RFA) to seek qualified applicants.

Two interim reports and a year-end report, which include actual and revised budget figures and projected revenues, expenditures and fund balances, will be submitted to the County within the timelines specified, unless a different system is agreed to by all parties. In addition, all financial statements audited by a Certified Public Accountant will be submitted to the County by December 15, after the close of the fiscal year. WAYS' financial system shall follow the generally accepted accounting principles (GAAP).

Any equipment given to Wisdom Academy for Young Scientists or purchased by the school with funds received from donations will be property of Wisdom Academy for Young Scientists.

9. 1 County Oversight Costs

The County may charge for the actual costs of supervisorial oversight of the WAYS not to exceed 1% of WAYS' revenue, or the County may charge for the actual costs of supervisorial oversight of the Charter School not to exceed % if the Charter School is able to obtain substantially rent free facilities from the County. Notwithstanding the foregoing, the District may charge the maximum supervisorial oversight fee allowed under the law as it may change from time to time. The supervisorial oversight fee provided herein is separate and distinct from the charges arising under the charter school/facilities use agreements.

9. 2 Balance Reserves

Additionally, the WAYS will at all times maintain a funds balance (reserve) of its expenditures as required by section 15450, Title 5 of the California Code of Regulations.

9.3 Special Education Revenue Adjustment/Payment for Services

In the event that the WAYS owes funds to the County for the provision of agreed upon or fee for service special education services, or as a result of the State's adjustment to allocation of special education revenues from the Charter School, WAYS authorizes the County to deduct any and all of the in lieu property taxes that WAYS otherwise would be eligible to receive under section 47635 of the

Education Code to cover such owed amounts. WAYS further understands and agrees that the County shall make appropriate deductions from the in lieu property tax amounts otherwise owed to the Charter School. Should this revenue stream be insufficient in any fiscal year to cover any such costs, the Charter School agrees that it will reimburse the County for the additional costs within one hundred twenty (120) business days of being notified of the amounts owed.

9.4 Audit and Inspection of Records

Charter School agrees to observe and abide by the following terms and conditions as a requirement for receiving and maintaining their charter authorization:

- Charter School is subject to County oversight.
- The County's statutory oversight responsibility continues throughout the life of the Charter and requires that it, among other things, monitors the fiscal condition of the Charter School.
- The County is authorized to revoke this Charter for, among other reasons, the failure of the Charter School to meet generally accepted accounting principles or if it engages in fiscal mismanagement.

Accordingly, the County hereby reserves the right, pursuant to its oversight responsibility, to audit Charter School books, records, data, processes and procedures The audit may include, but is not limited to, the following areas:

- Compliance with terms and conditions prescribed in the Charter agreement,
- Internal controls, both financial and operational in nature,
- The accuracy, recording and/or reporting of school financial information,
- The school's debt structure,
- Governance policies, procedures and history,
- The recording and reporting of attendance data,
- The school's enrollment process,
- Compliance with safety plans and procedures, and
- Compliance with applicable grant requirements.

WAYS shall cooperate fully with such audits and shall make available any and all records necessary for the performance of the audit upon 30 days notice to WAYS. When 30 days notice may defeat the purpose of the audit, the County may conduct the audit upon 24 hours notice.

WAYS will use all revenue received from the state and federal sources only for the educational services specified in the charter for the students enrolled and attending the charter school. Other sources of funding must be used in accordance with applicable state and federal statutes, and their terms or conditions, if any, of any grant or donation.

10 Suspensions and Expulsions

Governing Law: The procedures by which pupils can be suspended or expelled. Education Code Section 47605(b)(5)(J).

10.1 Student Suspension and Expulsion Policy

The Pupil Suspension and Expulsion Policy will be established and adopted by the governing board in order to promote learning and protect the safety and well being of all students at the Charter School. In creating this policy, the Charter School has reviewed Education Code Section 48900 *et seq.* which describes the non-charter schools' list of offenses and procedures to establish its list of offenses and procedures for suspensions and expulsions.

10.2 Suspension and Expulsion Periodic Review

The WAYS Board of Directors or a committee appointed by the Board of Directors will hold an annual review of the Suspension and Expulsion Procedures to make sure that the policies and procedures are in the best interest of the school, are aligned with applicable law, and are efficient, effective, and fair. As part of the review, the Board of Trustees will make any necessary modifications to the list of offenses for which students are subject to suspension or expulsion.

The principal will provide a report to the Board which shall include consideration of the findings of the annual reports of student conduct, including suspensions and expulsions; input from faculty, staff, parents and pupils, to be collected from sources such as surveys and meetings; and changes necessary to comply with applicable state and/or federal law.

PROCESS FOR ANNUAL REVIEW OF SUSPENSIONS AND EXPULSIONS POLICY	
COMPLETION DATE (TENTATIVE)	**ACTION**
April 30	Principal compiles and analyzes discipline data, reviews necessary legal changes, and reports to Board committee
May 30	Board committee reviews report and make recommendation to Board for any changes; Board takes any necessary action

August 1	Handbooks are updated

When the Policy is violated, it may be necessary to suspend or expel a student from regular classroom instruction. As outlined in sections A and B below, there are listed serious offenses for which expulsion may be mandatory or recommended. This policy shall serve as the model for the Charter School's policy and procedures for student suspension and expulsion which will be updated yearly for the school handbook in order to reflect Education Code changes If changes occur after publication and the board approves the changes, students and families shall receive notice of these changes both in writing and on all documentation associated with the school, such as published handbooks and the website. Charter School staff shall enforce disciplinary rules and procedures fairly and consistently among all students. These Policy and its Procedures will be printed and distributed as part of the Student Handbook and will clearly describe discipline expectations. Corporal punishment shall not be used as a disciplinary measure against any student. Corporal punishment includes the willful infliction of or willfully causing the infliction of physical pain on a student. For purposes of the Policy, corporal punishment does not include an employee's use of force that is reasonable and necessary to protect the employee, students, staff or other persons or to prevent damage to school property.

The Charter School administration shall ensure that students and their parents/guardians are notified in writing upon enrollment of all discipline policies and procedures. The notice shall state that these Policy and Procedures are available on request at the Principal's office.

Suspended or expelled students shall be excluded from all school and school-related activities unless otherwise agreed during the period of suspension or expulsion.

WAYS shall provide due process for all students, including adequate notice to parents/guardians and students regarding the grounds for suspension and expulsion and their due process rights regarding suspension and expulsion, including rights to appeal.

WAYS shall ensure that its policies and procedures regarding suspension and expulsion will be periodically reviewed, and modified as necessary, including, for example, any modification of the lists of offenses for which students are subject to suspension or expulsion.

WAYS shall ensure the appropriate interim placement of students during and pending the completion of the Charter School's student expulsion process.

WAYS will implement operational and procedural guidelines ensuring federal and state laws and regulations regarding the discipline of students with disabilities are met. If the student receives or is eligible for special education, WAYS shall identify and provide special education programs and services at the appropriate interim educational placement, pending the completion of the expulsion process.

WAYS shall utilize alternatives to suspension and expulsion with students who are truant, tardy, or otherwise absent from compulsory school activities.

10.3 Grounds for Suspension and Expulsion of Students

A student may be suspended or expelled for prohibited misconduct if the act is related to school activity or school attendance occurring at the Charter School or a Charter School-sponsored event, occurring at anytime including but not limited to: a) while on school grounds; b) while going to or coming from school; c) during the lunch period, whether on or off the school campus; d) during, going to, or coming from a school-sponsored activity.

10.4 Enumerated Offenses

1. Discretionary Suspension Offenses. Students may be suspended for any of the following acts when it is determined the pupil: (Education code 48900-48927)

a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.
(2) Willfully used force of violence upon the person of another, except self-defense.

b) Possessed, sold, or otherwise furnished a firearm, knife, explosive, or other dangerous object, unless, in the case of possession of an object of this type, the pupil had obtained written permission to possess the item from a certificated school employee, which is concurred in by the principal or the designee of the principal.

c) Unlawfully possessed, offered, arranged, or negotiated to sell any controlled substance as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance or material and represented same as controlled substance, alcoholic beverage or intoxicant.

d) Unlawfully offered, arranged, or negotiated to sell a controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind, and either sold, delivered, or otherwise furnished to a person another liquid, substance, or material and represented the liquid, substance, or material as a controlled substance, alcoholic beverage, or intoxicant.

e) Committed or attempted to commit robbery or extortion.

f) Caused or attempted to cause damage to school property or private property. School property includes, but is not limited to, electronic files and databases.

g) Stole or attempted to steal school property or private property.

h) Possessed or used tobacco or products containing tobacco or nicotine products, including but not limited to cigars, cigarettes, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets and betel. This section does not prohibit the use of his or her own prescription products by a pupil.

i) Committed an obscene act or engaged in habitual profanity or vulgarity.

j) Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Health and Safety Code Section 11014.5.

k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, other school officials, or other school personnel engaged in the performance of their duties.

l) Knowingly received stolen school property or private property.

m) Possessed an imitation firearm, i.e.: a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

n) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.

o) Harassed, threatened, or intimidated a student who is a complaining witness or witness in a school disciplinary proceeding for the purpose of preventing that student from being a witness and/or retaliating against that student for being a witness.

p) Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

q) Engaged in, or attempted to engage in hazing. For the purposes of this subdivision, "hazing" means a method of initiation or pre-initiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, which is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this section, "hazing" does not include athletic events or school-sanctioned events.

r) Engaged in an act of bullying. For purposes of this subdivision, the following terms have the following meanings:

(1) "Bullying" means any severe or pervasive physical or verbal act or conduct, including communications made in writing or by means of an electronic act, and including one or more acts committed by a

pupil or group of pupils as defined in Sections 48900.2, 48900.3, or 48900.4, directed toward one or more pupils that has or can be reasonably predicted to have the effect of one or more of the following:

(A) Placing a reasonable pupil or pupils in fear of harm to that pupil's or those pupils' person or property.

(B) Causing a reasonable pupil to experience a substantially detrimental effect on his or her physical or mental health.

(C) Causing a reasonable pupil to experience substantial interference with his or her academic performance.

(D) Causing a reasonable pupil to experience substantial interference with his or her ability to participate in or benefit from the services, activities, or privileges provided by a school.

(2) (A) "Electronic act" means the transmission, by means of an electronic device, including, but not limited to, a telephone, wireless telephone, or other wireless communication device, computer, or pager, of a communication, including, but not limited to, any of the following:

(i) A message, text, sound, or image.

(ii) A post on a social network Internet Web site, including, but not limited to:

(I) Posting to or creating a burn page. "Burn page" means an Internet Web site created for the purpose of having one or more of the effects listed in paragraph (1).

(II) Creating a credible impersonation of another actual pupil for the purpose of having one or more of the effects listed in paragraph (1). "Credible impersonation" means to knowingly and without consent impersonate a pupil for the purpose of bullying the pupil and such that another pupil would reasonably believe, or has reasonably believed, that the pupil was or is the pupil who was impersonated.

(III) Creating a false profile for the purpose of having one or more of the effects listed in paragraph (1). "False profile" means a profile of a fictitious pupil or a profile using the likeness or attributes of an actual

pupil other than the pupil who created the false profile.

(B) Notwithstanding paragraph (1) and subparagraph (A), an electronic act shall not constitute pervasive conduct solely on the basis that it has been transmitted on the Internet or is currently posted on the Internet.

(3) "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.

s) Committed sexual harassment, as defined in Education Code Section 48900. For the purposes of this section, the conduct described Education Code Section 48900.2 must be considered by a reasonable person of the same gender as the victim to be sufficiently severe or pervasive to have a negative impact upon the individual's academic performance or to create an intimidating, hostile, or offensive educational environment. This section shall apply to pupils in any of grades 4 to 12, inclusive.

t) Caused, attempted to cause, threaten to cause or participated in an act of hate violence, as defined Education Code Section 48900.3. This section shall apply to pupils in any of grades 4 to 12, inclusive.

u) Intentionally harassed, threatened or intimidated a student or group of students to the extent of having the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder and invading student rights by creating an intimidating or hostile educational environment as stated in Education Code Section 48900.4. This section shall apply to pupils in any of grades 4 to 12, inclusive.

v) A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may be subject to suspension, but not expulsion, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (1).

w) Possessed, sold, or otherwise furnished any knife unless, in the case of possession of any object of this type, the student had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.

x) Made terrorist threats against school officials and/or school property. For purposes of this section, "terroristic threat" shall include any statement, whether written or oral, by a person who willfully threatens to commit a crime which will result in death, great bodily

injury to another person, or property damage in excess of one thousand dollars ($1,000), with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, which, on its face and under the circumstances in which it is made, is so unequivocal, unconditional, immediate, and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety, or for the protection of school property, or the personal property of the person threatened or his or her immediate family. (Ed. Code 48900.7)

2. Non-Discretionary Suspension Offenses: Students must be suspended and recommended for expulsion for any of the following acts when it is determined the pupil:

a) Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any object of this type, the students had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
b) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
c) Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind except for either of the following:

(i) The first offense for the possession of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.

(ii) The possession of over-the-counter medication for use by the pupil for medical purposes or medication prescribed for the pupil by a physician.

d) Brandishing a knife at another person.

3. Discretionary Expellable Offenses: Students may be expelled for any of the following acts when it is determined the pupil:

a) Caused, attempted to cause, or threatened to cause physical injury to another person.

b) Willfully used force of violence upon the person of another, except self-defense.

c) Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind.

d) Unlawfully offered, arranged, or negotiated to sell any controlled substance as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance or material and represented same as controlled substance, alcoholic beverage or intoxicant.

e) Committed or attempted to commit robbery or extortion.

f) Caused or attempted to cause damage to school property or private property. School property includes, but is not limited to, electronic files and databases.

g) Stole or attempted to steal school property or private property.

h) Possessed or used tobacco or any products containing tobacco or nicotine products, including but not limited to cigars, cigarettes, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets and betel. This section does not prohibit the use of his or her own prescription products by a pupil.

i) Committed an obscene act or engaged in habitual profanity or vulgarity.

j) Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Health and Safety Code Section 11014.5.

k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, other school officials, or other school personnel engaged in the performance of their duties.

l) Knowingly received stolen school property or private property.

m) Possessed an imitation firearm, i.e.: a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

n) Committed or attempted to commit a sexual assault as defined in Penal codeCode Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.

o) Harassed, threatened, or intimidated a student who is a complaining witness or witness in a school disciplinary proceeding for the purpose of preventing that student from being a witness and/or retaliating against that student for being a witness.

p) Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

q) Engaged in, or attempted to engage in hazing. For the purposes of this subdivision, "hazing" means a method of initiation or pre-initiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, which is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this section, "hazing" does not include athletic events or school-sanctioned events.

r) Engaged in an act of bullying. For purposes of this subdivision, the following terms have the following meanings:

(1) "Bullying" means any severe or pervasive physical or verbal act or conduct, including communications made in writing or by means of an electronic act, and including one or more acts committed by a pupil or group of pupils as defined in Sections 48900.2, 48900.3, or 48900.4, directed toward one or more pupils that has or can be reasonably predicted to have the effect of one or more of the following:

(A) Placing a reasonable pupil or pupils in fear of harm to that pupil's or those pupils' person or property.

(B) Causing a reasonable pupil to experience a substantially detrimental effect on his or her physical or mental health.

(C) Causing a reasonable pupil to experience substantial interference with his or her academic performance.

(D) Causing a reasonable pupil to experience substantial interference with his or her ability to participate in or benefit from the services, activities, or privileges provided by a school.

(2) (A) "Electronic act" means the transmission, by means of an electronic device, including, but not limited to, a telephone, wireless telephone, or other wireless communication device, computer, or pager, of a communication, including, but not limited to, any of the following:

(i) A message, text, sound, or image.

(ii) A post on a social network Internet Web site, including, but not limited to:

(I) Posting to or creating a burn page. "Burn page" means an Internet Web site created for the purpose of having one or more of the effects listed in paragraph (1).

(II) Creating a credible impersonation of another actual pupil for the purpose of having one or more of the effects listed in paragraph (1). "Credible impersonation" means to knowingly and without consent impersonate a pupil for the purpose of bullying the pupil and such that another pupil would reasonably believe, or has reasonably believed, that the pupil was or is the pupil who was impersonated.

(III) Creating a false profile for the purpose of having one or more of the effects listed in paragraph (1). "False profile" means a profile of a fictitious pupil or a profile using the likeness or attributes of an actual pupil other than the pupil who created the false profile.

(B) Notwithstanding paragraph (1) and subparagraph (A), an electronic act shall not constitute pervasive conduct solely on the basis that it has been transmitted on the Internet or is currently posted on the Internet.

(3) "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.

s) Committed sexual harassment, as defined in Education Code Section 48900.2. For the purposes of this section, the conduct described in Section 48900.2 must be considered by a reasonable person of the same gender as the victim to be sufficiently severe or pervasive to have a negative impact upon the individual's academic performance or to create an intimidating, hostile, or offensive educational environment. This section shall apply to pupils in any of grades 4 to 12, inclusive.

t) Caused, attempted to cause, threaten to cause or participated in an act of hate violence, as defined in Education Code Section 48900.3. This section shall apply to pupils in any of grades 4 to 12, inclusive.

u) Intentionally harassed, threatened or intimidated a student or group of students to the extent of having the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder and invading student rights by creating an intimidating or hostile educational environment as stated in Education Code Section 48900.4. This section shall apply to pupils in any of grades 4 to 12, inclusive.

v) A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may be subject to suspension, but not expulsion, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (1).

w) Possessed, sold, or otherwise furnished any knife unless, in the case of possession of any object of this type, the student had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.

x) Made terrorist threats against school officials and/or school property. For purposes of this section, "terroristic threat" shall include any statement, whether written or oral, by a person who

willfully threatens to commit a crime which will result in death, great bodily injury to another person, or property damage in excess of one thousand dollars ($1,000), with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, which, on its face and under the circumstances in which it is made, is so unequivocal, unconditional, immediate, and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety, or for the protection of school property, or the personal property of the person threatened or his or her immediate family.

4. Non-Discretionary Expellable Offenses: Students must be expelled for any of the following acts when it is determined pursuant to the procedures below that the pupil:

a) Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any object of this type, the students had obtained written permission to possess the item from a certificated school employee, with the Principal or designee's concurrence.
b) Committed or attempted to commit a sexual assault as defined in Penal Code Sections 261, 266c, 286, 288, 288a or 289, or committed a sexual battery as defined in Penal Code Section 243.4.
c) Unlawfully possessed, used, sold or otherwise furnished, or was under the influence of any controlled substance, as defined in Health and Safety Code Sections 11053-11058, alcoholic beverage, or intoxicant of any kind except for either of the following:
    (i) The first offense for the possession of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.
    (ii) The possession of over-the-counter medication for use by the pupil for medical purposes or medication prescribed for the pupil by a physician.
d) Brandishing a knife at another person.

If it is determined by the Board of Directors that a student has brought a fire arm or destructive device, as defined in Section 921 of Title 18 of the United States Code, on to campus or to have possessed a firearm or dangerous device on campus, the student shall be expelled for one year, pursuant to the Federal Gun Free Schools Act of 1994.

The term "firearm" means (A) any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive; (B) the frame or receiver of any such weapon; (C) any firearm muffler or firearm silencer; or (D) any destructive device. Such term does not include an antique firearm.

The term "destructive device" means (A) any explosive, incendiary, or poison gas, including but not limited to: (i) bomb, (ii) grenade, (iii) rocket having a propellant charge of more than four ounces, (iv) missile having an explosive or incendiary charge of more than one-quarter ounce, (v) mine, or (vi) device similar to any of the devices described in the preceding clauses.

10.5 Readmission

Students found to have committed any non-discretionary offenses will be expelled for one school year. The Charter School's governing board shall adopt rules establishing a procedure for the filing and processing of requests for readmission and the process for the required review of all expelled pupils for readmission. Upon completion of the readmission process, the Charter School's governing board shall readmit the pupil, unless the Charter School's governing board makes a finding that the pupil continues to pose a danger to campus safety. A description of the procedure shall be made available to the pupil and the pupil's parent or guardian at the time the expulsion order is entered. The Charter School is responsible for reinstating the student upon the conclusion of the expulsion period.

10.6 Suspension Procedure

WAYS will provide a Student Handbook to each family upon enrollment that delineates the list of offenses and progressive discipline procedures and expectations to provide adequate safety for students, staff, and visitors to the school in order to serve the best interests of the school's pupils and their parents/guardians. WAYS staff will enforce all disciplinary rules and procedures fairly and consistently among all students.

10.7 Progression of Discipline, Teachers to Administration

Teachers are responsible for the day-to-day discipline in their classrooms while working with their students to meet their individual needs in order that learning takes place. WAYS has a discipline structure and character-building program that delineates uniform, school-wide expectations for conduct. When it become necessary to implement disciplinary action, the following options are available to the teachers: warning, detention, parent-teacher communication, counseling referral, written assignment, and discipline referral to the Principal.

Prior to suspensions and expulsions, students may receive any or all of the following: warnings, detentions, phone calls home, parent conferences, and a behavior contract. Any WAYS teacher may assign a teacher's detention to a

student. During detention students may have to write a reflective response about their conduct that could require a parent signature. Detentions will be held onsite during lunch or after school. A teacher may elect to hold detention in a classroom or in a designated detention room.

10.8 Offenses That May Result in a Teacher's Detention

Teacher and Administrative detention process is the same. As a general rule teachers assign a Teacher Detention for minor classroom misconduct such as: cell phone usage, passing notes, making noises, minor inappropriate conflicts with others, or cheating. Repeated violations by individuals will be referred to the Principal. When there is a serious violation of the rules, the student will be referred to the Principal. A serious violation may include any violation listed under Suspension of Expulsion section in this element of the charter petition below.

10.9 Suspension

Suspension is intended to remove the student from peers and the class environment. This separation provides the student time to reflect on his or her behavior and a possible pattern of behavior that will be more positive, as well as to protect the student body as a whole from dangerous and disruptive behavior.

A student serving on campus suspension reports to school at the regular time. Each teacher will give the student written assignments that he or she must complete under the direct supervision of the Principal or designee. The student will eat lunch in the assigned room.

Whether suspension occurs in school or out, the maximum number of consecutive days a student may be suspended five (5), unless the suspension is extended pending an expulsion hearing from the recommendation of the Administrative Panel. Upon a recommendation of Expulsion by the Panel, the pupil and the pupil's guardian or representative will be invited to a conference with the Administrative Panel to determine if the suspension for the pupil should be extended pending an expulsion hearing. The Administrative Panel will make this determination: 1) the pupil's presence will be disruptive to the education process; or 2) the pupil poses a threat or danger to others. Upon either determination, the pupil's suspension will be extended pending the results of an expulsion hearing. Students shall not be suspended for more than twenty (20) school days in a year, unless the suspension has been extended pending an expulsion hearing.

Students on suspension pending an expulsion hearing may request that academic work be made available for pick up at the office.

Suspensions shall include the following procedures:

Conference - Suspension shall be preceded, if possible, by a conference conducted by the Principal or the Principal's designee with the student and his or

her parent and, whenever practical, the teacher, supervisor or WAYS employee who referred the student.

The conference may be omitted if the Principal or designee determines that an emergency situation exists. An "emergency situation" involves a clear and present danger to the lives, safety or health of students or Charter School personnel. If a student is suspended without this conference, both the parent/guardian and student shall be notified of the student's right to return to school for the purpose of a conference.

At the conference, the pupil shall be informed of the reason for the disciplinary action and the evidence against him or her and shall be given the opportunity to present his or her version and evidence in his or her defense. This conference shall be held within two school days, unless the pupil waives this right or is physically unable to attend for any reason including, but not limited to, incarceration or hospitalization. No penalties may be imposed on a pupil for failure of the pupil's parent or guardian to attend a conference with Charter School officials. Reinstatement of the suspended pupil shall not be contingent upon attendance by the pupil's parent or guardian at the conference.

10.10 Notices to Parents/Guardians

At the time of the suspension, an administrator or designee shall make a reasonable effort to contact the parent/guardian by telephone or in person. Whenever a student is suspended, the parent/guardian shall be notified in writing of the suspension and the date of return following suspension. This notice shall state the specific offense committed by the student. In addition, the notice may also state the date and time when the student may return to school. If Charter School officials wish to ask the parent/guardian to confer regarding matters pertinent to the suspension, the notice may request that the parent/guardian respond to such requests without delay.

10.11 Authority to Expel

A student may be expelled by the Board following a hearing before it or upon the recommendation of an Administrative Panel. The Panel would be convened as part of the suspension and expulsion process once it was determined that there is any reasonable concern that the pupil was in danger of expulsion or extended suspension. The Administrative Panel should consist of at least three members of the faculty or professional representatives who are certificated but are neither a teacher of the pupil or a Board member of the Charter School's governing board. The Administrative Panel may recommend expulsion to the Board of any student found to have committed an expellable offense.

10.12 Expulsion Procedures

Students recommended for expulsion are entitled to a hearing to determine whether the student should be expelled. Unless postponed for good cause, the hearing shall be held within thirty (30) school days after the Principal or designee determines that the pupil has committed an expellable offense.

In the event an administrative panel hears the case, it will make a recommendation to the Board for a final decision whether to expel. The hearing shall be held in closed session unless the pupil makes a written request for a public hearing three (3) days prior to the hearing.

Written notice of the hearing shall be forwarded to the student and the student's parent/guardian at least ten (10) calendar days before the date of the hearing. Upon mailing the notice, it shall be deemed served upon the pupil. The notice shall include:

1. The date and place of the expulsion hearing;

2. A statement of the specific facts, charges and offenses upon which the proposed expulsion is based;

3. A copy of the Charter School's disciplinary rules which relate to the alleged violation;

4. Notification of the student's or parent/guardian's obligation to provide information about the student's status at the school to any other school district or school to which the student seeks enrollment;

5. The opportunity for the student or the student's parent/guardian to appear in person or to employ and be represented by counsel or a non-attorney advisor;

6. The right to inspect and obtain copies of all documents to be used at the hearing;

7. The opportunity to confront and question all witnesses who testify at the hearing;

8. The opportunity to question all evidence presented and to present oral and documentary evidence on the student's behalf including witnesses.

10.13 Special Procedures for Expulsion Hearings Involving Sexual Assault or Battery Offenses

WAYS may, upon a finding of good cause, determine that the disclosure of either the identity of the witness or the testimony of that witness at the hearing, or both, would subject the witness to an unreasonable risk of psychological or physical harm. Upon this determination, the testimony of the witness may be presented at the hearing in the form of sworn declarations which shall be examined only by WAYS or the hearing officer. Copies of these sworn declarations, edited to delete the name and identity of the witness, shall be made available to the pupil.

1. The complaining witness in any sexual assault or battery case must be provided with a copy of the applicable disciplinary rules and advised of his/her right to (a) receive five days notice of his/her scheduled testimony, (b) have up to two (2) adult support persons of his/her choosing present in the hearing at the time he/she testifies, which may include a parent, guardian, or legal counsel, and (c) elect to have the hearing closed while testifying.

2. The Charter School must also provide the victim a room separate from the hearing room for the complaining witness' use prior to and during breaks in testimony.

3. At the discretion of the panel conducting the hearing, the complaining witness shall be allowed periods of relief from examination and cross-examination during which he or she may leave the hearing room.

4. The panel conducting the expulsion hearing may also arrange the seating within the hearing room to facilitate a less intimidating environment for the complaining witness.

5. The panel conducting the expulsion hearing may also limit time for taking the testimony of the complaining witness to the hours he/she is normally in school, if there is no good cause to take the testimony during other hours.

6. Prior to a complaining witness testifying, the support persons must be admonished that the hearing is confidential. Nothing in the law precludes the person presiding over the hearing from removing a support person whom the presiding person finds is disrupting the hearing. The panel conducting the hearing may permit any one of the support persons for the complaining witness to accompany him or her to the witness stand.

7. If one or both of the support persons is also a witness, the Charter School must present evidence that the witness' presence is both desired by the witness and will be helpful to the Charter School. The person presiding over the hearing shall permit the

witness to stay unless it is established that there is a substantial risk that the testimony of the complaining witness would be influenced by the support person, in which case the presiding official shall admonish the support person or persons not to prompt, sway, or influence the witness in any way. Nothing shall preclude the presiding officer from exercising his or her discretion to remove a person from the hearing whom he or she believes is prompting, swaying, or influencing the witness.

8. The testimony of the support person shall be presented before the testimony of the complaining witness and the complaining witness shall be excluded from the courtroom during that testimony.

9. Especially for charges involving sexual assault or battery, if the hearing is to be conducted in the public at the request of the pupil being expelled, the complaining witness shall have the right to have his/her testimony heard in a closed session when testifying at a public meeting would threaten serious psychological harm to the complaining witness and there are no alternative procedures to avoid the threatened harm. The alternative procedures may include videotaped depositions or contemporaneous examination in another place communicated to the hearing room by means of closed-circuit television.

10. Evidence of specific instances of a complaining witness's prior sexual conduct is presumed inadmissible and shall not be heard absent a determination by the person conducting the hearing that extraordinary circumstances exist requiring the evidence be heard. Before such a determination regarding extraordinary circumstance can be made, the witness shall be provided notice and an opportunity to present opposition to the introduction of the evidence. In the hearing on the admissibility of the evidence, the complaining witness shall be entitled to be represented by a parent, legal counsel, or other support person. Reputation or opinion evidence regarding the sexual behavior of the complaining witness is not admissible for any purpose.

10.14 Record of Hearing

A record of the hearing shall be made and may be maintained by any means, including electronic recording, as long as a reasonably accurate and complete written transcription of the proceedings can be made.

10.15 Presentation of Evidence

While technical rules of evidence do not apply to expulsion hearings, evidence may be admitted and used as proof only if it is the kind of evidence on which reasonable persons can rely in the conduct of serious

affairs. A recommendation by the administrative panel to expel must be supported by substantial evidence that the student committed an expellable offense.

Findings of fact shall be based solely on the evidence at the hearing. While hearsay evidence is admissible, no decision to expel shall be based solely on hearsay and sworn declarations may be admitted as testimony from witnesses of whom the Board of Directors, administrative panel or designee determines that disclosure of their identity or testimony at the hearing may subject them to an unreasonable risk of physical or psychological harm.

If, due to a written request by the expelled pupil, the hearing is held at a public meeting, and the charge is committing or attempting to commit a sexual assault or committing a sexual battery as defined in Education Code Section 48900, a complaining witness shall have the right to have his or her testimony heard in a session closed to the public.

The decision of the Administrative Panel shall be in the form of written findings of fact and a written recommendation to the Board of Directors who will make a final determination regarding the expulsion. The final decision by the Board shall be made within ten (10) school days following the conclusion of the hearing. The decision of the Board of Directors is final.

If the administrative panel decides not to recommend expulsion, the pupil shall immediately be returned to his/her educational program.

10.16 Written Notice to Expel

The Principal, following a decision of the Board of Directors to expel, shall send written notice of the decision to expel, including the Board of Directors' adopted findings of fact, to the student or parent/guardian. This notice shall also include the following:

1. Notice of the specific offense committed by the student
2. Notice of the student's or parent/guardian's obligation to inform any new district in which the student seeks to enroll of the student's status with WAYS.

The Principal or designee shall send a copy of the written notice of the decision to expel to LACOE.

This notice shall include the following:

a) The student's name, and
b) The specific expellable offense committed by the student.

Additionally, in accordance with Education Code Section 47605(d)(3), upon expulsion of any student, WAYS shall notify the superintendent of the school district of the pupil's last known address within thirty (30) days, and shall, upon request, provide that school district with a copy of the cumulative record of the pupil, including a transcript of grades or report card and health information.

The Board of Directors' decision to expel shall be final.

If a student is expelled from WAYS, WAYS shall forward student records upon request of the receiving school district in a timely fashion. WAYS shall also submit an expulsion packet to LACOE immediately or as soon as practically possible, containing:

- pupil's last known address
- a copy of the cumulative record
- transcript of grades or report card
- health information
- documentation of the expulsion proceeding, including specific facts supporting the expulsion
- student's current educational placement
- copy of parental notice expulsion
- copy of documentation of expulsion provided to parent stating reason for expulsion, term of expulsion, rehabilitation plan, reinstatement notice with eligibility date and instructions for providing proof of student's compliance for reinstatement, appeal process and options for enrollment.
  if the Student is eligible for Special Education, the Charter School must provide documentation related to expulsion pursuant to IDEA including conducting a manifestation determination IEP prior to expulsion. If the student is eligible for Section 504 Accommodations, the Charter School must provide evidence that it convened a Link Determination meeting to address two questions: A) Was the misconduct caused by, or directly and substantially

related to the students disability: B) Was the misconduct a direct result of the Charter's failure to implement 504 Plan?

10.17 Disciplinary Records

The Charter School shall maintain records of all student suspensions and expulsions at the Charter School. Such records shall be made available to the authorizer upon request.

10.18 No Right to Appeal

The pupil shall have no right of appeal from expulsion from the Charter School, as the Charter School Board's decision to expel shall be final.

10.19 Expelled Pupils/Alternative Education

The Charter School shall work cooperatively with parents/guardians as requested by parents/guardians or by the school district of residence to assist with locating alternative placements during expulsion.

10.20 Outcome Data

WAYS shall maintain all data involving placement, tracking, and monitoring of student suspensions, expulsions, and reinstatements, and make such outcome data readily available to LACOE upon request.

10.21 Rehabilitation Plans

Pupils who are expelled from the Charter School shall be given a rehabilitation plan developed by the Administrative panel upon expulsion as approved by the Charter School's governing board at the time of the expulsion order, which may include, but is not limited to, periodic review as well as assessment at the time of review for readmission. The rehabilitation plan should include a date not later than one year from the date of expulsion when the pupil may apply to the Charter School for readmission.

10.22 Readmission

The Charter School's governing board shall adopt rules establishing a procedure for the filing and processing of requests for readmission and the process for the required review of all expelled pupils for readmission. Upon completion of the

readmission process, the Charter School's governing board shall readmit the pupil, unless the Charter School's governing board makes a finding that the pupil has not met the conditions of the rehabilitation plan or continues to pose a danger to campus safety. A description of the procedure shall be made available to the pupil and the pupil's parent or guardian at the time the expulsion order is entered. The Charter School is responsible for reinstating the student upon the conclusion of the expulsion period.

10.23 Special Education Students

In the case of a student who has an Individualized Education Plan ("IEP"), or a student who has a 504 Plan, the Charter School will ensure that it follows the correct disciplinary procedures to comply with the mandates of state and federal laws, including IDEA and Section 504 of the Rehabilitation Plan of 1973. An IEP team will meet to conduct a manifestation determination should the suspension exceed 10 cumulative days. If the behavior is determined not to be a manifestation of the child's disability, then the relevant disciplinary procedures applicable to children without disabilities may be applied to the child in the same manner and for the same duration in which the procedures would be applied to children without disabilities. Should the IEP team conclude that the behavior was a manifestation of the child's disability, the IEP team shall conduct a functional behavioral assessment. In the condition where a behavior intervention plan has been developed, the IEP team will review the behavioral intervention plan if the child already has such a behavioral intervention plan, and modify it, as necessary to address the behavior. The IEP team will then return the child to the placement from which the child was removed, unless the parent and IEP team agree to a change in placement as part of the modification of the behavior support plan. Prior to recommending expulsion for a student with a 504 Plan, the Charter School's administrator will convene a Link Determination meeting to ask the following two questions: A) Was the misconduct caused by, or directly and substantially related to the student's disability? B) Was the misconduct a direct result of the Charter School's failure to implement 504?

10.24 Gun Free Schools Act

The Charter School shall comply with the federal Gun Free Schools Act.

11 Procedures for dealing with staff issues

11.1 RELATIONSHIP BETWEEN THE TEACHERS AND THE DISTRICT/COUNTY BARGAINING UNIT

In accordance with the Educational Employee Relations Act (EERA) WAYS employees may join and be represented by an organization of their choice for collective bargaining purposes. However, unless the employees elect to be represented by an organization for bargaining purposes, all employees will be employed on an individual basis.

11.2 Process by which salaries, benefits, working conditions and other items will be determined

Wisdom Academy for Young Scientists administrative staff recommends the policies for salaries, benefits and annual work calendars for all employees to the school board for approval. Work calendars are submitted to staff in March and for their input. Staff is given opportunities to discuss and vote on any changes affecting benefits. WAYS is committed to equitable and just salaries and benefits for its employees. The school will always consider matching the salaries and benefits offered by the authorizer, budget permitting. WAYS will provide its own health benefits package.

11.3 LABOR PROCEDURES WHICH WILL BE APPLIED TO EMPLOYEES

The employee handbook delineates the relationship between staff and the school. This handbook will be presented to all staff prior to the opening of the school. After the school's opening this will be made readily available to staff in May of each year prior to the start of the following school year. Staff will have the opportunity to review said policies and provide feedback, which may in turn affect said policies.

Certificated and classified personnel will be hired on at-will contracts. Contracts will be renewed based on demonstration of meeting those requirements outlined in the teacher contacts, adhering to the policies and procedures outlined in the WAYS Staff Policy and securing a satisfactory staff evaluation. The expectations outlined in the staff evaluation form are in alignment with and support the mission and vision of WAYS.

Wisdom Academy for Young Scientists shall be an equal opportunity employer. No school district or County employee shall be required to or denied the right to be employed at Wisdom Academy for Young Scientists.

11.4 PROCESS FOR RESOLVING COMPLAINTS/GRIEVANCES

Employees will be encouraged to resolve complaints and grievances informally and with their immediate supervisor. However, they will have the right to appeal informally or formally (in writing) to the Principal. If unsatisfied with the resolution, they may appeal to the Board as well.

All employees will be asked to agree to binding arbitration in their employment agreement.

11.5 PROCESS FOR ENSURING DUE PROCESS

The Board of Principals will request an annual report of complaints and grievances brought to the Principal and the Board from the Principal. The will review the report and correct the process for resolving complaints and grievances if warranted.

In addition, employees will have the right to enter into binding arbitration if grievances are unresolved.

11.6 STRS, PERS, SOCIAL SECURITY AND MEDICARE

Wisdom Academy for Young Scientists will participate in the State Teachers Retirement System. Non-certificated staff will participate in the federal social security system.

Prior to any changes in the retirement benefit packages, WAYS agrees to provide written notification to all employees. If WAYS opts to participate in outside retirement benefit program(s) for its full time employees, these programs will be reviewed with the staff and decided upon annually, provided funds are available within the school budget. The school's chief financial officer will be responsible for ensuring that appropriate arrangements for STRS, PERS, or Social Security coverage are made.

11.7 Process for Staff Recruitment, Selection, Evaluation and Termination

For the staff recruitment and selection processes, see Element 5.

In matters regarding accountability and evaluation of personnel, Wisdom Academy for Young Scientists will develop its own procedure, which includes classroom ongoing observations by the Principal, peer observations, self evaluations, parent surveys and student questionnaires.

Evaluation is based upon adequate completion of assigned job duties, setting and attainment of goals and regular, punctual attendance, teacher-parent and teacher-child relations, as determined by the Principal. These measures will be evaluated annually and upgraded as necessary. Employee evaluations are conducted as follows:

11.8 Teachers

Teacher evaluations will occur once per year. These evaluations will include a written evaluation by the Executive Director and Principal Teachers will also receive classroom visitations and written observations by the administrative staff. If necessary, conferences will be held to discuss recommendations for successful strategies and improvements on areas of concern.

11.9 Teacher Assistants

Teacher Assistants will be evaluated once per year. These evaluations will include a written evaluation by the lead teacher. The Principal may also participate in the evaluations process.

11.10 Principal

The Principal will be evaluated once per year. These evaluations include written evaluations by the entire staff. These evaluations will be passed on to the Personnel Committee of the School Board and presented by the Board President to the Merle Williamson Foundation Board of Principal.

11.11 UNPROFESSIONAL STAFF CONDUCT

In-service staff training and on-going evaluation will be practiced in an effort to limit if not deter unprofessional conduct among staff. In any case, if the situation should arise the following measures will generally be implemented after each incident.

First incident: A meeting will be held to discuss the unsatisfactory act. At this time, a written Plan for Correction will be reviewed and discussed with staff member, who will be asked to write their comments in the section provided and sign. This document shall remain in personnel file and can be forwarded upon request.

Second incident: The step above may be repeated.

Third incident: Dismissal.

If the unsatisfactory act threatens the safety and well being of the students, parents and/or other staff members, WAYS retains the right to dismiss said employee, immediately. From time to time, these procedures may be revised in accordance with policies adopted by the Board of WAYS.

11.12 PROCEDURE FOR PROCESSING AND MONITORING CREDENTIALS IF REQUIRED

The Principal will review the checklist with teachers and examine their credentials to determine whether they are fully qualified. A suspension file will be created by the Principal to track staff progress in meeting credential milestones.

12 Attendance alternatives

Governing Law: The public school attendance alternatives for pupils residing within the school district that chooses not to attend charter schools. Education Code Section 47605(b)(5)(L)

WAYS is a school of choice. No student is required to attend WAYS. Students choosing not to attend WAYS may attend other public schools within their home school district. Admission to WAYS shall not entitle any student to subsequently enroll in any home district program or school, or any other school including charter schools. WAYS will provide information about attendance alternatives to inquiring parents/guardians or students. Further, Parents/guardians of each pupil enrolled in the charter will be informed via the Parent/Student handbook and during Parent Orientation, that the student has no right to admission in a non-charter district school as a consequence of enrollment in the charter school.

No student may be required to attend The Charter School. Pupils who reside within the District who choose not to attend Wisdom Academy for Young Scientists may attend school within the District according to District policy or at another school district or school within the District through the District's intra and inter-district policies.

13 Employee Rights

Employment Status of Employees

No public school district employee shall be required to work at the Charter School. Charter school employees will be employees of the charter school, not the County. In other words, persons employed by WAYS are not considered employees of the County for any purpose whatsoever. Employees of who resign from school district or other employment to work at WAYS and who later wish to return to a school district shall be treated the same as any other former school district employee seeking reemployment. Employee return rights to any school district will be determined by that district's policies and procedures and applicable collective bargaining agreements, if any.

Sick or vacation leave or years of service credit at a school district will not be transferred to WAYS. Employment by WAYS provides no rights of employment at any other entity, including any rights in the case of closure of WAYS.

14 Dispute Resolution

14.1 Process for Resolving Complaints/Grievances within the Wisdom Academy for Young Scientists

The Charter School recognizes that it cannot bind LACOE to a dispute resolution procedure to which LACOE does not agree. The policy below is intended as a starting point for a discussion of dispute resolution procedures. The Charter School is willing to consider changes to the process outline below as suggested by the County.

The Charter School and the County will be encouraged to attempt to resolve any disputes with the County amicably and reasonably without resorting to formal procedures.

The staff and governing board members of WAYS agree to resolve any claim, controversy or dispute arising out of or relating to the Charter agreement between LACOE and WAYS except any controversy or claim that is in any way related to revocation of this Charter, ("Dispute") pursuant to the terms of this Element 14.

All staff members will follow state and federal laws for reporting alleged improprieties as well as adhere to Wisdom Academy for Young Scientists Staff Policy. The policy will be revised and updated through the collaboration of the Principal and the teaching staff.

The following process shall apply to staff members filing a complaint or grievance:

An appointment with the Principal to discuss the incident/problem must be scheduled. This meeting will be held in an effort to discuss and resolve the matter effectively for all parties concerned.

If after the meeting the employee determines that a problem still exists then it must next be taken to the School Board. A conference with all parties involved and two-three board members will be held and mediated by an impartial third party agreed upon by the grievant and conference participants.

If the staff member who filed the complaint or grievance determines that a problem still exists, then he/she has the right to request that a representative from the State Arbitration Board mediate the process.

The decision following the final step, (step 2 or 3, as determined by the grievant) shall be binding and a conference report of the decision will be issued to all parties involved.

Non-participation in the process will result in issuance of a conference memo or a notice of unsatisfactory act or service to remain in the personnel file. Reference to this process is aforementioned in elements 11.4 and 11.5

14.2 Process for Resolving Disputes between WAYS and the County

Any controversy, claim, or dispute arising out of or relating to the charter agreement shall be handled first through an informal process in accordance with the procedures set forth below:

(1) Any controversy, claim, or dispute arising out of or relating to the charter agreement, or the breach thereof, must be submitted in writing ("Written Notification"). The Written Notification must identify the nature of the dispute. The Written Notification may be tendered by personal delivery, by facsimile, or by certified mail. The Written Notification shall be deemed received (a) if personally delivered, upon date of delivery to the address of the person to receive such notice if delivered by 5:00 p.m., or otherwise on the business day following personal delivery; (b) if by facsimile, upon electronic confirmation of receipt; or (c) if by mail, two (2) business days after deposit in the U.S. Mail. Written Notifications shall be addressed as follows:

To Charter School:

Executive Director

Wisdom Academy for Young Scientists

706 East Manchester

Los Angeles, CA 90001

323-253-8865

To County:

Charter Schools Office

Los Angeles County Office of Education

9300 Imperial Highway

Downey, CA 90242

(2) A written response ("Written Response") shall be tendered to the other party within five (5) business days from the date of receipt of the Written Notification. The parties agree to schedule a conference to discuss and resolve the controversy, claim, or dispute at issue ("Issue Conference"). The Issue Conference shall take place within fifteen (15) business days from the date the written Response is received by the other party. The Written Response may be tendered by personal delivery, by facsimile, or by certified mail. The Written Response shall be deemed received (a) if personally delivered, upon date of delivery to the address of the person to receive such notice if delivered by 5:00 p.m., or otherwise on the business day following personal delivery; (b) if by facsimile, upon electronic confirmation of receipt; or (c) if by mail, two (2) business days after deposit in the U.S. Mail.

(3) If the controversy, claim, or dispute cannot be resolved by mutual agreement at the Issue Conference, then either party may request that the matter

be resolved by mediation. Each party shall bear its own costs and expenses associated with the mediation. The mediator's fees and the administrative fees of the mediation shall be shared equally among the parties. Mediation proceedings shall commence within 60 days from the date of the Issue Conference. The parties shall mutually agree upon the selection of a mediator to resolve the controversy or claim at dispute.

(4) If mediation is not successful, then the parties agree to settle the controversy, claim, or dispute by arbitration conducted by arbitration. If the parties cannot agree upon arbitration terms, then the parties shall submit to a single arbitrator in accordance with the rules or guidelines of the American Arbitration Association. The arbitrator must be an active member of the California State Bar or a retired judge of the state or federal judiciary of California. Each party shall bear its own costs and expenses associated with the arbitration. The arbitrator's fees and the administrative fees of the arbitration shall be shared equally among the parties. Arbitration shall commence within 60 days from the final date of the mediation proceedings.

This Dispute Resolution process does not apply to revocation proceedings or related matters under regulations section 11968.5.2 and/or section 47607 of the Education Code.

The staff and governing board members of WAYS agree to attempt to resolve all disputes regarding this charter pursuant to the terms of this section. Both will refrain from public commentary regarding any disputes until the matter has progressed through the dispute resolution process.

15 Declaration of Exclusive Public School Employer

Wisdom Academy for Young Scientists shall be deemed the exclusive public school employer of the employees of the charter school for the purposes of the Education Employment Relations Act as specified in Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the California State Education Code [47611.5(b)]. In accordance with this code, WAYS employees have the right to join organizations of their choice, to be represented by such organizations in their professional and employment relationships with public school employers, to select one employee organization as the exclusive representative of the employees in an appropriate unit, and to afford certificated employees a voice in the formulation of educational policy.

16 Charter School Closure

16.1 Charter Revocation

The County may revoke the charter if WAYS commits a breach of any provisions set forth in the Charter School Act of 1992. The County may revoke the charter of the WAYS if the County finds, through a showing of substantial evidence, that the charter school did any of the following:

- WAYS committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
- WAYS failed to meet or pursue any of the pupil outcomes identified in the charter.
- WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.
- WAYS violated any provision of law.

Prior to revocation, and in accordance with Cal. Educ. Code section 47607(d) and State regulations, the County will notify WAYS in writing of the specific violation, and give WAYS a reasonable opportunity to cure the violation, unless the County determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. Revocation proceedings are not subject to the dispute resolution clause set forth in this charter. County and WAYS shall follow the CDE's charter school revocation regulations beginning at section 11968.5.2.

16.2 Closure Procedures

The following are closing procedures that abide by Cal. Educ. Code §47605(b)(5)(P), should the Charter School close for any reason. The decision to close Wisdom Academy for Young Scientists either by the WAYS governing Board or by the County, will be documented in a Closure Action. The Closure Action shall be deemed to have been automatically made when any of the following occur: the charter is revoked or non-renewed by theCounty; the Charter School board votes to close the school; or the Charter lapses. In the event of such a Closure closure Action or as soon as WAYS informs the DistrictCounty of its intent to voluntarily close, the following steps are to be implemented:

1. Identification of a responsible person(s) – e.g., Executive Director, Financial Officer, Chair of the Charter School's governing board, to oversee and conduct the closure process.

2. Written notification to parents/guardians/caregivers of the enrolled students WAYS will be issued by WAYS within 72 hours after the determination of a Closure Action and the effective date of closure. A sample copy of the language

used in the written notification is also to be made to the County within the same time frame.

a. The written notification will also include information on assistance in transferring each student to another appropriate school, and a process for the transfer of all

b. The process for transferring student records to the receiving schools shall be in accordance with County procedures for students moving from one school to another as indicated above.

c. Parents will also be provided with student information that includes closure notice, a copy of their child's cumulative record, which will include grade reports, discipline records, immunization records, completed coursework, credits that meet graduation requirements and a transcript, and State testing results.

d. WAYS will prepare an electronic master list of all students to the County. This list will include the student's identification number, Statewide Student Identifier (SSID), birthdates, grade, full name, address, home school, enrollment date, exit code, exit date. If WAYS closure occurs before the end of the school year, the list should also indicate the name of the school that each student is transferring to, if known.

e. The original cumulative files should be organized for the County to pick up in two categories: active students and inactive students. LACOE will coordinate with the Charter School for the pickup of the student records. The charter school is responsible for ensuring student records have been maintained in compliance with the LACOE Cumulative Records Handbook and applicable State Education Code provisions.

f. The charter school must update all student records in the California Longitudinal Pupil Achievement Data System (CALPADS) prior to closing.

g. The Charter school will provide to the County CSO a copy of student attendance records, teacher grade books, school payroll records, and Title I records (if applicable)

3. Written notification to the County and any other school districts of residence of the list of returning students and their home schools, to be made within 72 hours of the determination of the Closure Action.

4. Transfer of the original student records to the County, within seven calendar days from the determination of an Action to Close.

5. Written notification to the California Department of Education, the Los Angeles County Office of Education, and the Special Education Local Planning Area (SELPA) in which the Charter School participates, of the Closure Action shall be made by the [Charter School] by registered mail within 72 hours of the decision to Closure Action. Charter School shall provide a copy of these correspondences to the County CSO.

6. WAYS shall allow the County access, inspection and copying of all school records, including financial and attendance records, upon written request by the County.

7. A financial closeout audit of the Charter School will be paid for by WAYS to determine the disposition of all assets and liabilities of the Charter School, including plans for disposing of any net assets. The final independent audit shall be completed within six months after the closure of the school. A neutral, independent licensed CPA who will employ generally accepted accounting principles would conduct this audit. Any liability or debt incurred by WAYS will be the responsibility of WAYS and not the County. The Charter School understands and acknowledges that WAYS will cover the outstanding debts or liabilities of WAYS. Any unused monies at the time of the audit will be returned to the appropriate funding source. WAYS understands and acknowledges that only unrestricted funds will be used to pay creditors. Any unused AB 602 funds will be returned to the SELPA in which WAYS participates, and other categorical funds will be returned to the source of funds.

8. For six calendar months from the Closure Action or until budget allows, whichever comes first, sufficient staff as deemed appropriate by the WAYS Board, will maintain employment to take care of all necessary tasks and procedures required for a smooth closing of the school and student transfers.

9. The WAYS Board shall adopt a plan for wind-up of the school and, if necessary, the corporation, in accordance with the requirements of the Corporations Code.

10. In addition to a final audit, WAYS will also submit any required year -end financial reports to the California Department of Education and the County, in the form anytime frame required.

11. If the corporation is operated by a nonprofit corporation, and if the corporation doesn't have any other functions than operation of the Charter School, the corporation will be dissolved according to its bylaws.

a. The corporation's bylaws will address how assets are to be distributed at the closure of the corporation.

b. A copy of the corporations bylaws containing the information on how assets are to be distributed at the closure of the corporation, are to be provided to the County prior to approval of this Charter.

12. WAYS shall provide the County within fourteen (14) calendar days of closure action prior written notice of any outstanding payments to staff and the method by which the school will make the payments.

13. WAYS will within fourteen (14) calendar days of closure action contact the State Teachers Retirement System (STRS), Public Employees Retirement System (PERS), and the Los Angeles County office of Education and follow their procedures for dissolving contracts and reporting. WAYS will copy the County on all correspondence.

14. Prior to final closure, WAYS shall do all of the following on behalf of the school's employees, and anything else required by applicable law:

a. File all final federal, state, and local employer payroll tax returns and issue final W-2s and Form 1099s by the statutory deadlines.
b. File the Federal Notice of Discontinuance with the Department of Treasury (Treasury Form 63).
c. Make final federal tax payments (employee taxes, etc.)
d. File the final withholding tax return (Treasury Form 165).
e. File the final return with the IRS (Form 990 and Schedule).

This Element 16 shall survive the revocation, expiration, termination, cancellation of this charter or any other act or event that would end WAYS right to operate as a Charter School or cause WAYS to cease operation.

Additionally, should it be necessary for Wisdom Academy for Young Scientists to close for any reason, the following procedures will be observed:

- The WAYS Board will issue documentation of closure action. The action will identify the reason for the school's closure whether the charter was revoked, not renewed or closed voluntarily and the effective date of the closure.

- The WAYS Board, will issue notification to parents and students as soon as possible, once it appears that closure is imminent. The notification will include information on assistance in transferring each student to another appropriate school and a process for the transfer of all student records.

- WAYS and the County will work together to develop a process for the transfer of student records to the students' district of enrollment eligibility or other school to which the student will transfer. This process will include provisions for the County to maintain all school records including financial and attendance records, for a reasonable period after the school closure.

- A final independent audit shall be completed within 6 months after the closure of the school, its purpose being to determine the net assets or net liabilities of the school. This assessment will be conducted by a licensed CPA and will employ generally accepted accounting principles. Any

liability or debt incurred by WAYS is the responsibility of the charter school and not the County. WAYS understands that the charter school will cover outstanding debts or liabilities. Any unused monies at the time of the audit will be returned to the appropriate funding source. It is noted that only unrestricted funds will be used to pay creditors. Any unused AB 602 will be returned to the SELPA and other categorical funds will be returned to the source of funds.

- As needed for up to six months or until budget allows whichever comes first, sufficient staff, as deemed appropriate by the WAYS Board, will maintain employment to take care of all necessary tasks and procedures required for a smooth closing of the school and student transfer. The WAYS Board shall also adopt a plan for wind-up of the school and, if necessary, the corporation, in accordance with the requirements of the Corporations Code.

17 Other Items

17.1 Administrative services

Wisdom Academy for Young Scientists will contract with an independent business management firm to process payroll, quarterly payroll tax reports, and annual tax reports as required by the Employment Development Department, Internal Revenue Service and Social Security Administration.

WAYS will contract with an independent business management firm to process and maintain all accounting records. This company along with the Executive Director will have direct oversight responsibility for maintaining accounts receivables, accounts payable, general ledger and payroll.

17.2 Process for Investment Procedures and Deposit of Funds

The WAYS Board will set investment policies and the Executive Director will be responsible for executing those policies. Liquid cash will be invested in a checking account will require two signatures for withdrawals greater than $5,000.

17.3 Process for Ensuring Adequate Cash Flow

An independent business management company will prepare monthly cash flow statements comparing actual cash flow to budget (See Appendix H). Bi-monthly presentations to the WAYS Board will be made and will highlight cash flow concerns if any are present.

17.4 Cash and revenue flow

Wisdom Academy for Young Scientists is a directly funded charter school. Funds still flowing through the County will be transferred via journal voucher entry, in a timely manner. Warrants are to be payable to Wisdom Academy for Young Scientists.

17.5 Balanced budget

Budget development will begin each year immediately following the January announcement of the governor's K-12 State Budget Proposals and continually refined through the May Revision to the Final State Budget Act. Budgeted resources will always be consistent with charter school goals as identified by the governing council.

Wisdom Academy for Young Scientists will adopt site based budgeting to 1) allow the direction of spending priorities in order to provide leverage for fundamental change 2) link budget to student outcomes and 3) make budgeting program-driven instead of formula-driven. WAYS will submit a balanced budget (see attached budgets), based upon projected enrollment and revenues, to the authorizer on a yearly basis.

17.6 Financial reports

WAYS will provide any financial information requested by the County and make its books available to the County during any business day upon request or within 24 hours. In addition, all legally required financial reports will be submitted to the County, in the format required by the County within time lines specified and clearly communicated by the County each year. The legally required financial statements include, but are not limited to, the following:

- Provisional Budget – Spring prior to operating fiscal year
- Final Budget – August of the budget fiscal year
- First Interim Projections – November of operating fiscal year
- Second Interim Projections – February of operating fiscal year
- Unaudited Actuals – July following the end of the fiscal year
- Audited Actuals – November following the end of the fiscal year

- Classification Report – monthly the Monday after close of the last day of the school month
- Statistical Report – monthly the Friday after the last day of the school month. In addition:
- P1, first week of January
- P2, first week of April

Wisdom Academy for Young Scientists shall promptly respond to all inquiries, including but not limited to, inquiries regarding financial records, from the County and shall consult with the County regarding any inquiries.

17.7 Appropriation of funds

Wisdom Academy for Young Scientists shall invest in accordance with Government Code section 53600. et seq. The charter school can lease or acquire any needed facilities, with site inspection approval from the County. Any monies accrued from deposits or investments must be used to support the instructional program. All funds raised or generated by Wisdom Academy for Young Scientists will remain with the charter school.

In accordance with current Federal legislation, Wisdom Academy for Young Scientists will apply for directly to receive Title I funding based on eligibility of students. Funds will be used to support service personnel, e.g. paraprofessionals, nurse, psychologist, etc., and programs in accordance with federal guidelines do not prohibit such expenditures. Expenditures of Title I funds will conform to all guidelines, rules and regulations pertaining to the expenditures of such funds.

17.8 Special education attendance, fiscal and legal issues

WAYS will be its own local educational agency ("LEA") and will apply directly for membership in the Los Angeles County Special Education Local Plan Area ("SELPA") in conformity with Education Code Section 47641(b). WAYS will provide approved legal verification of membership in a state-approved SELPA.

Wisdom Academy for Young Scientists will assume responsibility for providing its own special education services and instruction, as set forth in the IDEA. WAYS may opt to purchase special education services, on a fee for service basis. Any changes to this agreement for fiscal accountability and provision of services to special education students shall be renegotiated with the district two (2) months prior to the beginning of a new fiscal year.

To meet State and Federal standards, the County will maintain oversight responsibility for the delivery of special education services but will work cooperatively with Wisdom Academy for Young Scientists.

For students transferring to WAYS from other school districts. The school shall provide related services required by the students' IEPs upon enrollment regardless of the type of service provider; the IEP team meetings for such students shall be held within thirty (30) days of enrollment.

To the degree the school is found out of compliance by a court, or federal or state agency, the School is solely responsible for all costs, fees (including attorney's fees), or other remedies associated therewith.

17.9 Insurance Requirements

No coverage shall be provided to the charter school by the County under any of the County's self-insured programs or commercial insurance policies. The charter school shall secure and maintain, as a minimum, insurance as set forth below with insurance companies acceptable to the County to protect the charter school from claims which may arise from its operations. The following insurance policies are required:

a. Workers' Compensation Insurance in accordance with provisions of the California Labor Code adequate to protect the charter school from claims under Workers' Compensation Acts, which may arise from its operations.

b. Comprehensive Bodily Injury and Property Damage Liability for combined single limit coverage of not less than $5,000,000 for each occurrence. The policy shall be endorsed to name the County as additional insurers and shall provide specifically that any insurance carried by the District which may be applicable to any claims or loss shall be deemed excess and the charter school's insurance primary despite any conflicting provisions in the charter school's policy. Coverage shall be maintained with no self-insured retention.

c. Fidelity Bond coverage shall be maintained by the charter school to cover all charter school employees who handle, process, or otherwise have responsibility for charter school hinds, supplies, equipment or other assets. Minimum amount of coverage shall be $50,000 per occurrence, with no self-insured retention.

Concerning Insurance Certificates, the charter school shall furnish to the County's Insurance Section by the first Friday in October, certificates of such insurance signed by an authorized representative of the insurance carrier.

Certificates shall be endorsed as follows:

"The insurance afforded by this policy shall not be suspended, cancelled, reduced in coverage or limits or non-renewed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County."

Facsimile or reproduced signatures may be acceptable. However, the County reserves the right to require complete certified copies of the required insurance policies.

Should the charter school deem it prudent and/or desirable to have insurance coverage for damage or theft to school, employee, or student property, for student accident, or any other type of insurance coverage not listed above, such insurance shall not be provided by the County and its purchase shall the responsibility of the charter school.

17.10 Hold Harmless indemnification

To the fullest extent permitted by law the Charter School does hereby agree, at its own expense, to indemnify, defend and hold harmless the County and the Board of Education and their members, officers, Principals, agents, representatives, employees and volunteers from and against any and all claims, damages, losses and expenses including but no limited to attorney's fees, brought by any person or entity whatsoever, arising out of, or relating to this charter agreement. The Charter School further agrees to the fullest extent permitted by law at its own expense, to indemnify, defend, and hold harmless the County and their members, officers, Principals, agents, representatives, employees and volunteers from and against any and all claims, damages, losses and expenses including but not limited to attorney's fees, brought by any person or entity whatsoever for claims, damages, losses and expenses arising from or relating to acts or omission or acts committed by the Charter School, and their officers, Principals, employees or volunteers.

17.11 AB 1994

Consistent with AB 1994, WAYS will provide an annual financial report to the County in a format developed by the Superintendent of Public Instruction. The County will send this financial report to the Superintendent of Public Instruction. WAYS will submit its annual audit to the State Controller, COE, and the CDE.

17.12 Legal obligations/responsibility

Wisdom Academy for Young Scientists shall be solely responsible for the legal obligations and financial debts for the charter school or of its non-profit corporation.

17.13 Legal representation

The Charter School will retain legal representation. Legal representation is currently provided by Procopio, Cory, Hargreaves & Savitch LLP to act as an advisor regarding:

- Drafting and implementing of policies and procedures.
- All aspects of the operation of a non-profit California Public Benefit Corporation.

- All matters related to the school's potential liability.

17.14 Food service program

In accordance with the Federal Lunch Act, eligible students will be provided breakfast and lunch free or at reduced rate.

17.15 County impact

The Wisdom Academy for Young Scientists is located at 706 E. Manchester Avenue, Los Angeles, California; with satellite sites located at 8778 S. Central Avenue, Los Angeles, California 90002, and 7651 South Central Avenue, Los Angeles, California 90002. The sites will house grades K - 5 and school offices. The school will lease these facilities. At this time, the school does not anticipate having any material effect on the County's facilities needs.

17.16 Proposed charter term

This Charter shall become effective July 1, 2011 and expire on June 30, 2016.

17.17 Charter Renewal

The Charter School must submit its renewal petition to theCounty.

17.18 Obligation for compliance with the Education Code

It is understood that the Charter School shall comply with all the provisions set forth in this charter, but is otherwise exempt from the laws governing school districts except for all of the following:

47610. A charter school shall comply with this part and all of the provisions set forth in its charter, but is otherwise exempt from the laws governing school districts, except all of the following:

(a) As specified in Section 47611.

That which is (b) As specified in Section 41365.

(c) All laws establishing minimum age for public school attendance.

(d) The California Building Standards Code (Part 2 (commencing with Section 101) of Title 24 of the California Code of Regulations), as adopted and enforced by the local building enforcement agency with jurisdiction over the area in which the charter school is located.

(e) Charter school facilities shall comply with subdivision (d) by January 1, 2007.

47610.5. A charter school facility is exempt from the requirements of subdivision (d) of Section 47610 if either of the following conditions apply:

(a) The charter school facility complies with Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365) of Chapter 3 of Part 10.5.

(b) The charter school facility is exclusively owned or controlled by an entity that is not subject to the California Building Standards Code, including, but not limited to, the federal government.

17.18 Supervisory oversight

Per Education Code Section 47613, the County may charge the maximum supervisory oversight fee, permitted by law.

17.19 Attendance accounting

Wisdom Academy for Young Scientists will utilize reporting procedures approved by the County. Attendance accounting procedures will satisfy requirements of CDE, and LACOE. Classroom teachers will report daily attendance to the office manager. Official registers will be completed on a monthly basis documenting the month's attendance. Required reports will be completed regarding daily attendance and submitted to the requesting agencies. This includes reporting enrollment and attendance figures to the County on a monthly basis. School calendar will be provided to the County yearly for annual review. WAYS school year calendar spans 180 days. The school day begins at 8:00 and concludes at 2:45 pm.

17.20 Student information systems

Wisdom Academy for Young Scientists will utilize a Student Information System (SIS) acceptable to the County. WAYS will utilize attendance software and forms approved by the State and the County to facilitate transmission of attendance data.

17.21 Operations

School policy is developed by the school administration and approved by the school board. The faculty has input and may assist in the development of such policies. The school Principal and staff will carry out the day-to-day operations. The Principal will be held responsible for the timely and appropriate reporting regarding student outcomes, budget, etc. Reporting will be implemented in accordance with specific agreements between WAYS and the County. Evaluation and hiring criteria, decisions and procedures are set forth in this petition.

17.22 Facilities

☐ Charter Petitioner or Developer: Mickey Cureton, Wisdom Academy for Young Scientists, C/O Executive Director Ed Cabil

☐ Charter Management Organization N/A

☐ Petitioner's Mailing Address 706 E. Manchester Ave., L.A., CA 90001

☐ Proposed Charter School Location 706 E. Manchester Ave., L.A., CA 90001

☐ Charter School Satellite Sites Locations 7651 S. Central Ave., L.A., CA 90001 and

8778 S. Central Ave., LA., CA 90002

☐ LAUSD Attendance Area Local District R, South Park Elementary

☐ Proposed Charter School to be located within the boundaries of LAUSDLOS ANGELES COUNTY.

17.22.1 Facility status

The charter petitioner must demonstrate control of a facility such as a commitment from the landlord, to ensure that the property is actually available to the charter developer, and that the facility is usable with or without conditions (such as a conditional code permit.) The charter school facility shall comply with all applicable building codes, standards and regulations adopted by the city and/or county agencies responsible for building and safety standards for the city in which the charter school is to be located, and the Americans with Disabilities Act (ADA). Applicable codes and ADA requirements shall also apply to the construction, reconstruction, alteration of or addition to the proposed charter school facility. The Charter School cannot exempt itself from applicable building and zoning codes, ordinances, and ADA requirements.

17.22.2 Description of the Facility to be Used

Wisdom Academy for Young Scientists will be located at 706 E. Manchester Avenue, Los Angeles, California. The site is located in South East Los Angeles, within the borders of the County. The facilities have classrooms, exploration/creation space, offices, multi-purpose room, staff resource room, conference room and full kitchen. Wisdom Academy for Young Scientists will also be located at two satellite sites, 8778 S. Central Avenue, Los Angeles, California 90002, and 7651 S.outh Central Ave.nue, Los Angeles CA, California 90002.

17.22.3 Occupancy of the Site

The charter petitioner or developer shall provide the County with a final Certificate of Occupancy at least 45 days prior to the date the school is scheduled to open, issued by the applicable permitting agency, allowing the petitioner to use and occupy the site. The Charter School may not open without a Certificate of Occupancy for the designated use of the facility unless the County makes an exception. If the Charter School moves or expands to another facility during the term of this charter, the Charter School shall provide a Certificate of Occupancy to the County for each facility at least 45 days before the school is scheduled to open or operate in the facility or facilities. Charter School shall not open in any location for which it has failed to timely provide a Certificate of Occupancy to the County, unless otherwise discussed with and approved by County. Notwithstanding any language to the contrary in this charter, the interpretation, application, and enforcement of this provision are not subject to the Dispute Resolution Process outlined in Element 14.

17.22.4 Health & Safety

The school will comply with the Healthy Schools Act California Education Code Section 17608, which details pest management requirements for schools. Developers may find additional information at: www.laschools.org/employee/mo/ipm.

17.22.5 Asbestos Management

The charter school will comply with the asbestos requirement as cited in the Asbestos Hazard Emergency Response Act (AHERA), 40CFR part 763. AHERA requires that any building leased or acquired that is to be used as a school or administrative building shall maintain an asbestos management plan.

17.22.6 District Facilities

If District facilities are used during the term of this charter, the charter shall abide by and adhere to all LAUSD standards and established policies relating to Maintenance & Operations.

Appendix A: Calendar of Operational Days

Appendix B: Organizational Chart, Board Questionnaires and Resumes

Appendix C: Governing Board Member's Roster

Appendix D: Annual Audit

Appendix E: Conflict of Interest

Appendix F: Lottery Form

Appendix: G: Enrollment Application

Appendix H: Budget

Appendix I: Articles of Incorporation and Bylaws

Appendix J: Demographic Information for Prospective Site

EXHIBIT I

Wisdom Academy for Young Scientists
Budget Variance Report
From 7/1/2013 through 06/30/2014
In Whole Numbers

July 2013

		Current Period Actuals 7/31/2013	Current Period Budget	$ Variance	YTD Actuals 7/31/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining	%
3301	Oasdi - Regular	1,635	831	804	1,635	831	804	31,595	29,960	5%
3302	Oasdi - Medicare	618	683	(65)	618	683	(65)	32,652	32,034	2%
3400	Health & Welfare Benefits	15,222	5,499	9,723	15,222	5,499	9,723	154,063	138,841	10%
3501	Unemployment Insurance	0	141	(141)	0	141	(141)	98,163	98,163	0%
3601	Workers' Compensation	0	3,534	(3,534)	0	3,534	(3,534)	65,104	65,104	0%
3902	Other Benefits	0	0	0	0	0	0	0	0	#DIV/0!
	TOTAL EMPLOYEE BENEFITS	18,541	14,771	3,770	18,541	14,771	3,770	484,654	476,113	4%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
										#DIV/0!
4110	Textbooks	0	0	0	0	0	0	187,000	187,000	0%
4210	Books & Other Than Textbooks	0	0	0	0	0	0	5,000	5,000	0%
4300	Instructional Materials & Supplies	566	777	(211)	566	777	(211)	30,000	29,434	2%
4400	Non-capitalized Equipment	8,368	0	8,368	8,368	0	8,368	7,000	(1,368)	120%
4390	Other Supplies	56	687	(631)	56	687	(631)	30,000	29,944	0%
4350	Office Supplies	1,688	305	1,383	1,688	305	1,383	10,000	8,312	17%
4710	Food Supplies	0			0			10,000	10,000	0%
										#DIV/0!
	TOTAL BOOKS & SUPPLIES	10,678	1,769	8,909	10,678	1,769	8,909	279,000	268,322	4%
										#DIV/0!
	SERVICES, OTHER OPERATING EXP.									#DIV/0!
										#DIV/0!
5220	Travel & Conferences	2,579	436	2,143	2,579	436	2,143	5,000	2,421	52%
5310	Dues & Fees	0	485	(485)	0	485	(485)	7,900	7,900	0%
5450	Insurance	2,982	3,168	(186)	2,982	3,168	(186)	45,000	42,018	7%
5500	Utilites & Housekeeping	3,967	2,271	1,696	3,967	2,271	1,696	50,000	46,033	8%
5610	Rentals,Leases & Repairs	6,638	16,460	(9,822)	6,638	16,460	(9,822)	411,640	405,002	2%
5812	Pupil Transportation	0	609	(609)	0	609	(609)	10,000	10,000	0%
5831	Student Activities	0	0	0	0	0	0	40,000		0%
5840	LACOE Expense Reimbursement	0	0	0	0	0	0	10,040		0%
5853	Business Consultant	22,806	0	22,806	22,806	0	22,806	60,000	37,194	38%
5850	Non-Instructional Consultants	0	0	0	0	0	0	0		#DIV/0!
5851	Instructional Consultants	5,000	0	5,000	5,000	0	5,000	50,000		10%
5863	Professional Development	3,876	0	3,876	3,876	0	3,876	5,000		78%
5854	Consultant-Food Services	114,342		114,342	114,342		114,342	360,000	245,658	32%
5810	Field Trips	0	0	0	0	0	0	0	0	#DIV/0!
5820	Legal & Audit	0	0	0	0	0	0	31,994	31,994	0%
5852	Special Ed Consultants	1,035	0	1,035	1,035	0	1,035	100,000	98,965	1%
5890	Other Services (Hiring Cost)	0	2,143	(2,143)	0	2,143	(2,143)	10,000	10,000	0%
5900	Communications	2,271	370	1,901	2,271	370	1,901	32,324	30,103	7%
5920	Postage (UPS, Fedex, US Mail)	0	60	(60)	0	60	(60)	5,000		0%
5890	Other Services & Operating Expenses	0	148	(148)	0	148	(148)	128,724	128,724	0%
5898	LAUSD Special Ed Fees	0	3,806	(3,806)	0	3,806	(3,806)	7,647		0%
	Suspense Expense	12,698	212		12,698	212				#DIV/0!
										#DIV/0!
	TOTAL SERVICES, OTH OPERATING EXP	178,324	30,168	148,156	178,324	30,168	148,156	1,476,329	1,298,005	12%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements	0		0	0		0	20,000		0%
6410	Capitalized Equipment	0		0	0		0	18,000		0%
6900	Furnitures			0			0	0		#DIV/0!
										#DIV/0!
	TOTAL CAPITAL OUTLAY	0	0	0	0	0	0	38,000	38,000	0%
										#DIV/0!
7000	**OTHER OUTGO**								0	#DIV/0!
7299	District Oversight Fees	0		0	0		0	43,568		0%
7438	Debt Service - Interest	0	0	0	0	0	0	30,000		0%
7439	Auto Lease Expense									#DIV/0!
	TOTAL OTHER OUTGO	0	0	0	0	0	0	73,568	73,568	0%
										#DIV/0!
	TOTAL EXPENDITURES	250,003	46,708	203,295	250,003	46,708	203,295	2,070,551	1,820,548	12%
	Net Income/(Loss)	56,395	(93,826)	150,221	56,396	(93,826)	150,222	4,469	617,884	1262%
										#DIV/0!
	Change in Net Assets	56,395	(93,826)	150,221	56,396	(93,826)	150,222	4,469	617,884	1262%

Prepared by Bali Business Management

Notice of Intent to Revoke

Wisdom Academy for Young Scientists
Budget Variance Report
From8/1/2013 through 06/30/2014
In Whole Numbers

Aug 2013

		Current Period Actuals 8/31/2013	Current Period Budget	$ Variance	YTD Actuals 8/31/2013	YTD Budget	#VALUE! $ Variance	Total Budget	Budget Remaining	[illegible]
3202	Pers	0	0		0	0		0	0	#DIV/0!
3301	Oasdi - Regular	2,216	2,633	(417)	3,851	5,266	(1,415)	31,595	27,744	12%
3302	Oasdi - Medicare	2,311	2,721	(410)	2,929	5,442	(2,513)	32,652	29,723	9%
3400	Health & Welfare Benefits	15,330	12,839	2,492	30,552	25,677	4,875	154,063	123,511	20%
3501	Unemployment Insurance	2,218	8,180	(5,962)	0	16,361	(16,361)	98,163	98,163	0%
3601	Workers' Compensation	0	5,425	(5,423)	2,218	10,851	(8,633)	65,104	62,886	3%
3902	Other Benefits	0	0	0	0	0	0	0	0	#DIV/0!
										#DIV/0!
	TOTAL EMPLOYEE BENEFITS	32,038	41,221	(9,183)	50,579	82,442	(31,863)	494,654	444,075	10%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
		0								#DIV/0!
4110	Textbooks	0	15,583	(15,583)	0	0	0	187,000	187,000	0%
4210	Books & Other Than Textbooks	0	417	0	0	0	0	5,000	5,000	0%
4300	Instructional Materials & Supplies	10,800	2,500	8,300	11,365	777	10,588	30,000	18,635	38%
4400	Non-capitalized Equipment	4,960	583	4,376	13,128	0	13,128	7,000	(6,128)	188%
4390	Other Supplies	6,624	2,500	4,124	6,680	687	5,993	30,000	23,320	22%
4350	Office Supplies	3,757	833	2,924	5,445	305	5,140	10,000	4,555	54%
4710	Food Supplies	2,293	833	1,459	2,293	1,667	626	10,000	7,707	23%
										#DIV/0!
	TOTAL BOOKS & SUPPLIES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	35,476	[illegible]	[illegible]	14%
										#DIV/0!
	SERVICES, OTHER OPERATING EXP.									#DIV/0!
	Suspense				12,698					#DIV/0!
5220	Travel & Conferences	3,208	417	2,791	5,788	833	4,954	5,000	(788)	[illegible]
5310	suspense.	3,063	658	2,404	3,063	1,317	1,746	7,900	4,837	39%
5450	Insurance	2,982	3,750	(768)	5,964	7,500	(1,536)	45,000	39,036	13%
5500	Utilites & Housekeeping	8,288	4,167	4,121	12,245	8,333	3,912	50,000	37,755	24%
5610	Rentals,Leases & Repairs	20,488	34,303	(13,816)	27,296	68,607	(41,310)	411,640	384,344	7%
5812	Pupil Transportation	1,209	833	376	1,209	1,667	(457)	10,000	8,791	12%
5831	Student Activities	6,280	3,333	2,947	6,280	6,667	(387)	40,000		16%
5840	LACOE Expense Reimbursement	0	837	(837)	0	1,673	(1,673)	10,040		0%
5853	Business Consultant	5,083	5,000	83	10,165	10,000	165	60,000	49,835	17%
5850	Non-Instructional Consultants	279	0	279	279	0	279			#DIV/0!
5851	Instructional Consultants	9,050	4,167	4,883	14,050	8,333	5,717	50,000		28%
5863	Professional Development	12,628	417	12,212	16,505	833	15,671	5,000		[illegible]
5854	Consultant-Food Services	0	30,000	(30,000)	1,425	60,000	(58,575)	360,000	358,575	[illegible]
5810	Field Trips	0	0	0	0	0	0	0	0	#DIV/0!
5820	Legal & Audit	2,888	2,666	222	2,887	5,332	(2,445)	31,994	29,107	9%
5852	Special Ed Consultants	311	8,333	(8,023)	1,346	16,667	(15,321)	100,000	98,654	1%
5890	Other Services (Hiring Cost)	379	833	(454)	379	1,667	(1,288)	10,000	9,621	4%
5900	Communications	2,435	2,694	(259)	4,323	5,387	(1,064)	32,324	28,001	13%
5920	Postage (UPS, Fedex, US Mail)	1,264	417	847	1,692	833	859	5,000		34%
5890	Other Services & Operating Expenses	[illegible]	10,727	[illegible]	[illegible]	21,454	[illegible]	128,724	(3,437)	[illegible]
5898	LAUSD Special Ed Fees		637	[illegible]		1,275	(1,275)	7,647		[illegible]
5899	Software Program	7,946	0		3,946	0				#DIV/0!
5895	Fundraising activities /expenses	3,436	0		3,436					#DIV/0!
	TOTAL SERVICES & OTHER OPER. EXP.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements	270	1,667	(1,397)	470		470	20,000		2%
6410	Capitalized Equipment	0	1,500	(1,500)	0		0	18,000		0%
6900	Furnitures		0	0			0	0		#DIV/0!
										#DIV/0!
	TOTAL CAPITAL OUTLAY	270	[illegible]	270	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1%
										#DIV/0!
7000	**OTHER OUTGO**		0						0	#DIV/0!
7299	District Oversight Fees	4,474	3,631	843	4,474		4,474	43,568		10%
7438	Debt Service - Interest	0	2,500	(2,500)	0	0	0	30,000		0%
7439	Auto Lease Expense									#DIV/0!
	TOTAL OTHER OUTGO	4,474	6,151	[illegible]	4,474	0	4,474	73,568	[illegible]	6%
										#DIV/0!
	TOTAL EXPENDITURES	[illegible]	[illegible]	[illegible]	568,319	[illegible]	[illegible]	[illegible]	[illegible]	14%
	Net Income/(Loss)	(127,527)	(147,699)	20,172	(239,403)	61,570	(300,974)	4,469	661,909	-5357%
										#DIV/0!
	Change in Net Assets	(127,527)	(147,699)	20,172	(239,403)	61,570	(300,974)	4,469	661,909	-5357%

Prepared by Bali Business Management

Wisdom Academy for Young Scientists
Budget Variance Report
From07/01/2013through 06/30/2014
In Whole Numbers

Sept 2013

		Current Period Actuals 9/30/2013	Current Period Budget	$ Variance	YTD Actuals 9/30/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining	25%
3202	Pers		0		0	0		0	0	#DIV/0!
3301	Oasdi - Regular	3,523	2,633	890	7,374	7,899	(525)	31,595	24,221	23%
3302	Oasdi - Medicare	2,645	2,721	(76)	5,574	8,163	(2,589)	32,652	27,078	17%
3400	Health & Welfare Benefits	23,825	12,839	10,987	54,378	38,516	15,862	154,063	99,685	35%
3501	Unemployment Insurance	1,761	8,180	(6,419)	3,979	24,541	(20,561)	98,163	94,184	4%
3601	Workers' Compensation	2,982	5,425	(2,443)	2,982	16,276	(13,294)	65,104	62,122	5%
3902	Other Benefits	325	0	325	405	0	405	0	(405)	#DIV/0!
						0				#DIV/0!
	TOTAL, EMPLOYEE BENEFITS	45,026	41,221	3,805	95,685	123,664	(27,978)	494,654	398,969	19%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
		0								#DIV/0!
4110	Textbooks	0	15,583	(15,583)	0	46,750	(46,750)	187,000	187,000	0%
4210	Books & Other Than Textbooks	0	417		0	1,250	(1,250)	5,000	5,000	0%
4300	Instructional Materials & Supplies	3,538	2,500	1,038	14,903	7,500	7,403	30,000	15,097	50%
4400	Non-capitalized Equipment	10,546	583	9,963	23,674	1,750	21,924	7,000	(16,674)	338%
4390	Other Supplies	3,125	2,500	625	9,805	7,500	2,305	30,000	20,195	33%
4350	Office Supplies	784	833	(50)	6,229	2,500	3,729	10,000	3,771	62%
4710	Food Supplies	249	833	(585)	2,541	2,500	41	10,000	7,459	25%
						0				#DIV/0!
	TOTAL, BOOKS & SUPPLIES	18,241	23,250	(5,009)	57,152	69,750	(12,598)	279,000	221,848	20%
										#DIV/0!
	SERVICES, OTHER OPERATING EXP.									#DIV/0!
	Suspense				15,761					#DIV/0!
5220	Travel & Conferences	1,376	417	1,159	7,363	1,250	6,113	5,000	(2,363)	147%
5857	Prior year operating expenses		658	(658)	116,543	1,975	114,568	7,900	(108,643)	1475%
5450	Insurance	78	3,750	(3,672)	6,042	11,250	(5,208)	45,000	38,958	13%
5500	Utilites & Housekeeping	5,420	4,167	1,253	17,665	12,500	5,165	50,000	32,335	35%
5610	Rentals,Leases & Repairs	1,151	34,303	(33,152)	28,277	102,910	(74,633)	411,640	383,363	7%
5812	Pupil Transportation	526	833	(308)	1,735	2,500	(765)	10,000	8,265	17%
5831	Student Activities	4,598	3,333	1,265	10,878	10,000	878	40,000	29,122	27%
5840	LACOE Expense Reimbursement		837	(837)		2,510	(2,510)	10,040		0%
5853	Business Consultant	5,383	5,000	385	15,550	15,000	550	60,000	44,450	26%
5850	Non-Instructional Consultants	0	0	0	279	0	279			#DIV/0!
5851	Instructional Consultants	6,000	4,167	1,833	20,050	12,500	7,550	50,000		40%
5863	Professional Development	400	417	(17)	0	1,250	(1,250)	5,000		0%
5854	Consultant-Food Services		30,000	(30,000)	1,425	90,000	(88,575)	360,000	358,575	0%
5865	prior period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
5820	Legal & Audit		2,666	(2,666)	2,887	7,999	(5,111)	31,994	29,107	9%
5852	Special Ed Consultants	1,545	8,333	(6,788)	16,905	25,000	(8,095)	100,000	83,095	17%
5842	Sub Teacher-Instr consultant	4,421	833	3,588	4,800	2,500	2,300	10,000	5,200	48%
5900	Communications	664	2,694	(2,029)	6,679	8,081	(1,402)	32,324	25,645	21%
5920	Postage (UPS, Fedex, US Mail)		417	(417)		1,250	(1,250)	5,000		0%
5890	Other Services & Operating Expenses	1,590	10,727	(9,137)	3,204	32,181	(28,978)	128,724	125,521	2%
5898	LAUSD Special Ed Fees		637	(637)	3,859	1,912	978	7,647		38%
5899	Software Program		0		7,946	0				#DIV/0!
5895	Fundraising activities /expenses	306	0		3,742					#DIV/0!
	TOTAL, SERVICES & OTH OPER EXP	33,559	124,180	(90,621)	304,617	372,567	(67,950)	1,570,726	1,039,328	22%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements	280	1,667	(1,387)	750		750	20,000		4%
6410	Capitalized Equipment	0	1,500	(1,500)	0		0	18,000		0%
6900	Furnitures		0	0			0	0		#DIV/0!
										#DIV/0!
	TOTAL, CAPITAL OUTLAY	280		280	750		750	38,000	0	2%
										#DIV/0!
7000	OTHER OUTGO		0						0	#DIV/0!
7299	District Oversight Fees		3,631	(3,631)	4,474		4,474	43,568		10%
7438	Debt Service - Interest	0	2,500	(2,500)	0	0	0	30,000		0%
7439	Auto Lease Expense	892			892					#DIV/0!
	TOTAL, OTHER OUTGO	892	6,131	(5,239)	5,366	0	5,366	73,568	0	7%
										#DIV/0!
	TOTAL EXPENDITURES	281,451	444,774	(63,324)	849,851	1,015,937	(166,086)	4,170,314	2,956,941	20%
	Net Income/(Loss)	78,829	(147,699)	226,529	(160,574)	27,759	(188,333)	4,469	545,420	-3593%

now 1005 12698 suspense

F

1 2 3 GL accts?

Prepared by Bali Business Management

Wisdom Academy for Young Scientists
Budget Variance Report
From07/01/2013through 06/30/2014
In Whole Numbers

Oct 2013

		Current Period Actuals 10/31/2013	Current Period Budget	$ Variance	YTD Actuals 10/31/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining	33%
3401	Health & Welfare Benefits	11,498	12,839	(1,340)	65,876	38,516	27,360	154,063	88,187	43%
3501	Unemployment Insurance	797	8,180	(7,383)	4,776	24,541	(19,765)	98,163	93,387	5%
3601	Workers' Compensation	0	5,425	(5,425)	2,982	16,276	(13,294)	65,104	62,122	5%
3901	Other Benefits	10	0	10	16	0	16	0	(16)	#DIV/0!
						0				#DIV/0!
	TOTAL, EMPLOYEE BENEFITS	29,685	41,221	(11,537)	124,972	123,664	1,308	494,654	369,682	25%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
		0								#DIV/0!
4110	Textbooks	0	15,583	(15,583)		46,750	(46,750)	187,000	187,000	0%
4210	Books & Other Than Textbooks	0	417			1,250	(1,250)	5,000	5,000	0%
4300	Instructional Materials & Supplies	7,661	2,500	5,161	22,564	7,500	15,064	30,000	7,436	75%
4400	Non-capitalized Equipment	0	583	(583)	23,674	1,750	21,924	7,000	(16,674)	338%
4390	Other Supplies	7,095	2,500	4,595	16,900	7,500	9,400	30,000	13,100	56%
4350	Office Supplies	430	833	(403)	6,659	2,500	4,159	10,000	3,341	67%
4700	Food Supplies	244	833	(589)	2,785	2,500	285	10,000	7,215	28%
						0				#DIV/0!
	TOTAL BOOKS & SUPPLIES	15,430	23,250	(7,820)	72,582	69,750	2,832	279,000	206,418	26%
										#DIV/0!
	SERVICES, OTHER OPERATING EXP.									#DIV/0!
5000	Suspense				3,063					#DIV/0!
5220	Travel & Conferences	2,641	417	2,224	10,004	1,250	8,754	5,000	(5,004)	200%
5857	Prior year operating expenses		658	(658)	116,543	1,975	114,568	7,900	(108,643)	1475%
5450	Insurance		3,750	(3,750)	6,042	11,250	(5,208)	45,000	38,958	13%
5500	Utilites & Housekeeping	7,321	4,167	3,154	24,986	12,500	12,486	50,000	25,014	50%
5610	Rentals,Leases & Repairs	46,477	34,303	12,174	74,754	102,910	(28,156)	411,640	336,886	18%
5812	Pupil Transportation	1,871	833	1,038	3,607	2,500	1,107	10,000	6,393	36%
5831	Student Activities	1,035	3,333	(2,298)	11,913	10,000	1,913	40,000	28,087	30%
5840	LACOE Expense Reimbursement		837	(837)		2,510	(2,510)	10,040		0%
5853	Business Consultant	5,573	5,000	573	21,123	15,000	6,123	60,000	38,877	35%
5850	Non-Instructional Consultants		0	0	279	0	279			#DIV/0!
5851	Instructional Consultants	14,875	4,167	10,708	34,925	12,500	22,425	50,000		70%
5863	Professional Development	375	417	(42)	17,280	1,250	16,030	5,000		346%
5854	Consultant-Food Services	825	30,000	(29,175)	825	90,000	(89,175)	360,000	359,175	0%
5865	prior period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
5894	Legal & Audit	899	2,666	(1,767)	3,786	7,999	(4,212)	31,994	28,208	12%
5856	Special Ed Consultants		8,333	(8,333)	11,804	25,000	(13,196)	100,000	88,196	12%
5842	Sub Teacher-Instr consultant	4,101	833	3,268	8,901	2,500	6,401	10,000	1,099	89%
5900	Communications	2,056	2,694	(637)	8,736	8,081	655	32,324	23,588	27%
5920	Postage (UPS, Fedex, US Mail)		417	(417)		1,250	(1,250)	5,000		0%
5890	Other Services & Operating Expenses	5,538	10,727	(5,189)	10,628	32,181	(21,553)	128,724	118,096	8%
5856	Special ED Consultants	8,912	637	8,277		1,912	(1,912)	7,647		0%
5899	Software Program		0		7,946	0				#DIV/0!
5895	Fundraising activities /expenses	2,528	0		6,270					#DIV/0!
	TOTAL SERVICES & OTHER OPER. EXP.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	29%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements	3,820	1,667	2,153	4,570		4,570	20,000		23%
6410	Capitalized Equipment	0	1,500	(1,500)	0		0	18,000		0%
6900	Furnitures		0	0			0	0		#DIV/0!
										#DIV/0!
	TOTAL CAPITAL OUTLAY	3,820		[illegible]	4,570		4,570	38,000	0	12%
										#DIV/0!
7000	**OTHER OUTGO**		0						0	#DIV/0!
7299	District Oversight Fees		3,631	(3,631)	4,474		4,474	43,568		10%
7438	Debt Service - Interest	0	2,500	(2,500)	0	0	0	30,000		0%
7439	Auto Lease Expense	31,271			32,163					#DIV/0!
	TOTAL OTHER OUTGO	[illegible]	6,131	25,140	36,637	0	36,637	73,568	0	50%
										#DIV/0!
	TOTAL EXPENDITURES	[illegible]	344,776	[illegible]	1,225,472	1,015,937	[illegible]	[illegible]	[illegible]	29%
	Net Income/(Loss)	34,364	(147,699)	182,064	(126,237)	(851,484)	725,247	4,469	435,416	-2825%
										#DIV/0!
	Change in Net Assets	34,364	(147,699)	182,064	(126,237)	(851,484)	725,247	4,469	435,416	2825%

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Prepared by Bali Business Management

Wisdom Academy for Young Scientists
Budget Variance Report
From07/01/2013through 06/30/2014
In Whole Numbers

Nov 2013

		Current Period Actuals 11/30/2013	Current Period Budget	$ Variance	YTD Actuals 11/30/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining	42%
3401	Health & Welfare Benefits	16,489	12,839	3,651	82,365	64,193	18,172	154,063	71,698	53%
3501	Unemployment Insurance	1,127	8,180	(7,054)	5,903	40,901	(34,999)	98,163	92,260	6%
3601	Workers' Compensation	0	5,425	(5,425)	2,982	27,127	(24,144)	65,104	62,122	5%
3901	Other Benefits	7	0	7	23	0	23	0	(23)	#DIV/0!
										#DIV/0!
	TOTAL, EMPLOYEE BENEFITS	34,414	41,221	(6,807)	159,335	206,106	(46,721)	494,654	335,269	32%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
		0								#DIV/0!
4110	Textbooks	0	15,583	(15,583)		77,917	(77,917)	187,000	187,000	0%
4210	Books & Other Than Textbooks	0	417		[illegible]	2,083	(2,083)	5,000	5,000	0%
4300	Instructional Materials & Supplies	18,827	2,500	16,327	41,391	10,000	31,391	30,000	(11,391)	138%
4400	Non-capitalized Equipment	0	583	(583)	23,674	2,333	21,341	7,000	(16,674)	338%
4390	Other Supplies	2,179	2,500	(321)	19,079	10,000	9,079	30,000	10,921	64%
4350	Office Supplies	771	833	(63)	7,430	3,333	4,097	10,000	2,570	74%
4700	Food Supplies	256	833	(577)	3,042	3,333	(292)	10,000	6,958	30%
						0				#DIV/0!
	TOTAL, BOOKS & SUPPLIES	22,033	23,250	(1,217)	94,616	109,000	(14,385)	279,000	184,385	34%
										#DIV/0!
	SERVICES, OTHER OPERATING EXP.									#DIV/0!
5000	Suspense				3,063					#DIV/0!
5220	Travel & Conferences		417	(417)	11,672	2,083	9,588	5,000	(6,672)	233%
5857	Prior year operating expenses		658	(658)	116,543	3,292	113,251	7,900	(108,643)	1475%
5450	Insurance	32,807	3,750	29,057	39,215	18,750	20,465	45,000	5,785	87%
5500	Utilites & Housekeeping	6,909	4,167	2,743	34,282	20,833	13,448	50,000	15,718	69%
5610	Rentals,Leases & Repairs	36,868	34,303	2,565	111,623	171,517	(59,894)	411,640	300,017	27%
5812	Pupil Transportation	871	833	38	4,478	4,167	311	10,000	5,522	45%
5831	Student Activities	1,025	3,333	(2,309)	12,937	16,667	(3,729)	40,000	27,063	32%
5840	LACOE Expense Reimbursement	1,841	837	1,004	1,841	4,183	(2,342)	10,040	8,199	18%
5853	Business Consultant	5,083	5,000	83	26,206	25,000	1,206	60,000	33,794	44%
5850	Non-Instructional Consultants		0	0	279	0	279			#DIV/0!
5851	Instructional Consultants	8,575	4,167	4,408	43,500	20,833	22,667	50,000		87%
5863	Professional Development	60	417	(357)	17,680	2,083	15,596	5,000		354%
5854	Consultant-Food Services		30,000	(30,000)	1,425	150,000	(148,575)	360,000	358,575	0%
5865	prior period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
5894	Legal & Audit	7,013	2,666	4,347	10,799	13,331	(2,531)	31,994	21,195	34%
5856	Special Ed Consultants		8,333	(8,333)	11,804	41,667	(29,862)	100,000	88,196	12%
5842	Sub Teacher-Instr consultant		833	(833)	14,487	4,167	10,321	10,000	(4,487)	145%
5900	Communications	2,951	2,694	257	11,687	13,468	(1,781)	32,324	20,637	36%
5920	Postage (UPS, Fedex, US Mail)		417	(417)		2,083	(2,083)	5,000		0%
5890	Other Services & Operating Expenses	14,749	10,727	4,022	19,191	53,635	(34,444)	128,724	109,533	15%
5856	Special ED Consultants		637	(637)		3,186	(3,186)	7,647		0%
5899	Software Program		0		7,946	0				#DIV/0!
5895	Fundraising activities /expenses		0		6,270					#DIV/0!
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	38%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements	375	1,667	(1,292)			0	20,000		0%
6410	Capitalized Equipment	0	1,500	(1,500)	0		0	18,000		0%
6900	Furnitures		0	0			0	0		#DIV/0!
										#DIV/0!
	TOTAL, CAPITAL OUTLAY	375		[illegible]	0		0	38,000	0	0%
										#DIV/0!
7000	**OTHER OUTGO**		0						0	#DIV/0!
7299	District Oversight Fees		3,631	(3,631)	4,474		4,474	43,568		10%
7438	Debt Service - Interest	0	2,500	(2,500)	0	0	0	30,000		0%
7439	Auto Lease Expense	0			32,152					#DIV/0!
	TOTAL, OTHER OUTGO	0	6,131	(6,131)	36,626	0	36,626	73,568	[illegible]	50%
										#DIV/0!
	TOTAL EXPENDITURES	365,055	344,776	[illegible]	1,585,749	1,654,534	[illegible]	[illegible]	[illegible]	38%
	Net Income/(Loss)	(65,970)	(147,699)	81,729	(74,549)	319,445	(393,995)	4,469	363,167	-1668%
										#DIV/0!
	Change In Net Assets	(65,970)	(147,699)	81,729	(74,549)	319,445	(393,995)	4,469	363,167	1668%

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Wisdom Academy for Young Scientists
Budget Variance Report
From07/01/2013through 06/30/2014
In Whole Numbers

Dec 2013

		Current Period Actuals 12/31/2013	Current Period Budget	$ Variance	YTD Actuals 12/31/2013	YTD Budget	$ Variance	Total Budget	Budget Remaining	50%
5500	Utilites & Housekeeping	6,778	4,167	2,611	41,060	25,000	16,060	50,000	8,940	82%
5610	Rentals,Leases & Repairs	100,533	34,303	66,230	212,156	205,820	6,336	411,640	199,484	52%
5812	Pupil Transportation	936	833	103	5,415	5,000	415	10,000	4,585	54%
5831	Student Activities	420	3,333	(2,913)	13,357	20,000	(6,643)	40,000	26,643	33%
5840	LACOE Expense Reimbursement	1,500	837	663	3,341	5,020	(1,679)	10,040	6,699	33%
5853	Business Consultant	5,083	5,000	83	31,288	30,000	1,288	60,000	28,712	52%
5850	Non-Instructional Consultants		0	0	279	0	279			#DIV/0!
5851	Instructional Consultants	7,680	4,167	3,513	51,180	25,000	26,180	50,000		102%
5863	Professional Development	0	417	(417)	17,680	2,500	15,180	5,000		354%
5852	Consultant-Food Services		30,000	(30,000)	119,654	180,000	(60,346)	360,000	240,346	33%
5865	prior period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
5894	Legal & Audit	1,605	2,666	(1,061)	12,404	15,997	(3,593)	31,994	19,590	39%
5856	Special Ed Consultants	11,005	8,333	2,672	22,809	50,000	(27,191)	100,000	77,191	23%
5842	Sub Teacher-Instr consultant	9,208	833	8,375	23,695	5,000	18,695	10,000	(13,695)	237%
5900	Communications	1,369	2,694	(1,325)	11,109	16,162	(5,053)	32,324	21,215	34%
5920	Postage (UPS, Fedex, US Mail)		417	(417)	1,947	2,500	(553)	5,000		39%
5890	Other Services & Operating Expenses	181	10,727	(10,546)	19,372	64,362	(44,990)	128,724	109,352	15%
5856	Special ED Consultants		637	(637)		3,824	(3,824)	7,647		0%
5899	Software Program	-	0		7,946	0				#DIV/0!
5895	Fundraising activities /expenses	788	0		7,058					#DIV/0!
	TOTAL SERVICES AND OTHER EXP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	57%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements	0	1,667	(1,667)			0	20,000		0%
6410	Capitalized Equipment	0	1,500	(1,500)	0		0	18,000		0%
6900	Furnitures		0	0			0	0		#DIV/0!
										#DIV/0!
	TOTAL CAPITAL OUTLAY	0	[illegible]	[illegible]	0	0	[illegible]	38,000	0	0%
										#DIV/0!
7000	**OTHER OUTGO**		0						0	#DIV/0!
7299	District Oversight Fees		3,631	(3,631)	4,474		4,474	43,568		10%
7438	Debt Service - Interest	0	2,500	(2,500)	0	0	0	30,000		0%
7439	Auto Lease Expense	0			32,152					#DIV/0!
	TOTAL OTHER OUTGO	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	0	50%
										#DIV/0!
	TOTAL EXPENDITURES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	48%
	Net Income/(Loss)	175,496	(147,699)	323,196	(17,085)	396,152	(413,237)	4,469	275,381	-382%
										#DIV/0!
	Change in Net Assets	175,496	(147,699)	323,196	(17,085)	396,152	(413,237)	4,469	275,381	382%

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Jan 2014

	Current Period Actuals 1/31/2014	Current Period Budget	$ Variance	YTD Actuals 1/31/2014	YTD Budget	$ Variance	Total Budget	Budget Remaining	58%
Dues and Membership		583		2,710	4,083		7,000		39%
Insurance	(17,299)	3,750	(21,049)	24,754	26,250	(1,496)	45,000	20,246	55%
Utilites & Housekeeping	6,293	4,167	2,126	48,651	29,167	19,484	50,000	1,349	97%
Rentals,Leases & Repairs	36,231	34,303	1,928	248,422	240,123	8,299	411,640	163,218	60%
Assemblies		38			263		450		0%
Pupil Transportation	1,232	833	399	6,647	5,833	813	10,000	3,353	66%
Advertisement/Recruitment		267		4,000	1,870	2,130	3,206	(794)	125%
Student Activities	2,623	3,333	(711)	23,980	23,333	647	40,000	16,020	60%
FingerPrinting	64	33		992	233		400	(592)	248%
Printing and Reproduction		75		2,501	526		901		277%
LACOE Expense Reimbursement		837	(837)	3,341	5,857	(2,516)	10,040	6,699	33%
Sub Teacher-Instr consultant	1,705	833	871	32,119	5,833	26,286	10,000	(22,119)	321%
Non-Instructional Consultants	230	0	230	529	0	529			#DIV/0!
Instructional Consultants	3,088	4,167	(1,079)	54,268	29,167	25,101	50,000		109%
Consultant-Food Services		30,000	(30,000)	154,009	210,000	(55,991)	360,000	205,991	43%
Business Consultant		5,000	(5,000)	31,288	35,000	(3,712)	60,000	28,712	52%
Contractual Services		474	(474)	825	3,318	(2,493)	5,687		15%
Special Ed Consultants		8,333	(8,333)	48,941	58,333	(9,393)	100,000	51,059	49%
LAUSD Especial Ed Costs	7,531	637	6,894	(1,198)	4,461	(5,659)	7,647		-16%
Prior year operating expenses		4,005	(4,005)	116,543	28,037	88,506	48,064	(68,479)	242%
Technology Consultant	400	0		400	0	400			#DIV/0!
Fingerprints-Phys.Xray other Empl Cost		178			1,245	(1,245)	2,134		0%
Professional Development	45	417	(372)	17,725	2,917	14,808	5,000		354%
prior period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
Sales Tax		0		501	0	501			#DIV/0!
Other Operating Expenses		3,372			23,605	(23,605)	40,466		0%
Banks Fees and Charges	187	102		973	716	257	1,227		79%
Fees & Other Charges	10	471		415	3,299	(2,884)	5,655		7%
Permits I License	1,295	0		2,617	0	2,617			#DIV/0!
Legal & Audit	4,172	2,666	1,506	16,576	18,663	(2,087)	31,994	15,418	52%
Permits & Licenses		631			4,415	(4,415)	7,568		0%
Fundraising activities /expenses	1,476	1,155		8,535	8,088		13,865		62%
Website Development/Maintenance		0		8,579	0				#DIV/0!
Software Program		0		7,946	0				#DIV/0!
Communications	940	2,694	(1,754)	12,258	18,856	(6,597)	32,324	20,066	38%
Postage (UPS, Fedex, US Mail)	93	417	(324)	2,040	2,917	(877)	5,000		41%
TOTAL SERVICES, OTHER OPERATING									67%
									#DIV/0!
CAPITAL OUTLAY									#DIV/0!
Building and Improvements	715	1,667	(952)	715	11,667	(10,952)	20,000		4%
Capitalized Equipment	0	1,500	(1,500)	0	10,500	(10,500)	18,000		0%
Furnitures		0	0		0	0	0		#DIV/0!
					0				#DIV/0!
TOTAL CAPITAL OUTLAY									2%
									#DIV/0!
OTHER OUTGO		0						0	#DIV/0!
District Oversight Fees		3,631	(3,631)	4,474	25,415	(20,941)	43,568		10%
Debt Service - Interest	0	2,500	(2,500)	0	17,500	(17,500)	30,000		0%
Auto Lease Expense	0			32,152	0				#DIV/0!
Other Transfer Out	116,543			116,543					#DIV/0!
TOTAL OTHER OUTGO									208%
									#DIV/0!
TOTAL EXPENDITURES									61%
Net Income/(Loss)	212,017	(44)	212,062	113,278	46,190	67,089	4,468	122,428	2535%

Feb 2014

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		Current Period Actuals 2/28/2014	Current Period Budget	$ Variance	YTD Actuals 2/28/2014	YTD Budget	$ Variance	Total Budget	Budget Remaining	67%
5500	Utilites & Housekeeping	4,805	4,167	638	53,922	33,333	20,589	50,000	(3,922)	108%
5610	Rentals,Leases & Repairs	53,565	34,303	19,262	301,987	274,427	27,560	411,640	109,653	73%
5806	Assemblies		38			300		450		0%
5812	Pupil Transportation	4,100	833	3,266	10,747	6,667	4,080	10,000	(747)	107%
5830	Advertisement/Recruitment	122	267		4,122	2,137	1,985	3,206	(917)	129%
5831	Student Activities	2,586	3,333	(747)	30,566	26,667	3,899	40,000	9,434	76%
5836	FingerPrinting		33		992	267	725	400	(592)	248%
5832	Printing and Reproduction	57	75		2,558	601		901		284%
5840	LACOE Expense Reimbursement	1,803	837	966	5,144	6,693	(1,549)	10,040	4,896	51%
5842	Sub Teacher-Instr consultant		833	(833)	33,285	6,667	26,618	10,000	(23,285)	333%
5850	Non-Instructional Consultants	110	0	110	639	0	639			#DIV/0!
5851	Instructional Consultants		4,167	(4,167)	54,268	33,333	20,935	50,000		109%
5852	Consultant-Food Services		30,000	(30,000)	154,009	240,000	(85,991)	360,000	205,991	43%
5853	Business Consultant	5,083	5,000	83	41,453	40,000	1,453	60,000	18,547	69%
5854	Contractual Services		474	(474)	825	3,792	(2,967)	5,687		15%
5856	Special Ed Consultants		8,333	(8,333)	48,941	66,667	(17,726)	100,000	51,059	49%
5898	LAUSD Sepecial Ed Costs		637	(637)	(1,198)	5,098	(6,296)	7,647		-16%
5857	Prior year operating expenses		4,005	(4,005)	116,543	32,043	84,500	48,064	(68,479)	242%
5858	Technology Consultant		0		400	0	400			#DIV/0!
5860	Fingerprints-Phys.Xray other Empl Cost		178			1,423	(1,423)	2,134		0%
5863	Professional Development	1,945	417	1,528	19,669	3,333	16,335	5,000		393%
5865	Prior Period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
5870	Sales Tax		0		501	0	501			#DIV/0!
5890	Other Operating Expenses		3,372			26,978	(26,978)	40,466		0%
5891	Banks Fees and Charges	291	102		1,264	812	446	1,227		103%
5892	Fees & Other Charges	346	471		761	3,770	(3,009)	5,655		13%
5893	Permits I License		- 0		2,617	0	2,617			#DIV/0!
5894	Legal & Audit	9,370	2,666	6,704	25,946	21,329	4,617	31,994	6,048	81%
5894	Permits & Licenses		631			5,045	(5,045)	7,568		0%
5895	Fundraising activities /expenses	913	1,155		9,448	9,243		13,865		68%
5896	Website Development/Maintenance		0		8,579	0				#DIV/0!
5899	Software Program		0		7,946	0				#DIV/0!
5910/5915/5900	Communications	1,049	2,694	(1,645)	18,049	21,549	(3,500)	32,324	14,275	56%
5920	Postage (UPS, Fedex, US Mail)	1,117	417	701	3,157	3,333	(176)	5,000		63%
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	74%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
6200	Building and Improvements		1,667	(1,667)	715	13,333	(12,618)	20,000		4%
6410	Capitalized Equipment		1,500	(1,500)		12,000	(12,000)	18,000		0%
6900	Furnitures		0	0		0	0	0		#DIV/0!
						0				#DIV/0!
	TOTAL CAPITAL OUTLAY	[illegible]	3,167	(3,167)	715	25,333	(24,618)	38,000	0	2%
										#DIV/0!
7000	**OTHER OUTGO**		0						0	#DIV/0!
7299	District Oversight Fees		3,631	(3,631)	4,471	29,045	(24,572)	43,568		10%
7438	Debt Service - Interest		2,500	(2,500)	6,268	20,000	(13,732)	30,000		21%
7439	Auto Lease Expense	(25,884)				0				#DIV/0!
7619	Other Transfer Out				116,543					#DIV/0!
	TOTAL OTHER OUTGO	(25,884)	6,131	(6,131)	127,284	49,045	[illegible]	[illegible]	[illegible]	173%
										#DIV/0!
	TOTAL EXPENDITURES	275,432	[illegible]	[illegible]	2,811,377	[illegible]	[illegible]	[illegible]	[illegible]	67% 2,811,377
	Net Income/(Loss)	(17,639)	(44)	(17,595)	84,079	69,395	14,683	4,468	330,593	1882% 84,079
										#DIV/0!
	Change in Net Assets	(17,639)	(44)	(17,595)	84,079	69,395	14,683	4,468	330,593	1882%

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Wisdom Academy for Young Scientists
Budget Variance Report
7/01/2013 through 03/31/2014
March 2014 In Whole numbers

Account Number		Current Period Actuals 3/31/2014	Current Period Budget	$ Variance	YTD Actuals 3/31/2014	YTD Budget	$ Variance	Total Budget	Budget Remaining	75%
	Parent-Community Outreach			0		0	0			#DIV/0!
	Personal/Vacation Buyback			0			0			#DIV/0!
	TOTAL CLASSIFIED SALARIES	62,395	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	82%
	EMPLOYEE BENEFITS									#DIV/0!
3101	Strs	9,831	9,423	408	79,188	84,808	(5,620)	113,077	33,889	70%
	Pers		0			0		0	0	#DIV/0!
3302	Oasdi - Regular	3,881	2,633	1,248	28,681	23,696	4,984	31,595	2,914	91%
	Oasdi - Medicare	2,742	2,721	21	21,288	24,489	(3,201)	32,652	11,364	65%
3401	Health & Welfare Benefits	1,534	12,839	(11,305)	128,847	115,547	13,300	154,063	25,216	84%
3501	Unemployment Insurance	2,539	8,180	(5,642)	26,942	73,622	(46,680)	98,163	71,221	27%
3601	Workers' Compensation	3,210	5,425	(215)	10,330	48,828	(38,498)	65,104	54,774	16%
	Other Benefits	9	0	9	256	0	256	0	(256)	#DIV/0!
	TOTAL EMPLOYEE BENEFITS	25,746	41,221	(15,475)	295,531	370,991	(75,460)	494,654	199,123	60%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
						0				#DIV/0!
4100	Textbooks		15,583	(15,583)	136,936	140,250	(3,314)	187,000	30,064	84%
4200	Books & Other Than Textbooks	136,936	417	[illegible]	[illegible]	3,750	[illegible]	5,000	(1,179)	124%
4310	Instructional Materials & Supplies	6,117	2,500	3,617	70,264	22,500	47,764	30,000	(40,264)	234%
4350	Office Supplies	3,513	833	2,680	12,960	7,500	5,460	10,000	(2,960)	130%
4315	Other Supplies	2,081	2,500	(419)	4,915	22,500	(17,585)	30,000	25,085	16%
4410	Non-capitalized Equipment	2,463	583	1,879	26,904	5,250	21,654	7,000	(19,904)	384%
4700	Food Supplies	55	833	(778)	4,098	7,500	(3,402)	10,000	5,902	41%
						0				#DIV/0!
	TOTAL BOOKS & SUPPLIES	171,166	23,250	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	101%
						0				#DIV/0!
	SERVICES, OTHER OPERATING EXP.					0				#DIV/0!
	Payroll Expenses	106	0		890	0				#DIV/0!
	Suspense		0		5,673	0				#DIV/0!
5200	Travel & Conferences	6,142	417	5,725	17,026	3,750	13,276	5,000	(12,026)	341%
	Dues and Membership		583		2,710	5,250		7,000		39%
5501	Insurance	1,607	3,750	(2,143)	28,333	33,750	(5,417)	45,000	16,667	63%
5500	Utilites & Housekeeping	6,878	4,167	2,712	60,801	37,500	23,301	50,000	(10,801)	122%
5610	Rentals,Leases & Repairs	37,093	34,303	2,790	339,080	308,730	30,350	411,640	72,560	82%
	Assemblies		38			338		450		0%
	Pupil Transportation	2,168	833	1,335	12,915	7,500	5,415	10,000	(2,915)	129%
	Advertisement/Recruitment		267		4,122	2,404	1,718	3,206	(917)	129%
	Student Activities	14,454	3,333	11,121	45,020	30,000	15,020	40,000	(5,020)	113%
	FingerPrinting		33		992	300	692	400	(592)	248%
	Printing and Reproduction	124	75		2,681	676		901		297%
	LACOE Expense Reimbursement		837	(837)	5,144	7,530	(2,386)	10,040	4,896	51%
5854	Sub Teacher-Instr consultant	3,568	833	2,735	36,854	7,500	29,354	10,000	(26,854)	369%
	Non-Instructional Consultants		0	0	639	0	639			#DIV/0!
	Instructional Consultants	2,280	4,167	(1,887)	56,548	37,500	19,048	50,000		113%
5852	Consultant-Food Services		30,000	(30,000)	154,009	270,000	(115,991)	360,000	205,991	43%
5620	Business Consultant	5,083	5,000	83	46,536	45,000	1,536	60,000	13,464	78%
	Contractual Services		474	(474)	825	4,266	(3,441)	5,687		15%
5853	Special Ed Consultants	26,058	8,333	17,724	73,810	75,000	(1,190)	100,000	26,190	74%
	LAUSD Sepecial Ed Costs		637	(637)		5,735	(5,735)	7,647		0%
5857	Prior year operating expenses		4,005	(4,005)	116,543	36,048	80,495	48,064	(68,479)	242%
	Technology Consultant		0		400	0	400			#DIV/0!
	Fingerprints-Phys.Xray other Empl Cost		178			1,600	(1,600)	2,134		0%
	Professional Development		417	(417)	19,670	3,750	15,920	5,000		393%
	Prior Period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
	Sales Tax		0		501	0	501			#DIV/0!
	Other Operating Expenses		3,372			30,350	(30,350)	40,466		0%
	Banks Fees and Charges	365	102		1,629	920	709	1,227		133%
	Fees & Other Charges	465	471		1,226	4,241	(3,015)	5,655		22%
	Permits I License	138	0		2,755	0	2,755			#DIV/0!
5820	Legal & Audit	3,293	2,666	2,627	31,239	23,996	7,244	31,994	755	98%
5894	Permits & Licenses		631			5,676	(5,676)	7,568		0%
	Fundraising activities /expenses	1,657	1,155		11,105	10,399		13,865		80%
	Website Development/Maintenance		0		8,579	0				#DIV/0!
	Software Program		0		7,946	0				#DIV/0!
5851	Communications	3,822	2,694	1,128	21,871	24,243	(2,372)	32,324	10,453	68%
	Postage (UPS, Fedex, US Mail)	204	417	(212)	3,362	3,750	(388)	5,000		67%
	TOTAL SERVICES, OTHER OPER EXP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	83%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
	Building and Improvements		1,667	(1,667)	715	15,000	(14,285)	20,000		4%
6499	Capitalized Equipment		1,500	(1,500)		13,500	(13,500)	18,000		0%
6500	Furnitures		0	0		0	0	0		#DIV/0!
						0				#DIV/0!
	TOTAL CAPITAL OUTLAY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%
										#DIV/0!
7299	OTHER OUTGO		0						0	#DIV/0!
	District Oversight Fees		3,631	(3,631)	4,473	32,676	(28,203)	43,568		10%
	Debt Service - Interest		2,500	(2,500)	6,268	22,500	(16,232)	30,000		21%
	Auto Lease Expense					0				#DIV/0!
7619	Other Transfer Out				116,543					#DIV/0!
	TOTAL OTHER OUTGO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	173%
										#DIV/0!
	TOTAL EXPENDITURES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	80%
	Net Income/(Loss)	11,476	(44)	11,521	95,551	92,601	2,950	4,468	527,898	2139%
										#DIV/0!
	Change in Net Assets	11,476	(44)	11,521	95,551	92,601	2,950	4,468	527,898	2139%

Wisdom Academy for Young Scientists
Budget Variance Report
7/01/2013 through 04/30/2014

in Whole numbers

April 2014

Account Number		Current Period Actuals 4/30/2014	Current Period Budget	$ Variance	YTD Actuals 4/30/2014	YTD Budget	$ Variance	Total Budget	Budget Remaining	83%
	Printing and Reproduction	604	75		3,286	751	2,534	901		364%
	LACOE Expense Reimbursement		837	(837)	5,144	8,367	(3,223)	10,040	4,896	51%
5854	Sub Teacher-Instr consultant	3,408	833	2,574	40,261	8,333	31,928	10,000	(30,261)	403%
	Non-Instructional Consultants		0	0	639	0	639			#DIV/0!
	Instructional Consultants	2,700	4,167	(1,467)	59,248	41,667	17,581	50,000		118%
5852	Consultant-Food Services		30,000	(30,000)	154,009	300,000	(145,991)	360,000	205,991	43%
5620	Business Consultant	5,083	5,000	83	51,618	50,000	1,618	60,000	8,382	86%
	Contractual Services		474	(474)	825	4,740	(3,915)	5,687		15%
5853	Special Ed Consultants		8,333	(8,333)	75,008	83,333	(8,325)	100,000	24,992	75%
	LAUSD Sepecial Ed Costs		637	(637)	(1,198)	6,373	(7,571)	7,647		-16%
5857	Prior year operating expenses		4,005	(4,005)	130,639	40,053	90,586	48,064	(82,575)	272%
	Technology Consultant		0		400	0	400			#DIV/0!
	Fingerprints-Phys.Xray other Empl Cost		178			1,778	(1,778)	2,134		0%
	Professional Development		417	(417)	19,670	4,167	15,503	5,000		393%
	Prior Period adjustment		0	0	0	0	0	0	0	#DIV/0!
	Sales Tax		0		501	0	501			#DIV/0!
	Other Operating Expenses		3,372			33,722	(33,722)	40,466		0%
	Banks Fees and Charges		102		1,629	1,023	606	1,227		133%
	Fees & Other Charges		471		1,226	4,713	(3,487)	5,655		22%
	Permits I License		0		2,755	0	2,755			#DIV/0!
5820	Legal & Audit	3,968	2,666	1,302	35,207	26,662	8,546	31,994	(3,213)	110%
5894	Permits & Licenses		631			6,307	(6,307)	7,568		0%
	Fundraising activities /expenses	1,003	1,155		12,108	11,554	554	13,865		87%
	Website Development/Maintenance		0		8,579	0	8,579			#DIV/0!
	Software Program		0		7,946	0	7,946			#DIV/0!
5851	Communications	1,025	2,694	(1,669)	22,896	26,937	(4,041)	32,324	9,428	71%
	Postage (UPS, Fedex, US Mail)		417	(417)	3,362	4,167	(805)	5,000		67%
	TOTAL SERVICES & OTHER OPR EXP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	89%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
	Building and Improvements		1,667	(1,667)	715	16,667	(15,952)	20,000		4%
6499	Capitalized Equipment		1,500	(1,500)		15,000	(15,000)	18,000		0%
6500	Furnitures		0	0		0	0	0		#DIV/0!
						0	0			#DIV/0!
	TOTAL CAPITAL OUTLAY	0	[illegible]	[illegible]	715	31,667	(30,952)	38,000	0	2%
										#DIV/0!
7299	**OTHER OUTGO**		0						0	#DIV/0!
	District Oversight Fees		3,631	(3,631)	4,473	36,307	(31,833)	43,568		10%
	Debt Service - Interest		2,500	(2,500)	6,268	25,000	(18,732)	30,000		21%
	Auto Lease Expense					0	0			#DIV/0!
7619	Other Transfer Out				116,543		116,543			#DIV/0!
	TOTAL OTHER OUTGO	0	[illegible]	[illegible]	127,284	61,307	65,977	73,568	0	173%
										#DIV/0!
	TOTAL EXPENDITURES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	87%
	Net Income/(Loss)	168,610	(44)	168,654	264,161	(443)	264,604	4,468	354,711	5912%
										#DIV/0!
	Change in Net Assets	168,610	(44)	168,654	264,161	(443)	264,604	4,468	354,711	5912%

Wisdom Academy for Young Scientists
Budget Variance Report
7/01/2013 through 05/31/2014

May 2014

in Whole numbers

Account Number		Current Period Actuals 5/31/2014	Current Period Budget	$ Variance	YTD Actuals 5/31/2014	YTD Budget	$ Variance	Total Budget	Budget Remaining	92%
	TOTAL CLASSIFIED SALAR	71,747	45,766	25,981	571,882	503,429	68,453	544,195	[illegible]	105%
	EMPLOYEE BENEFITS									#DIV/0!
3101	Strs	10,174	9,423	751	98,376	103,654	(5,277)	113,077	14,701	87%
	Pers		0			0	0	0	0	#DIV/0!
3302	Oasdi - Regular	4,199	2,633	1,567	36,360	28,962	7,398	31,595	(4,765)	115%
	Oasdi - Medicare	2,887	2,721	166	26,681	29,931	(3,250)	32,652	5,971	82%
3401	Health & Welfare Benefits	29,128	12,839	16,289	175,615	141,224	34,391	154,063	(21,552)	114%
3501	Unemployment Insurance	534	8,180	(7,647)	28,699	89,983	(61,284)	98,163	69,464	29%
3601	Workers' Compensation	4,344	5,425	(1,081)	19,019	59,679	(40,660)	65,104	46,086	29%
	Other Benefits	10	0	10	275	0	275	0	(275)	#DIV/0!
							0			#DIV/0!
	TOTAL EMPLOYEE BENEFI	51,276	41,221	10,055	[illegible]	453,433	68,409	494,654	[illegible]	78%
										#DIV/0!
	BOOKS & SUPPLIES									#DIV/0!
						0				#DIV/0!
4100	Textbooks		15,583	(15,583)	156,936	171,417	(14,480)	187,000	30,064	84%
4200	Books & Other Than Textbooks		417		[illegible]	4,583	1,595	5,000	(1,179)	124%
4310	Instructional Materials & Suppli	379	2,500	(2,121)	71,549	27,500	44,049	30,000	(41,549)	238%
4350	Office Supplies	330	833	(503)	15,847	9,167	6,680	10,000	(5,847)	158%
4315	Other Supplies	1,823	2,500	(677)	6,176	27,500	(21,324)	30,000	23,824	21%
4410	Non-capitalized Equipment	1,993	583	1,410	28,897	6,417	22,480	7,000	(21,897)	413%
4700	Food Supplies	44	833	(789)	4,098	9,167	(5,069)	10,000	5,902	41%
						0				#DIV/0!
	TOTAL BOOKS & SUPPLIES	4,570	23,250	(18,680)	289,682	255,750	33,932	279,000	(10,682)	104%
										#DIV/0!
	SERVICES, OTHER OPERATING EXP.									#DIV/0!
	Payroll Expenses	90	0		1,052	0	1,052			#DIV/0!
	Suspense		0		12,224	0	12,224			#DIV/0!
5200	Travel & Conferences	162	417	(255)	17,187	4,583	12,603	5,000	(12,187)	344%
	Dues and Membership		583		2,710	6,417	(3,707)	7,000		39%
5501	Insurance	1,607	3,750	(2,143)	31,547	41,250	(9,703)	45,000	13,453	70%
5500	Utilites & Housekeeping	7,146	4,167	2,980	76,947	45,833	31,114	50,000	(26,947)	154%
5610	Rentals,Leases & Repairs	24,499	34,303	(9,804)	399,227	377,337	21,890	411,640	12,413	97%
	Assemblies		38			413	(413)	450		0%
	Pupil Transportation	907	833	74	15,589	9,167	6,422	10,000	(5,589)	156%
	Advertisement/Recruitment		267		4,122	2,938	1,184	3,206	(917)	129%
	Student Activities	10,085	3,333	6,752	62,295	36,667	25,628	40,000	(22,295)	156%
	FingerPrinting		33		992	367	625	400	(592)	248%
	Printing and Reproduction		75		3,286	826	2,459	901	(2,384)	364%
	LACOE Expense Reimbursement		837	(837)	5,144	9,203	(4,059)	10,040	4,896	51%
5854	Sub Teacher-Instr consultant	2,734	833	1,901	42,995	9,167	33,829	10,000	(32,995)	430%
	Non-Instructional Consultants		0	0	639	0	639			#DIV/0!
	Instructional Consultants	8,666	4,167	4,500	67,914	45,833	22,081	50,000		136%
5852	Consultant-Food Services	26,613	30,000	(3,387)	180,622	330,000	(149,378)	360,000	179,378	50%
5620	Business Consultant	7,443	5,000	2,443	59,061	55,000	4,061	60,000	939	98%
	Contractual Services		474	(474)	825	5,213	(4,388)	5,687		15%
5853	Special Ed Consultants	12,070	8,333	3,737	87,078	91,667	(4,588)	100,000	12,922	87%
	LAUSD Sepecial Ed Costs		637	(637)	(1,198)	7,010	(8,208)	7,647		-16%
5857	Prior year operating expenses		4,005	(4,005)	116,543	44,059	72,484	48,064	(68,479)	242%
	Technology Consultant		0		400	0	400			#DIV/0!
	Fingerprints-Phys.Xray other Empl Cost		178		20,306	1,956	18,350	2,134	-	952%
	Professional Development	636	417	219		4,583	(4,583)	5,000		0%
	Prior Period adjustment		0	0	14,096	0	14,096	0	(14,096)	#DIV/0!
	Sales Tax		0		501	0	501			#DIV/0!
	Property Taxes	12,823			12,823		12,823			#DIV/0!
	Other Operating Expenses		3,372			37,094	(37,094)	40,466		0%
	Banks Fees and Charges	3	102		1,632	1,125	507	1,227		133%
	Fees & Other Charges		471		1,226	5,184	(3,958)	5,655		22%
	Permits I License		0		2,755	0	2,755			#DIV/0!
5820	Legal & Audit	13,640	2,666	10,974	48,847	29,328	19,519	31,994	(16,853)	153%
5894	Permits & Licenses		631			6,937	(6,937)	7,568		0%
	Fundraising activities /expenses		1,155		12,104	12,709	(605)	13,865		87%
	Website Development/Maintenance	5,000	0		13,579	0	13,579			#DIV/0!
	LAUSD Expense Reimbursement	6,610			6,610	0	6,610			#DIV/0!
	Software Program		0		7,946	0	7,946			#DIV/0!
5851	Communications	1,266	2,694	(1,428)	24,162	29,630	(5,468)	32,324	8,162	75%
	Postage (UPS, Fedex, US Mail)		417	(417)	3,362	4,583	(1,221)	5,000		67%
	TOTAL SERVICES & OTHER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	99%
										#DIV/0!
	CAPITAL OUTLAY									#DIV/0!
	Building and Improvements		1,667	(1,667)	715	18,333	(17,618)	20,000		4%
6499	Capitalized Equipment		1,500	(1,500)		16,500	(16,500)	18,000		0%
6500	Furnitures	5,657	0	5,657	5,657	0	5,657	0		#DIV/0!
							0			#DIV/0!
	TOTAL CAPITAL OUTLAY	5,657	3,167	[illegible]	6,372	34,833	(28,461)	38,000	[illegible]	17%
										#DIV/0!
7299	**OTHER OUTGO**		0						0	#DIV/0!
	District Oversight Fees	15,901	3,631	12,270	20,374	39,937	(19,563)	43,568		47%
	Debt Service - Interest		2,500	(2,500)		27,500	(27,500)	30,000		0%
	Auto Lease Expense				6,268	0	6,268			#DIV/0!
7619	Other Transfer Out				116,543		116,543			#DIV/0!
	TOTAL OTHER OUTGO	15,901	6,131	9,770	143,185	67,437	[illegible]	73,568	[illegible]	195%
										#DIV/0!
	TOTAL EXPENDITURES	418,709	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	97%
	Net Income/(Loss)	(72,385)	(44)	(72,341)	191,777	(488)	192,264	4,468	433,807	
	Change in Net Assets	(72,385)	(44)	(72,341)	191,777	(488)	192,264	4,468	433,807	

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Wisdom Academy for Young Scientists
Budget Variance Report
7/01/2013 through 06/30/2014

June 14

	SERVICES, OTHER OPERATING EXP.		in Wh						
	Payroll Expenses		0		1,075	0	1,075		
	Suspense		0		12,224	0	12,224		
5200	Travel & Conferences	1,337	417	920	18,524	5,000	13,524	5,000	(13,524)
	Dues and Membership	128	583		2,838	7,000	(4,162)	7,000	
5501	Insurance	1,607	3,750	(2,143)	33,154	45,000	(11,846)	45,000	11,846
5500	Utilites & Housekeeping	6,043	4,167	1,877	82,991	50,000	32,991	50,000	(32,991)
5610	Rentals,Leases & Repairs	17,899	34,303	(16,405)	417,125	411,640	5,485	411,640	(5,485)
	Assemblies		38			450	(450)	450	
	Pupil Transportation	525	833	(308)	16,114	10,000	6,114	10,000	(6,114)
	Advertisement/Recruitment		267		4,122	3,206	917	3,206	(917)
	Student Activities	17,949	3,333	14,616	80,244	40,000	40,244	40,000	(40,244)
	FingerPrinting		33		992	400	592	400	(592)
	Printing and Reproduction		75		3,286	901	2,384	901	(2,384)
	LACOE Expense Reimbursement		837	(837)	5,144	10,040	(4,896)	10,040	4,896
5854	Sub Teacher-Instr consultant		833	(833)	42,995	10,000	32,995	10,000	(32,995)
	Non-Instructional Consultants		0	0	639	0	639		
	Instructional Consultants	987	4,167	(3,180)	68,901	50,000	18,901	50,000	
5852	Consultant-Food Services	144,315	30,000	114,315	324,936	360,000	(35,064)	360,000	35,064
5620	Business Consultant	5,083	5,000	83	64,144	60,000	4,144	60,000	(4,144)
	Contractual Services	4,763	474	4,289	5,588	5,687	(100)	5,687	
5853	Special Ed Consultants	7,224	8,333	(1,110)	94,302	100,000	(5,698)	100,000	5,698
	LAUSD Sepecial Ed Costs		637	(637)	(1,198)	7,647	(8,845)	7,647	
5857	Prior year operating expenses	(130,640)	4,005	(134,645)	(1)	48,064	(48,065)	48,064	48,065
	Technology Consultant		0		400	0	400		
	Fingerprints-Phys,Xray other Empl Cost		178			2,134	(2,134)	2,134	
	Professional Development	1,645	417	1,228	21,951	5,000	16,951	5,000	
	Prior Period adjustment		0	0		0	0	0	0
	Sales Tax		0		501	0	501		
	Property Taxes				12,823		12,823		
	Other Operating Expenses	16,455	3,372		16,455	40,466	(24,011)	40,466	
	Banks Fees and Charges	886	102		2,518	1,227	1,290	1,227	
	Fees & Other Charges	689	471		1,915	5,655	(3,740)	5,655	
	Permits I License		0		2,755	0	2,755		
5820	Legal & Audit	5,983	2,666	3,317	54,830	31,994	22,836	31,994	(22,836)
5894	Permits & Licenses		631			7,568	(7,568)	7,568	
	Fundraising activities /expenses		1,155		12,108	13,865	(1,757)	13,865	
	Website Development/Maintenance		0		13,579	0	13,579		
	LAUSD Expense Reimbursement	656			7,266	0	7,266		
	Software Program		0		7,946	0	7,946		
5851	Communications	446	2,694	(2,248)	24,608	32,324	(7,716)	32,324	7,716
	Postage (UPS, Fedex, US Mail)	71	417	(346)	3,433	5,000	(1,567)	5,000	
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CAPITAL OUTLAY								
	Building and Improvements		1,667	(1,667)	715	20,000	(19,285)	20,000	
6499	Capitalized Equipment		1,500	(1,500)		18,000	(18,000)	18,000	
6500	Furnitures		0	0	5,657	0	5,657	0	
							0		
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7299	**OTHER OUTGO**		0						0
	District Oversight Fees		3,631	(3,631)	20,374	43,568	(23,194)	43,568	
	Debt Service - Interest		2,500	(2,500)		30,000	(30,000)	30,000	
	Auto Lease Expense				6,268	0	6,268		
7619	Other Transfer Out				116,543		116,543		
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Net Income/(Loss)	226,821	(44)	226,865	418,574	(532)	419,106	4,468	75,950
	Change in Net Assets	226,821	(44)	226,865	418,574	(532)	419,106	4,468	75,950

EXHIBIT J

RESOLUTION OF BOARD OF DIRECTORS
OF WISDOM ACADEMY FOR YOUNG SCIENTISTS

At a meeting of the Board of Directors of WISDOM ACADEMY for YOUNG SCIENTISTS

706 EAST MANCHESTER AVE
LOS ANGELES, CALIFORNIA 90001

Duly called and held on the 13 day of March, 2014, the following resolution was offered, seconded, and adopted:

> "Be it Resolved, that the Board of Directors of this corporation be and is hereby authorized, empowered, and directed to authorize the Executive Director or designee to enter a Commercial Property Purchase Agreement for 706 East Manchester Avenue, Los Angeles, California 90001 Buildings A, B, C, D, and E and the residing parcels on behalf of Merle Williamson Foundation.
>
> Furthermore, all actions taken regarding this matter are in accordance with applicable provisions of laws of the State of California."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by a majority of the Board of Directors of this corporation on the date specified.

(Signature of Board President)

STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential)

AIR Commercial Real Estate Association

March 12, 2014
(Date for Reference Purposes)

1. **Buyer.**
1.1 Merle Williamson Foundation and/or assignee ("Buyer") hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close 30 or 15 days after the waiver or expiration of the Buyer's Contingencies. ("Expected Closing Date") to be held by Commerce Escrow - Tina Dabow ("Escrow Holder") whose address is TBD , Phone No. , Facsimile No. upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.
1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. **Property.**
2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) 7 commercial buildings (a, b, c, d, e) situated on three commercial parcels.
is located in the City of Los Angeles , County of Los Angeles
State of California , is commonly known by the street address of 706 E. Manchester Blvd., Los Angeles, CA
and is legally described as: TBD
(APN:).
2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of Chicago Title ("Title Company"), which shall issue the title policy hereinafter described.
2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and none.
(collectively, the "Improvements").
2.4 The fire sprinkler monitor: ☐ is owned by Seller and included in the Purchase Price, ☐ is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, ☑ ownership will be determined during Escrow, or ☐ there is no fire sprinkler monitor.
2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and all of which shall be removed by Seller prior to Closing.

3. **Purchase Price.**
3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be $2,000,000.00, payable as follows:

	(a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price):	$500,000.00
(Strike if not applicable)	(b) Amount of "New Loan" as defined in paragraph 5.1, if any:	$1,500,000.00
	~~(c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("Existing Deed(s) of Trust") securing the existing promissory note(s) ("Existing Note(s)"):~~	
	~~(i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at $ per month, including interest at the rate of % per annum until paid (and/or the entire unpaid balance is due on).~~	~~$~~
(Strike if not applicable)	~~(ii) An Existing Note ("Second Note") with an unpaid principal balance as of the Closing of approximately: Said Second Note is payable at $ per month, including interest at the rate of % per annum until paid (and/or the entire unpaid balance is due on).~~	~~$~~
(Strike if not applicable)	~~(d) Buyer shall give Seller a deed of trust ("Purchase Money Deed of Trust") on the property, to secure the promissory note of Buyer to Seller described in paragraph 5 ("Purchase Money Note") in the amount of:~~	~~$~~
	Total Purchase Price:	$2,000,000.00

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3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.6% of the unpaid principal balance of the applicable Existing Note.

4. **Deposits.**

4.1 ☐ Buyer has delivered to Broker a check in the sum of $_____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or ____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or ☑ within 2 or ____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder Buyer shall deliver to Escrow Holder a check in the sum of $50,000.00. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

~~(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of $_____ to be applied to the Purchase Price at the Close.~~

~~(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (h) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of $_____ to be applied to the Purchase Price at the Closing.~~

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

5. **Financing Contingency.** *(Strike if not applicable)*

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least 75 % of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within 45 days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

~~6. Seller Financing. (Purchase Money Note) (Strike if not applicable)~~

~~6.1 If Seller approves Buyer's financials (see paragraph 6.6) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____% per annum, with principal and interest paid as follows:~~

~~The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.~~

~~6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)):~~

~~(a) Prepayment. Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.~~

~~(b) Late Charge. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.~~

~~(c) Due On Sale. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.~~

~~6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.~~

~~6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.~~

~~6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 2 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of the contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.~~

7. **Real Estate Brokers.**

7.1 The following real estate broker(s) ("Brokers") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

☐ _____ represents Seller exclusively ("Seller's Broker").

☐ _____ represents Buyer exclusively ("Buyer's Broker"); or

☑ Cushman & Wakefield of California, Inc. - Jimmy Chai represents both Seller and Buyer ("Dual Agency").

The Parties acknowledge that Brokers are the procuring cause of this Agreement. See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. **Escrow and Closing.**

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a

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Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof.

(m) *Personal Property.* In the event that any personal property is included in the Purchase Price, Buyer has 10 or 45 days from the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or 45 days of the Date of Agreement.

(n) *Destruction, Damage or Loss.* There shall not have occurred prior to the Closing, a destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than $10,000.00 to repair or cure. If the cost of repair or cure is $10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than $10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than $10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) *Material Change.* Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "Material Change" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) *Seller Performance.* The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) *Brokerage Fee.* Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("Brokerage Fee"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "Buyer's Contingencies."

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("Disapproved Item"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("Seller's Election"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.

9.4 Buyer understands and agrees that until such time as all Buyer's Contingencies have been satisfied or waived, Seller and/or its agents may solicit, entertain and/or accept back-up offers to purchase the Property.

9.5 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents Required at or Before Closing:

10.1 Five Days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) If applicable, the Beneficiary Statements concerning Existing Note(s).

(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(s) of the Property.

(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date.

(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.

(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 *Taxes.* Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 *Insurance.* WARNING: Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

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11.3 *Rentals, Interest and Expenses.* Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 *Security Deposit.* Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 *Post Closing Matters.* Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

11.6 *Variations in Existing Note Balances.* In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("Existing Note Variation"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 *Variations in New Loan Balance.* In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 *Owner's Association Fees.* Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and, are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition At Closing.* Except as otherwise provided in paragraph 9.1(m) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(f) *Possessory Rights.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens.* There are no unsatisfied mechanics' or materialmens' lien rights concerning the Property.

(h) *Actions, Suits or Proceedings.* Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes.* Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(n)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings.* Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings.* Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger or by mail, postage prepaid, to the address set forth in this Agreement or by facsimile transmission.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. Communications transmitted by facsimile transmission shall be deemed delivered upon telephonic confirmation of receipt (confirmation report from fax machine is

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sufficient), provided a copy is also delivered via delivery or mail. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of Los Angeles on the date of March 17, 2014, it shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties).

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF $50,000.00. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.

Buyer Initials GO K.O Seller Initials

22. ARBITRATION OF DISPUTES. *(This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)*

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED UNDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 18 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Buyer Initials GO K.O Seller Initials

23. Miscellaneous.

23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed.

23.2 Applicable Law. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located.

23.3 Time of Essence. Time is of the essence of this Agreement.

23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange.

23.8 Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days.

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) *Seller's Agent.* A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent

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The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

BROKER:

Cushman & Wakefield of California, Inc.

Attn: Jimmy Chai
Title: Associate Director
Address: 601 S. Figueroa St., #4700
Los Angeles, CA 90017
Telephone: (213) 955-5134
Facsimile: (___)
Email: jimmy.chai@cushwake.com
Federal ID No.

Broker/Agent DRE License #: 01806325

BUYER:

Merle Williamson Foundation and/or assignee

By: ARMANDO ESPINOLA
Date: 03/14/14
Name Printed: ARMANDO ESPINOLA
Title: BOARD CHAIR
Telephone: (323) 253-0775
Facsimile: (___)
Email: [illegible]
By: Edward T. Cabil
Date: 03/14/14
Name Printed: Edward T. Cabil
Title: Executive Director
Address: 796 E. Manchester Ave.
L.A. CA 90001
Telephone: (323) 587-8194
Facsimile: (323) 587-8209
Email: [illegible]
Federal ID No. 71-0919256

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 Seller acknowledges that Brokers have been retained to locate a Buyer and are the procuring cause of the purchase and sale of the Property set forth in this Agreement. In consideration of real estate brokerage service rendered by Brokers, Seller and Buyer - ~~divided evenly~~ - agrees to pay Brokers a real estate Brokerage Fee in a sum equal to 3 % of the Purchase Price ~~to be divided equally between Seller's Broker and Buyer's Broker~~. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

Cushman & Wakefield of California, Inc.

Attn: Jimmy Chai
Title: Associate Director
Address: 601 S. Figueroa St., #4700
Los Angeles, CA 90017
Telephone: (213) 955-5134
Facsimile: (___)
Email: jimmy.chai@cushwake.com
Federal ID No.:

Broker/Agent DRE License #: 01806325

SELLER:

Godfrey and Kendra Okonkwo

By: [signature]
Date: 3/14/14
Name Printed: Godfrey Okonkwo
Title: Seller
Telephone: (323) 299 9506
Facsimile: (___)
Email: [illegible]
By: [signature]
Date: 3/14/14
Name Printed: Kendra Okonkwo
Title: Seller
Address: 4326 Enero Drive
Los Angeles CA 90008
Telephone: (323) 299 9506
Facsimile: (___)
Email: [illegible]
Federal ID No.:

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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has the following affirmative obligations: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) *Buyer's Agent.* A selling agent can, with a buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) *Agent Representing Both Seller and Buyer.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or wilful misconduct of such Broker.

24.3 *Confidential Information:* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26 Additional Provisions:

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum consisting of paragraphs _____ through _____ . (If there are no additional provisions write "NONE".)

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ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES; THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.

2. IF THE BUYER IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

GO

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

OCI Development Corporation
8200 Wilshire Blvd. Suite #200
Beverly Hills, California 90211
(310) 407-9931

TRIPLE NET COMMERCIAL LEASE 2014-15

This Lease Agreement ("Agreement") is entered into this 27th day of August 2014, by and between OCI Development Corporation, hereinafter referred to as the "Landlord, Wisdom Academy For Young Scientists, hereinafter referred to as the "Tenant".

WHEREAS, the Landlord is the owner of certain premises situated at 8778 South Central Avenue, Los Angles, California 90002, in the County of Angeles and state of California hereinafter referred to as the "Leasehold Premises."

WHEREAS, the Tenant desires to rent and lease the Leasehold Premises from the Landlord, and the Landlord has agreed to lease the same to the Tenant upon the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the rents and covenants of the Tenant to be paid and kept as herein contained, the Landlord has agreed to lease unto the Tenant, and by this Agreement does hereby lease the Leasehold Premises unto the Tenant, and the Tenant hereby leases the Leasehold Premises from the Landlord, and the parties do covenant and agree as follows:

1. Term. This Lease shall be for a term of 1 year, between the hours 7:00 am to 7:00 pm, Monday – Friday, commencing on the 1st day of July 2014, and ending on the 30th day of June 2015.

2. Rent. Tenant shall pay to Landlord, without demand or deduction, at its offices or such other places as Landlord may from time to time direct in writing, the monthly lease amount as follows:

Tenant shall pay monthly rent of Four Thousand Eight Hundred and Forty One Dollars ($4,841.76) on the 1st day of July, 2014 and a like sum on the first day of each and every calendar month during the term hereof, and prorate for the fractional portion of any month, except that of the first day of the calendar month immediately following the commencement date, the Tenant shall also pay the Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this lease.

3. Security Deposit. Tenant shall further pay to Landlord, prior to any use or occupancy of the Leasehold Premises, a security deposit in the sum of Thirteen Thousand Fifty ($13,505.75), to be held as security for any damages to the Leasehold Premises, or as payment, in whole or part, for any costs or expenses incurred by the Landlord resulting from the failure of Tenant to surrender the premises in the condition described in Paragraph 6 herein. Unless withheld by the Landlord, in whole or in part, by reason of any damage to the Leasehold Premises, the security deposit shall be returned to the Tenant within thirty (30) days after the termination of this Lease.

4. Utilities. During the term of this Lease, the Tenant shall be solely responsible for the payment of any and all utilities of the Leasehold Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. The Tenant shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Leasehold Premises.

5. Clean and Sanitary Condition. During the term of the Lease, the Tenant shall keep and maintain the Leasehold Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by the Tenant in facilities specifically for garbage collection. Tenant shall be responsible for placing the garbage bins and/or containers and recycling container(s) at the curb for pick-up and to return the containers to their appropriate place. Tenants shall further comply with all local ordinances and regulations imposed by the City of Los Angeles relating to maintaining the Leasehold Premises in a clean and sanitary condition and relating to the collection of garbage and similar debris. Tenant shall be solely liable for any action and/or fines that may be brought by the City of Los Angeles, or any other enforcement agency, as a result of the Leasehold Premises not being kept in a clean and sanitary condition.

6. Maintenance. It shall be the Tenant's sole responsibility to keep and maintain the entire Leasehold Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. Tenant shall keep and maintain the Leasehold Premises in a clean, sanitary and safe condition, at all times during the term of the Lease, in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting the use of said premises. If Tenant refuses or neglects to maintain, commence and to complete repairs on the Leasehold Premises promptly and adequately, Landlord may, but shall not be required to do so, provide necessary maintenance and repairs, and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy herein, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted.

7. Liability Insurance. Tenant shall, during the entire term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leasehold Premises, in which the limits of public liability shall not be less than Five-Hundred Thousand Dollars ($500,000.00) for injury or death to one person in one accident, One Million Dollars ($1,000,000.00) for injury or death per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage per occurrence. The policy shall name Landlord, any other parties in interest designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Tenant shall provide Landlord with a certificate evidencing insurance at the commencement of occupancy and upon request. The insurance shall be with an insurance company approved by Landlord, and a copy of the paid-up policy evidencing such insurance or a certificate of the insurer certifying the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's Work and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

8. Personal Property Insurance. Tenant agrees to carry, at its sole expense, insurance against all risks of physical loss, insuring Tenant's fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Leasehold Premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage.

9. Property Insurance. Tenant agrees to pay property insurance on the Leasehold Premises.

10. Subordination. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any mortgages or deeds of trust that may hereafter be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognized the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election, and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

11. Assignment and Subletting. Tenant agrees not to assign or in any manner transfer this Lease or any estate or interest therein by operation of law or otherwise without prior written consent of Landlord, and not to sublet the leased premises or any part(s) thereof or allow anyone to come in with, through or under

it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the leased premises or the collection of rent by Landlord from any assignee or sub-lessee shall not operate to exhaust Landlord's rights under this Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease.

12. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste upon the Leasehold Premises, and Tenant shall not place a load upon any floor of the Leasehold premises that exceeds the floor load per square foot area which such floor is designed to carry, if Landlord provides design or architectural information describing maximum load limitations. Tenant shall not use or permit the use of any medium that might constitute a nuisance.

13. Reconstruction of Damaged Premises. In the event the Leasehold Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, then the damage to the Leasehold Premises shall be promptly repaid, unless Landlord shall elect not to rebuild as hereinafter provided, and the fixed minimum rental and other charges shall be abated in proportion to the amount of the Leasehold Premises rendered untenantable. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or personal property. If more than Twenty-five percent (25%) of the leased premises or of floor area of the building in which the leased premises are located shall be damaged or destroyed by fire or other casualty, then Landlord may either elect that the Leasehold Premises be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

14. Total Condemnation of Leased Premises. If the whole of the Leasehold Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the day of the taking.

15. Partial Condemnation. If less than the whole but more than Twenty-five percent (25%) of the Leasehold Premises shall be taken under eminent domain, Landlord shall have the right either to terminate this Lease and declare the same null and void, or to restore the remaining portion of the leased premises or the building to a complete architectural unit. In the event Landlord elects to restore, all of the terms herein provided shall continue in effect, except the fixed annual rental shall be reduced in proportion to the amount of the leased premise taken.

If Twenty-five percent (25%) or less of the Leasehold Premises shall be so taken, the lease term shall cease only as to the part so taken s of the day possession shall be taken by such public authority, and Tenant shall pay rent up to that date, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter the fixed minimum annual rental shall be reduced in proportion to the amount of the leased premises taken. In such event, or in the event that Twenty-five percent (25%) or less of the Leasehold Premises shall be taken, Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, originally installed by Landlord, so as to constitute the remaining leased premises a complete architectural unit.

16. Landlord's and Tenant's Damages. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or the fee of the premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to the ward made for depreciation to, and cost of removal of Tenant's stock and fixtures.

17. Default. All rights and remedies of landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law. Tenant the parties covenants and agrees that if a default occurs when:

a) Tenant shall fail, neglect or refuse to pay any installment of all rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, and if any such default should continue for a period of more than ten (10) days;

b) Tenant shall abandon or vacate the leasehold premises or fail to keep the leased premises continuously and uninterruptedly open for business each business day or shall fail, neglect or refuse to keep and perform any of the other material covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than ten (10) days after notice thereof given in writing to tenant by landlord provided however that if the cause for giving such notice involves the making of repairs or other matters reasonable requiring a longer period of time that the period of such notice. Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken proper steps or proceeding under the circumstances to prevent the seizure, destruction, alteration or other interference with said leased premises by reason on non-compliance with the requirements of any law or ordinance or with the rules, regulations, or

directions of any governmental authority as the case may be; then the tenant does hereby authorize and fully empower said landlord or landlord's agent to terminate this lease at once and to re-enter and take possession of said premises immediately on the day following the final day of the tenant's school year, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their property, and to use such force and assists in effecting and perfecting such removal of said tenant as may be necessary and advisable to recover at once first and exclusive possession of all said leased premises whether in possession of said tenant or of third persons or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies with might otherwise be used by landlord, in which event this lease shall terminate and tenant shall indemnify the landlord against all unavoidable loss of rent which landlord may incur by reason of such termination during the residue of the term herein specified.

c) The landlord may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by tenant for the full term of this lease. In such event landlord shall have the right, but not the obligation, to divide or subdivide the leasehold premises in any manner landlord may determine and to lease or let the same or portions hereof for such period of time and at such rentals and for such use and upon such covenants and conditions as landlord may elect, applying the net rentals from such letting first to the payment of landlord's expenses incurred is dispossessing tenant and the cost and expense of making such improvements in the leasehold premises as may be necessary in order to enable landlord to re-let the same, and to the payment of brokerage commissions or other necessary expenses of landlord in connection with such re-letting. The balance, if any, shall be applied by landlord from time to time on account of the payments due or payable by tenant hereunder, with the right reserved to landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as landlord may deem favorable from time to time, without being obligated to await the end of the term hereof for the final determination of tenants account. Any balance remaining however, after full payment and liquidation of landlord's account as aforesaid shall be paid to tenant with the right reserved to landlord at any time to give notice in writing to tenant of landlord's election to cancel and terminate this lease and upon giving of such notice and the simultaneous payments by landlord to tenant of any credit balance in tenant's favor that may at the time be owing to tenant shall constitute a final and effective cancellation and termination of this lease and the obligations hereunder on the part of either party to the other.

d) Landlord may, at its option, while such default or violation of covenant or condition continues, and after ten (10) days notice of its intention so to do,

declare all the rent reserved for the full term of this lease remaining unpaid due and payable at once; and tenant does hereby empower any attorney of any court of record in the state of California or elsewhere to appear for it an waive the issuance and service of process and confess judgment against it for the whole or any part of said rent and thereafter to release all errors and warrant all rights of appeal and stay of execution. The initial exercise or use of this warrant of attorney shall not exhaust the same, but the same may be used and exercised without limitation as often as necessity for the use of the same arise. The exercise or use of this warrant of attorney shall not prevent landlord from subsequently terminating this lease, by giving notice to tenant of its election so to do and upon its tender to tenant of a sum equal to the amount, if any, paid by the tenant for rents accruing after the date of such termination.

e) In addition to the other rights granted to the landlord hereunder, landlord may, at its option, while such default or violations of covenants or condition continue(s), and after ten (10) days' notice of its intentions to do so, confess judgment for possession of the leased premise and tenant does hereby empower any attorney of any court to record in the commonwealth of California or elsewhere to appear for it and waive the issuance and service of process and confess a judgment in ejectment.

f) Also in addition to the other rights granted to landlord under this lease, tenant agrees that in the event that the amounts due landlord under this lease are collected are disputed by law or through an attorney at law through judicial action, the prevailing party is entitled to recovery of reasonable attorneys fees and costs. And judgment is entered in favor of landlord against tenant, whether by confession or otherwise, then tenant agrees to pay all costs of collection, including attorney's fees in the amount of ten percent (10%) of the judgment or five hundred dollars ($500.00), whichever is greater.

18. Right of Entry. Landlord or Landlord's agent shall have the right to enter the Leasehold Premises at all reasonable times to examine the same, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the rent reserved shall in now wise abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise.

19. Loss and Damage to Tenant's Property. The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to the Leasehold Premises or any part, or for any loss or damages resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any

damage or loss of property within the Leasehold Premises from any cause whatsoever.

20. Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the leased premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

21. Holding Over. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month (at twice the monthly minimum rental herein specified).

22. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Paragraph 11 herein.

23. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peacefully and quietly hold and enjoy the Leasehold Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

24. Waiver. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and signed by Landlord.

25. Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid and shall be addressed (a) if to Landlord, at the address first above stated, or at such other address as Landlord shall designate by written notice, (b) if to Tenant, to the leased premises or at such other address as Tenant shall designate by written notice, and shall be effective upon two business days from deposit with the U.S. Postal Service.

26. Captions and Section Numbers. The captions, section numbers, and article numbers, appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement Lease.

27. Recording. Tenant shall not record this Lease without the written consent of Landlord; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this Lease for the purpose of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leasehold Premises, the term of this Lease, and special provisions, and shall incorporate this Lease by reference.

28. Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leasehold Premises, the transferor shall be automatically relieved of any and, all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Paragraph 3 of this Lease upon assignment of the same to the transferee, provided that the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the ten transferee. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or hold of such deed of trust shall have actually received the security deposited hereunder.

29. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lessor amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or any payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to cover the balance of such rent or pursue any other remedy in this Lease provided.

30. This Lease shall be governed by and construed in accordance with the laws of California. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Entire Agreement. This Lease and the exhibits, if any, attached hereto and forming a part thereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises and there are not covenants, promises, agreements, conditions or understandings, either oral or written, between them other than herein set forth. No alterations, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

32. Property Tax. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to cooperate in order to obtain exemption determination from County Tax Assessor. Should any governmental taxing authority acting under any present or future law, ordinance or regulation, levy, assess or impose a tax, excise, assessment and/or any business and/or occupation taxes (other than income or franchise tax) upon or against the rentals payable by Tenant to Landlord, either by way of substitution or in addition to any existing tax on land and buildings or otherwise, Tenant shall be responsible for and shall pay such tax, excise, assessment, and any business and occupation taxes levied directly against the Tenant, or shall reimburse Landlord for the amount thereof, as the case may be, as additional rent, on or before the date that any fine, penalty or interest would be added thereto for non-payment. Tenant shall also pay its pro-rata share of any tax or charge levied in lieu of Real Estate taxes.

33. Indemnification. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

34. Heirs and Successors. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

Dora Obienu, CEO **Date**	**Edward Cabil, CEO** **Date**
OCI DEVELOPMENT CORPORATION	**WISDOM ACADEMY FOR YOUNG SCIENTISTS**
"LANDLORD"	**"TENANT"**

EXHIBIT K

Wisdom Academy for Young Scientists

Notice of Board of Directors Regular Board Meeting
Wednesday, August 27, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Regular Board Meeting
Wednesday, August 27, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted August 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____
6. Annette Ford _____/_____
7. Diana Miketta _____/_____

IV. **Approval of the Board Meeting Minutes** – June 12, 2014, July 23, 2014, July 30, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
b. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave CA 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates on purchase and lease terms

VIII. **Open Session**
a. **Closed Session Report**
b. Consider and approve Short Term Lease Agreements with OCI Development
   i. Board will consider and may take action on the Lease Agreements with OCI Development. 706 E Manchester LLC is currently in escrow with the property owners of 706 East Manchester Avenue, with intent to purchase the said property and adjoining parcels. The Merle Williamson Foundation may enter short-term rental agreements with OCI Development while escrow is pending. The lease will remain effective until escrow has closed and 706 E Manchester LLC obtains ownership of the property.

c. Consider and approve proposal for classroom laptops.
    i. Board will consider and may take action on the proposal from Mac-to-School. Mac-to-School is a retail computer store. WAYS received a purchase of 250 laptops from Mac-to-School. The total cost of the proposal exceeds the $10,000 threshold requiring board approval.
d. Consider and approve charter school new WAYS employment contract templates.
    i. Board will consider and may take action on the new employment contract templates. The WAYS employment contract template has been updated to reflect the current labor law compliance requirements.
e. Consider and approve removal of one or more Board Members
    i. Board will consider and may take action on the removal of one or more board members.
f. Consider and approve charter school consultant contract
    i. Board will consider and may take action on a contract with Celerity Global Development to assist with certain aspects of charter operations

ii. **X. Meeting Adjourned**

OCI Development Corporation
8200 Wilshire Blvd. Suite #200
Beverly Hills, California 90211
(310) 407-9931

TRIPLE NET COMMERCIAL LEASE 2014-15

This Lease Agreement ("Agreement") is entered into this 27th day of August 2014, by and between OCI Development Corporation, hereinafter referred to as the "Landlord, Wisdom Academy For Young Scientists, hereinafter referred to as the "Tenant".

WHEREAS, the Landlord is the owner of certain premises situated at 706 East Manchester (Building A), Los Angles, California 90001, in the County of Los Angeles and state of California hereinafter referred to as the "Leasehold Premises."

WHEREAS, the Tenant desires to rent and lease the Leasehold Premises from the Landlord, and the Landlord has agreed to lease the same to the Tenant upon the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the rents and covenants of the Tenant to be paid and kept as herein contained, the Landlord has agreed to lease unto the Tenant, and by this Agreement does hereby lease the Leasehold Premises unto the Tenant, and the Tenant hereby leases the Leasehold Premises from the Landlord, and the parties do covenant and agree as follows:

1. Term. This Lease shall be for a term of 1 year, between the hours 7:00 am to 7:00 pm, Monday – Friday, commencing on the 1st day of July 2014, and ending on the 30th day of June 2015.

2. Rent. Tenant shall pay to Landlord, without demand or deduction, at its offices or such other places as Landlord may from time to time direct in writing, the monthly lease amount as follows:

Tenant shall pay a monthly rental of One Dollar (1.00) on the 1st day of July, 2014 and a like sum on the first day of each and every calendar month during the term hereof, and prorate for the fractional portion of any month, except that of the first day of the calendar month immediately following the commencement date, the Tenant shall also pay the Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this lease.

3. Security Deposit. Tenant shall further pay to Landlord, prior to any use or occupancy of the Leasehold Premises, a security deposit in the sum of Thirteen Thousand Fifty ($13,505.75), to be held as security for any damages to the Leasehold Premises, or as payment, in whole or part, for any costs or expenses incurred by the Landlord resulting from the failure of Tenant to surrender the premises in the condition described in Paragraph 6 herein. Unless withheld by the Landlord, in whole or in part, by reason of any damage to the Leasehold Premises, the security deposit shall be returned to the Tenant within thirty (30) days after the termination of this Lease.

4. Utilities. During the term of this Lease, the Tenant shall be solely responsible for the payment of any and all utilities of the Leasehold Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. The Tenant shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Leasehold Premises.

5. Clean and Sanitary Condition. During the term of the Lease, the Tenant shall keep and maintain the Leasehold Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by the Tenant in facilities specifically for garbage collection. Tenant shall be responsible for placing the garbage bins and/or containers and recycling container(s) at the curb for pick-up and to return the containers to their appropriate place. Tenants shall further comply with all local ordinances and regulations imposed by the City of Los Angeles relating to maintaining the Leasehold Premises in a clean and sanitary condition and relating to the collection of garbage and similar debris. Tenant shall be solely liable for any action and/or fines that may be brought by the City of Los Angeles, or any other enforcement agency, as a result of the Leasehold Premises not being kept in a clean and sanitary condition.

6. Maintenance. It shall be the Tenant's sole responsibility to keep and maintain the entire Leasehold Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. Tenant shall keep and maintain the Leasehold Premises in a clean, sanitary and safe condition, at all times during the term of the Lease, in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting the use of said premises. If Tenant refuses or neglects to maintain, commence and to complete repairs on the Leasehold Premises promptly and adequately, Landlord may, but shall not be required to do so, provide necessary maintenance and repairs, and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy herein, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted.

7. Liability Insurance. Tenant shall, during the entire term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leasehold Premises, in which the limits of public liability shall not be less than Five-Hundred Thousand Dollars ($500,000.00) for injury or death to one person in one accident, One Million Dollars ($1,000,000.00) for injury or death per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage per occurrence. The policy shall name Landlord, any other parties in interest designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Tenant shall provide Landlord with a certificate evidencing insurance at the commencement of occupancy and upon request. The insurance shall be with an insurance company approved by Landlord, and a copy of the paid-up policy evidencing such insurance or a certificate of the insurer certifying the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's Work and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

8. Personal Property Insurance. Tenant agrees to carry, at its sole expense, insurance against all risks of physical loss, insuring Tenant's fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Leasehold Premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage.

9. Property Insurance. Tenant agrees to pay property insurance on the Leasehold Premises.

10. Subordination. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any mortgages or deeds of trust that may hereafter be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognized the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election, and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

11. Assignment and Subletting. Tenant agrees not to assign or in any manner transfer this Lease or any estate or interest therein by operation of law or otherwise without prior written consent of Landlord, and not to sublet the leased premises or any part(s) thereof or allow anyone to come in with, through or under

it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the leased premises or the collection of rent by Landlord from any assignee or sub-lessee shall not operate to exhaust Landlord's rights under this Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease.

12. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste upon the Leasehold Premises, and Tenant shall not place a load upon any floor of the Leasehold premises that exceeds the floor load per square foot area which such floor is designed to carry, if Landlord provides design or architectural information describing maximum load limitations. Tenant shall not use or permit the use of any medium that might constitute a nuisance.

13. Reconstruction of Damaged Premises. In the event the Leasehold Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, then the damage to the Leasehold Premises shall be promptly repaid, unless Landlord shall elect not to rebuild as hereinafter provided, and the fixed minimum rental and other charges shall be abated in proportion to the amount of the Leasehold Premises rendered untenantable. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or personal property. If more than Twenty-five percent (25%) of the leased premises or of floor area of the building in which the leased premises are located shall be damaged or destroyed by fire or other casualty, then Landlord may either elect that the Leasehold Premises be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

14. Total Condemnation of Leased Premises. If the whole of the Leasehold Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the day of the taking.

15. Partial Condemnation. If less than the whole but more than Twenty-five percent (25%) of the Leasehold Premises shall be taken under eminent domain, Landlord shall have the right either to terminate this Lease and declare the same null and void, or to restore the remaining portion of the leased premises or the building to a complete architectural unit. In the event Landlord elects to restore, all of the terms herein provided shall continue in effect, except the fixed annual rental shall be reduced in proportion to the amount of the leased premise taken.

If Twenty-five percent (25%) or less of the Leasehold Premises shall be so taken, the lease term shall cease only as to the part so taken s of the day possession shall be taken by such public authority, and Tenant shall pay rent up to that date, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter the fixed minimum annual rental shall be reduced in proportion to the amount of the leased premises taken. In such event, or in the event that Twenty-five percent (25%) or less of the Leasehold Premises shall be taken, Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, originally installed by Landlord, so as to constitute the remaining leased premises a complete architectural unit.

16. Landlord's and Tenant's Damages. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or the fee of the premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to the ward made for depreciation to, and cost of removal of Tenant's stock and fixtures.

17. Default. All rights and remedies of landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law. Tenant the parties covenants and agrees that if a default occurs when:

a) Tenant shall fail, neglect or refuse to pay any installment of all rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, and if any such default should continue for a period of more than ten (10) days;

b) Tenant shall abandon or vacate the leasehold premises or fail to keep the leased premises continuously and uninterruptedly open for business each business day or shall fail, neglect or refuse to keep and perform any of the other material covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than ten (10) days after notice thereof given in writing to tenant by landlord provided however that if the cause for giving such notice involves the making of repairs or other matters reasonable requiring a longer period of time that the period of such notice. Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken proper steps or proceeding under the circumstances to prevent the seizure, destruction, alteration or other interference with said leased premises by reason on non-compliance with the requirements of any law or ordinance or with the rules, regulations, or

directions of any governmental authority as the case may be; then the tenant does hereby authorize and fully empower said landlord or landlord's agent to terminate this lease at once and to re-enter and take possession of said premises immediately on the day following the final day of the tenant's school year, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their property, and to use such force and assists in effecting and perfecting such removal of said tenant as may be necessary and advisable to recover at once first and exclusive possession of all said leased premises whether in possession of said tenant or of third persons or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies with might otherwise be used by landlord, in which event this lease shall terminate and tenant shall indemnify the landlord against all unavoidable loss of rent which landlord may incur by reason of such termination during the residue of the term herein specified.

c) The landlord may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by tenant for the full term of this lease. In such event landlord shall have the right, but not the obligation, to divide or subdivide the leasehold premises in any manner landlord may determine and to lease or let the same or portions hereof for such period of time and at such rentals and for such use and upon such covenants and conditions as landlord may elect, applying the net rentals from such letting first to the payment of landlord's expenses incurred is dispossessing tenant and the cost and expense of making such improvements in the leasehold premises as may be necessary in order to enable landlord to re-let the same, and to the payment of brokerage commissions or other necessary expenses of landlord in connection with such re-letting. The balance, if any, shall be applied by landlord from time to time on account of the payments due or payable by tenant hereunder, with the right reserved to landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as landlord may deem favorable from time to time, without being obligated to await the end of the term hereof for the final determination of tenants account. Any balance remaining however, after full payment and liquidation of landlord's account as aforesaid shall be paid to tenant with the right reserved to landlord at any time to give notice in writing to tenant of landlord's election to cancel and terminate this lease and upon giving of such notice and the simultaneous payments by landlord to tenant of any credit balance in tenant's favor that may at the time be owing to tenant shall constitute a final and effective cancellation and termination of this lease and the obligations hereunder on the part of either party to the other.

d) Landlord may, at its option, while such default or violation of covenant or condition continues, and after ten (10) days notice of its intention so to do,

declare all the rent reserved for the full term of this lease remaining unpaid due and payable at once; and tenant does hereby empower any attorney of any court of record in the state of California or elsewhere to appear for it an waive the issuance and service of process and confess judgment against it for the whole or any part of said rent and thereafter to release all errors and warrant all rights of appeal and stay of execution. The initial exercise or use of this warrant of attorney shall not exhaust the same, but the same may be used and exercised without limitation as often as necessity for the use of the same arise. The exercise or use of this warrant of attorney shall not prevent landlord from subsequently terminating this lease, by giving notice to tenant of its election so to do and upon its tender to tenant of a sum equal to the amount, if any, paid by the tenant for rents accruing after the date of such termination.

e) In addition to the other rights granted to the landlord hereunder, landlord may, at its option, while such default or violations of covenants or condition continue(s), and after ten (10) days' notice of its intentions to do so, confess judgment for possession of the leased premise and tenant does hereby empower any attorney of any court to record in the commonwealth of California or elsewhere to appear for it and waive the issuance and service of process and confess a judgment in ejectment.

f) Also in addition to the other rights granted to landlord under this lease, tenant agrees that in the event that the amounts due landlord under this lease are collected are disputed by law or through an attorney at law through judicial action, the prevailing party is entitled to recovery of reasonable attorneys fees and costs. And judgment is entered in favor of landlord against tenant, whether by confession or otherwise, then tenant agrees to pay all costs of collection, including attorney's fees in the amount of ten percent (10%) of the judgment or five hundred dollars ($500.00), whichever is greater.

18. Right of Entry. Landlord or Landlord's agent shall have the right to enter the Leasehold Premises at all reasonable times to examine the same, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the rent reserved shall in now wise abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise.

19. Loss and Damage to Tenant's Property. The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to the Leasehold Premises or any part, or for any loss or damages resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any

damage or loss of property within the Leasehold Premises from any cause whatsoever.

20. Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the leased premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

21. Holding Over. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month (at twice the monthly minimum rental herein specified).

22. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Paragraph 11 herein.

23. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peacefully and quietly hold and enjoy the Leasehold Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

24. Waiver. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and signed by Landlord.

25. Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid and shall be addressed (a) if to Landlord, at the address first above stated, or at such other address as Landlord shall designate by written notice, (b) if to Tenant, to the leased premises or at such other address as Tenant shall designate by written notice, and shall be effective upon two business days from deposit with the U.S. Postal Service.

26. Captions and Section Numbers. The captions, section numbers, and article numbers, appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement Lease.

27. Recording. Tenant shall not record this Lease without the written consent of Landlord; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this Lease for the purpose of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leasehold Premises, the term of this Lease, and special provisions, and shall incorporate this Lease by reference.

28. Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leasehold Premises, the transferor shall be automatically relieved of any and, all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Paragraph 3 of this Lease upon assignment of the same to the transferee, provided that the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the ten transferee. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or hold of such deed of trust shall have actually received the security deposited hereunder.

29. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lessor amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or any payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to cover the balance of such rent or pursue any other remedy in this Lease provided.

30. This Lease shall be governed by and construed in accordance with the laws of California. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Entire Agreement. This Lease and the exhibits, if any, attached hereto and forming a part thereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises and there are not covenants, promises, agreements, conditions or understandings, either oral or written, between them other than herein set forth. No alterations, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

32. Property Tax. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to cooperate in order to obtain exemption determination from County Tax Assessor. Should any governmental taxing authority acting under any present or future law, ordinance or regulation, levy, assess or impose a tax, excise, assessment and/or any business and/or occupation taxes (other than income or franchise tax) upon or against the rentals payable by Tenant to Landlord, either by way of substitution or in addition to any existing tax on land and buildings or otherwise, Tenant shall be responsible for and shall pay such tax, excise, assessment, and any business and occupation taxes levied directly against the Tenant, or shall reimburse Landlord for the amount thereof, as the case may be, as additional rent, on or before the date that any fine, penalty or interest would be added thereto for non-payment. Tenant shall also pay its pro-rata share of any tax or charge levied in lieu of Real Estate taxes.

33. Indemnification. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

34. Heirs and Successors. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

Dora Obienu, CEO Date	Edward Cabil, CEO Date
OCI DEVELOPMENT CORPORATION	WISDOM ACADEMY FOR YOUNG SCIENTISTS
"LANDLORD"	"TENANT"

OCI Development Corporation
8200 Wilshire Blvd. Suite #200
Beverly Hills, California 90211
(310) 407-9931

TRIPLE NET COMMERCIAL LEASE 2014-15

This Lease Agreement ("Agreement") is entered into this 27th day of August 2014, by and between OCI Development Corporation, hereinafter referred to as the "Landlord, Wisdom Academy For Young Scientists, hereinafter referred to as the "Tenant".

WHEREAS, the Landlord is the owner of certain premises situated at 706 East Manchester (Buildings B,C,D,E), Los Angles, California 90001, in the County of Los Angeles and state of California hereinafter referred to as the "Leasehold Premises."

WHEREAS, the Tenant desires to rent and lease the Leasehold Premises from the Landlord, and the Landlord has agreed to lease the same to the Tenant upon the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, and in consideration of the rents and covenants of the Tenant to be paid and kept as herein contained, the Landlord has agreed to lease unto the Tenant, and by this Agreement does hereby lease the Leasehold Premises unto the Tenant, and the Tenant hereby leases the Leasehold Premises from the Landlord, and the parties do covenant and agree as follows:

1. Term. This Lease shall be for a term of 1 year, between the hours 7:00 am to 7:00 pm, Monday – Friday, commencing on the 1st day of July 2014, and ending on the 30th day of June 2015.

2. Rent. Tenant shall pay to Landlord, without demand or deduction, at its offices or such other places as Landlord may from time to time direct in writing, the monthly lease amount as follows:

Tenant shall pay a monthly rental of Fourteen Thousand Four Hundred and Sixty Seven Dollars ($14,467.69) on the 1st day of July, 2014 and a like sum on the first day of each and every calendar month during the term hereof, and prorate for the fractional portion of any month, except that of the first day of the calendar month immediately following the commencement date, the Tenant shall also pay the Landlord rent at the said rate for any portion of the preceding calendar month included in the term of this lease.

3. Security Deposit. Tenant shall further pay to Landlord, prior to any use or occupancy of the Leasehold Premises, a security deposit in the sum of Thirteen Thousand Fifty ($13,505.75), to be held as security for any damages to the Leasehold Premises, or as payment, in whole or part, for any costs or expenses incurred by the Landlord resulting from the failure of Tenant to surrender the premises in the condition described in Paragraph 6 herein. Unless withheld by the Landlord, in whole or in part, by reason of any damage to the Leasehold Premises, the security deposit shall be returned to the Tenant within thirty (30) days after the termination of this Lease.

4. Utilities. During the term of this Lease, the Tenant shall be solely responsible for the payment of any and all utilities of the Leasehold Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. The Tenant shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Leasehold Premises.

5. Clean and Sanitary Condition. During the term of the Lease, the Tenant shall keep and maintain the Leasehold Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by the Tenant in facilities specifically for garbage collection. Tenant shall be responsible for placing the garbage bins and/or containers and recycling container(s) at the curb for pick-up and to return the containers to their appropriate place. Tenants shall further comply with all local ordinances and regulations imposed by the City of Los Angeles relating to maintaining the Leasehold Premises in a clean and sanitary condition and relating to the collection of garbage and similar debris. Tenant shall be solely liable for any action and/or fines that may be brought by the City of Los Angeles, or any other enforcement agency, as a result of the Leasehold Premises not being kept in a clean and sanitary condition.

6. Maintenance. It shall be the Tenant's sole responsibility to keep and maintain the entire Leasehold Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. Tenant shall keep and maintain the Leasehold Premises in a clean, sanitary and safe condition, at all times during the term of the Lease, in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting the use of said premises. If Tenant refuses or neglects to maintain, commence and to complete repairs on the Leasehold Premises promptly and adequately, Landlord may, but shall not be required to do so, provide necessary maintenance and repairs, and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy herein, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted.

7. Liability Insurance. Tenant shall, during the entire term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leasehold Premises, in which the limits of public liability shall not be less than Five-Hundred Thousand Dollars ($500,000.00) for injury or death to one person in one accident, One Million Dollars ($1,000,000.00) for injury or death per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage per occurrence. The policy shall name Landlord, any other parties in interest designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Tenant shall provide Landlord with a certificate evidencing insurance at the commencement of occupancy and upon request. The insurance shall be with an insurance company approved by Landlord, and a copy of the paid-up policy evidencing such insurance or a certificate of the insurer certifying the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's Work and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

8. Personal Property Insurance. Tenant agrees to carry, at its sole expense, insurance against all risks of physical loss, insuring Tenant's fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Leasehold Premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage.

9. Property Insurance. Tenant agrees to pay property insurance on the Leasehold Premises.

10. Subordination. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any mortgages or deeds of trust that may hereafter be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognized the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election, and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

11. Assignment and Subletting. Tenant agrees not to assign or in any manner transfer this Lease or any estate or interest therein by operation of law or otherwise without prior written consent of Landlord, and not to sublet the leased premises or any part(s) thereof or allow anyone to come in with, through or under

it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the leased premises or the collection of rent by Landlord from any assignee or sub-lessee shall not operate to exhaust Landlord's rights under this Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease.

12. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste upon the Leasehold Premises, and Tenant shall not place a load upon any floor of the Leasehold premises that exceeds the floor load per square foot area which such floor is designed to carry, if Landlord provides design or architectural information describing maximum load limitations. Tenant shall not use or permit the use of any medium that might constitute a nuisance.

13. Reconstruction of Damaged Premises. In the event the Leasehold Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, then the damage to the Leasehold Premises shall be promptly repaid, unless Landlord shall elect not to rebuild as hereinafter provided, and the fixed minimum rental and other charges shall be abated in proportion to the amount of the Leasehold Premises rendered untenantable. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or personal property. If more than Twenty-five percent (25%) of the leased premises or of floor area of the building in which the leased premises are located shall be damaged or destroyed by fire or other casualty, then Landlord may either elect that the Leasehold Premises be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

14. Total Condemnation of Leased Premises. If the whole of the Leasehold Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the day of the taking.

15. Partial Condemnation. If less than the whole but more than Twenty-five percent (25%) of the Leasehold Premises shall be taken under eminent domain, Landlord shall have the right either to terminate this Lease and declare the same null and void, or to restore the remaining portion of the leased premises or the building to a complete architectural unit. In the event Landlord elects to restore, all of the terms herein provided shall continue in effect, except the fixed annual rental shall be reduced in proportion to the amount of the leased premise taken.

If Twenty-five percent (25%) or less of the Leasehold Premises shall be so taken, the lease term shall cease only as to the part so taken s of the day possession shall be taken by such public authority, and Tenant shall pay rent up to that date, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter the fixed minimum annual rental shall be reduced in proportion to the amount of the leased premises taken. In such event, or in the event that Twenty-five percent (25%) or less of the Leasehold Premises shall be taken, Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, originally installed by Landlord, so as to constitute the remaining leased premises a complete architectural unit.

16. Landlord's and Tenant's Damages. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or the fee of the premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to the ward made for depreciation to, and cost of removal of Tenant's stock and fixtures.

17. Default. All rights and remedies of landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law. Tenant the parties covenants and agrees that if a default occurs when:

a) Tenant shall fail, neglect or refuse to pay any installment of all rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, and if any such default should continue for a period of more than ten (10) days;

b) Tenant shall abandon or vacate the leasehold premises or fail to keep the leased premises continuously and uninterruptedly open for business each business day or shall fail, neglect or refuse to keep and perform any of the other material covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than ten (10) days after notice thereof given in writing to tenant by landlord provided however that if the cause for giving such notice involves the making of repairs or other matters reasonable requiring a longer period of time that the period of such notice. Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken proper steps or proceeding under the circumstances to prevent the seizure, destruction, alteration or other interference with said leased premises by reason on non-compliance with the requirements of any law or ordinance or with the rules, regulations, or

directions of any governmental authority as the case may be; then the tenant does hereby authorize and fully empower said landlord or landlord's agent to terminate this lease at once and to re-enter and take possession of said premises immediately on the day following the final day of the tenant's school year, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their property, and to use such force and assists in effecting and perfecting such removal of said tenant as may be necessary and advisable to recover at once first and exclusive possession of all said leased premises whether in possession of said tenant or of third persons or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies with might otherwise be used by landlord, in which event this lease shall terminate and tenant shall indemnify the landlord against all unavoidable loss of rent which landlord may incur by reason of such termination during the residue of the term herein specified.

c) The landlord may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by tenant for the full term of this lease. In such event landlord shall have the right, but not the obligation, to divide or subdivide the leasehold premises in any manner landlord may determine and to lease or let the same or portions hereof for such period of time and at such rentals and for such use and upon such covenants and conditions as landlord may elect, applying the net rentals from such letting first to the payment of landlord's expenses incurred is dispossessing tenant and the cost and expense of making such improvements in the leasehold premises as may be necessary in order to enable landlord to re-let the same, and to the payment of brokerage commissions or other necessary expenses of landlord in connection with such re-letting. The balance, if any, shall be applied by landlord from time to time on account of the payments due or payable by tenant hereunder, with the right reserved to landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as landlord may deem favorable from time to time, without being obligated to await the end of the term hereof for the final determination of tenants account. Any balance remaining however, after full payment and liquidation of landlord's account as aforesaid shall be paid to tenant with the right reserved to landlord at any time to give notice in writing to tenant of landlord's election to cancel and terminate this lease and upon giving of such notice and the simultaneous payments by landlord to tenant of any credit balance in tenant's favor that may at the time be owing to tenant shall constitute a final and effective cancellation and termination of this lease and the obligations hereunder on the part of either party to the other.

d) Landlord may, at its option, while such default or violation of covenant or condition continues, and after ten (10) days notice of its intention so to do,

declare all the rent reserved for the full term of this lease remaining unpaid due and payable at once; and tenant does hereby empower any attorney of any court of record in the state of California or elsewhere to appear for it an waive the issuance and service of process and confess judgment against it for the whole or any part of said rent and thereafter to release all errors and warrant all rights of appeal and stay of execution. The initial exercise or use of this warrant of attorney shall not exhaust the same, but the same may be used and exercised without limitation as often as necessity for the use of the same arise. The exercise or use of this warrant of attorney shall not prevent landlord from subsequently terminating this lease, by giving notice to tenant of its election so to do and upon its tender to tenant of a sum equal to the amount, if any, paid by the tenant for rents accruing after the date of such termination.

e) In addition to the other rights granted to the landlord hereunder, landlord may, at its option, while such default or violations of covenants or condition continue(s), and after ten (10) days' notice of its intentions to do so, confess judgment for possession of the leased premise and tenant does hereby empower any attorney of any court to record in the commonwealth of California or elsewhere to appear for it and waive the issuance and service of process and confess a judgment in ejectment.

f) Also in addition to the other rights granted to landlord under this lease, tenant agrees that in the event that the amounts due landlord under this lease are collected are disputed by law or through an attorney at law through judicial action, the prevailing party is entitled to recovery of reasonable attorneys fees and costs. And judgment is entered in favor of landlord against tenant, whether by confession or otherwise, then tenant agrees to pay all costs of collection, including attorney's fees in the amount of ten percent (10%) of the judgment or five hundred dollars ($500.00), whichever is greater.

18. Right of Entry. Landlord or Landlord's agent shall have the right to enter the Leasehold Premises at all reasonable times to examine the same, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the rent reserved shall in now wise abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise.

19. Loss and Damage to Tenant's Property. The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to the Leasehold Premises or any part, or for any loss or damages resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any

damage or loss of property within the Leasehold Premises from any cause whatsoever.

20. Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the leased premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

21. Holding Over. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month (at twice the monthly minimum rental herein specified).

22. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Paragraph 11 herein.

23. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peacefully and quietly hold and enjoy the Leasehold Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

24. Waiver. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and signed by Landlord.

25. Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid and shall be addressed (a) if to Landlord, at the address first above stated, or at such other address as Landlord shall designate by written notice, (b) if to Tenant, to the leased premises or at such other address as Tenant shall designate by written notice, and shall be effective upon two business days from deposit with the U.S. Postal Service.

26. Captions and Section Numbers. The captions, section numbers, and article numbers, appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement Lease.

27. Recording. Tenant shall not record this Lease without the written consent of Landlord; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this Lease for the purpose of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leasehold Premises, the term of this Lease, and special provisions, and shall incorporate this Lease by reference.

28. Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leasehold Premises, the transferor shall be automatically relieved of any and, all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Paragraph 3 of this Lease upon assignment of the same to the transferee, provided that the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the ten transferee. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or hold of such deed of trust shall have actually received the security deposited hereunder.

29. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lessor amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or any payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to cover the balance of such rent or pursue any other remedy in this Lease provided.

30. This Lease shall be governed by and construed in accordance with the laws of California. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Entire Agreement. This Lease and the exhibits, if any, attached hereto and forming a part thereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises and there are not covenants, promises, agreements, conditions or understandings, either oral or written, between them other than herein set forth. No alterations, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

32. Property Tax. Tenant is exempt for property tax assessment pursuant to Revenue and Taxation Code section 202(a)(3). Tenant and Landlord agree to cooperate in order to obtain exemption determination from County Tax Assessor. Should any governmental taxing authority acting under any present or future law, ordinance or regulation, levy, assess or impose a tax, excise, assessment and/or any business and/or occupation taxes (other than income or franchise tax) upon or against the rentals payable by Tenant to Landlord, either by way of substitution or in addition to any existing tax on land and buildings or otherwise, Tenant shall be responsible for and shall pay such tax, excise, assessment, and any business and occupation taxes levied directly against the Tenant, or shall reimburse Landlord for the amount thereof, as the case may be, as additional rent, on or before the date that any fine, penalty or interest would be added thereto for non-payment. Tenant shall also pay its pro-rata share of any tax or charge levied in lieu of Real Estate taxes.

33. Indemnification. Tenant agrees to defend, indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Tenant in or about the Premises, and will further defend, indemnify and save the Landlord harmless against and from any and all claims arising from any breach or default on Tenant's part in the performance of any covenant or agreement on Tenant's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Tenant, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Landlord by reason of any such claim, Tenant upon notice from the Landlord covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord.

Landlord agrees to defend, indemnify and save harmless Tenant against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Landlord's use of the Premises or the conduct of its business or from any activity, work or thing done, omitted, permitted or suffered by Landlord in or about the Premises, and will further defend, indemnify and save the Tenant harmless against and from any and all claims arising from any breach or default on Landlord's part in the performance of any covenant or agreement on Landlord's part to be performed, pursuant to the terms of this Lease, or arising from any act or negligence of Landlord, and from and against all costs, counsel fees, experts fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; and in case any action or proceeding to be brought against Tenant by reason of any such claim, Landlord upon notice from the Tenant covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant.

34. Heirs and Successors. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

Dora Obienu, CEO Date	Edward Cabil, CEO Date
OCI DEVELOPMENT CORPORATION	WISDOM ACADEMY FOR YOUNG SCIENTISTS
"LANDLORD"	"TENANT"

EXHIBIT L

LEASE AGREEMENT

This Lease Agreement (this "**Lease**"), dated for reference purposes only as of July 9, 2014 is made by and between 706 E. Manchester, LLC, a California limited liability company ("**Landlord**"), and Merle Williamson Foundation, a California nonprofit public benefit corporation ("**Tenant**"), with reference to the recitals set forth below.

RECITALS

A. Landlord is the owner of (or has entered into a contract to acquire fee ownership of) that certain real property, together with all the improvements now or subsequently located thereon and all easements, rights, privileges and appurtenances thereunto belonging, including seven commercial buildings located at 660, 702, 704, 706, and 710 E. Manchester Ave., Los Angeles, California (the real property and any such improvements and appurtenances to be referred to herein collectively as the "**Premises**"). The legal description of the real property is attached hereto and incorporated herein as **Exhibit "A"**, and the Premises shall be primarily identified with the address 706 E. Manchester Ave., Los Angeles, California.

B. Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord pursuant to the provisions of this Lease.

1. PREMISES

1.1 Demising

Landlord hereby leases the Premises to Tenant, and Tenant hereby rents the Premises from Landlord, subject to the terms and conditions herein. Such lease is upon, and subject to, the terms, covenants and conditions herein set forth, and each party covenants, as a material part of the consideration for this Lease, to keep and perform their respective obligations under this Lease.

1.2 As-Is

Upon the Commencement Date (as defined below), Tenant will accept the Premises in its current "as-is" condition, with no representation or warranty by Landlord regarding the condition of the Premises.

2. TERM

2.1 Term

This Lease shall be effective (the "**Effective Date**") as of the date of full execution and delivery of same by Landlord and Tenant. The "**Commencement Date**" shall be the later of (i) the Effective Date, or (ii) the date upon which Landlord acquires fee title to the Premises. The expiration date of the initial term (the "**Term**") shall be the last day of the month Twenty (20) Lease Years (as defined below) following the Commencement Date. For the purposes of this Lease, the term "**Lease Year**" shall mean the first twelve (12) full calendar months after the "commencement date" and each subsequent twelve (12) month period thereafter during the

Term. If the Commencement Date is other than the first day of the month, then the first Lease Year also will include the partial month in which the Commencement Date occurs.

2.2 Surrender of Premises; Tenancy at Will

On the expiration or earlier termination of this Lease, Tenant shall quit and surrender the Premises, together with all alterations, vacant and free of all tenancies and any leasehold rights therein and in good condition and repair, normal wear and tear and depreciation arising from lapse of time without fault or liability of Tenant, including without limitation damage by fire or other casualty as well as condemnation excepted. Tenant shall remove all Tenant's equipment (excluding telecommunications wiring and cabling), trade fixtures, furniture, supplies, wall decorations and other personal property from the Premises. Tenant shall surrender all keys for the Premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations of locks, safes and vaults, if any, in the Premises. If Tenant does not do so, then after expiration of this Lease, it will be a tenancy at will upon the applicable conditions of this Lease. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

3. BASE MONTHLY RENT

3.1 Net-Net-Net Lease

This is a net-net-net lease. Except as otherwise specifically set forth in this Lease, it is the intention of Landlord and Tenant that the "**Base Monthly Rent**" and all other sums and charges provided herein shall be absolutely net to Landlord, and that Tenant shall pay, as additional rent, all costs, charges, obligations, assessments, and expenses of every kind and nature against or relating to the Premises or the use, occupancy, area, possession, leasing, operation, management, maintenance or repair thereof, which may arise or become due during the term hereof, or which may pertain to this transaction, whether or not now customary or within the contemplation of the parties hereto, and which, except for the execution and delivery of this Lease, would have been payable by Landlord.

3.2 Base Monthly Rent

Tenant shall pay to Landlord as base monthly rent ("**Base Monthly Rent**") as set forth below. Base Monthly Rent shall be payable by Tenant to Landlord in advance in equal monthly installments commencing upon the Commencement Date and on the first day of each calendar month thereafter, without prior notice, invoice, demand, deduction, or offset whatsoever. Tenant has pre-paid a portion of Base Monthly Rent in the amount of $507,000, which shall be credited toward monthly rent during the first sixty (60) monthly installments, in the amount of $8,540.00 per month. Landlord shall have the right to accept all rent and other payments, whether full or partial, and to negotiate checks and payments thereof without any waiver of rights, irrespective of any conditions to the contrary sought to be imposed by Tenant. All rent shall be paid to Landlord at the address to which notices to Landlord are given. Base Monthly Rent for any partial month shall be prorated based upon a thirty (30) day month. Any amounts payable to by Tenant to Landlord under this Lease other than Base Monthly Rent shall be designated as "**Additional Rent**".

Lease Year	Monthly Rent
Commencement Date to July 31, 2014	No Rent (paid to prior owner)
August 1, 2014, through July 31, 2015	$13,872.00 (less pre-paid credit of $8,450 = $5,422.00)
August 1, 2015, through July 31, 2016	$13,872.00 (less pre-paid credit of $8,450 = $5,422.00)
August 1, 2016, through July 31, 2017	$13,872.00 (less pre-paid credit of $8,450 = $5,422.00)
August 1, 2017, through July 31, 2018	$13,872.00 (less pre-paid credit of $8,450 = $5,422.00)
August 1, 2018, through July 31, 2019	$13,872.00 (less pre-paid credit of $8,450 = $5,422.00)
Remainder of Term	$5,422.00

4. USE OF THE PREMISES; COMPLIANCE

4.1 Use of the Premises

Tenant shall use the Premises for the operation of a school and related uses, and related and general office purposes, and for such uses as may be compatible with that use, Monday through Friday between the hours of 7:00 a.m. and 7:00 p.m. Notwithstanding any provision in this Lease to the contrary, it is expressly acknowledged by Landlord that this Lease contains no implied or express covenant for Tenant to conduct business in the Premises, continuously or otherwise, or to operate during any particular hours or in any particular manner.

4.2 Compliance

As of the Commencement Date, Landlord represents that the Premises comply in all material respects with all applicable statutes, ordinances, rules, regulations, orders, covenants, restrictions of record, and requirements in effect which regulate the use of the Premises, including without limitation, the Americans with Disabilities Act. Subject to Landlord's representation, Tenant, at Tenant's sole expense, promptly shall comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term or any part of the term hereof, regulating the use by Tenant of the Premises, including without limitation all applicable requirements contained in the applicable charter granted by its authorizer, from time to time and applicable State of California regulations.

5. PROPERTY TAXES, OTHER CHARGES, ASSESSMENTS AND UTILITIES

5.1 Tenant's Required Payments

Tenant shall, commencing on the Commencement Date, (i) pay before the date of delinquency and as additional rent, all "**Property Taxes**" (as defined in Section 5.1.1) and

"**Other Charges**" (as defined in Section 5.1.2) that accrue during or are otherwise allocable to the term of this Lease; and (ii) concurrently provide Landlord with evidence of payment thereof. Property taxes and Other Charges together are referred to herein as "**Taxes**"; provided that Landlord shall cooperate fully in assisting Tenant in obtaining any applicable exemptions from Property Taxes, and shall timely file applications for exemption from Property Taxes per Revenue & Taxation Code § 202.2 and other applicable provisions of law. Landlord and Tenant anticipate that because Tenant will be occupying the Premises for public school purposes, Tenant shall be entitled to an exemption from Property Taxes and a pass-through of any Property Taxes refunded or cancelled as a result of Tenant's occupancy pursuant to Revenue & Taxation Code § 202.2.

5.1.1 "**Property Taxes**" shall mean all taxes, assessments, excises, levies, fees, and charges (and any tax, assessment, excise, levy, fee, or charge levied wholly or partly in lieu thereof or as a substitute therefor or as an addition thereto) of every kind and description, general or special, ordinary or extraordinary, foreseen or unforeseen, secured or unsecured, whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed, or imposed on or against, or otherwise with respect to, the Premises or any part thereof or any personal property used in connection with the Premises. It is the intention of Landlord and Tenant that all new and increased taxes, assessments, levies, fees and charges be included within the definition of Property Taxes for the purpose of this Lease.

5.1.2 "**Other Charges**" shall mean all taxes, assessments, excises, levies, fees, and charges (including common area maintenance charges, charges relating to the cost of providing facilities or services), whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed, or imposed upon, or measured by, or reasonably attributable to (a) the Premises; (b) the cost or value of Tenant's furniture, fixtures, equipment, or personal property located in the Premises or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, regardless of whether title to such improvements is vested in Tenant or Landlord; (c) Base Monthly Rent and additional rent payable under the Lease, including, if applicable, Property Taxes, Other Charges, insurance, maintenance, and other costs incurred by Tenant by which Landlord may benefit, including sales and use tax, but excluding any gross income tax or excise tax levied by any public or government authority with respect to the receipt of any such rents and costs; and (d) the possession, leasing, operation, management, maintenance, alteration, repair, use, or occupancy by Tenant of the Premises.

5.2 Payments Not Required by Tenant

Tenant shall not be required to pay (i) any state or federal income or franchise taxes of Landlord, or (ii) any state or federal estate, succession, inheritance, or transfer taxes of Landlord.

5.3 Assessments

If any assessment for a capital improvement made by a public or governmental authority shall be levied or assessed against the Premises, and the assessment is payable either in a lump sum or on an installment basis, then Tenant shall have the right to elect the basis of payment; provided, however, throughout the entire term of this Lease, Tenant shall only pay those assessments (or portions thereof) that accrue during or are otherwise equitably allocable to the term of this Lease.

5.4 Utility Payments

Tenant shall promptly pay when due all charges for water, gas, electricity, and all other utilities furnished to or used upon the Premises, including all charges for installation, termination, and relocations of such service. Landlord, at its option, may require Tenant to furnish Landlord with evidence of payment of such charges.

5.5 Tax Period and Adjustment of Taxes

Subject to Section 5.1 and applicable provisions of the Revenue & Taxation Code providing for cancellation of Property Taxes paid, for the purpose of this Lease, the calculation of Taxes payable by Tenant for any particular Lease Year shall be based upon the Taxes actually due and payable in accordance with applicable law during such Lease Year even though such Taxes may relate to a different period of time (such as the taxing authority's fiscal year). [For example, if Taxes are payable on or before September 30 of each year with respect to the fiscal period beginning on the immediately preceding July 1 and ending on the immediately succeeding June 30, then, for all purposes of this Lease, Taxes for Lease Year "X" refers to the Taxes due and payable on September 30 of such Lease Year even though the same may relate in part to both such Lease Year and the succeeding Lease Year.] The parties hereby understand that, notwithstanding the foregoing, Taxes payable by Tenant in accordance with the terms of this Lease shall be appropriately adjusted for any partial Lease Year.

6. FURNITURE, FIXTURES AND EQUIPMENT

6.1 Furniture, Fixtures, and Equipment

During the term Tenant may, at Tenant's expense, place or install such furniture, trade fixtures, equipment, machinery, furnishings, face plates of signage and other articles of movable personal property (collectively, "**Tenant's Personal Property**") on the Premises as may be needed for the conduct of Tenant's business.

6.2 Landlord's Lien Waiver

Landlord acknowledges Tenant's right to finance and to secure under the Uniform Commercial Code, inventory, furnishings, furniture, equipment, machinery, leasehold improvements and other personal property located in or at the Premises, and Landlord agrees to execute waiver forms releasing liens in favor of any purchase money seller, lessor or lender who has financed or may finance in the future such items. Without limiting the effectiveness of the foregoing, provided that no default shall have occurred and be continuing, Landlord shall, upon the request of Tenant, and at the Tenant's sole cost and expense, execute and deliver any instruments necessary or appropriate, in a form reasonably acceptable to Landlord, to confirm

any such grant, release, dedication, transfer, annexation or amendment to any person or entity permitted under this paragraph including landlord waivers with respect to any of the foregoing.

6.3 Removal of Tenant's Personal Property at Expiration of Lease

At the expiration of the lease, Landlord may require Tenant's Personal Property to be removed within a reasonable time following receipt of written notice from Landlord. Tenant immediately shall make such repairs and restoration of the Premises as may be necessary to repair any damage to the Premises from the removal of Tenant's Personal Property, provided that Landlord does not intend to demolish the Premises at the expiration or termination of this Lease. Any of Tenant's Personal Property not so removed shall be deemed abandoned, and Landlord may cause such property to be removed from the Premises and disposed of, but the reasonable cost of any such removal shall be borne by Tenant. The provisions of this paragraph shall survive the expiration or termination of this Lease. In the event, Tenant remains in possession of the Premises pursuant to this Section 6.3, such possession by Tenant shall be deemed to be a month to month tenancy upon the applicable conditions of this Lease, terminable on 30 days' written notice given at any time by Landlord or Tenant pursuant to the terms; provided, however, in the event the expiration of such 30 day period occurs during a school year, Landlord shall provide Tenant with a reasonable time period to relocate its students and personal property.

6.4 Right to Affix Signs

Tenant shall have the right to decorate the Premises and affix signs customarily used in its business upon the windows, doors, interior and exterior walls of the Premises. Upon the expiration or earlier termination of the Lease, Tenant shall remove its signage plates within a reasonable time following receipt of written notice from Landlord. Tenant promptly shall make such repairs and restoration of the Premises as are necessary to repair any damage to the Premises from the removal of the signs.

6.5 Limitation on Landlord

Landlord acknowledges that Tenant shall have exclusive possession and control of the Premises during the term of this Lease, therefore, Landlord shall have no right to place or install any Landlord revenue generating improvements, signage or equipment on the Premises, including but not limited to, cell towers, communication devices, public telephones, newspaper machines or vending machines.

7. MAINTENANCE AND REPAIRS OF THE PREMISES

During the term of this Lease, Tenant shall, at its own expense, according to Tenant's standard maintenance and repair practices and procedures and any requirements set forth in the charter granted by the District, from time to time and applicable State of California regulations, keep and maintain the entire Premises, including the interior, exterior, foundation, floors, walls, roof, storefront windows, doors and signage; the sidewalks, curbs, trash enclosures, landscaping with sprinkler system (if installed), light standards, and parking areas which are a part of the Premises and make such repairs and replacements as may be deemed necessary by Tenant, in Tenant's sole but reasonable discretion, including without limitation when to make a capital repair and/or capital improvement. The Premises shall be returned to Landlord at the

termination or expiration of this Lease in good condition, ordinary wear, tear and casualty excepted. In the event of destruction of the Premises by fire or casualty, the condition of Premises upon termination of this Lease shall be governed by Section 10. Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, renovate, or maintain the Premises or any portion thereof. Notwithstanding the preceding sentence, Landlord may at any time enter the Premises and make such repairs as shall be required in Landlord's discretion or by any lender of Landlord's, provided, however, that before doing so, Landlord shall provide Tenant with notice of the need for repairs and an opportunity to perform such repairs. If within fifteen (15) days, or sooner in the case where Landlord reasonably determines an emergency exists that threatens the physical soundness of any portion of the Premises, Tenant does not complete the repairs, or, in the event a longer period is reasonably required to make the repairs and Tenant has not made sufficient progress upon performing the repairs, then Landlord may enter and perform the repairs at Tenant's expense, subject to and in compliance with Tenant's security policies and procedures.

8. ALTERATIONS AND IMPROVEMENTS

8.1 Right to Make Alterations

Tenant shall have the right to make alterations, additions and improvements ("**Alterations**") to the interior or exterior of the Premises and parking areas adjacent to the Premises. Nevertheless, any Alterations that are over One Hundred Thousand Dollars ($100,000) in the aggregate per project, or are structural in nature, shall not be made by Tenant without prior written consent of Landlord. Any Alterations which may be made or installed by Tenant shall remain upon the Premises and, at the expiration or earlier termination of this Lease, shall be surrendered with the Premises to Landlord. All Alterations shall be accomplished by Tenant in a good workmanlike manner, in conformity with applicable laws, regulations and covenants, conditions and restrictions encumbering the Premises, and by a licensed contractor; and with respect to Alterations requiring Landlord's consent, the contractor shall be approved by Landlord. Prior to commencement of any such work, Tenant shall provide to Landlord copies of all required permits and governmental approvals. Upon completion of any such work, Tenant shall provide to Landlord "as-built" plans, copies of all construction contracts, building permits, inspection reports and proof of payment of all labor and materials. Tenant shall pay when due all claims for such labor and materials and shall give Landlord at least ten (10) days' prior written notice of the commencement of any such work. Landlord may enter upon the Premises, escorted by a representative of Tenant, in such case, for the purpose of posting appropriate notices, including, but not limited to, notices of non-responsibility.

8.2 Tenant Shall Not Render Premises Liable For Any Lien

Tenant shall have no right, authority or power to bind Landlord, or any interest of Landlord in the Premises, nor to render the Premises liable for any lien or right of lien for the payment of any claim for labor, material, or for any charge or expense incurred to maintain, to repair or to make Alterations to the Premises. Tenant shall in no way be considered the agent of Landlord in the construction, erection, modification, repair, or alteration of the Premises. Notwithstanding the above, Tenant shall have the right to contest the legality or validity of any lien or claim filed against the Premises. No contest shall be carried on or maintained by Tenant

after the time limits in the sale notice of the Premises for any such lien or claim unless Tenant (i) shall have duly paid the amount involved under protest; (ii) shall have procured and recorded a lien release bond from a bonding company acceptable to Landlord in an amount not less than one and one-half (1-1/2) times the amount involved; or (iii) shall have procured a stay of all proceedings to enforce collection. Upon a final adverse determination of any contest, Tenant shall pay and discharge the amount of the lien or claim determined to be due, together with any penalties, fines, interest, cost, and expense which may have accrued, and shall provide proof of payment to Landlord.

9. INDEMNITY AND INSURANCE

9.1 Indemnification

A. Tenant Indemnity. Tenant shall indemnify, defend, and protect Landlord, and hold Landlord harmless from any and all loss, cost, damage, expense and/or liability (including court costs and reasonable and actual attorneys' fees) incurred in connection with or arising at any time and from any cause whatsoever on the Premises which occurs during the term of this Lease, other than damages proximately caused by reason of the gross negligence or willful misconduct of Landlord or its agents, contractors and employees, including, without limiting the generality of the foregoing: (i) any default by Tenant in the observance or performance of any of the terms, covenants, or conditions of this Lease on Tenant's part to be observed or performed; (ii) the use or occupancy of the Premises by Tenant or any person claiming by, through, or under Tenant; (iii) the condition of the Premises or any occurrence or happening on the Premises from any cause whatsoever; or (iv) any acts, omissions, fraud or negligence of Tenant or any person claiming by, through, or under Tenant, or of the contractors, agents, servants, employees, visitors, or licensees of Tenant or any such person on the Premises, including any acts, omissions, or negligence in the making or performance of any alterations. Tenant further agrees to indemnify and hold harmless Landlord and Landlord's agents from and against any and all loss, cost, liability, damage, and expense (including reasonable and actual attorneys' fees) incurred in connection with or arising from any claims by any persons by reason of injury to persons or damage to property occasioned by any use, occupancy, condition, occurrence, happening, act, omission, or negligence referred to in the preceding sentence. The provisions of this Section shall survive the expiration or sooner termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination, and shall not be limited by reason of any insurance carried by Landlord and Tenant.

B. Landlord Indemnity. Except to the extent of any loss or damage resulting from the acts or omissions of Tenant, its agents, contractors, licensees or employees, Landlord shall indemnify, defend, and protect Tenant, and hold Tenant harmless from any and all loss, cost, damage, expense and/or liability (including court costs and reasonable and actual attorneys' fees) incurred in connection with: (i) a breach of this Lease by Landlord; and (ii) the gross negligence, fraudulent or willful misconduct of Landlord. The provisions of this Section shall survive the expiration or sooner termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination, and shall not be limited by reason of any insurance carried by Landlord and Tenant.

C. Waiver and Exemption of Landlord From Liability. Tenant hereby agrees that except for damage or injury resulting from Landlord's gross negligence or willful misconduct, Landlord shall not be liable for injury to Tenant's business or any loss of income, including damage to the goods, wares, merchandise or other property of Tenant or of Tenant's employees, invitees, customers, or any other person in or about the Premises. Landlord shall not be liable, except when the damage or injury is a result of Landlord's gross negligence or willful misconduct, for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or from any other cause, whether said damage or injury results from conditions arising upon the Premises or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property of Tenant or injury to persons, in, upon or about the Premises and elsewhere arising from the above or any other causes, and Tenant hereby waives all claims in respect thereof against.

9.2 Insurance Company Requirement

Insurance required by this Lease shall be issued by companies holding a general policyholder's rating of at least B++-VI or equivalent as set forth in the most current issue of Best's Insurance Guide and authorized to do business in the state in which the Premises are located. If this publication is discontinued, then another insurance rating guide or service generally recognized as authoritative shall be substituted by Landlord.

9.3 Insurance Certificate Requirements

9.3.1 Tenant shall deliver to Landlord evidence of the existence and amounts of the insurance with additional insured endorsements and loss payable clauses as required herein. Tenant shall deliver to Landlord certificates of insurance in connection with Tenant's liability policy(ies), and evidence of property insurance in an form reasonably acceptable to Landlord in connection with Tenant's property policy(ies). No policy shall be cancelable or subject to reduction of coverage or other modification except after at least thirty (30) days' prior notice to Landlord. Neither the issuance of any insurance policy required hereunder, nor the minimum limits specified herein with respect to any insurance coverage, shall be deemed to limit or restrict in any way the liability of Tenant arising under or out of this Lease.

9.3.2 The insurance required to be maintained herein may be carried under blanket policies. The insurance shall provide for payment of loss jointly to Landlord and Tenant, provided, however, that in the event there is any inconsistency between this Lease and the provisions of the documents constituting Landlord's construction or long-term mortgage loan for the Premises, the provisions of such loan documents shall prevail and control.

9.4 Minimum Acceptable Insurance Coverage Requirements

9.4.1 Tenant shall, at Tenant's expense, obtain and keep in full force during the term of this Lease a policy of combined single limit bodily injury and property damage insurance written on an occurrence basis insuring Tenant (with Landlord as an additional insured) against any liability arising out of ownership, use, occupancy, or maintenance of the Premises and all of its appurtenant areas. The insurance shall be in an amount not less than One Million Dollars ($1,000,000) per occurrence; provided however, following receipt of notice from Landlord the limits of such insurance shall be increased from time to time during the term of the Lease to such amount as may be commercially reasonable. The policy shall provide blanket contractual liability coverage. However, the limits of the insurance shall not limit the liability of Tenant. In addition, Tenant shall, at Tenant's expense, obtain and keep in full force during the term of this Lease an umbrella liability policy in an amount not less than Two Million Dollars ($2,000,000) in excess of primary insurance. The insurance to be maintained by Tenant pursuant to this Section 9.4.1 shall be primary and not contributory to any other insurance maintained by Landlord.

9.4.2 Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a "**Special Purpose**" (as such term is used in the insurance industry) policy of insurance covering loss or damage to the Premises. The insurance shall be in an amount not less than full replacement cost of the building(s) (less slab, foundation, supports and other customarily excluded improvements). The policy shall contain only standard printed exclusions; include an agreed value endorsement waiving any co-insurance penalty, and an ordinance or law coverage endorsement covering increased costs resulting from changes in laws or codes, and demolition and removal of the damaged structure. In no event shall any deductible payable in connection with such policy, together with any other form of self-insurance, exceed Ten Thousand Dollars ($10,000).

9.4.3 Tenant shall also obtain and keep in force during the term of this Lease worker's compensation coverage, insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the State of California.

9.5 Additional Insureds

Tenant shall name as additional insureds and loss payees on all insurance, Landlord, and to the extent acceptable to the insurance carrier(s), Landlord's successor(s) and/or, assignee(s) and any lender whose name and contact information has been provided in writing to Tenant.

9.6 Mortgage Endorsement

If requested by Landlord, the policies of insurance required to be maintained hereunder shall bear a standard first mortgage endorsement in favor of any holder or holders of a first mortgage lien or security interest in the property with loss payable to such holder or holders as their interests may appear.

9.7 Mutual Waiver of Subrogation

All policies of property insurance carried, or required to be carried, hereunder shall include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured before the occurrence of injury or loss. Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the members, officers, directors, shareholders, partners, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of owners under its control to the extent that such loss or damage is insured against under any policy of insurance required to be carried by such waiving party pursuant to the provisions of this Lease (or any other policy of insurance carried by such waiving party in lieu thereof). Landlord and Tenant shall give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

9.8 Renewals, Lapses or Deficiencies

Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with renewal certificates of insurance or renewal binders. Should Tenant fail to provide to Landlord the renewals or renewal binders, or in the event of a lapse or deficiency of any insurance coverage specified herein for any reason, Landlord may immediately replace the deficient insurance coverage with a policy of insurance covering the Premises of the type and in the limits set forth above. Upon notice from Landlord of the placement of insurance, Tenant shall immediately pay to Landlord, as additional rent, an amount equal to the total cost of premiums and expense of such insurance placement. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies. If Tenant does or permits to be done anything which shall increase the cost of the insurance policies, then upon Landlord's demand Tenant shall immediately pay to Landlord, as additional rent, an amount equal to the additional premiums attributable to any acts or omissions or operations of Tenant causing the increase in the cost of insurance.

10. PARTIAL AND TOTAL DESTRUCTION OF THE PREMISES

10.1 Damage or Destruction of the Premises

If the Premises, or any portion of the Premises, is damaged by an Insured Loss (as such term is defined below) and the cost of repairing such Insured Loss is not greater than fifty percent (50%) of the then full replacement cost thereof and the Insured Loss can, in Landlord's and Tenant's reasonable opinion, be repaired within one hundred eight (180) days after such casualty ("**Partial Destruction**"), and if Tenant (subject to the rights of Landlord's lenders) will receive insurance proceeds (less any deductible) sufficient to cover the cost of such repairs, then Tenant shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. "**Insured Loss**" shall mean damage or destruction to the Premises which was caused by an event required to be covered by the insurance described in Section 9.4 above, irrespective of any deductible amounts or coverage limits involved, and irrespective of whether or not the required coverage is actually in place; provided, however, that any damage or destruction to the Premises that would otherwise be deemed an "Insured Loss" shall not be deemed an "Insured Loss" if Landlord's lender retains the available insurance proceeds and refuses to make such proceeds available to restore the Premises.

If the Premises shall be damaged by fire or other casualty: (A) that is not an Insured Loss or (B) to an extent greater than fifty percent (50%) of the then full replacement cost thereof, then Tenant shall have the option to either (i) repair or reconstruct the same to substantially the same condition as immediately prior to such fire or other casualty, or (ii) terminate this Lease by so notifying Landlord within sixty (60) days after the date of such fire or other casualty, such termination to be effective as of the date of such notice. In the event Tenant shall elect to repair or reconstruct in accordance with subclause (i) of this Section, Tenant shall so notify Landlord in writing within thirty (30) days after the date of such casualty. Furthermore, notwithstanding anything to the contrary contained herein, if the Premises or the Project should be so damaged by fire or other casualty such that the damage cannot, in Landlord's and Tenant's reasonable opinion, be repaired within one hundred eighty (180) days after such casualty, then Landlord shall notify Tenant of same (the "**Major Damage Notice**") whereupon either Landlord or Tenant may terminate this Lease by delivering written notice to the other party within thirty (30) days after receipt of the Major Damage Notice.

Notwithstanding anything to the contrary in this Section, If at any time during the last 12 months of this Lease there is damage for which the time to repair exceeds three months, whether or not an Insured Loss, Tenant may, in its sole discretion, terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Landlord within 30 days after the date of occurrence of such damage.

11. CONDEMNATION

11.1 Condemnation Damages

In the event of the taking or conveyance of the whole or any part of the Premises by reason of condemnation by any public or quasi-public body ("**Condemnation**"), Landlord and Tenant shall represent themselves independently in seeking damages before the condemning body. Each party shall be entitled to the amount awarded respectively to each. Landlord shall be entitled to the entirety of the award with the exception of the following:

11.1.1 Any portion of the award attributable to Tenant's leasehold improvements made to the Premises by Tenant in accordance with this Lease, which improvements Tenant has the right to remove from the Premises upon the expiration or termination of the Lease pursuant to the provisions of this Lease, but elects not to remove;

11.1.2 Any portion of the award attributable to Tenant's furniture, fixtures and equipment ("**FF&E**") installed in the Premises in accordance with this Lease, which FF&E Tenant has the right to remove from the Premises upon the expiration or termination of the Lease pursuant to the provisions of this Lease, but which are to remain in the Premises as a result of such taking;

11.1.3 Any portion of the award attributable to: (i) removing Tenant's FF&E; (ii) damage or loss to Tenant's business and good will and (iii) moving and relocation expenses; and

11.1.4 Any portion of the award attributable to the unexpired portion of Tenant's interest in the leasehold estate created by this Lease.

11.2 Termination of Lease Due to Condemnation

In the event the Condemnation materially adversely affects the use of the Premises as defined in Section 4, Tenant may terminate the Lease by giving Landlord notice of termination within sixty (60) days of receipt of notice of the Condemnation; provided, however, if such notice fails to substantially disclose the material nature, scope and extent of the Condemnation, then such 60 day notice period shall only commence to run on such later date that Tenant obtains such disclosures. The effective date of the termination shall be the date upon which fee simple interest is vested in the condemning authority. In the event of termination hereunder, Tenant shall be released from further obligations or liabilities arising under the Lease thereafter. In the event of termination, Base Monthly Rent, Property Taxes, Other Charges and any other items of additional rent (collectively, "**Rent and Charges**") shall be prorated based upon the actual number of days in the period to be prorated. Within thirty (30) days following the termination, Landlord shall refund to Tenant any Rent and Charges paid to Landlord in advance of the termination. In the event of a Condemnation that does not result in the termination of this Lease, Base Monthly Rent shall be equitably reduced as of the effective date of the Condemnation. Landlord's obligations pursuant to this Section shall survive termination of this Lease.

12. ASSIGNMENT AND SUBLETTING

12.1 Tenant's Right of Assignment and Subletting

Tenant shall not voluntarily or by operation of law assign or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity to occupy or use any part of the Premises, without first obtaining the consent of Landlord which consent shall not be unreasonably conditioned, withheld or delayed; provided that no consent shall be required for a sublease to any public school, college or university for educational purposes, or any of Tenant's affiliates. Any assignment, encumbrance, or sublease without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a default.

12.2 Landlord's Option to Preserve Subtenancies

In the event of Tenant's surrender of this Lease or the termination of this Lease in any other manner, Landlord may, at its option, either terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord thereunder. No merger shall result from Tenant's sublease of the Premises under this Section, Tenant's surrender of this Lease, or the termination of this Lease in any other manner.

12.3 Continuing Obligation of Tenant

No transfer permitted by this Section 12 shall release Tenant from its liability to pay the rent and to perform all other obligations of Tenant under this Lease. Consent to one transfer is not a consent to any subsequent transfer. If Tenant's transferee defaults under this Lease, Landlord may proceed directly against Tenant. Landlord shall not consent to subsequent

assignments or modifications of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease.

13. DEFAULT AND TERMINATION

13.1 Event of Default

The occurrence of any of the following events (each an "**Event of Default**") shall constitute a default by Tenant:

13.1.1 Failure by Tenant to pay rent within Three (3) business days of written notice from Landlord that such amount is past due; provided, however, for up to two (2) times during any twelve (12) consecutive month period, if any payment of rent is not received when due, Landlord shall notify Tenant in writing (a "**Late Notice**"), and Tenant shall have ten (10) days from the date of receipt of the Late Notice to make full payment of the rent. If the late rent is not paid within the ten (10) day period, or if any subsequent rent during that twelve (12) consecutive month period is not received when due after Landlord has delivered to Tenant the two (2) Late Notices as hereinabove required, then Tenant shall be in default of this Lease. Any notice sent by Landlord to Tenant pursuant to this Section 13.1.1 shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure, Section 1161

13.1.2 Tenant's loss of the charter which it has legal authority to operate within the District's boundaries as a result of abandonment, closure or through revocation provided that Tenant has exhausted all appeals and legal remedies to challenge any revocation(s).

13.1.3 Failure by Tenant to perform or comply with any provision of this Lease (other than as set forth in Section 13.1.1) if the failure is not cured within sixty (60) days after notice has been given by Landlord to Tenant. If, however, the failure cannot reasonably be cured within the 60 day cure period, Tenant shall not be in default of this Lease if Tenant commences to cure the failure within the cure period and diligently and in good faith continues to cure the failure.

13.1.4 To the extent permitted by law, a general assignment by Tenant for the benefit of creditors, or the filing by or against Tenant of any proceeding under any insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant, unless possession is restored to Tenant or such guarantor within (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days.

13.2 Landlord's Remedies

Landlord shall have any one or more of the following remedies after the occurrence of a default by Tenant. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law, in equity, or otherwise:

13.2.1 Declare the Term of this Lease ended and re-enter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder; or

13.2.2 Without declaring this Lease ended, re-enter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect the rent and any other rent that may thereafter become payable; or

13.2.3 Landlord may elect the remedy described in California Civil Code Section 1951.4 (Landlord may continue the Lease in effect after Tenant's breach and abandonment and recover Base Monthly Rent as it become due, if Tenant has the right to sublet or assign, subject only to reasonable limitations, Tenant hereby acknowledging that it does have the right to sublet or assign subject only to reasonable limitations).

Should Landlord have re-entered the Premises under the provisions above, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay rent thereafter to accrue, or its liability for damages under any of the provisions hereof, by any such re-entry or by any action in unlawful detainer, or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease, and Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of the State of California and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time or at any time subsequent to the serving of such notices and such election be evidenced by a written notice to tenant) be deemed to be a termination of this Lease. In the event of any entry or taking possession of the Premises as aforesaid, Landlord shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of Tenant.

Should Landlord elect to terminate this as set forth above, Landlord may recover from Tenant as damages:

(a) the worth at the time of award of any unpaid rent which have been earned at the time of such termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such default, preparing the Premises for such reletting, leasing commissions, or any other costs necessary or appropriate to relet the Premises; plus

(e) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under California law.

As used in Subsection (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the maximum lawful rate ("**Interest Rate**"). As used in Subsection (c) above, the "worth at the time of award" is computed by discounting such amount at the then existing discount rate of the Federal Reserve Bank, San Francisco, California.

13.3 Late Charge

If Tenant fails to pay Base Monthly Rent or any other charges due under this Lease beyond any notice and applicable cure period or other charges which Tenant is obligated to pay to Landlord under this Lease, there shall be a late charge, immediately payable by Tenant as additional rent, in the amount of five percent (5%) of each such obligation (the "**Late Charge**"). Landlord and Tenant agree that this sum is reasonable to compensate Landlord for accounting and administrative expenses incurred by Landlord.

13.4 Surrender of Premises

No act or thing done by Landlord or any agent or employee of Landlord during the Lease term shall be deemed to constitute an acceptance by Landlord or a surrender of Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord and, notwithstanding such delivery, Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been terminated properly. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

13.5 Default by Landlord

Landlord shall be in default if Landlord fails to perform any provision of this Lease required of it and the failure is not cured within thirty (30) days after notice has been given to Landlord. If, however, the failure cannot reasonably be cured within such thirty (30) day cure period, Landlord shall not be in default of this Lease if Landlord commences to cure the failure within such thirty (30) day cure period and diligently and in good faith continues to cure the failure. If Landlord shall at any time default beyond the applicable notice and cure period, Tenant shall have the right to cure such default on Landlord's behalf. Any sums expended by

Tenant in doing so, and all reasonably necessary incidental costs and expenses incurred in connection therewith, shall be payable by Landlord to Tenant within thirty (30) days following demand therefor by Tenant; provided, however, that Tenant shall not be entitled to any deduction or offset against any rent otherwise payable to Landlord under this Lease, and in no event may Tenant terminate this Lease in the event of a default by Landlord. Tenant agrees to send to any mortgagee or deed of trust beneficiary of the Premises whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances not to exceed an additional thirty (30) days from the date of such notice. Despite the foregoing, if such cure cannot reasonably be accomplished by such mortgagee or beneficiary unless that mortgagee or beneficiary has possession of all or part of the Premises, then such mortgagee or beneficiary shall have up to ninety (90) days after obtaining possession to accomplish such cure provided that the mortgagee or beneficiary has taken possession of the Project within one hundred and eighty (180) days of such notice.

13.6 Notices of Default

Notices given under this Section 13 shall specify the alleged default or breach, the cure period and the applicable Lease provision(s).

14. RIGHT OF INSPECTION

Landlord and Landlord's authorized representatives shall have the right (but not the obligation) after twenty-four (24) hours prior notice to Tenant, to enter upon the Premises at all reasonable hours for the purpose of inspecting the Premises or of making repairs, additions, or alterations in or upon the Premises, and, for the purpose of exhibiting the Premises to prospective tenants in the last six (6) months of the terms, prospective purchasers, and/or lenders; provided that Landlord shall comply with applicable laws regarding confidentiality of student records. Provided Tenant is not in default beyond any applicable cure period, Landlord shall not exhibit any "for sale" or "for lease" signs during the term of the Lease. Tenant's authorized representatives shall have the right but not the obligation to accompany Landlord or Landlord's representatives during any entry by Landlord or its authorized representatives unto the Premises and Landlord and its authorized representatives shall strictly comply with any of Tenant's risk management procedures (for example sign-in procedures).

15. WAIVER OF BREACH

No waiver by either party of any breach of any one or more of the terms, covenants, conditions, or agreements of this Lease shall be deemed to imply or constitute a waiver of any succeeding or other breach. Failure of either party to insist upon the strict performance of any of the terms, conditions, covenants, and agreements of this Lease shall not constitute or be considered as a waiver or relinquishment of the party's rights to subsequently enforce any default, term, condition, covenant, or agreement, which shall all continue in full force and effect. The rights and remedies of the parties under this Lease shall be cumulative and in addition to any

and all other rights and remedies which each party has or may have.

16. NOTICES

16.1 Notice Requirements

All notices, requests, consents, approvals or demands herein provided to be given or made, or which may be given or made by either party to the other, shall be given or made only in writing and shall be deemed to have been duly given: (i) when delivered personally at the address set forth below, or to any agent of the party to whom notice is being given, or if delivery is rejected when delivery was attempted; or (ii) on the date delivered when sent via Overnight Mail, properly addressed and postage prepaid; or (iii) on the date sent via facsimile transmission; or (iv) upon delivery, or if delivery is rejected when delivery was attempted of properly addressed first class mail, postage prepaid with return receipt requested. The proper address to which notices, requests, or demands may be given or made by either party shall be the address set forth at the end of this Section or to such other address or to such other person as any party shall designate. Such address may be changed by written notice given to the other party in accordance with this Section.

If to Landlord:

706 East Manchester LLC
Attn: Manager

Phone:

If to Tenant:

Merle Williamson Foundation
Attn: Executive Director
706 E. Manchester
Los Angeles, CA 90001
(323) 752-6655

16.2 Payments Under Lease

Rent and all other payments due to Landlord under this Lease shall be paid in lawful money of the United States of America without offset or deduction, except as may be required under Revenue & Taxation Code section 202 and 202.2, to the name and at the address set forth in Section 16.1 above or to such other persons or parties or at such other places as Landlord may from time to time designate in writing.

17. RELATIONSHIP OF THE PARTIES

This Lease shall not be deemed or construed by the parties, nor by any third party, as creating the relationship of (i) principal and agent, (ii) partnership, or (iii) joint venture between the parties. Neither the method of computation of rent nor any other provision of this Lease, nor any acts of the parties are other than in the relationship of landlord and tenant.

18. SUBORDINATION, ATTORNMENT AND ESTOPPEL

18.1 Subordination and Non-Disturbance

Subject to the provisions of this Section, this Lease and the leasehold estate created hereby shall be, at the option and upon written declaration of Landlord, subject, subordinate, and inferior to the lien and estate of any liens, trust deeds, and encumbrances ("**Mortgages**"), and all renewals, extensions, or replacements thereof, now or hereafter imposed by Landlord upon the Premises; provided, however, that Landlord covenants to obtain from each holder of a Mortgage and this Lease shall not be subordinate to any Mortgage arising after the date of this Lease, or any renewal, extension, or replacement thereof, unless and until Landlord provides Tenant with a commercially reasonable agreement ("**Non-Disturbance Agreement**"), which shall provide that so long as Tenant is not in default hereunder, Landlord's and Tenant's rights and obligations hereunder shall remain in force and Tenant's right to possession shall be upheld. Tenant shall, promptly following a request by Landlord and after receipt of the Non-Disturbance Agreement (which may be in the form of a Subordination, Non-Disturbance and Attornment Agreement), execute and acknowledge a subordination agreement or other documents commercially reasonably required to establish of record the priority of any such encumbrance over this Lease, so long as such agreement does not otherwise increase Tenant's obligations or diminish Tenant's rights hereunder.

18.2 Attornment

In the event of foreclosure of any Mortgage, whether superior or subordinate to this Lease, then (i) this Lease shall continue in force; (ii) Tenant's quiet possession shall not be disturbed if Tenant is not in default hereunder; and (iii) Tenant shall attorn to and recognize the mortgagee or purchaser at foreclosure sale ("**Successor Landlord**") as Tenant's landlord for the remaining term of this Lease. Tenant's obligation to so attorn to any Successor Landlord is expressly conditioned upon Tenant's prior receipt from such Successor Landlord of a Non-Disturbance Agreement (which may be in the form of a Subordination, Non-Disturbance and Attornment Agreement).

18.3 Estoppel Certificate

Landlord and Tenant shall, at any time upon not less than fifteen (15) days prior written notice, execute and deliver to a prospective new landlord, lender, or assignee or subtenant of Tenant, or other appropriate third party, as the case may be, a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), (b) the date to which the rent and other charges are paid in advance, if any and (c) acknowledging that there are not, to the party's best knowledge, any uncured defaults or unfulfilled obligations on the part of the other party hereunder, or specifying such defaults or unfulfilled obligations if

any are claimed.

19. ATTORNEYS' FEES

In the event of any legal action or proceeding brought by either party against the other arising out of this Lease, the prevailing party in such action shall be entitled to recover from the non-prevailing party therein reasonable attorneys' fees and costs incurred in such action (including, without limitation, all costs of appeal) and such amount shall be included in any judgment rendered in such proceeding.

20. CONSENT

Except as otherwise expressly set forth in this Lease, any consents or approvals required of either party hereunder shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, in the event a party fails to respond within thirty (30) days of its actual receipt of a written request for consent or approval, such failure shall be deemed to be that party's consent or approval of the matter that is the subject of the notice.

21. HAZARDOUS MATERIAL

21.1 Environmental Compliance

Tenant shall at all times and in all respects comply with all Laws (as defined below) relating to industrial hygiene, environmental protection, and the use, analysis, generation, emission, manufacture, storage, disposal or transportation of any Hazardous Material in, on, under or about the Premises, respectively.

Without limiting the foregoing, if the presence of any Hazardous Material (as the same is defined under "Laws" defined below) on the Premises is caused or permitted by Tenant and results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material. Provided, however, Tenant shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Premises nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the Premises, without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interest with respect thereto.

As used herein, the term "**Laws**" means applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Material affecting the Premises, whether in effect as of the date hereof or hereinafter enacted including, without limitation, Proposition 65 of the State of California, and the laws, ordinances, and regulations referred to above.

22. GENERAL PROVISIONS

22.1 Drafting

This Lease shall not be construed more strictly against one party than the other because it may have been drafted by one of the parties or its counsel, each having contributed substantially and materially to the negotiation and drafting hereof. Unless the context clearly requires otherwise, (i) the plural and singular members are each deemed to include the other, (ii) the masculine, feminine and neuter genders are deemed to include the others, (iii) "shall", "will" and "agrees" are mandatory and "may" is permissive, (iv) "or" is not exclusive, and (v) "includes" and "including" are not limiting.

22.2 Modification

No modification, waiver, amendment, discharge, or change of this Lease shall be valid unless it is in writing and signed by the party against which the enforcement of the modification, waiver, amendment, discharge, or change is or may be sought.

22.3 Governing Law

This Lease shall be construed and enforced in accordance with the laws of the State of California. In the event any provision contained in this Lease is inconsistent or in conflict with local law, custom, or practice, the provisions of this Lease shall supersede and shall be paramount and controlling.

22.4 Time of Essence

Time is of the essence of every provision of this Lease.

22.5 Severability

In the event any term, covenant, condition, or provision of this Lease is held to be invalid, void, or otherwise unenforceable by any court of competent jurisdiction, the fact that such term, covenant, condition, or provision is invalid, void, or otherwise unenforceable shall in no way affect the validity or enforceability of any other term, covenant, condition, or provision of this Lease.

22.6 Successors and Assigns

Except as otherwise provided herein, all terms of this Lease shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors, and assigns.

22.7 Further Assurances

Each party hereto shall perform all further acts and shall execute and deliver all further documents which may be reasonably necessary or required to accomplish the purposes of this Agreement.

22.8 Counterparts

This Lease may be executed in any number of counterparts, each of which shall be deemed an original. The counterparts shall together constitute but one agreement. Any signature on a copy of this Lease or any document necessary or convenient thereto sent by facsimile shall be binding upon transmission by facsimile and the facsimile copy may be utilized for the purposes of this Lease.

[SIGNATURE PAGE FOLLOWS]

LANDLORD:	**TENANT:**
706 EAST MANCHESTER, LLC, a California limited liability company	MERLE WILLIAMSON FOUNDATION, a California nonprofit public benefit corporation
By: Name: Its:	By: Name: Its:
Date:	Date:

LEASE AGREEMENT

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

LEASE AGREEMENT

LANDLORD:

706 East Manchester, LLC,
a California limited liability company

TENANT:

Merle Williamson Foundation,
a California nonprofit public benefit corporation

PREMISES LOCATION:

706 E. Manchester Ave.
Los Angeles, California

LEASE AGREEMENT

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22.8 Counterparts

EXHIBIT M

VI'S CORNER: "REX"

By Vi Logan

BEVERLY HILLS—My name is "Rex", and I'm known for my eye-catching copper colored coat. I'm about six years old, however, I'm more like a puppy, as I'm a very active boy! I'm what you might call athletic. If you are a jogger, I'd be the perfect partner for you. If you just like to walk, long walks would be fine, too. Or, if you have a yard where we could play ball or Frisbee, I'll settle for that!

I get along with other dogs, and cats, and children. However, seeing that I'm so active, I may be best as your one and only, as I may be a little too much energy for them.

I'm very alert, and have a cheerful personality. See that smile on my face? I've heard it said around here that I'm very smart. So, that means that I'll be easy to train, and will learn your daily routine in no time at all! I'm housetrained, so you don't have to worry about that part of training. However, I want to be honest about one thing. When one of us hasn't lived in a home for a while, we may need a little housetraining refresher course. It's just a matter of getting used to your routine. So, please be patient with us, and don't get angry if we make a mistake or two at first, as we definitely want to please you.

I can't think of anything else to tell you about myself, so, I guess that the best thing to do is make an appointment to come to see me, and that way you can judge for yourself whether I'm the one for you. If I'm not, I have plenty of friends here, both dogs and cats, that you can see on the website, which is: foafla.petfinder.com. We'll be waiting for your calls, and hoping to meet you in person!

Note: Hopefully, you will never lose your pet, but in the event that you do, have you heard of PetFinderAlert.com? It is most interesting and helpful, so check out all of the features online. Or, you can call them at: 877-875-7387. They have three different alert options: Poster Alert, which starts at $49.95, Phone Alert, which starts at $69.95, and Amber Alert, which combines the Poster Alert and Phone Alert, and starts at $99.95. Worth every penny, if it will help get your pet back - any type of pet. It's a good idea to keep the information handy, just in case.

Don't forget to call to make that appointment to see Rex, or any of his friends. They're waiting to meet you!

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310-475-9089

PSYCHOLOGISTS IDENTIFY SELF ESTEEM GENE

By Aaron Jones

WESTWOOD—A gene linked to optimism, self-esteem and "mastery," a belief in having control over one's own life, three crucial psychological resources for coping well with stress and depression has been identified by life scientists at UCLA.

Shelley E. Taylor, professor of psychology at UCLA and senior author of this research was quoted as saying, "I have been looking for this gene for a few years, and it is not the gene I expected." Taylor went on to say, "I knew there had to be a gene for these psychological resources."

The oxytocin receptor gene (OXTR) was the gene identified by Taylor and her team. The oxytocin hormone is one that increases in response to a level of stress and is associated with the ability to empathize and enjoy the company of other people.

"This study is, to the best of our knowledge, the first to report a gene associated with psychological resources," commented lead study author Shimon Saphire-Bernstein. "However we wanted to go further and see if psychological resources explain why the OXTR gene is tied to depressive symptoms. We found that the effect of OXTR on depressive symptoms was fully explained by psychological resources."

It was discovered that the oxytocin receptor gene has two separate versions: an adenine or "A" and a guanine or "G" variant. Multiple studies have found that persons that have at least one "A" variant are more susceptible to stress, have poorer social skills and overall worse mental health outcomes.

The team also found that those having either two "A" nucleotides or the combination of one "A" and one "G" tend to have substantially lower levels of optimism, self esteem, and mastery and higher instances of depressive symptoms as opposed to those with two "G" nucleotides.

Taylor commented to this saying, "Sometimes people are skeptical that genes predict any kind of behavior or psychological state. I think we show conclusively that genes may predict behavior, they do not determine it. they do." She went on to stress that while

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OCTOBER 02, 2011

DRAMATIC TRIAL TESTIMONY

MICHAEL JACKSON'S MANSLAUGHTER TRIAL BEGINS

By Tommy Garrett

BEL AIR—On Thursday, September 29, shocking testimony continued when Alberto Alvarez, the former bodyguard in charge of logistics for the pop icon Michael Jackson, stated under oath that Dr. Conrad Murray began asking him to hide medications from authorities even before calling paramedics to the Jackson's Bel Air home on Carrolwood Drive in June 2009.

Michael Jackson was found dead in the home, but was transported four miles to Westwood's UCLA, where he was officially pronounced dead by medical staff at the hospital. Jackson had been living in Holmby Hills for months along with his three children, Paris, Prince and Blanket, while preparing for the London concert series that was titled "This is It." Dr. Murray was hired to be Jackson's personal physician during rehearsals for the upcoming concerts.

On Tuesday, September 27, the prosecution opened its case for involuntary manslaughter, a charge leveled against Jackson's doctor Conrad Murray. Murray is accused by the prosecutors and the state of causing the death of Michael Jackson by negligence, in his handling of Jackson and drug treatment leading up to his tragic death.

Prosecutor David Walgren offered an argument in opening and throughout the first few days of direct testimony from Jackson's personal chef, his personal assistant and bodyguard Alvarez. Some seasoned court observers have called the testimony chilling and shocking. Former Los Angeles County prosecutor, author and famed attorney Robin Sax, who now has a practice in Century City, spoke with Canyon News about the case. After Sax's appearance on CNN and "Entertainment Tonight," Sax took note of Alvarez's direct testimony and of the cross examination by Murray's defense attorney. "Mr. Alvarez was strong and was very effective up against tough cross examination from the defense. In fact, I tweeted this comment during the cross examination, that Chernoff is coming off has a liar as Alvarez keeps correcting him. My take? I think he made Mr. Chernoff appear to be either ill -informed (which he is not) or just overly aggressive," said Sax.

Prosecutor Walgren has been methodical with his presentation thus far. And although the defense has not had their opportunity to offer their own evidence and testimony, most of the state's witnesses have, as Robin Sax has stated, been strong, even under blistering cross examination. Sax, who has been in the same courtroom many times on behalf of the State of California, considered Walgren's style and tactics. "The prosecution has remained laser focused. The key to winning this case, and why in my opinion prosecutors in the Casey Anthony trial failed. They did not. So far so good, for David (Walgren)," said the former prosecutor. "Opening statements were very strong, actually on both sides. I'd have to give prosecutors the upper hand because of one piece of evidence. The voice of Michael Jackson! When they played the voice recording found on Conrad Murray's iPhone, it was the closest thing to having Jackson in the courtroom, his obviously slurred and intoxicated voice had to leave a mark on everyone."

Conrad Murray and Michael Jackson.

Photo courtesy of Link 81 Collection

The prosecution stunned the courtroom and the public when it showed the lifeless body of Michael Jackson at Ronald Reagan UCLA Medical Center on the day of his death. Sisters Janet and LaToya Jackson, and mother Katherine Jackson were seen on the second row, crying and wiping away tears as they shook their heads in sorrow after seeing Michael's dead body. 58-year-old Conrad Murray faces up to four years in prison, a fine and the loss of his medical license, if convicted. Attorney Robin Sax said the most shocking testimony in the case was on Wednesday, "Jackson's personal assistant (Faheem Muhammed), who described those frantic moments inside Michael's inner sanctum, Jackson's lifeless body, (Murray's) frantic and sweaty attempts at CPR, and the Jackson children, (Paris) curled up in a ball crying and (Prince) standing in profound and stunned silence was truly gripping," concluded Robin Sax.

A man who wanted to be called Jerry, who flew in from Texas to attend the trial and to offer his support of his friend and physician Dr. Conrad Murray, told Canyon News, "Dr. Murray did not kill Michael Jackson. Hollywood did it. Look at all the doctors here that have been giving him pills for years, long before Dr. Murray ever arrived in California to care for Michael. He [Dr. Murray] is being mistreated and I am here to show support for an innocent man."

The case is expected to last five weeks before being handed to the jury.

NEW TREATMENT FOR EARLY-ONSET DEMENTIA

By Aaron Jones

WESTWOOD—Scientists at UCLA may have uncovered an important signaling pathway in treating frontotemporal dementia, a disease that appears between the ages of 40 and 64 and is responsible for a quarter of the cases of early-onset dementia.

"A family history exists for nearly half of the frontotemporal dementia patients we see, suggesting a genetic component for the disease," according to Dr. Daniel Geschwind, holder of the Gordon and Virginia MacDonald Distinguished Chair in Human Genetics and professor of neurology at the David Geffen School of Medicine at UCLA and psychiatry professor at the Semel Institute for Neuroscience and Human Behavior at UCLA. Geschwind went on to say, "Our goal was to reveal what happen on a molecular level that causes the neuron death leading to this devastating disease."

Previously the brain disorder had been associated with a mutation in the gene for a protein known as granulin, a protein that regulates cell growth and survival. Earlier research showed that mutation of the gene would reduce granulin by half.

Geschwind's team inspected the role of granulin in three facets: cell culture, in a gene-knockout mouse model and in post-mortem brain tissue from dementia patients. The team enacted a genetic analysis of neurons that were granulin-deficient made from human brain stem cells. Geschwind and his colleagues were able to search for the networks containing correlated genes using a technique that allowed them to inspect the entire genome.

"We discovered that a drop in granulin sabotaged brain cells' survival and boosted activity of Wnt, a major signaling pathway," commented Dr. Geschwind, "Within this pathway, we identified a major increase in a specific receptor that Wnt binds to on the cell surface. This change occurred early in the disease process in both living and culture."

It was found that Wnt signalling through the receptor FZD2 was greater among granulin-deficient mice. It was also observed that greater cell death occurred when the receptor was reduced, while increasing the receptor encouraged neuron survival, proving that Wnt signaling is possibly a protective response to frontotemporal dementia.

"We believe that Wnt boosts FZD2 to help protect brain-cell survival during the early stages of dementia," said Geschwind. "Our findings suggest that increasing this receptor and other parts of the Wnt pathway may provide a new drug target to treat this disease."

after any change in the fact set forth in the statement) pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111067829 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: DETOX 4 LIFE 5 DAY, 1561 WEST 15TH LONG BEACH, CALIFORNIA, 90813. Full name of registrant (s) is (are): IVISE, GUILLERMO LEMNA MALDONADO, 1561 WEST 15TH ST. LONG BEACH, CALIFORNIA, 90813. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-12-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-12-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068049 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: CASA LAMBOS MEXICAN & AMERICAN, 295 W. 3RD STREET, POMONA, CALIFORNIA, 91766. Full name of registrant (s) is (are) OLIVER KWAN, 295 W. 3RD STREET, POMONA, CALIFORNIA, 91766. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-15-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-15-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068084 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: HEAVENLY TOUCH, 1467 ABBOTT SAN ST, CARSON, CALIFORNIA, 90746. Full name of registrant (s) is (are) ORANDUE INGRID WONG, 1467 ABBOTT SAN ST, CARSON, CALIFORNIA, 90746. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-15-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068087 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: TOWN BEAUTY SALON, 1223 La Brea Blvd., West Hollywood, CA, 90038. Full name of registrant (s) is (are) Lysa Ju, 921 S. La Brea, Alhambra, CA, 91801. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information, which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068141 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: WESTSIDE WINDOW WASHERS, 2303 23rd Street, Santa Monica, CA, 90405. WESTSIDE PROPERTY MAINTENANCE, 2303 23rd Street, Santa Monica, CA, 90405. Full name of registrant (s) is (are) Andrew Poulin, 2303 25th Street, Santa Monica, CA, 90405. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-11-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-11-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111069103 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: WESTSIDE WINDOW WASHERS, 2303 25th Street, Santa Monica, CA, 90405. WESTSIDE PROPERTY MAINTENANCE, 2303 25th Street, Santa Monica, CA, 90405. Full name of registrant (s) is (are) Andrew Poulin, 2303 25th Street, Santa Monica, CA, 90405. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-11-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-11-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068245 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: HOUSE OF BAMBI, 10 Goldsmith, Irvine, CA, 92614. Full name of registrant (s) is (are) Wenling Kwok, 8218 Santa Fe Blvd #239, Los Angeles, CA, 90293. The business is conducted by: Corporation. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068249 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: MONDO BASKETBALL, 1717 Bellagio Road #208, Los Angeles, CA, 90077. Full name of registrant (s) is (are) Robert Hoban, 11748 Bellagio Road, Los Angeles, CA, 90077. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111068269 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: NO-NAME ENTERTAINMENT, 1653 W 107th Street, West Hollywood, CA, 90047. A PRIME CLASS AFFAIR, 1653 W 107th St, Los Angeles, CA, 90047. CLUB CIGOLES COMEDY, 1653 W 107th Street, Los Angeles, CA, 90047. 2010BRAE, 1653 W 107th Street, Los Angeles, CA, 90047. DIONNAE FASHIONS, 1653 W 107th Street, Los Angeles, CA, 90047. GET ON CIGOLES, 1653 W 107th Street, Los Angeles, CA, 90047. CIGOLES COMEDY, 1653 W 107th Street, Los Angeles, CA, 90047. Full name of registrant (s) is (are) Latonya Tenedos, 1653 W 107th Street, Los Angeles, CA, 90047. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

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a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 09-18-2011, 09-25-2011, 10-02-2011, 10-09-2011.

File No. 20111066193 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: STIMULIDENT-FUNDS.COM, 420 W. Fairview Blvd., Inglewood, CA, 90302. Full name of registrant (s) is (are) Michael Jones, 420 W Fairview Blvd., Inglewood, CA, 90302. Matthew Reddicks, 420 W. Fairview Blvd., Inglewood, CA, 90302. The business is conducted by: General Partnership. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-08-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066552 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: DIAMOND INTERNATIONAL MILITARY PROVISIONS, 8200 Whittier Blvd. Suite 208, Los Angeles, CA, 90211. DIAMOND INTERNATIONAL, PO Box 4449868, Los Angeles, CA, 90048. Full name of registrant (s) is (are) Jason Dominion, 4324 Rivera Drive, Los Angeles, CA, 90008. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-08-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066625 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: MONDO WORLD FREIGHT, 3225 Mentor Ave., Cordova, CA, 94248. NORMONDO, 1225 Mentor Ave., Cordova, CA, 95655. Full name of registrant (s) is (are) Norma Echeverria, 289 W. Palm Ave. #B, El Segundo, CA, 90245. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-09-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066627 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: THREE DOTS ENTERTAINMENT, 20704 Suche Mist Dr. 92629, Carson, CA, 90746. Full name of registrant (s) is (are) Muhammad Farooq, 4045 W 162nd Street Apt. B, Torrance, CA, 90504. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-07-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-15-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066749 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: INTEGRAL ENTERTAINMENT GROUP, 11748 Bellagio Road #208, Los Angeles, CA, 90077. Full name of registrant (s) is (are) Robert Hoban, 11748 Bellagio Road, Los Angeles, CA, 90077. The business is conducted by: Co-Partners. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-07-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066749 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: GLOBAL VIRTUAL SALES, 10960 DURACK ST, NORWALK, CALIFORNIA, 90650. Full name of registrant (s) is (are) SUZANNE BEAMER, 10960 DURACK ST, NORWALK, CALIFORNIA, 90650. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-15-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on NA. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066858 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: LEO MONDO 2, 1713 E Vernon Ave. #104, Los Angeles, CA, 90058. LAVA MONDO 2, 9700 Cattaraugus Ave., Los Angeles, CA, 90034. Full name of registrant (s) is (are) Katherine Reis, 9700 Cattaraugus Ave., Los Angeles, CA, 90034. Jorge Reis, 9700 Cattaraugus Ave. , Los Angeles, CA, 90034. The business is conducted by: Husband & Wife. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-15-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-15-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066858 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: FRIENDS DENTAL CENTER, 1634 REDONDO BEACH BLVD 203, GARDENA, CALIFORNIA, 90247. Full name of registrant (s) is (are) IPONG LIU, 12550 CHESTNUT BLVD #6, NORWALK, CA, 90650. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-16-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

File No. 20111066858 - FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: [illegible]. Full name of registrant (s) is (are) [illegible]. The business is conducted by: [illegible]. I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 08-16-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 08-16-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 et seq. Business and Professions Code). Published in Canyon News on 08-18-2011, 08-25-2011, 09-02-2011, 09-09-2011.

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
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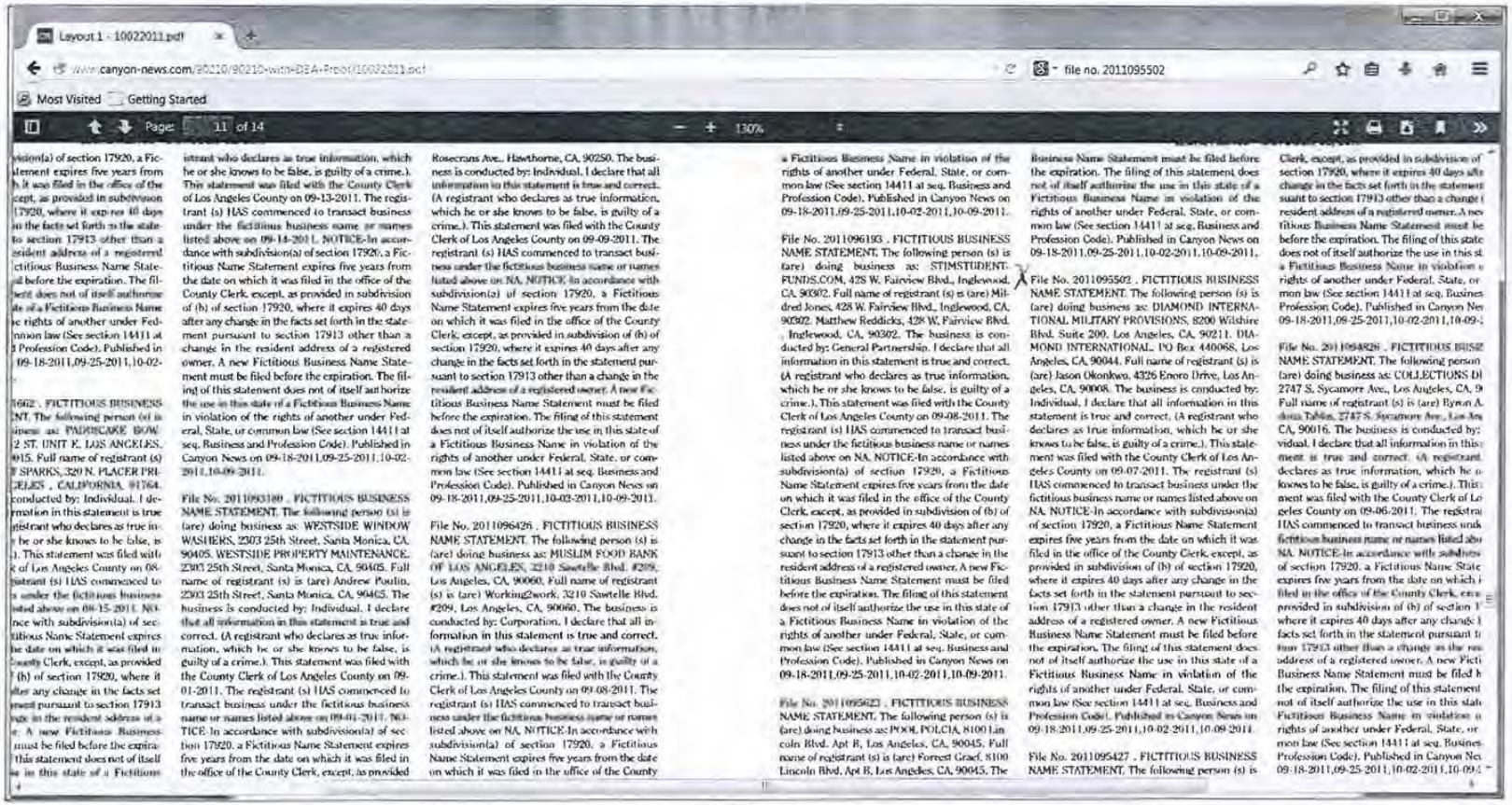
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VI'S CORNER: "WEBER"

By Vi Lepo

BEVERLY HILLS—My name is "Weber", and first of all I want to wish everyone a very Happy New Year!! I sure wish that someone would call to see me and say that they want to take me home right away to start the New Year with them! Well, they really wouldn't be able to take me home right on the spot, as all of us that are adopted are taken to our new home by volunteers so that the home can be checked out to be sure that they are safe and sound for us. They want to be sure that there isn't anything in the home that we can get into that could harm us, and that the fence in the yard is secure and high enough so that we can't jump over it, and has no holes that we could crawl through. They also check for poisonous and toxic plants and flowers. So, I'm happy to wait an extra day or two, so that I know that I will be safe as can be.

It just dawned on me that I haven't told you anything about myself! Well, I'm a Rhodesian Ridgeback/German Shepherd mix - two very intelligent breeds, if I must say so myself! I know voice and hand commands such as sit, stay, and heel, so I will stay right beside you when we take our walks. However, if you like to run or jog, I'd love that, too, and I'd make a great partner for you. Oh, yes, I'm also house trained, although I may have to have a short refresher course to fit in with your schedule.

I'm best as an only dog, but why would you need another one when you have me! I'm affectionate, loyal, protective of my family, and great with people. So, I hope that there is someone that would like to make me part of their family. Or, if you are a single person, I'd sure make a good companion, and we could have so much fun together!

If you say that I sound like a great dog, but I'm too big for your lifestyle, I have a solution for you. All that you have to do is look on the website, which is: teaffa.petfinder.com, where you will see all kinds and sizes. And, if you want someone a little more independent, you will see lots of kitty cats looking at you with their beautiful eyes, saying that they would love to start the New Year with you, as much as I would. So, won't you please call for an appointment to see us!

FRIENDS OF ANIMALS
310-479-3081

SANTA ARRIVED AT THE PIER

By Sandra Bautista

SANTA MONICA—On Saturday, December 17, Santa made his grand entrance at the Santa Monica Pier on a lory as he was escorted by lifeguards. Santa's grand entrance on the pier brought a smile to the faces of several children and adults who waited impatiently. The guests were invited to meet Santa and to take photos with the jolly gent. The event was free to the public and to the many tourists from all over the world who visit the pier every day.

The children at the event were full of joy as they took free rides on the historic Merry-Go-Round during Santa's visit, and enjoyed a variety of holiday treats.

But the fun did not stop there as the Cirque Du Soleil's Truck made a quick stop at the pier and encouraged adults and children to take part in an interactive experience with the unique characters of the OVO show.

Later in the afternoon, guests also had the opportunity to enjoy an old-fashioned caroling troupe from the Green Brooms Music Academy. The caroler's sang holidays favorites as they walked around spreading holiday cheer.

"I love bringing my children to the pier and it is the perfect place to spend some quality time with the family, especially around these Christmas days," a visitor to the pier told Canyon News.

Santa's grand arrival and the free Carousel's ride was part of the 2011 Holiday Open House event at the Santa Monica Pier. A canned food drive taking place until December 18 was also a feature of the event. The pier, in collaboration with the non-profit origination Upward Bound, encouraged people to drop off their food items in support of homeless families in need.

The Santa Monica Pier is open 24 hours a day year-round and hosts several events throughout the year.

Newsroom Staff

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Declaration of Principle

WE PROMISE TO:

1.) Provide a community newspaper that tells all the news honestly without any political agenda, slant or spin.
2.) Allow commentary writers the freedom to express their opinions and views without interruption, censorship or persuasion.
3.) Provide members of the community (rich or poor) with the truth and a place to voice their concerns.
4.) Abstain from printing anything demeaning, calumniatory or potentially harmful to any living being.
5.) Maintain the highest level of journalistic integrity.

Advertise 310.277.6017

Canyon News 90210 EXTRA

Bel Air, Beverly Hills, Brentwood, Castel Canyon, Los Feliz, Malibu, Pacific Palisades, Rancho, Santa Monica, Sherman Oaks, Studio City, Westwood, West Hollywood & Hollywood Hills

VOL. VII ISSUE 52, HOME DELIVERY $100 per year

DECEMBER 25, 2011

HOLIDAY SPIRIT ON THE LINE

PUBLIC CHRISTMAS DISPLAYS CHALLENGED

By Ben Jury

SANTA MONICA—Tempers ran high in Santa Monica this December, where atheists and Christians sought to display their exhibits on Ocean Avenue. City officials doled out 18 of the 21 available slots to atheist groups such as the American Atheists.

Some Christian groups, including the Santa Monica Nativity Scenes Committee, are not happy with the break from Palisade Park's 57-year-old tradition. "A small group of out-of-town atheists schemed to monopolize display space," the group claims on its website. Last year, the group maintained 14 displays depicting the story of Jesus's birth from the Gospel; this year, Christian groups were allotted two display spots, while a Jewish group acquired the last spot.

American Atheists, a national group established in 1963, recently released a new poster and billboard campaign following in the footsteps of last year's "MYTH" campaign. "Offending people is not our goal, but we know people are going to be offended," said Blair Scott, Communications Director for American Athrists in a press release. Some arguments coming from atheist camps claim these religious displays on public property violate the concept of separation between church and state.

According to its website, the group is "dedicated to working for the civil rights of atheists, promoting separation of state and church, and providing information about atheism."

"This is nothing but than a publicity stunt to advance an anti-religion," Merry Network LLC editor and overseer Jeff Westover told Canyon News. "The very idea of separation of church and state," he continued, "is not constitutional. The Constitution bans the state establishment of religion – it says nothing about the use of religious names, symbols, signs, language or imagery on anything anywhere."

The Santa Monica Nativity Scenes Committee began its S.O.N.S. (Save Our Nativity Scenes) campaign this year in an attempt to reclaim the 12 lost spots. "This 57-year-old community Christmas tradition is threatened," the S.O.N.S.'s page claims.

A petition is being signed by those in favor of re-allotting the displays to accommodate the Nativity scene. If unsuccessful, the committee plans to present this petition next year to ensure its 14 spots are returned.

Photo by Staff

BEVERLY HILLS POLICE CONDUCT DUI CHECKPOINTS

By Krystle Hudson

BEVERLY HILLS—Just in time for the holidays there will be DUI/Sobriety Checkpoints conducted on Friday, December 23 by the Beverly Hills Police Department Traffic Bureau. The checkpoints will be held at Southbound S. La Cienega Boulevard south of Gregory Way. This will take place at 9 p.m. and will conclude on December 24 at 3a.m.

According to the National Highway Traffic Safety Administration (NHTSA) these checkpoints have provided the most effective results of all DUI strategies. The Beverly Hills Police officers have been conducting special enforcement efforts for the next 12 months. Several additional officers have also been patrolling what they believe to be high-risk areas where they believe most fatalities occur.

In a news release the Beverly Hills Police Department are supporters of the Office of Traffic Safety and Mothers Against Drunk Driving (MADD) with their contributions to reduce incidents of alcohol related fatalities on public roadways. The BHPD conducts regular DUI/Sobriety checkpoints, DUI saturated patrols and places officers in the field to specifically check for DUI enforcements to create safer environments.

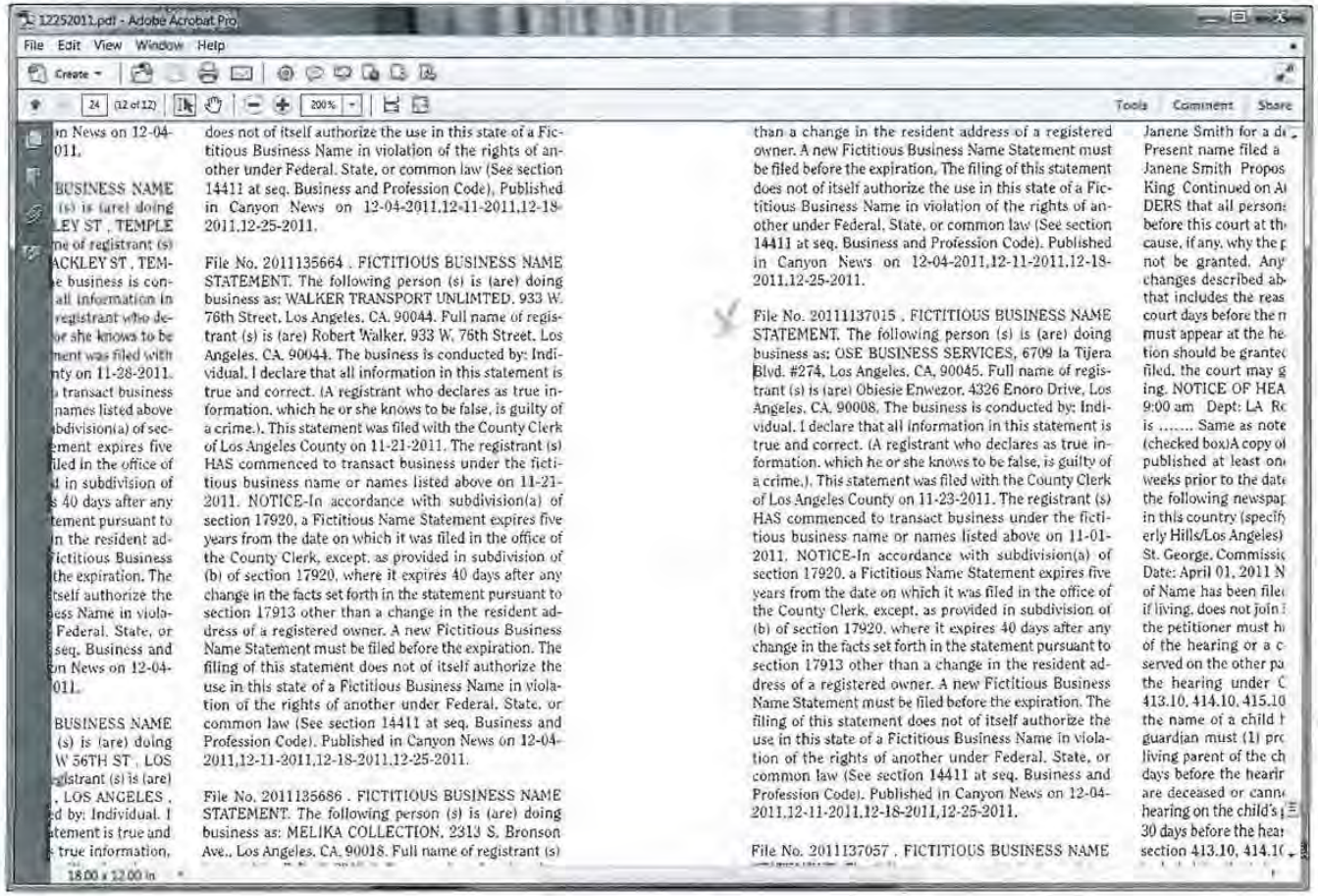
These special operations are being funded by a recently awarded grant on traffic safety. The grant was issued by the California Office of Traffic Safety (OTS) through the National Highway Traffic Safety Administration.

The purpose of the grant is to help the city in its effort to lower the rate of fatalities on roadways through enforcement and education. The grant specifically targets motorists and motorcyclists with suspended and revoked licenses, red light running and special violations. Based on research, alcohol related incidents drop by an average of 20 percent when DUI/Sobriety checkpoints are publicized enough within the community.

Director of the Office of Traffic Safety Christopher J. Murphy says traffic fatalities are at a low. "Thanks to the dedicated hard work of agencies like the Beverly Hills Department, California has the fewest traffic fatalities since 1994," said Murphy. "While this is good news, we know that only by keeping the pressure on through enforcement and public awareness can we hope to [illegible] these declines and save lives," added Murphy.

Los Angeles DUI/Sobriety Checkpoint. Photo courtesy of Thomas Wallin Law Offices

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 3153 of 3489
000521



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does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 at seq. Business and Profession Code). Published in Canyon News on 12-04-2011,12-11-2011,12-18-2011,12-25-2011.

File No. 2011135664 . FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: WALKER TRANSPORT UNLIMTED. 933 W. 76th Street. Los Angeles. CA. 90044. Full name of registrant (s) is (are) Robert Walker. 933 W. 76th Street. Los Angeles. CA. 90044. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information, which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 11-21-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 11-21-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 at seq. Business and Profession Code). Published in Canyon News on 12-04-2011,12-11-2011,12-18-2011,12-25-2011.

File No. 2011135686 . FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: MELIKA COLLECTION. 2313 S. Bronson Ave., Los Angeles. CA. 90018. Full name of registrant (s)

than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 at seq. Business and Profession Code). Published in Canyon News on 12-04-2011,12-11-2011,12-18-2011,12-25-2011.

File No. 20111137015 . FICTITIOUS BUSINESS NAME STATEMENT. The following person (s) is (are) doing business as: OSE BUSINESS SERVICES. 6709 la Tijera Blvd. #274. Los Angeles. CA. 90045. Full name of registrant (s) is (are) Obiesie Enwezor. 4326 Enoro Drive. Los Angeles. CA. 90008. The business is conducted by: Individual. I declare that all information in this statement is true and correct. (A registrant who declares as true information, which he or she knows to be false, is guilty of a crime.). This statement was filed with the County Clerk of Los Angeles County on 11-23-2011. The registrant (s) HAS commenced to transact business under the fictitious business name or names listed above on 11-01-2011. NOTICE-In accordance with subdivision(a) of section 17920, a Fictitious Name Statement expires five years from the date on which it was filed in the office of the County Clerk, except, as provided in subdivision of (b) of section 17920, where it expires 40 days after any change in the facts set forth in the statement pursuant to section 17913 other than a change in the resident address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See section 14411 at seq. Business and Profession Code). Published in Canyon News on 12-04-2011,12-11-2011,12-18-2011,12-25-2011.

File No. 2011137057 . FICTITIOUS BUSINESS NAME

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EXHIBIT N

Wisdom Academy for Young Scientists

Staff Roster

LAST NAME	FIRST NAME	RESPONSIBILITY	D.O.B.
1. Avila	Martha	Teacher 1st	4-24-85
2. Bowman	Franca	Instructional Aide	6-24-67
3. Cummings	Lisa	RSP	8-11-63
4. Cureton	Mickey	Executive Director	8-9-49
5. Del Pino	Mark	Teacher 3rd	8-2-78
6. Eduarte	Liby	School Psychologist	9-18-48
7. Ford	Arlena	Teacher 1st	10-4-86
8. Gordon	Lydia	Campus Aide	7-4-63
9. Henry	Laurel	Teacher K	11-4-49
10. Kim	Hannah	Teacher 3rd	1-7-81
11. Lawson	Danielle	Teacher 2nd	9-29-85
12. Lawson	Mary	Instructional Aide	6-21-48
13. Lorenzo	Noema	Teacher K	6-11-49
14. Losser	Leah	Teacher 5th	4-6-80
15. Okonkwo	Deara	Teacher 4th	7-7-90
16. Okonkwo	Jason	Director of Operations	9-7-87
17. Rollins	Sammie	Custodian	9-17-51
18. Sam	Olivia	Teacher 2nd	11-6-85
19. Sellers	Helen	Counselor	6-15-56
20. Tervalon	Rachel Enwezor	Custodian	5-28-70
21. Ven	Mary	Teacher K	8-31-80
22. Watson	Alake	Principal	3-19-76
23. Wynder	Lawrence	Principal	11-15-80
24. Yee	Jackson	Teacher 1st	11-4-62

Updated: 8-12-11

EXHIBIT O

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
APR 12 2013
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # _____ Date Needed: 4/11/13

Prepare check payable to: De De Dance Studio
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____	Child Nutrition – Federal	____	General Fund
____	Child Nutrition – State	____	Other
X	ASES	Describe:	
____	Special Education	_____	
____	Title I	_____	
____	Title II	_____	
____	Facilities Grant	_____	

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
After School Dance					5831		$ 4,000.00

Notes: February 2013

Total amount of check: $ 4,000.00 prepared by: _____ Date: 4/10/13
(Administrative Assitant)

Approved by: _____ Date: 4/10/13 Authorized by: _____ Date: _____
(Director of Operations) (Executive Director)

REVISED 07.27.2013

DeDe Dance Studio

DATE: February 28, 2013
INVOICE #
FOR: *ASES.146*

Bill To:
Wisdom Academy for Young Scientists

DESCRIPTION	AMOUNT
Monday - Friday After School Dance Week of Feb 4 - 8 2013	
Monday - Friday After School Dance Week of Feb 11 - 15 2013	
Monday - Friday After School Dance Week of Feb 18 - 22 2013	
Monday - Friday After School Dance Week of Feb 25 - Mar 1 2013	
Saturday Dance Feb 9 2013	
Saturday Dance Feb 16 2013	
Saturday Dance Feb 23 2013	
Saturday Dance Mar 2 2013	
TOTAL	$ 4,000.00

Make all checks payable to **DeDe Dance Studio**
If you have any questions concerning this invoice, contact Charletha Washington, 323-610-4124

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS **MAIN ACCOUNT** 11571

DeDe Dance Studio 4/12/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
3/4/2013	Bill	ASES147	4,000.00	4,000.00		4,000.00
					Check Amount	4,000.00

Wells Fargo - 7545 (N AFTER SCHOOL DANCE FOR MARCH 4,000.00

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
APR 12 2013
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # _____ Date Needed: 4/11/13

Prepare check payable to: DePe Dance Studio
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	____ General Fund
____ Child Nutrition – State	____ Other
_X_ ASES	**Describe:**
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Facilities Grant	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail
(X) Pick – Up by School
( ) Return to Originator
( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
After School Dance					5831		$4,000.00

Notes: March 2013

Total amount of check: $ 4,000.00 prepared by: _____ Date: 4/10/13
(Administrative Assitant)

Approved by: _____ Date: 4/10/13 Authorized by: _____ Date: _____
(Director of Operations) (Executive Director)

REVISED 02.27.2013

DeDe Dance Studio

DATE: March 30, 2013
INVOICE #
FOR: *ASES.147*

Bill To:
Wisdom Academy for Young Scientists

DESCRIPTION	AMOUNT
Monday - Friday After School Dance Week of Mar 4 - 8 2013	
Monday - Friday After School Dance Week of Mar 11 - 15 2013	
Monday - Friday After School Dance Week of Mar 18 - 22 2013	
Monday - Friday After School Dance Week of March 25 - 29 2013	
Saturday Dance Mar 9 2013	
Saturday Dance Mar 16 2013	
Saturday Dance Mar 23 2013	
Saturday Dance Mar 30 2013	
TOTAL	$ 4,000.00

Make all checks payable to **DeDe Dance Studio**
If you have any questions concerning this invoice, contact Charletha Washington, 323-610-4124

THANK YOU FOR YOUR BUSINESS!

ag Scientists

PAID
DEC 07 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

Date Needed: 12/7/12

DeDe Dance Studio

INDICATE FUNDINGSOURCE:

	Child Nutrition – Federal	X	General Fund
	Child Nutrition – State	X	Other
	Restricted AARA Funds		Describe:
	Special Education	ASES	
	Title I		
	Title II		
	Title III		

ch as invoices, receipts, purchase orders, receiving reports and all supporting documents)

( ) Return to Originator
– Up by School ( ) Other: _____

	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
					5831		

Total amount of check: $ 4000.00 Check request prepared by: _____

Approved by: _____ Date: 12/6/12 Authorized by: _____ Date
(Budget Manager) (Co-Director)
Jason Okonkwo

10975

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT

DeDe Dance Studio

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
12/1/2012	Bill	ASES143	4,000.00	4,000.00		4,000.00
					Check Amount	4,000.00

4,000.00

Wells Fargo - 7545 (N STUDENT ACTIVITES

DeDe Dance Studio

DATE: December 1, 2012
INVOICE #
FOR: *ASES.143*

Bill To:
Wisdom Academy for Young Scientists

DESCRIPTION	AMOUNT
Monday - Friday After School Dance Week of Oct 29 - Nov 2 2012	
Monday - Friday After School Dance Week of Nov 5 - 9 2012	
Monday - Friday After School Dance Week of Nov 12 - 16 2012	
Monday - Friday After School Dance Week of Nov 26 - 30 2012	
Saturday Dance Nov 3 2012	
Saturday Dance Nov 10 2012	
Saturday Dance Nov 17 2012	
Saturday Dance Dec 1 2012	
TOTAL	$ 4,000.00

Make all checks payable to **DeDe Dance Studio**
If you have any questions concerning this invoice, contact Charletha Washington, 323-610-4124

THANK YOU FOR YOUR BUSINESS!

WISDOM ACADEMY FOR YOUNG SCIENTISTS **MAIN ACCOUNT**

10790

DeDe Dance Studio

11/1/2012

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
9/30/2012	Bill	141	4,000.00	4,000.00		4,000.00
					Check Amount	4,000.00

Wells Fargo - 7545 (N ASES 4,000.00

Wisdom Academy for Young Scientists
7906 E. Manchester Ave.
Los Angeles, CA 90001

PAID
NOV 07 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 141 Date Needed: 10/31/12

Prepare check payable to: DeDe Dance Studio
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____	Child Nutrition – Federal	_X_	General Fund
____	Child Nutrition – State	____	Other
____	Restricted AARA Funds		Describe:
____	Special Education		_____
____	Title I		_____
____	Title II		_____
____	Title III		_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
ASES					5831		$4,000.00

Notes: Dance Enrichment
September 2012

Total amount of check: $ 4,000.00 Check request prepared by: LA Date: 10/30/12

Approved by: _____ Date: 10/30/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

REVISED 9.2010

DeDe Dance Studio

DATE: September 29, 2012
INVOICE # 141
FOR: *ASES*

Bill To:
Wisdom Academy for Young Scientists

DESCRIPTION	AMOUNT
Monday - Friday After School Dance Week of Sept 3 - 7 2012	
Monday - Friday After School Dance Week of Sept 10 - 14 2012	
Monday - Friday After School Dance Week of Sept 17 - 21 2012	
Monday - Friday After School Dance Week of Sept 24 - 28 2012	
Saturday Dance Sept 8 2012	
Saturday Dance Sept 15 2012	
Saturday Dance Sept 22 2012	
Saturday Dance Sept 29 2012	
TOTAL	$ 4,000.00

Make all checks payable to **DeDe Dance Studio**
If you have any questions concerning this invoice, contact Charletha Washington, 323-610-4124

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 10783

DeDe Dance Studio

Date	Type	Reference	Original Amt.	Balance Due	11/1/2012 Discount	Payment
9/29/2012	Bill	142	4,000.00	4,000.00		4,000.00
					Check Amount	4,000.00

Wells Fargo - 7545 (N OCT-12 FOR ASES 4,000.00

Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, CA 90001

PAID
NOV 07 2012
BY:

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # 142 Date Needed: 10/31/12

Prepare check payable to: DeDe Dance Studio
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____ Child Nutrition – Federal	____ General Fund
____ Child Nutrition – State	____ Other
____ Restricted AARA Funds	Describe:
____ Special Education	_____
____ Title I	_____
____ Title II	_____
____ Title III	_____

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
( ) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
ASES					5831		$4,000.00

Notes: Dance Enrichment October 2012

Total amount of check: $ 4,000.00 Check request prepared by: [illegible] Date: 10/30/12

Approved by: _____ Date: 10/30/12 Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

REVISED 9.2010

DeDe Dance Studio

DATE: September 29, 2012
INVOICE # 142
FOR: *ASES*

Bill To:
Wisdom Academy for Young Scientists

DESCRIPTION	AMOUNT
Monday - Friday After School Dance Week of Oct 1 - 5 2012	
Monday - Friday After School Dance Week of Oct 8 - 12 2012	
Monday - Friday After School Dance Week of Oct 15 - 19 2012	
Monday - Friday After School Dance Week of Oct 22 - 26 2012	
Saturday Dance Oct 6 2012	
Saturday Dance Oct 13 2012	
Saturday Dance Oct 20 2012	
Saturday Dance Oct 27 2012	
TOTAL	$ 4,000.00

Make all checks payable to **DeDe Dance Studio**
If you have any questions concerning this invoice, contact Charletha Washington, 323-610-4124

DeDe Dance Studio

INVOICE

DATE: August 31, 2012
INVOICE # 140
FOR: *ASES*

Bill To:
Wisdom Academy for Young Scientists

DESCRIPTION	AMOUNT
Monday - Friday After School Dance Week of Aug 14 - 17 2012	
Monday - Friday After School Dance Week of Aug 20 - 24 2012	
Monday - Friday After School Dance Week of Aug 27 - 31 2012	
TOTAL	$ 4,000.00

Make all checks payable to **DeDe Dance Studio**
If you have any questions concerning this invoice, contact Charletha Washington, 323-610-4124

THANK YOU FOR YOUR BUSINESS!

4/12/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/31/2013	Bill	ASES145	4,000.00	4,000.00		4,000.00
					Check Amount	4,000.00

Wells Fargo - 7545 (N AFTER SCHOOL DANCE FOR JANUARY 4,000.00

EXHIBIT P

WISDOM ACADEMY FOR YOUNG SCIENTISTS MAIN ACCOUNT 11202

DEARA OKONKWO 1/31/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/25/2013	Bill		320.95	320.95		320.95
					Check Amount	320.95

Wells Fargo - 7545 (N REIMUBURSMENT FOR SUPPLIES 320.95

PRODUCT DLT104 USE WITH 91683 ENVELOPE

000542

Wisdo[illegible]cademy for Young Scientists
706 E. [illegible]nchester Ave.
Los Angeles, CA 90001

Document # _____
Vendor # _____

CHECK REQUEST

INVOICE # _____ Date Needed: 1/31/13

Prepare check payable to: Jason Okonkwo
Address: _____
_____
Phone: _____

INDICATE FUNDINGSOURCE:

____	Child Nutrition – Federal	X	General Fund
____	Child Nutrition – State	____	Other
____	ASES	Describe:	
____	Special Education	_____	
____	Title I	_____	
____	Title II	_____	
____	Title III	_____	

(* Attach back up such as invoices, receipts, purchase orders, receiving reports and all supporting documents)

Disposal of check: ( ) Mail ( ) Return to Originator
(X) Pick – Up by School ( ) Other: _____

Description	Fund	Resource	Goal	Function	Objects/Acct.	Location	Amount
Reimbursement					See receipts		$320.95

Notes: _____

Total amount of check: $_____ Check request prepared by: _____ Date: _____

_____

_____ Approved by: _____ Date: _____ Authorized by: _____ Date: _____
(Budget Manager) (Co-Director)
Jason Okonkwo

REVISED 08.19.2010

W.A.Y.S. Reimbursement Request Form

Receipts must be attached to the request form.
Please keep a copy of this form and all receipts for your records.

Payable to: Deara Okunkwo Date of Request: 1/25/13

Address: _____

Position: _____

11/29/12 School Supplies Staples 65.70.

Date	Description	Location	Amount
1/02/13	School Supplies	Staples	39.20.
11/27/12	School Supplies	Staples	66.72.
1/28/13	School Supplies	Target	80.57.
1/20/2013	Teacher Gift Card	Walgreens	57.90.
			10-86.

Total amount to be reimbursed: School Supplies Staples $320.95
11/29/12

I certify that the above is a true statement, that the expenses claimed were incurred by me on official WAYS business, and that I have attached original receipts for each expense.

Signature: _____ Date: 1/25/13

Received by: _____ Date: 1/28/13

Deara's
Total Reimbursement:
$263.05

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SALE 1603064 5 002 54751
1376 11/29/12 04:19

QTY SKU	PRICE
REWARDS NUMBER 3575060870	
1 ACCU-STAMP SHUTTER	
039986355353	9.99
SUBTOTAL	9.99
Standard Tax 8.75%	0.87
TOTAL	$10.86
Debit Tender:	10.86

Card No.: XXXXXXXXXXX4303 [S]
Auth No.: 207994

TOTAL ITEMS 1

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4310

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SALE 1433913 5 002 59701
1376 01/02/13 05:20

QTY SKU PRICE

REWARDS NUMBER 3575060870

1 8.5X11 BLACK BORDE
718103104548 15.99

1 SPLS SUCTION CUPS/
718103136501 4.99

1 SPLS 2IN RNG TAB C
718103029087 6.99

1 MAGAZINE LITERATUR
718103098274 7.99

SUBTOTAL 35.96

Standard Tax 9.00% 3.24

TOTAL $39.20

4/30

Debit Tender: 39.20
Card No.: XXXXXXXXXXX4303 [S]
Auth No.: 791295

TOTAL ITEMS 4

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SALE 1603064 5 002 54
1376 11/29/12 04

QTY SKU PR

REWARDS NUMBER 3575060870

1 ACCU-STAMP SHUTTER
039556355353 9

SUBTOTAL 9

Standard Tax 8.75% 0

TOTAL $10

Debit Tender: 10
Card No.: XXXXXXXXXXX4303 [S]
Auth No.: 207994

TOTAL ITEMS 1

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13756112912547510

4/30

DAIGLE
DAIGLE PAY LESS

LOS ANGELES - 310-[illegible]-1131
[illegible] 12 09:45 PM EXPIRES 01/26/13

[illegible]	CANDY CORN	FN	[illegible]	
	2 @ $2.69 ea			
[illegible]	NABISCO	FN	$2.04	
	2 @ $1.02 ea			
[illegible]	CAPRI SUN	FN	$4.29	
[illegible]	HOSTESS	FN	$1.69	
[illegible]	WATER GLOBE	T	$12.99	
[illegible]	UP LUNCH BAG	T	$5.61	
	3 @ $1.87 ea			
MANY OFFICE				
[illegible]	STICKER	T	$4.99	
[illegible]	LICENSE PART	T	$4.99	
[illegible]	NECKLACE	T	$1.00	
[illegible]	NECKLACE	T	$2.00	
	2 @ $1.00 ea			
[illegible]	BALL YOYO	T	$5.00	
	5 @ $1.00 ea			
[illegible]	GLOW WAND	T	$4.00	
	4 @ $1.00 ea			
[illegible]	PUZZLE CUBE	T	$5.00	
	5 @ $1.00 ea			
[illegible]	PLANE STICKS	T	$2.00	
	2 @ $1.00 ea			
[illegible]	HX TOIES	T	$3.00	
	3 @ $1.00 ea			
[illegible]	HX ERASE GRD	T	$5.[illegible]	
	5 @ $1.00 ea			
[illegible]	HX PENS	T	$3.00	
	3 @ $1.00 ea			
[illegible]	HX JOURNALS	T	$2.00	
	2 @ $1.00 ea			
[illegible]	CARDS DICE	T	$1.00	
	SUBTOTAL		$75.18	
[illegible] TAX @ 7.50%	$[illegible]		$5.39	
	TOTAL		$80.57	
[illegible]	DEBIT TOTAL PAYMENT		$80.57	

INDICATES SAVINGS

[illegible] Pharmacy We're here to help!
9am - 9pm M-F
9am - 6pm Sat
9am - 6pm Sun

[illegible] 1006-0084 1696 4 [illegible] 298 [illegible]

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SALE 1229162 4 001 02442
1376 11/27/12 01:21

****

QTY SOLD		PRICE
	REWARDS NUMBER 3575060870	
1	CLASSMATE ELECTRIC 716103163316	47.99
1	PENTEL LEAD REFIL 072512030868	2.79
1	PENTEL LEAD REFIL 072512030868	2.79
1	PENTEL LEAD REFIL 072512030868	2.79
1	EXPO DRY ERASE CLE 071641816033	4.99
SUBTOTAL		61.35
	Standard Tax 8.75%	5.37
TOTAL		$66.72
Debit Tender		66.72

Card No.: XXXXXXXXXXX4303 [S]
Auth No.: 870122

TOTAL ITEMS 5

4310

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LOS ANGELES, CA 90016
323-292-7261

Dara's Reimbursement

02 2749 0021 01/20/2013 6:08 PM

ANILLA VISA PURPL W/BDN G/CRD$25
627700207471360O 25.00
ISA AND MASTERCARD FEE $3.95
46611000001 3.95
ANILLA VISA PURPL W/BDN G/CRD$25
627700395601592G 25.00
ISA AND MASTERCARD FEE $3.95
465 1000001 3.95

TOTAL 57.90
DEBIT CARD 57.90
CHANGE .00

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PASSWORD
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4396

EXHIBIT Q

WISDOM ACADEMY FOR YOUNG SCIENTISTS

Beritez

April 5, 2014

Arturo Delgado, Ed.D
Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, California 90242

APR 14 2014

Dear Dr. Delgado:

We are responding to information and allegations contained in the FCMAT audit on this date, as you have improperly demanded. You are not following Education Code section 1241.5, in that **you have not communicated any findings or recommendations for us to respond to.** Rather, your staff emailed the FCMAT audit to our individual board members with no explanation or recommendations. We sent you a letter explaining that you have 45 days to report your findings and recommendations, if any, to the WAYS Board. You have not done so, and you have not provided any findings or recommendations whatsoever. Instead, your staff responded by stating that LACOE will present its report at our board meeting later this month, but demanded that we "respond" to that future report now. We cannot see into the future and anticipate what your determinations and/or findings might be—and your demand that we guess is improper. Education Code section 1241.5 requires that we respond to your determinations and recommendations within 15 days **after you present them**. Your initial letter from staff was correct in that regard. Your initial letter made no mention of a Saturday April 5 deadline. It correctly stated that WAYS must respond to the superintendent's report of findings and recommendations made to our board 15 days thereafter. But now, your staff is inexplicably demanding that we respond today (a Saturday no less) to findings and recommendations **you have not yet made, and may never make. You are failing to proceed in the manner required by the statute, and we have stated that to you twice now**.

Because we cannot respond to your findings or recommendations that you have not provided us, this letter and attachments instead are in response to the alleged deficiencies identified by FCMAT in its audit. Notably, the FCMAT audit does **not** conclusively state **any** factual findings or determinations whatsoever. Nor does the audit make any recommendations whatsoever to WAYS. Rather, the audit concludes with its starting point—a "suspicion" that WAYS and/or its officials committed "fraud" or other "illegal activities". Rather than provide any factual findings, the audit identifies billing irregularities and misstates the circumstances and/or significance surrounding several transactions. For example, FCMAT incorrectly implies that there is something illegal or wrong about a WAYS employee participating in and/or founding a nonprofit corporation that serves children who may also attend WAYS. Nothing could be further from the truth. By definition, there is no conflict of interest for such service to nonprofit public benefit corporations. Similarly, there is no "eternal prohibition" against former employees from having financial transactions with WAYS. While true that there appears to have a conflict several years ago when WAYS leased property owned by a person who was then then executive director, any such conflict was long ago cured (at the Los Angeles County Board of Education's direction and approval) when the former executive director was separated from employment. There is no unlawful conflict or "fraud" evidenced by WAYS leasing property from the former executive director; and FCMAT did not (and cannot) conclude otherwise.

Also notable is that the FCMAT audit report erroneously states that *"WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates."* This statement is plainly untrue, and reflects a fundamental misunderstanding of nonprofit corporations. WAYS is a small public charter school formed and operated entirely under the California Nonprofit Public Benefit Corporations Law. It was

Salvation Army Campus
7651 S. CENTRAL AVE.
LOS ANGELES, CA 90001
Phone: 323-537-8194
Facsimile: 323-537-8209

Manchester Campus (Official Mailing Address)
706 E. MANCHESTER AVE.
LOS ANGELES, CA 90001
Phone: 323-752-6655
Facsimile: 323-752-6644

Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Facsimile: 323-589-6550

WISDOM ACADEMY FOR YOUNG SCIENTISTS

founded by the former executive director, governed by robust nonprofit corporate board of directors composed of members of the community, and is operated by professional teachers, and administration.

Another strange item in the FCMAT audit relates to LAUSD—an allegation with no explanation or evidence. The auditor appears to not understand how Proposition 39 works, or the SB740 rent reimbursement program (not even mentioned in the audit). The FCMAT audit report states, *"WAYS' governing board failed to disclose that LAUSD had awarded facilities under a Proposition 39 request for facilities on April 1, 2011. Subsequent to the approval for facilities by LAUSD that could have alleviated conflict of interest concerns, WAYS did not respond to LAUSD to indicate acceptance of the offer."* First and foremost, there is no requirement that a charter school "disclose" or "accept" Proposition 39 facilities. In fact, many charter schools within LAUSD do not accept the district's Prop 39 offers, because their commercial options are more practical for the schools, especially if they serve large free and reduce meal populations. FCMAT appears to think that Prop 39 is free—it's not. It's very expensive in LAUSD. In 2011, only about half the schools that received Prop 39 offers from LAUSD accepted them. The state's SB 740 rent reimbursement **does not pay** for Prop 39. Often in LAUSD, Prop 39 offers are much expensive than commercial space. In WAYS case, acceptance of Prop 39 space would render us completely ineligible for SB740 rent reimbursement. So, moving to Prop 39 space would in reality be at least twice as expensive to the school's bottom line. In any event, WAYS did in fact dialogue with LAUSD about the Prop 39 space. LAUSD denied the charter renewal in March 2011. LACOE did not approve the renewal until June 7, 2011—more than a month after the regulatory deadline for Prop 39 acceptance. LAUSD acknowledged WAYS response on July 6, 2011. There is nothing "fraudulent" about any of that.

These examples demonstrate that while the FCMAT audit may provide some useful information for LACOE and WAYS to consider, much of it is incorrect or incomplete in facts and circumstances. That is why it is beholden on the superintendent to make findings and recommendations to WAYS as required by the statute. **If the LACOE Superintendent believes that findings and/or recommendations are in order as a result of the FCMAT audit, he should present that in a report to the WAYS Board within 45 days as is required by statute. WAYS would very much appreciate a meaningful opportunity to consider and adopt LACOE's recommendations, if any. But at this point, LACOE has not provided any findings or recommendations whatsoever as a result of the FCMAT audit.**

Attached is a table responding to statements made in the FCMAT audit. Supportive evidence is attached as exhibits.

Sincerely,

Edward Cabil
Executive Director

Salvation Army Campus
7651 S. CENTRAL AVE.
LOS ANGELES, CA 90001
Phone: 323-537-8194
Fascimile: 323-537-8209

Manchester Campus (Official Mailing Address)
706 E. MANCHESTER AVE.
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Phone: 323-752-6655
Fascimile: 323-752-6644

Kinder Campus
8778 S. CENTRAL AVE
LOS ANGELES, CA 90001
Phone: 323-589-6500
Fascimile: 323-589-6550

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response

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FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
Allegation that county office had received allegations of multiple fiscal irregularities, questionable expenditures and inappropriate related-party transactions at WAYS charter school.	1	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	WAYS management has made several requests to LACOE staff to provide evidence of the allegations they claim to have received.	N/A
"FCMAT focused on the allegations of misappropriation of assets, misuse of grant funds and conflict of interest to "determine" whether Wisdom Academy for Young Scientists Charter School and or its personnel were involved in or committed fraudulent activities." *"Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred."*	1 & 45	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit made no findings or determinations that WAYS and/or its personnel were involved in or committed fraudulent activities. However the audit suggests that fraudulent activities may have occurred in the closing recommendation on page 45.	Exhibit 1: Pages 1 and 45 of the FCMAT audit report.
"The FCMAT study team conducted initial county office interviews in June 2013 during the schools' summer vacation and then visited the three charter school campuses in	1	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The report failed to declare that the FCAMT audit team interviewed and collected documents from the WAYS back office provider in July 2013, prior to the audit teams fieldwork in November 2013. Moreover, the FCMAT audit team failed to notify WAYS management of the initial meetings with the back office provider. Emails from the back office provider and the FCAMT audit team verify this event.	Exhibit 2: Emails from the back office provider and the FCMAT

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
November 2013 to conduct interviews, collect data and review documents."				audit team.
"The inability for the governing board to exercise due diligence and implement internal controls has effectively allowed the former executive director, current executive director and related parties unrestricted access to the assets of the organization and implied authority to enter into a variety of business arrangements for personal gain without board authorization and or approval."	3	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	This statement is ambiguous and inflammatory. The FCMAT audit does not provide verification of whether the audit team witnessed the alleged actions of the former executive director, current executive director, and "related parties". Moreover, it does not base its allegation on any evidence other than hearsay.	N/A
"The involvement of the former executive director, related parties, business associates, former board members and numerous businesses owned by the former executive director and her husband has raised questions regarding potential conflict of interest, significant influence over financial transactions, self-dealing, control over fiscal management and related party transactions in violation of government and education codes."	3	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Since the 2010-11 school year, the former executive director has not been involved in any WAYS business. Her private business affairs do not concern WAYS.	N/A

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
"Since that time, the management of the charter school has repeatedly resisted implementation of the conditions for approval by ignoring requests by the County office staff for information to support that the conditions have been met. On several occasions, verification that the conditions have been met including required reports such as financial information, interim budget reports, audited financial statements and monthly reports have been submitted after repeated requests by Los Angeles County Office of Education (LACOE) staff or have not been submitted at all."	3	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit does not provide verification of whether the audit team witnessed or if evidence exists that the alleged resistance of WAYS to implement the conditions for approval, failure to provide required reports, or ignored requests by the county office staff.	N/A
"In January 2014, three of five board members resigned, citing similar complaints that are verified in the minutes and audio recordings of board meetings."	4	*" verified in the minutes and audio recordings of board meetings."*	The FCAMT audit report erroneously states that three of five board members resigned in January 2014. The WAYS board meeting minutes and audio records verify that one of the seven Board Members resigned in January 2014.	Exhibit 3: WAYS Board Meeting February 3, 2013 Agenda, Minutes, and Audio (Audio available upon request.)

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
"LACOE staff note several irregularities and possible misappropriation of funds within the WAYS charter school organization that oversees three charter school sites. These allegations of fraud involve ongoing conflicts of interest and the mismanagement of charter school funds related to facility leases, related-party transactions between the former executive director who owns two of the properties leased by the school and is related to owners of private businesses that conduct business with the charter school, execution of a vehicle lease without board approval, and a substantial separation of service payment to the former executive director without sufficient supporting documentation. Governance issues include an ineffective governance structure caused by continued interference by the former executive director through her son and daughter that hold key positions of authority and	4	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	*Evidence does not exist to confirm that the allegations the LACOE noted can be verified.* *Contrary to the allegations made in this report, the WAYS Board Meeting Minutes and Audio since 7/2011 to date, verify that there is no evidence that the current former executive director, current executive director, director of operations, and vice principal disrupted or eliminated the governing board's ability to exercise its fiduciary responsibilities and duty of care.* *WAYS board meeting minutes dated July 31, 2012 (Exhibit 4), provide evidence to verify the board approval for the school vehicle lease.* *WAYS board meeting minutes and resolution dated October 26, 2012, provide evidence to verify the WAYS board received legal counsel from the WAYS attorney, and approved the settlement with the former executive director.*	Exhibit 4: WAYS Board Meeting July 31, 2012 Minutes and Resolution to Purchase School Business Vehicle Exhibit 5: WAYS Board Meeting October 26, 2012 Minutes and Settlement Agreement Resolution

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
decision making in the organization, effectively eliminating the governing board's ability to exercise its fiduciary responsibilities and duty of care. Evidence of board meeting cancellations and disruption by the current executive director and the founder's son (director of operations) are corroborated through emails, board minutes and audio recording of board meetings."				
"Prior to the board president's resignation in January 2014, threatening outbursts by the founder's son at a specially scheduled board meeting ended the meeting, after which she obtained a restraining order for her personal protection."	4	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The WAYS governing board has no record of a resignation from the former board [chair]. The former board chair was voted off of the WAYS board on January 30, 2014 by a unanimous vote, as verified in the WAYS board meeting minutes (Exhibit 4). Furthermore, the director of operations did not commit any crime, or make a threatening outburst during any board meeting. The rumor of a restraining order being obtained by the former board chair cannot be confirmed. Moreover, there exists no record of a restraining order against the WAYS director of operations.	Exhibit 6: WAYS Board Meeting January 30, 2014 Minutes
"Based on these allegations, the Los Angeles County Office of Education, Charter Schools Division conducted a preliminary investigation, and based on the results of their initial findings, requested assistance from FCMAT	4	Education Code Sections 47604.4 and 1241.5(c).	WAYS was not involved in LACOE's initial investigation. LACOE did not inform WAYS of an investigation, nor did they request WAYS management team participation at any point. This is the first indication to WAYS that LACOE conducted a preliminary investigation regarding the aforementioned allegations. Moreover, all of the allegations that the report asserts that LACOE based its preliminary investigation, seem to be based on events that LACOE staff claim to have occurred subsequent to the they requested assistance from FCMAT in May 2011, which	Not applicable.

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
pursuant to Education Code Sections 47604.4 and 1241.5(c)."			makes the FCMAT audit report and LACOE's allegations even more ambiguous.	
"If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the charter school, the State Controller, the Superintendent of Public Instruction and the local district attorney."	4	Education Code Sections 47604.4 and 1241.5(c).	Both FCMAT and the county superintendent failed to provide evidence to determine that fraud or misappropriation of funds has occurred prior to, subsequent to, and in the FCMAT audit report.	Exhibit 1: Pages 1 and 45 of the FCMAT audit report.
"...and previous board president to hold key positions in the organization and run the day-to-day operations."	9-44	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report erroneously refers to WAYS' current executive director as a "former board president" throughout the audit report. Exhibit___, WAYS board member rosters, provide evidence that the current executive director never served as 'president' of the WAYS board of directors.	Exhibit 7, WAYS Board Member Rosters 2010-11, 2011-12, 2012-13, 2013-14
"Blank Page or Missing Information	8	Blank Page or Missing Information	WAYS cannot determine whether the published FCMAT audit of WAYS report is complete because there are various blank pages throughout the audit report.	Not applicable.
WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates."	9	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit erroneously states that "WAYS is a tightly held small public charter school operation founded and primarily operated by one family and close associates." WAYS is a nonprofit public benefit corporation founded by the former executive director, governed by robust board of directors composed of members of the community, and is operated by professional teachers, and administration. Evidence of this is provided in Exhibit __: List of WAYS Board Members and Administration.	Exhibit 8: List of WAYS current Board Members and Administration.
" [the] founder former	9	FCMAT failed to provide evidence to WAYS and in the	The FCMAT audit report makes this false and misleading	Exhibit 9:

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
executive director selected the board members, which gave her and other family members significant influence over financial decisions that benefited them financially."		AB139 audit report.	allegation with no substantial evidence. The former executive director did not select the WAYS board members. She does not have any influence over financial decisions that benefit her or her family. Evidence of this is provided in (Exhibit 9) the WAYS Board Meeting Minutes 2011-12, 2012-13, 2013-14, in which Board Members were inaugurated; and (Exhibit 10) required WAYS Board questionnaire form, completed by current and previous Board Members.	WAYS Board Meeting Minutes and Audit (Audio can be provided upon written request) 2011-12, 2012-13, 2013-14 Exhibit 10: WAYS Board Questionnaire
" *the founder former executive director positioned her son, daughter and previous board president to hold key positions in the organization and run the day-to-day operations, and by this action still maintained effective control over the financial affairs of the organization."*	9	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The director of operations, reports to and is immediately supervised and evaluated by the executive director and the WAYS Board of Directors (Exhibit 11). The vice principal, reports to and is immediately supervised and evaluated by the principal, and executive director (Exhibit 12). The aforementioned facts identifies the structure that WAYS has in place creates checks and balances in efforts to avert the abuse of power and manipulation of decision-making. The FCMAT audit report fails to provide evidence that the director of operations and vice principal are involved in any positions or transactions that will personally benefit them. The current director of operations and vice principal was employed by WAYS before the release of the former executive director. The former executive director did not appoint or position any WAYS employee, nor does she have any influence or control over the financial affairs of the organization. Moreover, the WAYS board of directors fully implements its governance structure, which sets forth provisions to avert any	Exhibit 11: WAYS Director of Operations Job Description Exhibit 12: WAYS Vice Principal Job Description Exhibit 13: WAYS Governance Structure

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			possibility of nepotism and/or conflicts of interest. Evidence of this is provided in Exhibit __: the WAYS governance structure illustration.	
"Although WAYS had a fiscal policies and procedures handbook, the organization failed to implement or monitor several of the adopted policies and procedures. Recent board minutes document that when board members expressed the need to review and approve certain financial transactions or asked for the back office provider to present the financial statements during open board meetings, management repeatedly ignored these requests."	10	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	This allegation is unsupported by any evidence. Although FCMAT claims that "recent board documents this allegation", FCMAT fails to provide specific evidence of the alleged occurrence presented in the WAYS board meeting audio recordings and/or minutes. WAYS board minutes and WAYS board meeting audio recordings from July 1, 2013 through March 13, 2014 (Exhibit 9), do not verify the statements in the audit report. WAYS administration and back office provider give financial reports to the Board regularly at monthly meetings and follow all approval protocol.	Exhibit 9: WAYS Board Meeting Minutes and Audio (Audio can be provided upon written request) 2011-12, 2012-13, 2013-14
"In some cases, management canceled board meetings and caused major disruptions that ended board meetings prematurely."	11	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report makes this subjective statement, without providing viable evidence to support their claim. Considering that the FCMAT audit report deliberated on all information provided to them up to February 28, 2014, WAYS is surprised that the FCMAT audit report fails to bring light to the LACOE superintendent letter titled "Notice of Concern" dated December 20, 2013 (Exhibit 14), and a follow-up letter from the LACOE Charter Schools Office (CSO) coordinator dated January 24, 2014 (Exhibit 15) issued WAYS governing board, which required a response from WAYS by January 31, 2014. The LACOE superintendent's letter and follow-up from the CSO coordinator indicate that LACOE had concerns regarding misinformation provided to them from staff in LACOE internal	Exhibit 14: LACOE Notice of Concern dated December 20, 2013 Exhibit 15: LACOE Charter Schools Office

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			offices. Not surprising, the concern was regarding the statements made in the scurrilous email from the former WAYS board member. The LACOE superintendent inappropriately refers to the scurrilous email addressed the executive director as 'a written complaint received by LACOE from a former board member'. On January 31, 2014 the WAYS executive director, on behalf of the governing board, provided LACOE a detailed written response to the LACOE superintendent's concerns stated in the notice of concern letter (Exhibit 16). In the response letter, the executive director verified that the former board member's email that was an internal communication intended for him, not address to LACOE, and indicated that he investigated the claims asserted in the former board member's letter, as well as a grievance letter from the director of operations, which provided a different view of the incident that occurred on October 24, 2013. Furthermore, the executive director explained that the November 21, 2013 board meeting was cancelled, because the agenda was not posted in accordance with the Brown Act. To date, WAYS has not received any inquiry or response from the LACOE staff regarding this matter. WAYS management did not cancel or cause any major disruptions that ended board meetings prematurely. Evidently the statement in the FCMAT Audit Report, was based on the scurrilous email addressed to the WAYS executive director, on January 25, 2014, from a former disgruntled Board Member who was voted off of the WAYS board by a majority board vote, subsequent to the WAYS school site council recommendation to the board of directors to remove the former board member and her counterpart from the WAYS governing Board for several reasons outlined in the school site councils resolution dated January 23, 2014 (Exhibit 17). The WAYS school site council is a committee initiated by the school principal, is made up of elected parents, teachers, and community members. The school site council is charged with representing the WAYS community made up of students, parents and teachers.	coordinator letter dated January 24, 2014 Exhibit 16: WAYS Executive Director letter dated January 31, 2014 Exhibit 17: WAYS School Site Council Resolution dated January 23, 2014

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
"Independent audit reports for the last three fiscal years report 15 instances of significant and or combined internal control conditions. Several of these findings have not been addressed by management and the governing board; therefore, these findings are repeated each year."	11-14	Audited Financial Statements Schedule of Findings and Questioned Costs for Audit Years 2011, 2012 and 2013 (Table on Page 11-14)	The FCMAT audit report misrepresents the WAYS annual independent report issued over the past three fiscal years. The independent audit and reports for fiscal years ending June 30, 2011, and June 30, 2012, were conducted and written by the same audit firm. Specifically: 2011) In the independent audit report year ending June 30, 2011, the audit firm identified 6 material findings. In the summary of this report auditors gave WAYS an unqualified opinion. 2012) In the independent audit report year ending June 30, 2012, the audit firm identified only 2 material findings. In the summary of this report auditors gave WAYS an unqualified opinion. WAYS changed its audit firm in 2013, to audit the fiscal year ending June 30, 2013. Audit Firms are likely to have different philosophy and approach to the audit process, all toward the same purpose of ensuring that the financial statements are fairly presented. When such change occurs, it is very possible that unusual findings will arise, which is within the intent of the independent audit report. 2013) In the independent audit report year ending June 30, 2013, the audit firm identified 7 material findings and issued WAYS a qualified opinion. The report exaggerates 15 findings referenced in the audit report, which were issued over three years. Instead, the audit report suggests, "Several of these findings have not been addressed by the governing board." In fact, only 2 of the categories of were repeated over three years. Moreover, the details of the findings were different in each of the reports for three years. Technically, there are no findings, which were repeated over three consecutive years; therefore the FCMAT audit report's suggestions are inaccurate and exaggerated in efforts to implicate the WAYS board and management. Exhibits 18, 19, and 20 contain the internal audit report summaries for fiscal years ending June 30, 2011, 2012, and 2013.	Exhibit 18: WAYS Independent Audit Report year-end June 30, 2011 Exhibit 19: WAYS Independent Audit Report year-end June 30, 2012 Exhibit 20: WAYS Independent Audit Report year-end June 30, 2013
" the sale of a school vehicle used by the director	16	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report falsely suggests that the director of operations overstepped his authority by managing the school's	Exhibit 21:

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
of operations was not approved by the governing board. Instead, the vehicle, a Lexus, was sold by the founder former executive director's son in December 2013 without board approval."			sizeable assets without direction or approval from the executive director and board of directors. On August 30, 2013, the WAYS executive director and director of operations determined that it would be in the best interest of the school if WAYS sold the school business vehicle in order to meet the expense of the acquiring a second school van. By doing so, WAYS would reduce the school expenses associated with pupil transportation, and hiring chartered school bus companies. Verified in the board meeting documents on September 26, 2013, and February 3, 2014 (Exhibit 21), the executive director presented the recommendation to sale the school vehicle, in which the WAYS board of directors considered and approved. The director of operations was not present at the aforementioned board meeting. The director of operations, within the scope of his responsibilities, carried out the directive of the WAYS executive director and board of directors, in the best interest of the school.	WAYS Board Meeting Agenda and Documents September 26, 2013 and February 3, 2014
"This report will demonstrate that payments made to the private dance studio owned by the vice principal were not disclosed in accordance with laws and regulations set forth by the FPPC."	16	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	There are no records to ascertain the audit reports allegation that WAYS made payments to any private dance studio, nor to any company privately owned by the vice principal. Moreover, the vice principal verified she does not "own" a private dance studio.	Not applicable.
"Evidence in the board minutes and audio recordings, verbal and written complaints by former board members and direct observations by LACOE staff reveal instances where the founder former executive director continued to be present and seated at the	16	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	These statements are not substantiated by the aforementioned board documents as FCMAT and LACOE suggested. In fact, the founder was at no point seated at the Board table during discussions regarding facility leasehold agreements for properties that she owned. This did not occur during the duration of her employment with WAYS and certainly not after her employment was terminated. The WAYS board is acutely knowledgeable of the law as it relates to California conflicts of interest codes. The WAYS board excused the founder from the consideration of the WAYS Manchester and Kinder Campus lease agreements because of a possible conflict of interest or lack	Not applicable.

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
board table during discussions regarding facility leasehold agreements for her personal properties. Evidence in the board minutes indicates that at least two occurrences transpired when she was no longer employed by WAYS."			of impartiality.	
"On September 16, 2011, subsequent to her departure from WAYS, the founder former executive director was present at the board meeting. She refused to be unseated from the board table during discussions concerning the relocation of WAYS to a property not owned by the founder former executive director." *"Individuals at this meeting who supported continued use of her facilities by WAYS schools caused such a disruption that the board meeting was disbanded."* *"During the September 22, 2011 board meeting one week later, the founder former executive*	16-17	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	In several instances throughout the FCMAT audit report, it appears that the FCMAT audit team drew several conclusions based on hearsay from specific former and current LACOE employees, who seem to have vengeful personal agendas against the WAYS founder. The audit report erroneously repeats "as fact" several false and defamatory statements against the WAYS founder that were made to impugn her character and damage her reputation. The aforementioned citations from the FCMAT audit report risk the possibility of a claims for damages for slander and defamation against FCMAT, LACOE and WAYS. The statements were reckless. To the extent WAYS is subjected to any such claims for damages, we intend to seek indemnity from FCMAT and LACOE. There is no evidence that an official board meeting was held on September 16, 2011. According to WAYS employees, parents, community members, and former board members, five of the board members in attendance ended the meeting abruptly following the directive of the LACOE Charter School Office coordinator to "shut the [board] meeting down" for an undisclosed reason, as was quoted by a former WAYS board member, before the board meeting was brought to order. Furthermore, the "individuals" who supported the continued location of the school, as cited in the FCMAT audit report, were	Exhibit 22: WAYS Board Meeting Cancelation Notice

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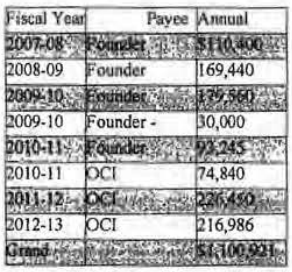
FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
director was observed by LACOE staff seated at the board table having private conversations with one board member." *"The founder former executive director and other family members were present and exercised significant influence during board meetings that provided a direct personal financial benefit."*			WAYS employees, students, parents, and other stakeholders. On September 22, 2011, no board meeting was held due to a lack of quorum, as confirmed by the notice of board meeting cancellation provided in Exhibit 22. There is no evidence that the founder communicated with a board member, moreover no evidence to confirm her presence at the attempted board meeting. Additionally, the WAYS governing board is knowledgeable of the Ralph M. Brown Act and California Non-Profit 501(c)(3) laws and regulations specifically to the degree that board meetings are open to public attendance. Prohibiting the founder from attending the WAYS Board meetings, as LACOE and the FCMAT audit team appear to indirectly suggest WAYS should do, is absolutely discriminatory and unlawful.	
Blank Page or Missing Information	18	Blank Page or Missing Information	WAYS cannot determine whether the published FCMAT audit of WAYS report is complete, because there are various blank pages throughout the audit report.	Not applicable.
In an attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools, the founder former executive director placed the properties in a revocable trust named OCI Development Corporation in 2010-11. *WAYS paid $1,070,921 to the founder former executive director and her holding company, OCI Development Corporation, for leasehold agreements located at 706 E.*	19	 Fiscal Year / Payee / Annual 2007-08 Founder $110,400 2008-09 Founder 169,440 2009-10 Founder 139,560 2009-10 Founder - 30,000 2010-11 Founder 93,245 2010-11 OCI 74,840 2011-12 OCI 226,450 2012-13 OCI 216,986 Grand $1,100,921	The FCMAT audit report erroneously cites, in attempt to address the conflict of interest with the facility lease agreements for the properties occupied by the schools. It appears there was a conflict of interest several years ago when the school's executive director was an owner of the school site. That conflict was cured when the former director separated from employment in 2011at the direction and approval of the LACOE Board. There has been no conflict in that regard since 2011. Furthermore, the grand total ($1,070,921 and $1,100,921) paid in rent expenses over the 8-year period provided in the FCMAT audit report erroneously reflects conflicting figures. Later in the report, FCMAT attempts to total an amount of questionable expenses using these erroneous figures.	Not applicable

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
Manchester Avenue, Los Angeles, CA and 8778 S. Central Avenue, Los Angeles, CA from the 2007-08 through 2012-13 fiscal years as shown in the following table.				
According to a report on the WAYS charter petition and appeal to LACBOE dated May 10, 2011 by the LACOE Charter School Review Team, it was revealed that WAYS' governing board failed to disclose that LAUSD had awarded facilities under a Proposition 39 request for facilities on April 1, 2011. Subsequent to the approval for facilities by LAUSD that could have alleviated conflict of interest concerns, WAYS did not respond to LAUSD to indicate acceptance of the offer.	19	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	See WAYS transmittal letter. The timeline of events, which led to the WAYS governing board's refusal of the Proposition 39 facilities offer: March 1, 2011 LAUSD denied WAYS charter renewal petition (Exhibit 23) April 1, 2011 LAUSD awarded WAYS facilities under Proposition 39, without an approved charter renewal petition. (Exhibit 24) May 1, 2011 LAUSD required a response to the Proposition 39 grant award from WAYS, who was denied charter renewal at the time. WAYS did not meet the deadline. June 7, 2011 LACOE approved WAYS charter renewal petition. (Exhibit 25) June 30, 2011 The WAYS board of directors officially denied the Proposition 39 award, at the special board meeting, in which the founder was not present. (Exhibit 26) July 6, 2011 LAUSD confirms receipt of the WAYS governing boards official response. (Exhibit 27) WAYS could not enter into a long-term agreement with LAUSD under Prop 39 without securing its charter petition authorization, which did not occur until two months after the LAUSD Prop 39	Exhibit 23: Evidence of LAUSD denial of WAYS Charter Petition Exhibit 24: Proposition 39 Facilities Award Email from LAUSD Exhibit 25: Evidence of LACOE authorization of WAYS Charter Petition. Exhibit 26: WAYS June 30, 2011 Board Meeting

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			facilities grant was awarded.	Minutes Exhibit 27: LAUSD Confirmation of receipt of WAYS response to Proposition 39 award.
"No contracts or lease agreements exist for Loraine Turner."	20	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	(Exhibit 28) Lease agreements were made available to the FCMAT audit team during their field work visit at the WAYS campus on November 13-15, 2013	Exhibit 28: Lease Agreements between WAYS and 714 East Manchester Avenue. Los Angeles, CA 90001
"As a condition of approval for WAYS' charter school petition to LACOE in June 2011, the founder former executive director was to terminate her employment with WAYS and be removed from any association with the school."	21	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The Memorandum of Understanding agreement between WAYS and LACOE (Exhibit 29), an attachment of conditions that WAYS must meet subject to LACOE charter authorization, specifically states, *"Prior written notice of any proposed service/employment contract and/or agreement with the former executive director whose contract was terminated by the WAYS board in June 2011, and a copy of the contract agreement prior to execution (to monitor fulfillment of the conditions of authorization attached hereto as Attachment E.)"* There is no mention of a conditional requirement to disassociate or terminate the employment of any WAYS employee in the executed binding MOU document.	Exhibit 29: Memorandum of Understanding agreement between WAYS and LACOE
"Founder Former	21-22	FCMAT failed to provide evidence to WAYS and in the	WAYS issued written notice to the LACOE superintendent and	Exhibit 30:

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FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
Executive Director Settlement Agreement" (Section)		AB139 audit report.	a copy of the proposed settlement agreement with the former executive director, prior to execution on October 26, 2012. LACOE did not provide any comment or ask any questions. In maintaining is fiduciary responsibility to protecting the interest of the school, the FCMAT allegations regarding the settlement in the FCMAT audit report cannot be responded to in detail in this response, other than to state that WAYS carefully evaluated its exposure to liability in consultation with its liability insurance carrier, and reached a prudent settlement result rather than defend expensive litigation.. The LACOE charter schools office coordinator, confirmed receipt of the WAYS issued written notice to the LACOE superintendent on October 26, 2014 at 11:22am (Exhibit 30), and a copy of the proposed settlement agreement with the former executive director, prior to execution. In maintaining its fiduciary responsibility to protect the interest of the school, the allegations regarding the settlement in the FCMAT audit report are not established in this response.	LACOE confirmation of WAYS notice to LACOE dated October 26, 2012
"WAYS Back Office Provider Warned of Books and Supplies Expenditures Exceeding Budget" (Section)	23-30	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	In accordance with the Generally Accepted Accounting Principals (GAAP), WAYS based its 2011-12 projected budget on prior year receivables and expenditure data. In efforts to maintain a tone of conservative spending, the WAYS budget did not make significant adjustments to the approved budget. In the same year and shortly after charter renewal, WAYS encountered an unforeseen substantial increase in student population upon the authorization revocation of several nearby charter schools. In 2011-12, the WAYS student population more than doubled compared to the prior year. The increase in student enrollment required the lease of another facility to house up to 280 new enrollees. Naturally, WAYS operating significantly expenses exceeding the budget. The increased expenditures included cost similar to a start-up charter, such as classroom furniture, classroom supplies, capital equipment, technological equipment, security systems, instructional materials, custodial	Exhibit 31: WAYS Enrollment Trends 2007-2013

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			supplies, and more. The needs associated with the substantial increase in enrollment and deadlines to open the school put WAYS under significant pressure. OSE Business Services (OSE), an independent company, supported WAYS by providing the aforementioned school supplies and equipment. Through this, OSE established a healthy association with WAYS. (Exhibit 31) Provided by the California Department of Education, WAYS annual enrollment trends in years 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, corroborate the aforementioned explanation.	
"FCMAT requested copies of the OSE cashier's checks and regular checks, both front and back, from the director of operations and copied the executive director in an email dated Friday, December 13, 2013. One month later, on January 13, 2014, the team received nine of the 10 requested cashier's checks. The missing cashier's check was received on January 21, 2014. Repeated requests to management for the regular check copies were never received and no explanation was provided." *"Of the nine copies of the cashier's checks provided to the team, it is not*	23-24	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	During the course of the FCMAT audit team fieldwork days at the WAYS campus, the director of operation provided the audit team with the checking account cancelled-check images, which included copies of the front and back of OSE Business Services checks. In emails dated January 10, 2014 (Exhibit 32), January 13, 2014 (Exhibit 33), and January 22, 2014 (Exhibit 34), the Director of Operations provided the FCMAT team all information and explanations requested by FCMAT in emails dated November 29, 2013 (Exhibit 35), December 11, 2013 (Exhibit 36), and December 13, 2013 (Exhibit 37).	Exhibit 32: WAYS Director of Operations email dated January 10, 2014 Exhibit 33: WAYS Director of Operations email dated January 13, 2014 Exhibit 34: WAYS Director of Operations email dated January 21, 2014

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<table>
<tr><th>FCMAT audit / LACOE statements, allegations, and errors</th><th>On Page(s) of the FCMAT audit</th><th>Evidence to support the allegations provided in the FCMAT Audit</th><th>WAYS response to the statements, allegations, and errors</th><th>Evidence to support the WAYS response</th></tr>
<tr><td>entirely clear that the copies came directly from the bank."
"Because WAYS executive management failed to provide OSE's regular checks front and back copies as requested by the team, and because OSE cashier's checks did not contain account information identifying the account where funds were deposited, the team is unable to authenticate the OSE payments."</td><td></td><td></td><td></td><td>Exhibit 35: FCMAT email dated November 29, 2014.

Exhibit 36: FCMAT email dated December 11, 2014

Exhibit 37: FCMAT email dated December 13, 2014</td></tr>
<tr><td>"The team received information from the seven comparable elementary charter schools listed in the table below. The analysis compares purchases of copier paper from all vendors in the selection group with the WAYS purchases from OSE (even though paper was also purchased from other vendors described later in this report) and based on student enrollment for 2011-12 through 2012-</td><td>28-29</td><td><table>
<tr><th>School</th><th>Average Enrollment</th><th>No. of Cases</th><th>Cases of Copier</th></tr>
<tr><td>Charter School</td><td>304</td><td>186</td><td>0.61</td></tr>
<tr><td>Charter School</td><td>416</td><td>332</td><td>0.80</td></tr>
<tr><td>Charter School</td><td>601</td><td>551</td><td>0.92</td></tr>
<tr><td>Averaged Totals - All Sample</td><td>382</td><td>314</td><td>0.82</td></tr>
</table></td><td>The FCMAT audit report attempts to compare WAYS to several unidentified charter schools. The accuracy of the charter comparison cannot be ascertained because it does not account for variables such as: technology, equipment, accommodations, or services that schools often use to subsidize expenses on paper such as, purchasing low quality recycled paper in quantities that require special storage accommodations from wholesale distributors, digital curriculum, consumable notebooks, and reproduction services.

Contrary to the actions and statements quoted in the FCMAT audit report regarding the director of operations description of copier usage and paper provisions, the WAYS management made efforts to reduce the cost of paper and reproduction by distributing paper to individual teachers and staff, which is a common practice in all public schools.</td><td>Not applicable.</td></tr>
</table>

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13."				
"Documentation for the van lease payments authorized by the WAYS director of operations show that the van lease agreement and additional back-up documentation for lease was missing even though the back office provider had requested these documents on previous occasions."	33-35	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The vehicle referenced on this page is a 1995 Ford E-350 (15-passenger) van. This van has been in use since the founding years of WAYS in 2006, and was finally donated to WAYS by the previous owner, Emeka Enwezor in the fall of 2012. Also previously owned by Godfrey Okonkwo until 2011, WAYS made lease payments to Mr. Okonkwo totaling $4800 in fiscal year 2010-11. Subsequently, the van was sold or transferred to Emeka Enwezor in 2011. WAYS made final lease payments to Mr. Enwezor totaling $4800 in fiscal year 2011-12, and afterward the van was donated to WAYS in the winter of 2012. The WAYS director of operations email to FCMAT dated January 10, 2014 (Exhibit 32) provides evidence that WAYS, and the back office provider, had the 2011-12 lease agreement on file. Additionally, the email the director of operation explicitly explains the prospect for missing executed leases and board approvals. The director of operations writes, *"I was able to locate the Van Lease Agreement from 2011-12. However I was unable to locate a signed copy of the agreement. During this year WAYS experienced significant turnover in the Board of Directors and administration. Many official school documents were kept by those individuals who are no longer associated with WAYS, and have yet to be returned after several requests to do so. I suspect that the signed van lease and Board documentation, if any, may be within those lost documents."*	Exhibit 32: Director of Operations email dated January 10, 2014
"During the Thursday, November 14, 2013 discussion with the WAYS director of operations, he stated that Godfrey Okonkwo was paid for the van lease in the first year of the lease for the van from Emeka Enwezor, and the second year Emeka	36	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report erroneously paraphrases the director of operations statements, and as a result presents misleading information. Also, the report refers to Emeka Enwezor as "her" [gender being female], which further demonstrates the erroneously paraphrased statements. When the FCMAT team inquired about the lease payments that were made to toward the van lease, the WAYS director of operations specifically stated *"The van lease reimbursement was paid to Mr. Okonkwo in fiscal year 2010-11, lease paid to Mr. Enwezor in fiscal year 2011-12, and the van was finally donated*	Exhibit 38: Vehicle Donation Letter from Emeka Enwezor

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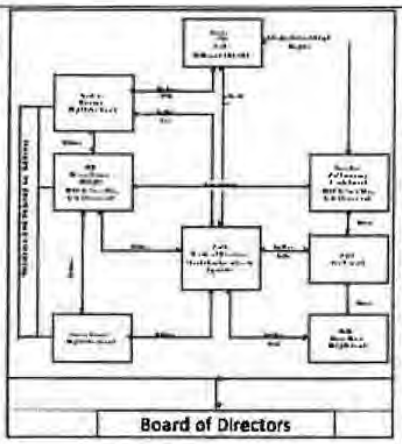
Enwezor was paid directly for the van lease. The team inquired whether Emeka Enwezor was related and was told that, "She is a friend of the family and we rent her van … but she gave the van to the school this year.""			*to the school last year [fall of 2012].*" Furthermore, the donation letter verifies Mr. Enwezor's donation of the van (Exhibit38)	
"WAYS Related Parties – WAYS Founder Former Executive Director, Godfrey Okonkwo, WAYS Director of Operations, WAYS Vice Principal, Emeka Enwezor & Obiesie Enwezor" (Section) *"Based on the team's analysis of possible relatives, transactions authorized by the director of operations do not represent an arm's-length transaction."* *"The relationships and related parties are presented in the following table:"*	35-39		The aforementioned excerpt and illustration from the FCMAT audit report is misleading. According to the documentation provided to WAYS and subsequently provided to the FCMAT audit team, The address for the former van owner is 953 west 45th street, which is not in any way similar to that of any vendor, the initial van owner, the former executive director, the director of operations, and the vice principal. Moreover, the statements made in the FCMAT audit report discredits the integrity of WAYS management, and its conflicts of interest policy (Exhibit 39) and financial policies and procedures (Exhibit 40), and governance structure (Exhibit 13), which specifically provide for arm's length transactions, and full disclosure. The WAYS financial procedures specifically identify the executive director as the person who approves checks. The director of operations is permitted to sign checks in rare unusual occasions, when the executive director is not capable of doing so. The misleading illustration published on page 39 FCMAT audit report attempts to unfairly implicate the WAYS director of operations as the center of connections with several independent individuals who are somehow connected with an unidentified "Board of Directors". To the extent that this illustration does not verify a specific problem, it is misleading and should be considered immaterial.	Exhibit 39: WAYS Conflict of Interest Policy Exhibit 40: WAYS Financial Policies and Procedures Exhibit 13: WAYS Governance Structure
"5. LACOE engaged the services of a private	38	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	The FCMAT audit report raises several concerns that question the credibility of the audit report. The report asserts that LACOE	Exhibit 41 WAYS

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
investigator following written and verbal complaints that the vice principal of WAYS was working at Innovative WAYS Academy, her private middle school of which she was the executive director. Direct surveillance and video on 16 separate occasions between March 5, 2013 and April 22, 2013 revealed that the WAYS vice principal spent 29.5 hours at her private middle school while employed full time at WAYS."			used federal and state government resources to hire someone to "stalk" the WAYS vice principal for 48 days, following alleged written and verbal complaints that she founded a private middle school. FCMAT and LACOE fail to provide the objective of securing private investigation services to "stalk" the vice principal. The only finding of from "stalking" the vice principal was that she was observed at the private middle school for 29.5 hours during the 48 day period. First, in accordance with the California Education Code, the WAYS approved charter states *"The Charter School, as the LEA, shall be ultimately responsible for determining how to respond to parent concerns or complaints."* LACOE consistently failed to comply with the terms set forth by California Education Code by refusing to notify WAYS management of complaints made against the school or its personnel, in accordance with the due process procedures regarding complaints set forth in the WAYS charter. Historically, LACOE repeatedly ignored WAYS request for evidence of the written and verbal complaints LACOE claims to have received. The FCMAT audit report provides the first clue that there was any complaint regarding the WAYS vice principal. Moreover, the FCMAT audit report fails to disclose that the 48-day period, in which LACOE employed "private investigative services" to stalk the vice principal, include weekends, federal holidays, and 5 weekdays in which WAYS was closed for spring break. During the 48 –day period the vice-principal hosted a number of events at the location of the private middle school, which required planning and rehearsals. (See evidence of the events in (Exhibit 41) WAYS March 2013 and April 2013 calendars, and (Exhibit 42) evidence of the formal ball and cumulative science competition events that were held at the private middle school location.)	March 2013 and April 2013 calendars Exhibit 42 Evidence of the formal ball and cumulative science competition events

FCMAT AB139 Audit – WAYS RESPONSE TABLE

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"c. The director of operations and brother of the WAYS vice principal and owner of DeDe Dance Studio authorized the checks from WAYS totaling $73,800 that were paid to DeDe Dance Studio."	38	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	There is no historical or present evidence to support the allegation that director of operations ever "authorized the checks" paid to DeDe Dance Studio.	Not applicable.
"... the [FCMAT audit] team did not observe students present in that facility during the fieldwork days."	38	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	DeDe Dance Studio, a Non-Profit 501(c)(3) organization (Exhibit 43) founded by the WAYS vice principal and the other community members, was envisioned for the benefit of the children and families of the WAYS community. The nonprofit corporation has no owners whatsoever—it's a nonprofit public benefit corporation. On an unpaid-volunteer basis, the stakeholders operate the non-profit. No person, including the WAYS vice principal, "owns" any financial interest in the non-profit organization as the FCMAT audit report erroneously suggests. Furthermore, the DeDe Dance Studio program operates in Building A of the WAYS Manchester Campus. After being notified on October 30, 2013 that the FCMAT audit fieldwork days would take place on November 13-15, 2013, WAYS management reserved the Building A to accommodate the audit team for the time-period of their site visit. During the FCMAT team's fieldwork days, the team occupied the WAYS Manchester Campus buildings A and C. The FCMAT introduction interview with the executive director and director of operations took place in Building A. During that meeting, the executive director presented several large photos that decorate the interior walls throughout the school building and identified them as pictures of current and former WAYS students who benefited from DeDe Dance Studio program by participating in events that range from volunteer work in the community to an annual grand Debutante and Beaux Formal Ball.	Exhibit 43: DeDe Dance Studio Non-Profit 501(c)(3) organization letter. Exhibit 44: Photographic evidence of the DeDe Dance Studio events. Exhibit 45: Email from FCMAT regarding fieldwork schedule

FCMAT AB139 Audit – WAYS RESPONSE TABLE

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"e. DeDe Dance Studio is operated at and identifies the business location as the WAYS school site. The team was unable to determine that any offsetting rent for the facility was paid by DeDe Dance Studio to WAYS."		FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Historically, WAYS entered into a separate lease agreement with the founder for Building A of the Manchester Campus (Exhibit 46), in which rent is listed as one dollar ($1) per month. Considering the invaluable benefits WAYS students receives from DeDe Dance Studio over the past decade compared to the insignificance of cents on the dollar that WAYS potentially accrued, WAYS does not collect rent reimbursements from DeDe Dance Studio.	Exhibit 46: Commercial Lease Agreement for 706 East Manchester Ave, Building A
"The WAYS back office service provider stated they had been requesting backup documentation for the Lexus transaction from the director of operations but never have received any." *"FCMAT cannot confirm that the Capital Expense Analysis was ever presented to the WAYS board."* *"FCMAT had observed the director of operations using the Lexus as his own personal vehicle."*	39-42	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	On August 20, 2013 the director of operations dropped off the complete file of all original Lexus purchase documents at the office of the back office provider for them to make copies. The file contains the original Retail Installment Sale Contract and amortization schedule showing the principal payments and remaining payoff on the Lexus, which the back office provider should have used to properly account for the Lexus in accordance with GAAP. The complete file containing the originals was returned to the director of operations on August 23, 2013, after the back office provider had completed copying the original documents for their files. Furthermore, precisely same file containing all original purchase documentation for the Lexus was provided to FCMAT on January 10, 2014 in the email response from the director of operations to the FCMAT audit team (Exhibit 32), and made available to during their fieldwork visit in November 2013. Moreover, the capital lease expense analysis was provided in the WAYS board meetings on July 31, 2012, September 26, 2013, and February 3, 2014. Additionally, the audit report does not describe or provide the criteria that FCMAT used to determine that they observed the director of operations using the Lexus as his own personal vehicle, which is an incredibly subjective and immaterial	Exhibit 32: WAYS Director of Operations email to FCMAT dated January 10, 2014

FCMAT AB139 Audit – WAYS RESPONSE TABLE

FCMAT audit / LACOE statements, allegations, and errors	On Page(s) of the FCMAT audit	Evidence to support the allegations provided in the FCMAT Audit	WAYS response to the statements, allegations, and errors	Evidence to support the WAYS response
			accusation.	
"WAYS Failed to Obtain Governing Board Approved for Purchase of Computers and Issued an Irregular Payment" (Section)	42-43	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Note: Payment information not provided on Wells Fargo website. Search for records at school.	Not applicable.
"WAYS Charter School Summary of Related and Irregular Transactions" (Section) *"The table below is a compilation of payments made through WAYS to the founder former executive director, family members of the founder and close associates. Many of these payments were authorized by the director of operations and the current executive director (former board president.)"* *"The above transactions represent significant influence that the WAYS founder former executive director, family of the founder and close associates had over financial decisions that personally benefitted them. Several of these transactions were authorized for payment by*	44-45		The FCMAT report's attempt to create the perception of fraud, misappropriation of assets and possible criminal activity is egregiously defamatory and specifically targets the family of the WAYS director of operations and vice principal. The report consistently makes allegations with out providing supporting evidence, and selectively distorts partially factual evidence to skew the perception of the reader of the FCMAT audit report. $1,100,921 Facility Leasehold Agreements subsidized by the Charter Schools Facilities Initiative Grant over an 8 year period, were approved by the WAYS board annually after the founder/former executive director disclosed her financial interest in the properties, as evidenced in previously filed full disclosure form 700s; and evidence that the she was not permitted to make recommendations or participate in Board considerations of lease agreements. Moreover, in 2010 the WAYS governing board hired The Service Company, an independent real estate service provider, to conduct research which confirmed that the founder leased the properties to WAYS at a rate significantly less that the fair market value. $115,550 Rent and other charges were subsidized by the Charter Schools Facilities Initiative Grant over an eight-year period to through the aforementioned property leases with the founder and another independent property owner. Evidence of the lease agreements for the referenced independent property owner was provided to the FCMAT audit team during the site visit and back office provider visit.	Not applicable.

FCMAT AB139 Audit – WAYS RESPONSE TABLE

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the director of operations, who is the son of the founder former executive director, and the current executive director (the former board president) and gave these individuals the ability to simultaneously control and benefit from these transactions. The lack of documentation to support transactions." *"There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control."*			$341,710 Leasehold improvements to all properties leased by WAYS were made in compliance with Los Angeles City building codes to accommodate the needs of the charter school program, families, and students. $35,483 was subsidized over an eight year period by the federal Universal Service Administrative Company through the E-rate Program to enhance the technological infrastructure of each of the WAYS campuses, including the Salvation Army and those owned by the founder, to meet the 21st Century technology standards and enhance the students educational experience. $566,803 was covered by and paid through the WAYS insurer subsequent to the wrongful termination lawsuit judgment in favor of the plaintiff in 2012. WAYS did not pay this amount from its financial resources. $228,665 was paid through a settlement agreement between WAYS and its former executive director, which is legally confidential by nature. $466 payment to Avatar Technology was issued in error and voided. On average $52,957 annually supplies and equipment provided by OSE Business Service over a three-year period totaling $158,871, were ordered and received by WAYS management to meet the need of WAYS' educational program and directly benefited the WAYS students. $73,800 was subsidized through the California After School Education and Safety (ASES) grant over a five-year period, was disbursed to through contracts with the non-profit 501(c)(3) organization, DeDe Dance Studio, to provide afterschool character enrichment and extra curricular skills development	

FCMAT AB139 Audit – WAYS RESPONSE TABLE

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			programs and events. WAYS leased the Ford van, which was previously owned by Godfrey Okonkwo until 2011. WAYS made lease payments to Mr. Okonkwo totaling $4800 in fiscal year 2010-11, prior to LACOE charter authorization. WAYS made its final lease payments to Mr. Enwezor totaling $4800 in fiscal year 2011-12, and afterward the van was donated to WAYS in November 2012. In August 2013, the WAYS executive director recommended the sale of the school's Lexus, in efforts to provide financial provisions to afford the purchase of another school van to better service the needs of the students and WAYS community. Subsequently, the Lexus was listed for sale on various websites at the competitive price of $27,000, and sold for the negotiated price of $26,000. The WAYS board of directors approved the sale of the Lexus on February 3, 2014. Contrary to the accusations regarding the WAYS governing board and management staff alleged in the FCMAT audit report, the aforementioned facts validate the effectiveness of the WAYS management staff and substantiates that the WAYS governing board fulfills it fiduciary responsibilities to maintain and exercise its authority, and control.	
"Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred."	45	FCMAT failed to provide evidence to WAYS and in the AB139 audit report.	Throughout the FCMAT audit report, the audit team asserts that it will demonstrate the aforementioned deficiencies, but fails to provide factual evidence to substantiate their allegations. The audit reports assertions of the aforementioned alleged deficiencies are corroborated through scandalized subjective hearsay, and "written and verbal reports" that FCMAT and LACOE allege to have received, but never provide to WAYS or in this audit report.	Not applicable.

FCMAT AB139 Audit – WAYS RESPONSE TABLE

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EXHIBIT R

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Important: **ONLINE REPORT**

Data is entered poorly, processed incorrectly and generally not free from defect. Any data supplied by this system must be independently verified.

This is NOT a CONSUMER REPORT and does not constitute a "consumer report" under the Fair Credit Reporting Act ("FCRA"). This report may not be used to determine the eligibility for credit, insurance, employment or any other purpose regulated under the FCRA.

This system may be used only in accordance with your Subscriber Agreement, the Gramm-Leach-Bliley Act ("GLBA"), the Driver's Privacy Protection Act ("DPPA") and all other applicable laws. User agrees to having knowledge of all applicable laws pertaining to the usage of data. User accepts all responsibility civilly and criminally for any use of this system.

Violations of these restrictions or misuse of this system will cause your access to be terminated and will cause an immediate investigation.

Comprehensive Report

Comprehensive Report
Date: 02/07/2014
Reference ID: **NONE**

Report Legend
✓ - Confirmed Address
D - Deceased Person

Relatives
S - 1st Degree of Separation
S - 2nd Degree of Separation
S - 3rd Degree of Separation

Subject Information

(Best Information for Subject)

Name: EMEKA ENWEZOR (08/13/2011 to 05/25/2013)
Name: EMEKA B ENWEZOR (08/13/2011 to 05/25/2013)
Date of Birth: **Unknown**

SSN: [redacted] issued in **CALIFORNIA** in **1988**

Other Individuals Observed with shared SSN: **No**
no

Other Names Associated with Subject
None found

Other DOBs Associated with Subject
None found

Other Possible Phones Associated with Subject:
(323) 439-3358 (PT) (Mobile) (99%)

Indicators

Criminal/Traffic: **No**

Email Addresses Associated with Subject
None Found

Potential Subject Photos (None Found)

Comprehensive Report Summary

Bankruptcies: **None found**
Possible Phones: **1 found**
Driver's License: **None found**
Address(es) found: **1 found**
Motor Vehicles Registered: **None found**
Criminal History: **None found**

Possible Criminal Records (None Found)

Possible Employers (1 Found)

Business Name: **LIFEGUARD (03/08/2012)** [View Business Record]
Phone: **(323) 439-3358 (PT) LIFEGUARD**

Address Summary (1 Found)

1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY) (11/30/2011 to 02/07/2014)

Address Details (1 Found)

1117 W 112TH ST, LOS ANGELES CA 90044-1525 (LOS ANGELES COUNTY) (11/30/2011 to 02/07/2014) [Back to Summary]
Subdivision Name: **CORINTH HEIGHTS**
Owners:
KENDRA OKONKWO [View Person Record]
GODFREY OKONKWO [View Person Record]
Purchase Date: **09/26/2013**
Assessed Value: **$211,164**
Living Square Feet: **1,560**
Land Square Feet: **2,931**

Cities History (1 Found)

LOS ANGELES, CA (LOS ANGELES COUNTY) (08/13/2011 to 01/09/2014)

Counties History (1 Found)

LOS ANGELES, CA (08/13/2011 to 01/09/2014)

Driver's License Information (None Found)

Professional Affiliations (None Found)

Professional Licenses (None Found)

FL Accidents (None Found)

Pilot Licenses (None Found)

Voter Registrations (None Found)

Hunting Permits (None Found)

Weapon Permits (None Found)

Possible Relatives - Summary (4 Found)

> RACHEL ENWEZOR 05/1970 Age: 43
>> GREGORY MARTIN TERVALON 02/1951 Age: 62
>>> D PATSY R KING 02/1950 Age: 63 Died at (51)

> OBIESIE S ENWEZOR

Possible Relatives - Details (4 Found)

View Person Record [Back to Summary]

Names:
> RACHEL ENWEZOR
RACHEL C ENWEZOR-TERVALON
RACHEL C ENWEZORTERVALON
RACHEL E NWEZORTERVALON
RACHEL C TERVALON
RACHEL C ENWEZOR TERVALON

SSN:
[redacted] Issued in CALIFORNIA In 2003

Date of Birth:
05/1970, Born **43** years ago

Other Phones:
(323) 751-4611 (PT)
(323) 777-9507 (PT)
(323) 501-2234 (PT)

(323) 299-9506 (PT)
(323) 697-4211 (PT)
(323) 864-9291 (PT)
(323) 779-9507 (PT)
(323) 758-2089 (PT)
(323) 752-6620 (PT)

Email Address:
renwezortervalon@yahoo.com

Addresses:

702 E MANCHESTER AVE, LOS ANGELES, CA 90001-3633 (LOS ANGELES COUNTY) (03/2003 to 02/07/2014)

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (08/10/2012 to 12/16/2013)

1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY) (12/16/2008 to 01/04/2010)

Possible Relatives:

View Person Record [Back to Summary]

Names:
>> GREGORY MARTIN TERVALON
GERGORY TERVALON
GREGORY MARTIN TERRALON

SSNs:
[redacted] Issued in CALIFORNIA In 1968
Issued in WASHINGTON D.C. In 1974-1975

Date of Birth:
02/1951, Born **62** years ago

Other Phones:
(916) 283-0772 (PT)
(323) 295-8409 (PT)
(323) 901-3705 (PT)
(916) 283-0727 (PT)
(323) 915-0275 (PT)
(323) 732-4180 (PT)
(323) 307-3572 (PT)
(323) 901-4469 (PT)
(323) 732-7473 (PT)
(323) 298-1397 (PT)
(323) 734-7473 (PT)
(310) 674-1156 (PT)

Email Addresses:
gregorytervalon@yahoo.com
tervalongt@gmail.com
gregtervalon@aol.com

Addresses:

3682 2ND AVE, LOS ANGELES, CA 90018-4362 (LOS ANGELES COUNTY) (04/30/2004 to 01/09/2014)

1705 4TH AVE, LOS ANGELES, CA 90019-6135 (LOS ANGELES COUNTY) (01/1996 to 12/16/2013)

2589 MILLCREEK DR APT 82, SACRAMENTO, CA 95833-3625 (SACRAMENTO COUNTY) (01/26/2011 to 12/2013)
Current landline phones at address:
(916) 922-4062 (PT) ARMSTRONG, MARILYN

PO BOX 8374, LOS ANGELES, CA 90008-0374 (LOS ANGELES COUNTY) (02/06/2008 to 05/26/2012)

7117 ALVERN ST, LOS ANGELES, CA 90045-1832 (LOS ANGELES COUNTY) (03/19/2010 to 08/31/2011)

2589 MILLCREEK DR, SACRAMENTO, CA 95833-3625 (SACRAMENTO COUNTY) (02/14/2011 to 08/23/2011)
Current landline phones at address:
(916) 922-4062 (PT) ARMSTRONG, MARILYN

7117 11TH AVE, LOS ANGELES, CA 90043-4731 (LOS ANGELES COUNTY) (07/27/2010 to 07/27/2010)

4174 BUCKINGHAM RD APT B, LOS ANGELES, CA 90008-3329 (LOS ANGELES COUNTY) (05/14/2008 to 03/19/2010)

4160 BUCKINGHAM RD APT C, LOS ANGELES, CA 90008-3331 (LOS ANGELES COUNTY) (05/2005 to 04/11/2009)

925 ENTERPRISE AVE, INGLEWOOD, CA 90302-8314 (LOS ANGELES COUNTY) (05/19/1996 to 07/24/2007)

11101 LEMOLI AVE, INGLEWOOD, CA 90303-2320 (LOS ANGELES COUNTY) (10/24/1991 to 03/04/2003)

3760 W 135TH ST # WD, HAWTHORNE, CA 90250-6210 (LOS ANGELES COUNTY) (10/17/1998 to 06/11/2000)

850 VICTOR AVE APT 27, INGLEWOOD, CA 90302-2684 (LOS ANGELES COUNTY) (04/1985)

Possible Relatives:

View Person Record [Back to Summary]

Names:
>>> PATSY R KING
PATSY R TERVALON

SSN:
[redacted] Issued in CALIFORNIA In 1965-1966

Date of Birth:
02/1950, Born 63 years ago

Date of Death:

D **04/19/2001** Died at 51 years old

Other Phone:
(310) 677-4998 (PT)

Addresses:

3760 W 135TH ST, HAWTHORNE, CA 90250-6210 (LOS ANGELES COUNTY) (10/17/1998 to 11/26/2011)
Current landline phones at address:
(310) 676-0718 (PT) VARGAS, PATRICIA

S **850 VICTOR AVE APT 27, INGLEWOOD, CA 90302-2684 (LOS ANGELES COUNTY)** (02/1991 to 04/21/2003)

S **11101 LEMOLI AVE, INGLEWOOD, CA 90303-2320 (LOS ANGELES COUNTY)** (02/01/1989 to 04/19/2001)

11716 STATE ST, LYNWOOD, CA 90262-4127 (LOS ANGELES COUNTY) (12/1991)

1537 W 50TH ST, LOS ANGELES, CA 90062-2402 (LOS ANGELES COUNTY) (12/1976)

View Person Record [Back to Summary]

Name:
> OBIESIE S ENWEZOR

SSN:
[redacted] Issued in CALIFORNIA In 1988

Other Phone:
(323) 360-2135 (PT)

Addresses:

11652 YORK AVE APT 7, HAWTHORNE, CA 90250-2646 (LOS ANGELES COUNTY) (05/2012 to 02/07/2014)
Current landline phones at address:
(310) 978-0786 (PT) OROZCO, GLORIA
(424) 269-1265 (PT) HEREDIA, SHEILA

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (12/27/2011 to 12/27/2011)

Likely Associates - Summary (9 Found)

GODFREY I OKONKWO 05/1942 Age: 71
KENDRA UZOMA OKONKWO 10/1965 Age: 48
TYRA MARTIALES FINNEY 07/1985 Age: 28
JASON C OKONKWO 09/1987 Age: 26
RUBY JANE BRONSON SR 04/1943 Age: 70
LENEACE S POPE 02/1985 Age: 28
ODI CHRISTIAN OSONKIE 01/1983 Age: 31
MELISSA DARLENE BRONSON 02/1970 Age: 44
DEARA IJOMA OKONKWO 07/1990 Age: 23

Likely Associates - Details (9 Found)

View Person Record [Back to Summary]

Names:
GODFREY I OKONKWO
GODFREY IKE OKONKWO
GODFREY IKECHUKWU OKONKWO

SSN:
[redacted] Issued in CALIFORNIA In 1973

Date of Birth:
05/1942, Born **71** years ago

Other Phones:
(323) 777-9507 (PT)
(213) 777-9507 (PT)
(323) 756-7180 (PT)
(323) 253-0423 (PT)
(323) 752-6655 (PT)

Addresses:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (07/14/2011 to 02/06/2014)

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)** (04/16/1993 to 01/09/2014)

835 E 89TH ST, LOS ANGELES, CA 90002-1607 (LOS ANGELES COUNTY) (10/2004 to 01/15/2007)

18530 CITRONIA ST APT 1, NORTHRIDGE, CA 91324-2232 (LOS ANGELES COUNTY) (03/01/1999 to 06/2004)

4657 IOWA ST APT 3, SAN DIEGO, CA 92116-3333 (SAN DIEGO COUNTY) (01/22/2000 to 11/21/2001)

117 W 112TH ST, LOS ANGELES, CA 90061-1905 (LOS ANGELES COUNTY) (11/1994 to 06/2001)

2930 W IMPERIAL HWY, INGLEWOOD, CA 90303-3142 (LOS ANGELES COUNTY) (03/1992 to 08/28/2000)

8778 S CENTRAL AVE, LOS ANGELES, CA 90002-1120 (LOS ANGELES COUNTY) (02/1993 to 07/13/1997)

4325 ENORO DR, LOS ANGELES, CA 90008-4870 (LOS ANGELES COUNTY)

View Person Record [Back to Summary]

Names:
KENDRA UZOMA OKONKWO
KENDRA J OKONKWO

SSNs:
[redacted] Issued in CALIFORNIA In 1987
Issued in CALIFORNIA In 1973

Date of Birth:
10/1965, Born **48** years ago

Other Phones:
(323) 253-0423 (PT)
(323) 299-9506 (PT)
(323) 777-9507 (PT)
(714) 865-3167 (PT)
(323) 253-8907 (PT)
(323) 756-7180 (PT)
(323) 253-8972 (PT)
(323) 501-2053 (PT)
(323) 253-8865 (PT)

Email Addresses:
ikeokonkwo2000@yahoo.com
kokonkwo@aol.com

ikonko@yahoo.com
princenhowell@bikerider.com

Addresses:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (03/03/2010 to 02/06/2014)

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)** (03/1990 to 01/09/2014)

706 E MANCHESTER AVE, LOS ANGELES, CA 90001-3633 (LOS ANGELES COUNTY) (10/02/2006 to 03/2011)
Current landline phones at address:
(323) 752-6655 (PT) WISDOM ACADEMY FOR YOUNG SCIENTIST

3619 W 60TH ST, LOS ANGELES, CA 90043-2905 (LOS ANGELES COUNTY) (10/2010 to 10/14/2010)

8778 S CENTRAL AVE, LOS ANGELES, CA 90002-1120 (LOS ANGELES COUNTY) (05/1994 to 03/1999)

1712 E 112TH ST, LOS ANGELES, CA 90059-1918 (LOS ANGELES COUNTY) (02/1990 to 06/1994)

7915 S BROADWAY, LOS ANGELES, CA 90003-2437 (LOS ANGELES COUNTY) (09/1992 to 12/1992)

View Person Record [Back to Summary]

Name:
TYRA MARTIALES FINNEY

SSNs:
[redacted] Issued in CALIFORNIA In 1986-1987
Issued in CALIFORNIA In 1986-1987

Date of Birth:
07/1985, Born **28** years ago

Other Phones:
(310) 951-8366 (PT)
(310) 755-1179 (PT)
(310) 978-3971 (PT)

Email Address:
tyrafinney@comcast.net

Addresses:

901 E 51ST ST APT 6, LOS ANGELES, CA 90011-4138 (LOS ANGELES COUNTY) (04/17/2013 to 02/06/2014)

PO BOX 170, HAWTHORNE, CA 90251-0170 (LOS ANGELES COUNTY) (02/28/2009 to 01/09/2014)

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)** (07/20/2013 to 08/31/2013)

4094 W EL SEGUNDO BLVD APT A, HAWTHORNE, CA 90250-4698 (LOS ANGELES COUNTY) (02/28/2009 to 04/2011)

4050 W EL SEGUNDO BLVD APT 20, HAWTHORNE, CA 90250-4633 (LOS ANGELES COUNTY) (05/2006 to 01/2011)

4447 W 137TH PL, HAWTHORNE, CA 90250-6905 (LOS ANGELES COUNTY) (04/2006 to 02/2009)

4431 W 137TH PL, HAWTHORNE, CA 90250-6905 (LOS ANGELES COUNTY) (12/02/2004 to 06/2007)

View Person Record [Back to Summary]

Name:
JASON C OKONKWO

SSN:
[redacted] Issued in CALIFORNIA In 1988

Date of Birth:
09/1987, Born **26** years ago

Other Phones:
(323) 253-8907 (PT)
(323) 299-9506 (PT)
(323) 777-9507 (PT)
(213) 777-9507 (PT)
(323) 756-7180 (PT)

Addresses:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (01/05/2012 to 02/06/2014)

706 E MANCHESTER AVE, LOS ANGELES, CA 90001-3633 (LOS ANGELES COUNTY) (08/04/2012 to 08/05/2012)
Current landline phones at address:
(323) 752-6655 (PT) WISDOM ACADEMY FOR YOUNG SCIENTIST

PO BOX 440068, LOS ANGELES, CA 90044-6627 (LOS ANGELES COUNTY) (06/18/2009 to 06/2012)

20819 ELAINE AVE APT 205, LAKEWOOD, CA 90715-1562 (LOS ANGELES COUNTY) (09/05/2006 to 09/2009)

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)** (05/2001 to 05/2009)

20819 ELAINE AVE # 20, LAKEWOOD, CA 90715-1562 (LOS ANGELES COUNTY) (10/2008)

View Person Record [Back to Summary]

Names:
RUBY JANE BRONSON SR
RUBY JANE BROOKS

SSNs:
[redacted] Issued in PENNSYLVANIA In 1962-1963
Issued in CALIFORNIA In 1987

Date of Birth:
04/1943, Born **70** years ago

Other Phones:
(323) 566-3498 (PT)
(323) 241-3204 (PT)
(310) 632-1358 (PT)
(323) 756-5929 (PT)
(323) 566-5978 (PT)
(323) 708-6446 (PT)

Addresses:

6427 S HOOVER ST APT 3, LOS ANGELES, CA 90044-5355 (LOS ANGELES COUNTY) (11/2009 to 02/06/2014)

10803 AVALON BLVD APT 403, LOS ANGELES, CA 90061-3071 (LOS ANGELES COUNTY) (10/2003 to 01/09/2014)

7010 DENVER AVE APT 529, LOS ANGELES, CA 90044-6285 (LOS ANGELES COUNTY) (12/2011 to 05/25/2013)
Current landline phones at address:
(323) 753-3427 (PT) PROGRESSIVE HOME FOR THE ELDERLY

9424 S CENTRAL AVE APT 1, LOS ANGELES, CA 90002-2022 (LOS ANGELES COUNTY) (07/1989 to 11/2010)

10803 AVALON BLVD, LOS ANGELES, CA 90061-3071 (LOS ANGELES COUNTY) (08/2007)

9424 S CENTRAL AVE, LOS ANGELES, CA 90002-2022 (LOS ANGELES COUNTY) (02/05/2007 to 02/05/2007)

2107 E 118TH ST, LOS ANGELES, CA 90059-2611 (LOS ANGELES COUNTY) (02/1983)

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)**

View Person Record [Back to Summary]

Names:
LENEACE S POPE
LENEAC S POPE
LENEARE POPE

SSN:
[redacted] Issued in CALIFORNIA In 1985

Dates of Birth:
02/1985, Born **28** years ago
02/1925, Born **88** years ago

Other Phones:
(323) 455-1593 (PT)
(323) 907-8972 (PT)
(323) 907-8912 (PT)

Addresses:

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)** (09/2012 to 02/06/2014)

2212 E 97TH ST # 114, LOS ANGELES, CA 90002-3146 (LOS ANGELES COUNTY) (05/12/2005 to 12/16/2013)

10129 BEACH ST APT 1, LOS ANGELES, CA 90002-2915 (LOS ANGELES COUNTY) (09/08/2009 to 01/26/2013)

7116 WEST BLVD, LOS ANGELES, CA 90043-5521 (LOS ANGELES COUNTY) (02/06/2012 to 04/11/2012)

10803 AVALON BLVD APT 403, LOS ANGELES, CA 90061-3071 (LOS ANGELES COUNTY) (10/2009 to 10/16/2009)

2639 WYANDOTTE ST, LAS VEGAS, NV 89102-6428 (CLARK COUNTY)

View Person Record [Back to Summary]

Name:
ODI CHRISTIAN OSONKIE

SSN:
[redacted] Issued in CALIFORNIA In 2001-2002

Date of Birth:

01/1983, Born **31** years ago

Other Phones:
(818) 470-0311 (PT)
(253) 761-3600 (PT)
(818) 734-7696 (PT)

Email Addresses:
odiso@yahoo.com
odiso@hotmail.com
odiso@bigfoot.com
odiso@ameritrade.com

Addresses:

4315 W 182ND ST APT 126, TORRANCE, CA 90504-4520 (LOS ANGELES COUNTY) (05/2012 to 02/06/2014)

18530 CITRONIA ST APT 1, NORTHRIDGE, CA 91324-2232 (LOS ANGELES COUNTY) (11/15/2002 to 01/09/2014)
Current landline phones at address:
(818) 341-2689 (PT) COOPER, NEVILLE
(818) 349-1621 (PT) CITRONIA APARTMENTS

6133 69TH AVENUE CT W, UNIVERSITY PLACE, WA 98467-2102 (PIERCE COUNTY) (01/2013 to 11/05/2013)
Current landline phones at address:
(253) 503-2754 (PT) CARR, C
(253) 565-2891 (PT) FISHER, CHE

1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY) (07/01/2002 to 05/26/2012)

17950 LASSEN ST, NORTHRIDGE, CA 91325-4850 (LOS ANGELES COUNTY)

View Person Record [Back to Summary]

Names:
MELISSA DARLENE BRONSON
MILLISSA DARLENE BRONSON

SSN:
[redacted] Issued in PENNSYLVANIA In 1975-1976

Date of Birth:
02/1970, Born **44** years ago

Other Phones:
(323) 750-2546 (PT)
(323) 271-7403 (PT)
(323) 503-9142 (PT)
(323) 271-5219 (PT)
(323) 348-8485 (PT)
(909) 383-1691 (PT)
(310) 632-1358 (PT)
(323) 292-8804 (PT)
(323) 778-4954 (PT)

Email Addresses:
melissabronson@sbcglobal.net
melissabronson@yahoo.com
melissa.bronson@comcast.net

Addresses:

1817 W 75TH ST, LOS ANGELES, CA 90047-2323 (LOS ANGELES COUNTY) (05/1997 to Present)
Current landline phones at address:
(323) 241-3364 (PT) BRONSON, MELISSA

7116 WEST BLVD, LOS ANGELES, CA 90043-5521 (LOS ANGELES COUNTY) (03/2011 to 02/06/2014)

210 E RAYMOND ST, COMPTON, CA 90220-3804 (LOS ANGELES COUNTY) (05/19/2006 to 01/09/2014)

1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY) (01/20/2007 to 11/2013)

1008 W 132ND ST, GARDENA, CA 90247-1815 (LOS ANGELES COUNTY) (08/2011 to 12/20/2011)
Current landline phones at address:
(310) 324-2142 (PT) TILLARY, WILLIAM

5023 SABLE OAKS DR, ROUND ROCK, TX 78664-6256 (WILLIAMSON COUNTY) (08/25/2009 to 08/25/2009)

2657 W 2ND ST APT 1, SAN BERNARDINO, CA 92410-6374 (SAN BERNARDINO COUNTY) (12/2005 to 08/15/2006)

4051 S CENTRAL AVE APT 203, LOS ANGELES, CA 90011-2779 (LOS ANGELES COUNTY) (07/1994 to 01/23/1999)

4156 WOODRUFF AVE # 363, LAKEWOOD, CA 90713-3141 (LOS ANGELES COUNTY) (09/11/1992 to 05/04/1993)

View Person Record [Back to Summary]

Name:
DEARA IJOMA OKONKWO

SSN:
[redacted] Issued in CALIFORNIA In 1990-1991

Date of Birth:
07/1990, Born **23** years ago

Other Phone:
(323) 299-9506 (PT)

Addresses:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (02/2013 to 02/06/2014)

1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY) (11/10/2006 to 01/09/2014)

Possible Associates - Summary (10 Found)

SEMAJ A BRONSON
LADEAN TRUST DONALD-HILL 09/1946 Age: 67
SASHAUNA DIEYSHA DENT 06/1991 Age: 22
EDWARD VICTOR HILL SR 11/1933 Age: 80
EDWARD HILL
JANE EDNA HILL 10/1934 Age: 79

CHINO J OKONKWO 01/1980 Age: 34
STELLA MOTANYA 02/1972 Age: 42
GAYLORD LEROY MCQUEER 11/1953 Age: 60
SHARON KENE OKONKWO 07/1976 Age: 37

Possible Associates - Details (10 Found)

View Person Record [Back to Summary]

Name:
SEMAJ A BRONSON

SSN:
[redacted] Issued in CALIFORNIA In 2001

Address:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (10/03/2011 to 02/07/2014)

View Person Record [Back to Summary]

Names:
LADEAN TRUST DONALD-HILL
LA DEAN HILL
LADEAN DONALD HILL
LA D HILL
LA DEAN DONALD
LADEAN DONALDHILL
LADEAN TRUST DONALD
LADEAN D HILLS
LADEAN DEAN HILL
LADEAN D DONALD

SSN:
[redacted] Issued in FLORIDA In 1965

Dates of Birth:
09/1946, Born **67** years ago
09/1951, Born **62** years ago

Other Phones:
(323) 293-4095 (PT)
(213) 827-4140 (PT)
(323) 293-4654 (PT)
(850) 748-6790 (CT)
(323) 253-8865 (PT)
(323) 793-1915 (PT)
(323) 294-8130 (PT)

Addresses:

✔ **430 WALNUT DR, MURPHY, TX 75094-3326 (COLLIN COUNTY)** (04/19/2011 to Present)
Current landline phones at address:
(972) 422-0667 (CT) DONALD, GEORGE

4307 ANGELES VISTA BLVD, LOS ANGELES, CA 90008-4915 (LOS ANGELES COUNTY) (11/14/2006 to 02/07/2014)

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (01/21/1995 to 12/16/2013)

2616 N L ST, PENSACOLA, FL 32501-1006 (ESCAMBIA COUNTY) (08/10/2012 to 11/04/2013)

4326 ENORO DR # 1, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (01/11/2010 to 01/11/2010)

PO BOX 12606, MARINA DEL REY, CA 90295-3606 (LOS ANGELES COUNTY) (09/1992 to 12/2007)

1300 E 50TH ST # 8, LOS ANGELES, CA 90011-4218 (LOS ANGELES COUNTY) (09/1994 to 04/11/2003)

14024 KAGEL CANYON ST, ARLETA, CA 91331-5949 (LOS ANGELES COUNTY) (10/2000 to 10/28/2000)

7750 GEYSER AVE, RESEDA, CA 91335-1805 (LOS ANGELES COUNTY) (01/07/1999 to 10/10/1999)

1300 E 50TH ST, LOS ANGELES, CA 90011-4218 (LOS ANGELES COUNTY) (09/20/1994 to 10/27/1994)

View Person Record [Back to Summary]

Names:
SASHAUNA DIEYSHA DENT
SASHAUNA DUST

SSN:
[redacted] Issued in CALIFORNIA In 1992

Date of Birth:
06/1991, Born **22** years ago

Other Phones:
(310) 631-4718 (PT)
(323) 686-7011 (PT)
(323) 289-4578 (PT)
(602) 503-9066 (MT)
(323) 812-3157 (PT)

Email Address:
shaniboo23@yahoo.com

Addresses:

1651 E 52ND ST, LOS ANGELES, CA 90011-5007 (LOS ANGELES COUNTY) (10/2011 to 01/09/2014)

2335 E 15TH ST, LONG BEACH, CA 90804-1491 (LOS ANGELES COUNTY) (03/2011 to 12/16/2013)

2640 E ANAHEIM ST # 201, LONG BEACH, CA 90804-3630 (LOS ANGELES COUNTY) (03/04/2012 to 12/2013)

7014 CHANSLOR AVE APT D, BELL, CA 90201-2946 (LOS ANGELES COUNTY) (04/2010 to 01/2013)
Current landline phones at address:
(323) 560-0794 (PT) SOLORIO, HECTOR
(323) 560-4155 (PT) FLORES, SYLVIA
(323) 560-8967 (PT) VILLALVA, ARNOLDO
(323) 771-6192 (PT) ROJAS, MARIA

7014 CHANSLOR AVE, BELL GARDENS, CA 90201-2946 (LOS ANGELES COUNTY) (12/15/2010 to 12/15/2010)

4918 ABBOTT RD, LYNWOOD, CA 90262-2355 (LOS ANGELES COUNTY) (12/2010 to 12/2010)

11407 S SAN PEDRO ST, LOS ANGELES, CA 90061-2413 (LOS ANGELES COUNTY) (01/30/2010 to 11/30/2010)

1255 E 46TH ST, LOS ANGELES, CA 90011-3728 (LOS ANGELES COUNTY) (10/08/2009 to 10/08/2009)

View Person Record [Back to Summary]

Name:
EDWARD VICTOR HILL SR

Date of Birth:
11/1933, Born **80** years ago

Other Phone:
(818) 802-4544 (PT)

Email Address:
edwardhill@comcast.net

Addresses:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (07/01/1987 to 12/16/2013)

14024 KAGEL CANYON ST, ARLETA, CA 91331-5949 (LOS ANGELES COUNTY) (10/2000 to 12/2002)

1300 E 50TH ST, LOS ANGELES, CA 90011-4218 (LOS ANGELES COUNTY) (12/1993 to 12/2000)

7750 GEYSER AVE, RESEDA, CA 91335-1805 (LOS ANGELES COUNTY) (06/12/1998 to 10/10/1999)

PO BOX 11219, LOS ANGELES, CA 90011-0219 (LOS ANGELES COUNTY) (09/23/1999 to 09/23/1999)

View Person Record [Back to Summary]

Name:
EDWARD HILL

Other Phones:
(323) 842-4776 (PT)
(323) 293-4654 (PT)
(323) 293-4095 (PT)
(323) 842-4247 (PT)

Email Addresses:
edwardhill@comcast.net
edward.hill@latinmail.com

Address:

4326 ENORO DR, LOS ANGELES, CA 90008-4804 (LOS ANGELES COUNTY) (06/14/2006 to 05/26/2012)

View Person Record [Back to Summary]

Name:
JANE EDNA HILL

Date of Birth:
10/1934, Born 79 years ago

Other Phone:
(323) 293-4654 (PT)

Address:

1308 E 50TH ST, LOS ANGELES, CA 90011-4218 (LOS ANGELES COUNTY) (10/01/1999 to 11/02/1999)

View Person Record [Back to Summary]

Name:
CHINO J OKONKWO

SSN:
[redacted] Issued in CALIFORNIA In 1985-1986

Date of Birth:
01/1980, Born 34 years ago

Other Phones:
(212) 505-3717 (ET)
(212) 564-9255 (ET)
(606) 228-6036 (ET)
(646) 228-6036 (ET)
(619) 284-2754 (PT)
(323) 777-9507 (PT)
(619) 284-2784 (PT)

Email Addresses:
cjokonkwo@yahoo.com
cjokonkwo@webtv.net
cjokonkwo@cs.com
cjokonkwo@pacbell.net
cokonkwo@comcast.net
cjokonkwo@hotmail.com
okonkwo@rohan.sdsu.edu

Addresses:

435 15TH ST APT 1, BROOKLYN, NY 11215-5799 (KINGS COUNTY) (08/2010 to 02/07/2014)

449 W 37TH ST APT 5FE, NEW YORK, NY 10018-4031 (NEW YORK COUNTY) (05/19/2006 to 10/2010)

601 W 112TH ST FRNT 1, NEW YORK, NY 10025-1868 (NEW YORK COUNTY) (06/2001 to 10/2008)

224 AVENUE B APT 18, NEW YORK, NY 10009-3310 (NEW YORK COUNTY) (05/15/2004 to 07/2008)

S **1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)** (09/23/1995 to 10/20/2004)

307 W 39TH ST APT 2, NEW YORK, NY 10018-1445 (NEW YORK COUNTY) (02/2003 to 03/25/2004)

601 W 112TH ST, NEW YORK, NY 10025-1863 (NEW YORK COUNTY) (10/31/2001 to 12/07/2001)

4657 IOWA ST APT 3, SAN DIEGO, CA 92116-3333 (SAN DIEGO COUNTY) (08/1999 to 07/29/2001)

3454 RUFFIN RD APT F2, SAN DIEGO, CA 92123-5511 (SAN DIEGO COUNTY) (11/1997 to 12/1999)

4389 39TH ST APT 4, SAN DIEGO, CA 92105-1035 (SAN DIEGO COUNTY) (07/1999 to 08/06/1999)

435 15TH ST, BROOKLYN, NY 11215-5799 (KINGS COUNTY)

View Person Record [Back to Summary]

Names:
STELLA MOTANYA
STELLA K OKONKWO
STELLA MONTANYA
STELLA N OKONKWO
STELLA N OKONKWO-MOTANYA
STELLA N MOTONYA
STELLA N MOTANYA

SSNs:
[redacted] Issued in CALIFORNIA In 1989
Issued in CALIFORNIA In 1989

Date of Birth:
02/1972, Born **42** years ago

Other Phones:
(832) 265-7469 (CT)
(832) 595-9911 (CT)
(713) 779-2633 (CT)
(713) 779-6330 (CT)
(310) 644-0998 (PT)
(310) 200-3197 (PT)
(310) 329-5154 (PT)

Email Address:
amaka98@hotmail.com

Addresses:

2106 DOVER MIST CT, RICHMOND, TX 77469-5383 (FORT BEND COUNTY) (02/21/2009 to Present)

PO BOX 711186, HOUSTON, TX 77271-1186 (HARRIS COUNTY) (02/29/2012 to 12/29/2012)

4633 MARINE AVE UNIT 109, LAWNDALE, CA 90260-1246 (LOS ANGELES COUNTY) (08/11/1994 to 10/2012)
Current landline phones at address:
(310) 679-6897 (PT) PICCADILLY MANOR APARTMENTS

9220 CLAREWOOD DR APT 1055, HOUSTON, TX 77036-3547 (HARRIS COUNTY) (07/2003 to 08/01/2011)
Current landline phones at address:
(713) 776-9973 (CT) SUMMER CREEK

PO BOX 711116, HOUSTON, TX 77271-1116 (HARRIS COUNTY) (09/17/2002 to 04/2011)

9220 CLAREWOOD DR APT 2131, HOUSTON, TX 77036-3523 (HARRIS COUNTY) (06/2004 to 11/01/2010)

976 BLACKBERRY LN, CARSON, CA 90746-7492 (LOS ANGELES COUNTY) (12/2005 to 12/2007)

1123 W 164TH ST APT B, GARDENA, CA 90247-4802 (LOS ANGELES COUNTY) (06/2002 to 12/2007)

PO BOX 36351, HOUSTON, TX 77236-6351 (HARRIS COUNTY) (03/2000 to 04/28/2007)

1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY) (07/1990 to 08/24/2001)

PO BOX 1775, HAWTHORNE, CA 90251-1775 (LOS ANGELES COUNTY) (09/02/1995 to 07/09/1998)

View Person Record [Back to Summary]

Names:
GAYLORD LEROY MCQUEER
HENRY OKONKWO
GAYLORD L MCQUEER

SSNs:
[redacted] Issued in MICHIGAN In 1966-1967
Issued in CALIFORNIA In 1988

Dates of Birth:
11/1953, Born **60** years ago
08/1953, Born **60** years ago

Other Phones:
(310) 632-9395 (PT)
(310) 714-5734 (PT)
(310) 329-5529 (PT)
(616) 263-7259 (ET)
(310) 940-1501 (PT)
(214) 669-7865 (CT)

Email Address:
hokonkwo@gmail.com

Addresses:

✔ **976 BLACKBERRY LN, CARSON, CA 90746-7492 (LOS ANGELES COUNTY)** (12/06/2004 to Present)
Current landline phones at address:
(310) 885-3234 (PT) OKONKWO, J

✔ **1354 E BLAIR TOWNHALL RD # PO, KINGSLEY, MI 49649-9249 (GRAND TRAVERSE COUNTY)** (12/1993 to Present)
Current landline phones at address:
(231) 263-7259 (ET) MCQUEER, GAYLORD

PO BOX 374, MAYFIELD, MI 49666-0374 (GRAND TRAVERSE COUNTY) (10/01/1987 to 01/09/2014)

PO BOX 264, MAYFIELD, MI 49666-0264 (GRAND TRAVERSE COUNTY) (11/1987 to 06/2011)

1123 W 164TH ST, GARDENA, CA 90247-4802 (LOS ANGELES COUNTY) (03/2007)

4389 39TH ST APT 4, SAN DIEGO, CA 92105-1035 (SAN DIEGO COUNTY) (01/12/1997 to 02/05/2007)

4310 NORVAL AVE, LANCASTER, CA 93536-3431 (LOS ANGELES COUNTY) (04/02/2004 to 04/10/2006)

1123 W 164TH ST APT 4, GARDENA, CA 90247-4810 (LOS ANGELES COUNTY) (07/1999 to 03/31/2005)

PO BOX 8261, LANCASTER, CA 93539-8261 (LOS ANGELES COUNTY) (07/11/2004 to 07/11/2004)

15312 S WILTON PL, GARDENA, CA 90249-4247 (LOS ANGELES COUNTY) (09/06/2000 to 12/2000)

4657 IOWA ST APT 3, SAN DIEGO, CA 92116-3333 (SAN DIEGO COUNTY) (11/1999 to 11/29/2000)

4981 CATOCTIN DR APT 99, SAN DIEGO, CA 92115-2626 (SAN DIEGO COUNTY) (10/1989 to 06/1999)

1354 E BLAIR TOWNHALL RD # 374, KINGSLEY, MI 49649-9249 (GRAND TRAVERSE COUNTY) (12/1994)

850 DUELL RD, TRAVERSE CITY, MI 49686-4801 (GRAND TRAVERSE COUNTY) (05/1974)

View Person Record [Back to Summary]

Names:
SHARON KENE OKONKWO
SHARON K OKONKWO HOLMES
SHARON KENE OKONKWO-HOLMES

SSN:
[redacted] Issued in CALIFORNIA In 1985-1986

Dates of Birth:
07/1976, Born **37** years ago
07/1976, Born **37** years ago

Other Phones:
(310) 284-2754 (PT)
(310) 936-0266 (PT)
(661) 298-7881 (PT)
(310) 836-9507 (PT)
(323) 756-7180 (PT)
(619) 297-6297 (PT)

Email Address:
sharonokonkwo@yahoo.com

Addresses:

17473 HONEY MAPLE ST, CANYON COUNTRY, CA 91387-6870 (LOS ANGELES COUNTY) (11/2006 to 01/09/2014)
Current landline phones at address:
(661) 977-1080 (PT) MANZOOR, IZHAR

17437 HONEY MAPLE ST, CANYON COUNTRY, CA 91387-6870 (LOS ANGELES COUNTY) (12/15/2006 to 12/16/2013)

3780 KEYSTONE AVE APT 105, LOS ANGELES, CA 90034-6363 (LOS ANGELES COUNTY) (07/2001 to 11/25/2008)

4135 HAMILTON ST APT 2, SAN DIEGO, CA 92104-6148 (SAN DIEGO COUNTY) (03/2000 to 01/28/2007)

18209 SIERRA HWY UNIT 105, CANYON COUNTRY, CA 91351-5402 (LOS ANGELES COUNTY) (07/2001 to 12/2006)

3454 RUFFIN RD APT F2, SAN DIEGO, CA 92123-5511 (SAN DIEGO COUNTY) (10/30/1997 to 10/03/2002)

9450 GILMAN DR APT 92616, LA JOLLA, CA 92092-0100 (SAN DIEGO COUNTY) (11/1994 to 03/30/2001)

4657 IOWA ST APT 3, SAN DIEGO, CA 92116-3333 (SAN DIEGO COUNTY) (08/26/1999 to 09/2000)

5858 SOLEDAD MOUNTAIN RD, LA JOLLA, CA 92037-7010 (SAN DIEGO COUNTY) (10/1994 to 06/2000)

Neighbor Phones (10 Found)

Neighbors' Phones for 1117 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)(11/30/2011 to 02/07/2014)

1111 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)
(323) 757-7044 (PT)- PUGA, VALTIERRA MARIO
VALTIERRA MARIO PUGA

1107 W 112TH ST, LOS ANGELES, CA 90044-1525 (LOS ANGELES COUNTY)
(323) 756-7403 (PT)- ESPINO, JOSE ENRIQUEZ
JOSE ENRIQUEZ ESPINO [View Person Record] Age: 61

1061 W 112TH ST, LOS ANGELES, CA 90044-1558 (LOS ANGELES COUNTY)
(323) 777-0816 (PT)- SANTIAGO, JOSE
JOSE SANTIAGO [View Person Record] Age: 62

1057 W 112TH ST, LOS ANGELES, CA 90044-1558 (LOS ANGELES COUNTY)
(323) 418-8470 (PT)- RUIZ, MARROQUIN CIPRIANO
MARROQUIN CIPRIANO RUIZ

1056 W 112TH ST, LOS ANGELES, CA 90044-1559 (LOS ANGELES COUNTY)
(323) 696-9773 (PT)- LINO, DERRICK
DERRICK LINO [View Person Record] Age: 49

1027 W 112TH ST, LOS ANGELES, CA 90044-1523 (LOS ANGELES COUNTY)
(323) 756-3312 (PT)- HARO, MARIA LUZ
MARIA LUZ HARO [View Person Record] Age: 70

1017 W 112TH ST, LOS ANGELES, CA 90044-1523 (LOS ANGELES COUNTY)
(323) 242-7910 (PT)- BARRERA, EDIE
EDIE BARRERA [View Person Record] Age: 53

1017 W 112TH ST, LOS ANGELES, CA 90044-1523 (LOS ANGELES COUNTY)
(323) 455-1845 (PT)- RIVAS, ANA
ANA RIVAS [View Person Record] Age: 41

1223 W 112TH ST, LOS ANGELES, CA 90044-1409 (LOS ANGELES COUNTY)
(323) 779-2318 (PT)- RODRIGUEZ, M
M RODRIGUEZ

1009 W 112TH ST, LOS ANGELES, CA 90044-1523 (LOS ANGELES COUNTY)
(323) 920-4368 (PT)- FLORES, RICARDO
RICARDO FLORES [View Person Record] Age: 37

EXHIBIT S

Controller John Chiang
California State Controller's Office

Filing Extensions

Education Code section 41020.2(1) indicates that the county superintendent of schools may, after consultation with the school district governing board and the auditors under contract to the district, and with the consent of the Controller's office and the Superintendent of Public Instruction, grant an appropriate extension for the completion of the audit and the filing of the audited financial statements.

The County Office of Education must submit a report extension request to the State Controller's Office (SCO) and the California Department of Education (CDE) by December 1. The extension request must come from the County Office of Education and not the LEA. The SCO will not consent to the extension request unless the circumstance leading to the extension is extraordinary.

The SCO does not grant extensions for charter school audits. The extension must be obtained through the chartering entity (sponsoring school district), and the chartering entity, should notify the SCO and the CDE of the extension.

Extension requests and notifications may be emailed as a PDF to leaaudits@sco.ca.gov or mailed to:

The State Controller's Office
Division of Audits
Financial Audits Bureau/LEA Unit
P.O. Box 942850
Sacramento, CA 95816

Privacy Policy | Accessibility Policy
California State Controller's Office, Controller John Chiang

EXHIBIT T

IRS

Form 1099-MISC, Miscellaneous Income

Trade or business reporting only. Report on Form 1099-MISC only when payments are made in the course of your trade or business. Personal payments are not reported on Form 1099-MISC.

File Form 1099-MISC for each person to whom you have paid during the year:

- at least $10 in royalties or broker payments in lieu of dividends or tax-exempt interest;
- at least $600 in rents, services (including parts and materials), prizes and awards, other income payments, medical and health care payments, crop insurance proceeds, cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish, or, generally, the cash paid from a notional principal contract to an individual, partnership, or estate;
- any fishing boat proceeds, or
- gross proceeds of $600, or more paid to an attorney during the year.

Also, use Form 1099-MISC to report that you made direct sales of at least $5,000 of consumer products to a buyer for resale anywhere other than a permanent retail establishment.

You should use General Instructions for Certain Information Returns and Instructions for Form 1099-MISC to complete Form 1099-MISC.

For help making corrections, see the General Instructions for Certain Information Returns.

Current Products

Form 1099-MISC
Instructions for Form 1099-MISC (HTML)

General Instructions for Certain Information Returns (Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G)

Recent Developments

Other Items You May Find Useful:

All Form 1099-MISC Revisions

Online Ordering for Information Returns and Employer Returns

Publication 15-A, Employer's Supplemental Tax Guide

Publication 15-B, Employer's Supplemental Tax Guide

Publication 463, Travel, Entertainment, Gift, and Car Expenses

Publication 542, Corporations

Publication 957, Reporting Back Pay and Special Wage Payments to the Social Security Administration

Publication 1542, Per Diem Rates

Other Current Products

Comment on Form 1099-MISC

Use the Comment on Tax Forms and Publications web form to provide feedback on the content of this product. Although we cannot respond individually to each comment, we do appreciate your feedback and will consider all comments submitted.

CAUTION: We cannot respond to tax-related questions submitted using this page. Instead, please visit Tax Law Questions or call our toll-free number at 1-800-829-1040 (Individuals) or 1-800-829-4933 (Business).

Information reporting customer service site. If you have questions about reporting on forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, W-2, W-2C, W-2G, W-3 and W-3C, you may call 1-866-455-7438 (toll-free) or 304-263-8700 (not toll free). Persons with a hearing or speech disability with access to TTY/TDD equipment can call 304-579-4827 (not toll free).

Page Last Reviewed or Updated: 17-Mar-2014

EXHIBIT U

Wisdom Academy For Young Scientists

Fiscal Policy

Revised: July 26, 2012
Approved: January 31, 2013

WISDOM ACADEMY FOR YOUNG SCIENTISTS
FISCAL POLICY

POLICY NUMBER ONE: BUDGET PREPARATION AND IMPLEMENTATION

ANNUAL BUDGET
The school shall annually adopt a budget as a planning tool to implement its strategic plan. The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget through the Finance Committee and make necessary adjustments as needed.

BACKGROUND:
In order to manage the resources of the school, a budget has to be prepared to reflect the priorities of the school, and also help achieve its goals and objectives.

PROCEDURES:
Executive Consultant:

- Informs the Executive Director of the guidelines and procedures for the year's budget process. Provide the management staff with the formats and timelines for preparing the school budget.
- Review the budget and check the calculations and the basis for the calculations.
- Make revenues estimates in coordination with the Executive Director, taking into consideration the state funding, fundraising, investment activities and other income sources.
- Prepare a draft budget based on the requests by the Executive Director taking into account other operating expenses of the school, and all other contractual obligations of the school. This budget will include both capital and operating budgets for the fiscal year.
- Meet with the Executive Director and review the budgets, their assumptions and computations related to both revenue projections and expenditure estimates. In reviewing the budgets for recommendation to the finance committee the priorities of the school, revenue availability and fiscal responsibility must be considered.
- Prepare the final recommended budget based on agreements reached from the meeting with the Executive Director for presentation to the Finance Committee and Board of for approval.
- Provide the approved budgets to the Director of Operations and other Administrative Staff so they know the budgets they have to work with during the year.
- Responsible for making sure the budgets are being implemented correctly. This includes working with the Consultant Accounting Staff to input the budgets into the accounting system to help monitor budgets to actual comparison. Also working with the Director of Operations and Staff Consultant to answer budget related questions and reporting any problems and proposed solutions to the Executive Director and Finance Committee.
- Review budget to actual report prepared by Staff Consultant and make necessary adjustments and narratives or comments before presenting to Executive Director, Finance Committee and Board.
- Revise the budget for board consideration when there is a material change in the approved budget.

Executive Director:

- Review the draft budget with the Executive Consultant, making sure that the priorities of the school are reflected in the final budget recommended to the Finance Committee and the Board.
- Review the monthly budgets to actual comparisons prepared by the Executive Consultant and take any recommended actions as necessary.
- Recommend any budget adjustments as necessary to the Finance Committee and the Board.
- Help the Executive Consultant in preparing annual budgets.

Consultant Bookkeeper:

- Inform the Executive Consultant of any unbudgeted expenditures seen while reviewing purchase orders.
- Input the approved budgets in the Accounting system so we can generate budget to actual reports.
- Approve purchase orders before they are issued to vendors, after checking to make sure there are funds in the budget for cover the order.
- Prepare monthly budget to actual report for Executive Consultant to review.

POLICY NUMBER TWO: TIME SHEET AND PAYROLL POLICIES AND PROCEDURES

PAYROLL

All employees on payroll must be hired by the Executive Director and must have worked for the hours being paid, those hours having been properly documented and approved by the Executive Director. The expense must be properly recorded in the accounting records to the correct account to facilitate availability of accurate and timely financial information for management's use in making decisions.

BACKGROUND:

The school hires employees to work on its operations, in order to achieve its objectives. The employees in turn get paid on a timely basis and the information on these costs is made available to school management for decision making.

PROCEDURES:

Responsibility of the employee:

- Punch in time card on a daily basis when you come in for work, when you take lunch or any other absence, when you return back to work on the same day and when you leave for the day. Any specific arrangements outside normal hours should be discussed and approved by the Executive Director prior to beginning of the assignment.
- No overtime can be worked before obtaining approval from the Executive Director.
- Salaried employees are required to sign a sign-in log on a daily basis.
- At the end of each pay period each hourly employee is required to finish completing their time sheet that was generated by the computer system and give them to Administrative Assistant for approval. The employee should make sure they complete the total regular hours, overtime hours, vacation, sick, and other hours worked each day and for the pay period. If you work on more than one job on a regular basis you should complete a time sheet for each job. Just state what hours you worked for each job on the same time sheet if you work more than one job on an irregular basis.
- The properly completed and approved time sheet is put in the box of the Administrative Assistant no later than the date it is due for processing. Delay in submitting the time sheet can affect employee pay date.
- If you are a new employee, make sure that you complete a personnel information package, including a W-4 form that gives us information on your tax status. We cannot give you all the money due you without knowing your tax information. Any information related to direct deposit, tax sheltered annuity or any other voluntary deductions should be given to the Financial Consultant no later than the deadline given to you by the business office. If you are hired after the start of a pay period, you will not be paid until the pay period following the period you started working.

Responsibility of the Administrative Assistant:

- Provide all staff with time sheet, sign-in sheet, time card, due date for time sheet, due date for voluntary deductions set up, time clock and other employee package items necessary to accurately complete information for payroll and benefit accrual.
- Collect all the time sheets in your box and any others around the time clock area.
- Verify that the time recorded on the time sheet corresponds with the time clock records. Any unexplained discrepancies should be reported to the Executive Director for correction or explanation. Any incomplete or unapproved time sheet should be referred to the Executive Director for completion and approval immediately in time to promptly prepare payroll.

- Verify the time sheet to make sure the computations are accurate and that the information and approvals are made by the appropriate persons and write the account numbers where the salaries will be charged on the time sheets.
- After verifying that everything is correct and that you have every employee's time sheet, sort out using the previous period time report and give to the Executive Director for approval and transmittal to the Executive Consultant. Also process the Salaried payroll for the pay period, ESA for the 15th and regular monthly payroll for the 30th.
- Print the input information for the School Director to approve for transmission to Executive Consultant.
- Send new hire and any other employee change information to the
- Executive Consultant as you get the information from the employee.
- After the checks come back from BBM, verify all the checks to make sure that everything is correct and that the checks appear accurate. Additionally check the payroll reports sent to you to make sure everything balances both to the time reported and other relevant deductions. If there is anything that appears unusual, inform the Financial Consultant or a Executive Director. Put the checks in envelopes ready to be distributed to employees and leave with the receptionist together with a sign-in list. Instruct the receptionist that nobody should pick-up another persons check without written authority to do so. Before the receptionist gives a check to an employee that employee must sign the list provided as evidence that they have received their check.

Responsibility of Executive Director:

- Make sure that the new employee package is completed and accurately filled out prior to starting work, especially the I-9, Immigration and Naturalization Form and W-4, Employee Tax Information. The employee should also be given a copy of the employee handbook so they can be aware of the school policies and procedures that affect them.
- Negotiations regarding pay and other benefits should take into consideration the budgetary constraints to make sure that we do not commit to what we cannot pay.
- A personnel action form (PAF) must be completed and given to the Financial Consultant stating how much the employee will be paid, what the effective date is, and what account will be charged for this expense. The PAF and the completed package must be given to the Financial Consultant so that payroll arrangements can be made and personnel file opened for the new employee.
- The Executive Director must make sure the employee follow the school policies and procedures that relate to them. Any infraction should be curad according to school policies and procedures related to employee discipline.
- Make sure that all employees complete a time sheet and give it to them for their approval on a timely basis.
- Ensure that the time sheet as completed by employees reflect their attendance, including breaks and lunch time, before approving the time sheet.
- Make sure that employees are allowed to take breaks in the mornings and in the afternoons and a lunch break for those who work full-time. Generally, rest periods (breaks) are taken every four hours of work and meal periods (lunch) when someone works six or more hours a day.
- Ensure that overtime worked by the employee is approved in advance and that there is enough funding available to cover the overtime and other related costs.

POLICY NUMBER THREE: PURCHASE AND OTHER PROCUREMENT POLICIES AND PROCEDURES

PURCHASES:

The school will purchase the materials needed to implement the plans and strategies set out by the board and the charter in order to achieve its objectives. In making these purchases the school must ensure that the materials being purchased are necessary for running the school. The school will also ensure that economy of resources is exercised in judging whether there is a need to purchase a certain item, as the school has limited resources for many competing

priorities. The purchase must give the school the best deal (price, quality and other criteria considered), and also ensure that there are funds available to pay for the materials. All purchases must be approved by the Executive Director. The purchase must be documented and recorded in the accounting books.

PROCEDURES:

- All purchases must be initiated by completing a purchase order. Exceptions may be granted by the Executive Director or Executive Consultant for purchase of certain small items that are less than $100 or in emergency situations.
- Before completing the purchase order the purchaser must assure that there are unencumbered funds budgeted for this purpose and the purchase is being charged to the correct budget category. If there is any question regarding the availability of funds, the Staff Consultant can be contacted for an answer.
- The purchaser must demonstrate, by providing copies of three bids or estimates that the vendor picked provides us with the best deal for the service or product being purchased. (The lowest price may not always be the best deal for the school.)
- For the purpose of getting bids, purchases of $2,999 or less can be done by phone bids, purchases of between $3,000 and $9,999 can be done by written bids on vendor's letterhead. Purchases of $10,000 or more need to be advertised in a more formal competitive bidding process.
- In cases where a particular vendor is known to give us the best deal, once a year research of prices and services is enough to satisfy this criterion. In such a case copies of the result of the research should be kept on file to be referred to when needed.
- There may also be cases where a vendor is a sole source vendor, which means that the vendor is the only vendor that can supply this product or service. In such an instance it will be impossible to provide bids, but it must be demonstrated that the vendor is the sole source.
- Purchase orders will be issued by Administrative Assistant. The form must be originally filled out, including who to deliver the order to and the account number to which the expenditure is to be charged. The original is given to the Administrative Assistant to fax to the vendor with a return confirmation from the vendor after being approved by the Director of Operations, a copy for the Director of Operations's file, Staff Consultant's file and a copy to the Office Assistant (receiving). All originals and copies of purchase orders must have the signatures of the Director of Operations.
- All purchase orders must be approved by the Director of Operations.
- When the purchaser gets the order they will keep the items in a safe place for use, after making sure that the order received agrees with the purchase order. In certain instances the order might be tracked as to who is using them, so we can allocate them to various programs.

Procedures for Receipt of Order (Office Assistant)

- When the order arrives the Office Assistant compares the quantity on the packing slip, the purchase order and the order received to make sure they agree. If they agree the packing slip will be initialed and sent to the Staff Consultant with a copy to the Director of Operations.

Administrative Assistant

- When the original purchase order is received from the Director of Opeations, it is immediately faxed to the vendor. This will be done after checking to make sure the order is charged to the correct account, and funds are available signified by the approval of the Director of Operations, evidenced by the his signatures.
- A copy of the purchase order is kept in an open purchase order file pending the time the order is filled. It is discarded when the invoice for the purchase is processed. The purchase order is encumbered in the Accounting system to set aside the funds so it will be available to pay for the bill. The purchase order is unencumbered when we pay the bill.
- The Administrative Assistant will check incoming orders to make sure they are consistent with the packing slip and the purchase order. The orders will then be stamped or tagged as property of the Wisdom Academy depending on what kind of item it is. Books will be

stamped and equipment will be tagged, while supplies will be inventoried issued as necessary.

- The Administrative Assistant will check all the documentation and make sure they are complete, accurate, and consistent with one another. The Administrative Assistant will also make sure that the correct budget category is being charged and the amount of the bill is computed accurately.
- As part of checking the documentation, the Administrative Assistant will ensure that the invoice being paid is an original invoice, not a copy, and that we are not paying from a statement of account. Please refer to commercial warrant processing for more details on bills processing.

POLICY NUMBER FOUR: CONTRACTING POLICIES AND PROCEDURES

1. All contracts must be approved by the School Director and Staff Consultant. Contracts of up to $4,999 may require at least three phone bids, between $5,000 and $9,999 may requires three written bids on contractor's letterhead. Contracts of $10,000 and above require formal competitive bidding process. For more information, please see purchase procedures.
2. Before approving a contract, it must be determined that funds are available for this purpose and the payment terms clearly and satisfactorily stated in the contract, considering cash flow needs of the school.
3. In the case of a construction contract, the contractor must be licensed by the state board and have the financial capability to execute the contract, except in cases where an exception is allowed by a Principal.
4. The contractor must have workers compensation and other general liability insurance that will name the school as additionally insured, except in cases where the school agrees to cover the contractor as part of terms of the contract.
5. The contractor must submit a bill based on the original approved contract for the Principal to approve for payment. In the event of change orders, they must be pre-approved by a Executive Director or designee.
6. The contractor must provide the school with a completed form W-9, taxpayer identification number, at the time of signing the contract.
7. Before the payment is made for construction contracts, the contractor must provide the school with a lien release as to labor and materials to exempt the school from any legal action including mechanics lien related to non payment of labor and material.
8. Before approving payment, the Executive Director will be certain that the construction was executed satisfactorily (in some cases an expert opinion might be sought to determine this).
9. It is customary to withhold 10% of the contract price until final determination is made on the successful completion of the contract. This will therefore be the practice of the school.
10. A copy of the contract should be filed in the business services office as soon as the contract is signed, to ensure that all documentation is complete and accurate.
11. All independent contractors must be persons that are in business for themselves, set their hours, and are responsible for results and not persons that are normally considered as employees. All other part-time or one-time persons employed by the school should be put on the payroll system, as they are actually employees and not independent contractors. All independent contractors must have a written contract following the procedures outlined above.

POLICY NUMBER FIVE: CHECK REQUESTS POLICIES AND PROCEDURES

CHECK REQUESTS:
All disbursements, except for those made through the Revolving Cash Fund, Payroll System and Petty Cash, must be made through the Check Request.

BACKGROUND:

The school has a responsibility to process all payments in accordance with generally accepted accounting principles and other government accounting standards in order to discharge its fiduciary responsibilities as delegated by the board of directors.

PROCEDURES:

Administrative Assistant:

- Picks up mails from the bills mailbox and distribute to various departments where necessary for check requests and approval of the bill.
- Checks the utilities and other general office bills for any error before giving to the Director of Operations for check request approval.
- Double check requests and bills to make sure that all the information and documentations are correct. This information and documentation includes payee, account numbers, original invoice (payments cannot be made with a copy of the invoice or statement of account), relevant purchase order and receiving reports, amounts and appropriate approvals. If any information or documentation is inaccurate or incomplete, the check request must be returned to the responsible party so it can be corrected immediately, for timely processing of the check request. Check requests must not be left with anyone for an unreasonably long period of time as to incur the school, credit problems.
- The check requests are sent to Executive Consultant for input into the computer system for payment. All the check numbers must be serially numbered, taking time to make sure the first check of each batch or day follows the last number as specified in the check register. A serial number log must be kept to ensure the numbering system is being adhered to. Each time a number is used it is crossed out to prevent the reuse of the number a second time.
- Pick up the mail from Ball Business Management the following day and verify that all the checks were generated and everything related to the check is correct. Then attach a copy of the check to the check request, staple them together and complete the payment information on the check request. Stamp the documentation as paid and file the whole package in the paid bills folder, after the checks are approved by the check signer.
- Put the checks in an envelope for mailing. If someone has to pick up a check in the office they must sign a log, and if it is an unknown person picture identification or drivers license should be reviewed to make sure that it is the right person.

The Administrative Assistant:

- Make sure that the bill being approved is a bill the school incurred and that those who incurred them are authorized to incur the bill, and that sufficient amounts are available in the budget to pay for the bill.
- Must be sure that services or goods were actually delivered as ordered and the amounts billed are agreed to and the bill was not previously paid and the invoice is not a duplicate or copy.
- Must be sure that the invoice is being charged to the right budget line item (account number and object code). This information must be provided by completing a check request form, and attaching the invoice, copy of the purchase order and a receiving advice or report noted on the purchase order. Any discrepancy between the invoice and the purchase order must be noted on the bill and reported to the Financial Consultant or Director of Operations.
- The check request must be made in a timely manner for payment to prevent incurring collection and other credit problems.

Director of Operations:

- Make sure that there is enough cash flow to pay the checks being requested before approving the bills. This can be accomplished by reviewing the cash balance on the report provided by Financial Consultant.
- Check to see that the checks were written to the same payee as stated on the check request and bill.
- Keep the budget managers or persons who incur expenditures informed about cash flow in case they have to defer incurring certain expenditures, pending improvement in cash flow.

- Before signing any check, make sure the documentation is attached and that the check request information is completely filled out with prior approvals attached.
- Checks in excess of $10,000 of non recurring item require two signatures.

POLICY NUMBER SIX: REIMBURSEMENTS

All employee reimbursement check requests must be accompanied by filling out a reimbursement form with attached documentation including receipts and invoices of the reimbursements. Mileage reimbursement check requests must be accompanied by a form detailing the mileage description with a starting point and ending point. The description will also include the date of the travel and the number of miles travelled for each entry or date. Mileage will be reimbursed at the IRS rate that is applicable at that particular time.

POLICY NUMBER SEVEN: USE OF CORPORATE CREDIT CARDS AND PROCEDURES

Credit cards secured for the school through our bankers will allow us the convenience of charging purchases on the account, therefore saving staff the trouble of using their funds to purchase needed materials. Furthermore, it will save the school from cutting many checks for reimbursements. Instead one check will be cut to our bankers.

- The cash advance feature CANNOT be activated or used for any reason.
- The card can be used only for business purchases. NO PERSONAL USE.
- The duplicate receipt must always be turned in to Administrative Assistant, after purchase is made to allow for easy processing of the bills. The account number to be charged must be stated on the receipt.
- Before charging anything to the card, the purchaser must determine what budget line items should be charged for this expenditure and whether the budget item has enough funds in the account to accommodate the charges, considering all other charges previously made to this account. If in doubt about the availability of the funds, please consult the responsible budget manager.
- Any missing or lost credit card must be immediately reported to the Financial Consultant and the Bank, so that security measures regarding cancellation and reissue can be accomplished in time to prevent illegal charges to the account.
- The card can be used to charge things for other staff as long as verification is made as to the availability of funds for the purchase. The card can be used for small purchases that normally require payment before order, it should not be used for items that can be put on purchase orders and billed to us in the normal way. Do not use the credit card in such a way as to circumvent our normal purchase order or billing system. Examples of things that can be charged include airline tickets for training and seminars, books and instructional supplies.
- The Financial Consultant and the Executive Director are responsible for ensuring that the credit card holders follow these procedures. Any abuse of the credit card policies should be reported to the Financial Consultant or the Executove Director. The school reserves the right to terminate any credit card due to abuses including lack of following credit card policies and procedures.
- The Executive Director must approve any expenditure related to any direct benefit of the credit card user. No one can approve an expenditure that is for his or her own benefit.
- The Administrative Assistant must turn in all credit card statements to the Financial Consultant. The Administrative Assistant will give each credit card holder his or her statements.
- Credit card holders will prepare a check request for each credit card statement with all attached documentation, including receipts and account numbers. This will ensure orderly and efficient processing of the bills to avoid the charging of interest.

POLICY NUMBER EIGHT: PETTY CASH POLICIES AND PROCEDURES

The school will maintain a petty cash fund to make it expedient to disburse small purchases that are needed to operate the school business. The items to be disbursed out of these funds are limited to small items of $25 or less.

PROCEDURES:

Administrative Assistant:

- The Administrative Assistant has oversight over the implementation of the petty cash policies and procedures.
- Processes requests for issuance of petty cash after being approved by the School Director.
- Processes replenishment of petty cash on a regular basis.
- Ensures that the replenishment expenditures are supported by authentic purchase receipts approved by the School Director.
- Monitors all the petty cash given to holders to make sure they are replenishing them on a regular basis and remind the holders of the need to replenish the fund so that expenditures can be recorded. If the holder does not have expenditures for several months, this may indicate that the petty cash might not be necessary.
- When a petty cash is originally issued to a holder, it must be logged in a petty cash log; any increases to the petty cash amount must be recorded in the log.
- Petty cash is reimbursed in the same manner as any other reimbursement or bill. In urgent situations, reimbursements can be done from the revolving cash fund.

Petty Cash Holders

- Request for issuance of petty cash from the Executive Director based on a compelling need supported by convincing reasons.
- Makes sure that the petty cash fund in their possession is securely locked in a cabinet at all times, making sure that nobody else has access to the fund.
- The petty cash holder has a personal responsibility for the funds in their possession.
- Issuance of funds to staff who need them must be evidenced by a receipt signed by staff and petty cash issuer.
- Before issuing the funds to the staff the holder must ascertain that the staff is going to spend the money on a budgeted expenditure approved by the School Director.
- Must ensure those given petty cash bring back an authentic receipt approved by the Administrative Assistant with the appropriate account number where the expenditure will be charged.
- The Executive Director's signature on the purchase receipt is evidence that the expenditure is approved by the Executive Director and it is for an expenditure that has been budgeted by the school for this purpose and the goods or services is to be used for a specific school business purpose. The signature also means that there is available balance in the line item to accommodate the expenditure.
- When the staff gives the petty cash holder an authentic purchase receipts approved by the Executive Director, the issuance receipt should be endorsed by the holder as paid and copy of the paid issuance receipt given to the Administrative Assistant. If there is a cash balance returned by the staff it should be reflected on the issuance receipt. The paid issuance receipt should be attached to the purchase receipt.
- When the petty cash is low the holder should fill out the petty cash replenishment form and request for replenishment of the petty cash fund equal to the amount of the purchase receipts in their possession. The total amount of the replenishment and the petty cash on hand should always be equal to the amount originally issued to the holder.

Staff Requesting the Use of Petty Cash:

- Before requesting for petty cash fund staff must make sure that the expenditure is approved by the Executive Director and there is available funds for that expenditure.
- Make sure that a purchase receipt is obtained for the goods or services purchased and the receipt is approved by the Executive Director with the appropriate account number written on the receipt before giving it to the petty cash holder.

- Return any excess cash to the petty cash holder together with the receipt to relieve the staff of the responsibility of the cash originally received.
- Once a staff receives funds from the petty cash holder, the staff is personally responsible for the funds, until they bring back an approved receipt with account numbers plus any left over cash in exchange for a release of liability. This is evidenced by a copy of a paid issuance receipt by the holder of the petty cash.

POLICY NUMBER NINE: FINANCIAL REPORTING REVIEW POLICIES AND PROCEDURES

As part of our internal control procedures, the school will reconcile and review the result of operations to make sure the transactions are charged to the appropriate accounts and that the operations are being executed as planned.

Financial Operations Review-Procedures:

- About the first week of the month through the second week of the month following the end of each month the back office company will reconcile all accounts of the school. In order to do that all deposit and other non disbursement information has to be provide to the company prior to the end of the previous month.
- After reconciling all the accounts include bank reconciliation the Consultant Accountant will prepare all financial reports (Statement of Financial Position or Balance Sheet, Budget report or budget variance report, Statement of Activities and Cash flow actual and projections) for review by the Executive Consultant. After reviewing the report it will be sent to the School for review and transmission to LACOE in time to meet their 15th of the month dateline.
- On the third week following the end of the month the School Management will meet with the Financial Consultant to review the Financial reports including any narrative and analysis reports and recommendations.
- On the day of the board meeting the Finance Committee will meet to review the financial performance of the school and make recommendation to the board for their adoption or approval.
- It is recommended that the school maintain a reserve equal to at least 10% of its previous years expenditures.

POLICY NUMBER TEN: PROGRAM CASH RECEIPTS AND DEPOSIT POLICIES AND PROCEDURES

PROGRAM CASH RECEIPTS:
All programs and other pass through payments will be paid to the office and given to the Administrative Assistant periodically for deposit to the bank.

BACKGROUND:
The school will run various programs including meals, after school programs and pass through programs. Checks and cash are usually received at the reception desk for registration for these events.

PROCEDURES:
Responsibilities of the Office:

- Each parent is issued a receipt (original) when payment is made for any of these programs. Parents who have a history of insufficient funds checks (as provided by Financial Consultant) will be required to pay cash.
- Satellite site receipts will be brought to the main office on a daily basis for safekeeping. The Administrative Assistant will include the amounts received from the satellite site (if any) in their balancing of the total receipts for the school.

- Checks and cash are kept in a secured cabinet locked in a box until deposit is made to the bank.
- The checks must be stamped "for deposit only", using the appropriate stamp for the program bank account, to reduce any risk of loss.
- Three staff persons have access to the key so they can retrieve funds for deposit or store funds collected from parents (under no circumstances should this amount be used for any reason except as approved by the Finance Consultant) This amount is not petty cash and therefore should not be used for that purpose. Please use petty cash fund to pay for small emergency items.
- The office prepares deposit tickets on Tuesdays and Fridays, making sure the total amounts on the deposit tickets agree with the total receipts attached (duplicate) and receipts log book. $100 from petty cash fund will be left in the cash box for the purpose of making change when payments are received from parents.
- Any discrepancy between the deposit tickets and the attached receipts should be noted and reported to the Financial Consultant and the Executive Director so that further investigation can be conducted to resolve the problem.
- The income log must be compared with the incoming attendance and participation log from the program department, to make sure they agree and explain any discrepancies between them.
- The program to be credited with these funds should be noted on the deposit ticket or receipt.
- The receipts and deposit tickets will be given to the Administrative Assistant by 12 noon for deposit to the bank. A copy of the deposit ticket should be made and kept with the office, showing the signature of the Administrative Assistant as evidence that they have received the amounts listed on the ticket.

Responsibilities of the Administrative Assistant:

- The Administrative Assistant will review the whole packet to make sure that everything is completed accurately.
- A copy of the deposit ticket and duplicate receipts are filed in the program deposits file and the original deposit ticket and the funds are deposited at the bank.
- The deposit receipt from the bank must be attached to the duplicate deposit ticket in the program account file.
- Attendance log or report is compared with duplicate receipts for the respective programs to make sure everything agrees, any discrepancy must be investigated and when necessary reported to Financial Consultant or Executive Director.
- By the middle of the month following the end of a month, bank reconciliation is prepared and any "non sufficient funds" checks identified in a separate report. Letters will be written to the issuers of the checks so they can pay the amounts, plus service charge of $15 per bounced check.
- Each month after the bank reconciliation or when the program is complete, depending on the program, a check will be generated from the program account to our county account or outside vendor depending on the program requirements.
- Adjusting journal entries will be made to reverse the revenue account, replacing it with fees receivable account pending the time the amount is collected from the issuer of the bounced check.
- Prepare a list of insufficient funds check and provide the office and program staff with copies.

Responsibilities of the Program Staff and Office:

- To make sure that all participants of the program have paid their fees.
- Make sure that a report of attendance or participation log is prepared and a copy given to the Office daily, additionally monthly reports should be prepared and a copy given to the Administrative Assistant (all reports and cash counting will be done by two people).
- Any parent who has insufficient funds for more than twice or does not pay previous insufficient funds check will be required to pay cash in subsequent events or programs.

POLICY NUMBER 11. REVOLVING CASH FUND POLICY AND PROCEDURES

The School will maintain a Revolving Cash Fund to accommodate immediate cash needs that will normally not be met by the commercial warrant system. The school will make all efforts to make all payments through the commercial warrants system. Only check requests that are needed immediately due to circumstances beyond our control will be disbursed through this system.

PROCEDURES:

- All requests must be made by a check request, with all the supporting documents for the approval of the School Director.
- The request will follow the normal procedures for commercial warrant check requests.
- Poor planning will not qualify as a reason for approving this request.
- Receipts are required immediately after an event for requests of advance deposits.

Executive Director:

- Approval will be made based on the documentation provided and the compelling reasons why the request must be approved.
- No requests should be approved for convenience as these requests create additional burden and work for the school and circumvents the accounting process and may understate our expenditures.
- No approvals should be made without the request coming from budget manager, who checks the budget availability and the urgency for this request.
- The approved request will be given to the Administrative Assistant for processing.

Financial Consultant:

- All approved requests must be disbursed from the Revolving Cash Fund bank account the same day.
- Any request for an RCF check must be directed to the Executive Director.
- Requests should only be entertained from the Executive Director.
- All requests must be checked to make sure all required information is complete before issuing the check. The Executive Director should be alerted if all the necessary information is not complete.
- Make sure there is available balance in the RCF account before issuing any check. This will be accomplished by keeping a running balance after issue of checks and deposit of check to the RCF account.
- Reimburse the RCF no later than the 25th of every month to make certain that the expenditures are recorded in the correct month to void understanding our financial statements.
- Reimbursement of RCF including petty cash must be made to the Executive Director and charged to the respective account numbers already provided before the RCF checks were generated.
- Do not reimburse any RCF check or petty cash without the required receipts, account number and other required documentation.
- At any given time the bank balance, plus un-reimbursed expenditures, plus petty cash given out must be equal to the RCF amount.

[redacted]

EXHIBIT V

WISDOM ACADEMY FOR YOUNG SCIENTISTS

TRANSCRIPTIONS OF BOARD OF DIRECTORS MEETINGS

AND

SPECIAL BOARD OF DIRECTORS MEETINGS

JULY 31, 2012

AUGUST 29, 2013

OCTOBER 24, 2013

JANUARY 6, 2014

FEBRUARY 3, 2014

MARCH 13, 2014

APRIL 25, 2014

JULY 23, 2014

WISDOM ACADEMY FOR YOUNG SCIENTISTS

SPECIAL BOARD OF DIRECTORS MEETING

706 EAST MANCHESTER AVENUE

LOS ANGELES, CALIFORNIA

JULY 31, 2012

APPEARANCES:
BOARD MEMBERS PRESENT:
ELEANOR JONES
CHERYL JOHNSON
KAREN HAYNES
DOROTHY VALENTI
ARMANDO ESPINOZA

ALSO PRESENT:
JASON OKONKWO
HALILU HARUNA
EDWARD CABIL
KAREN HOROWITZ

TUESDAY, JULY 31, 2012
LOS ANGELES, CALIFORNIA
* * *

(Transcription of recording 25:11 through 27:07.)

MR. OKONKWO: Another thing that (inaudible) where we are today as far as (inaudible). Right now we have (inaudible) construction going on (inaudible) air conditioning construction project.

We started -- we asked for an approval last week. We started early, before the approval. It's our best intentions were doing so (inaudible) air conditioning and ask for approval today for -- because school starts on the 14th, and we want to make sure the school is adequately air conditioned before the kids come back.

It's very difficult for the students to learn in an uncomfortable environment, (inaudible) hard for us adults to sit here in a room that's (inaudible) for our body temperature.

So we (inaudible) engaged on the (inaudible) of the buildings, Building B and Building A, (inaudible) go forth with the entire project (inaudible) 4th through the 1st, and also that we can be able to afford it.

So what I did is I went ahead and I got three proposals from three different companies, (inaudible), and two people responded, two air conditioning companies responded. Came out, surveyed the site, and gave us bids.

One company I solicited. I reached out to them. I (inaudible) from our electrician. (Inaudible) the most affordable and best quality bid that we got of all three. So (inaudible) school before. It's my first time ever meeting him, and we trust his work and his invoice was presented. His invoice is also in the discussion and action item -- as an action item for approval. So when we get to that, I'll just regurgitate everything that I just said, but that's pretty much it as far as Manchester.

* * *

TUESDAY, JULY 31, 2012
LOS ANGELES, CALIFORNIA
* * *

(Beginning of recording 46:40 through 49:00.)

MALE SPEAKER: Do we need any more -- do we need any more information on it or we good to go?

FEMALE SPEAKER: We have already started.

MALE SPEAKER: You already have it?

FEMALE SPEAKER: No, I've said they have already started.

FEMALE SPEAKER: Because you already had (inaudible) zone; right?

(Speaking simultaneously.)

FEMALE SPEAKER: -- tell us most appropriate.

(Inaudible.)

MALE SPEAKER: I move to motion regarding approval on Medina for central air and heating system.

FEMALE SPEAKER: Second.

FEMALE SPEAKER: Okay. All in favor of the approval.

(Whereupon a vote was had.)

FEMALE SPEAKER: Okay. Okay. Unanimous approval. does anyone -- anyone like to look over this for a sign -- the total of the contract is $10,600. The

payments to be made at $4,000 to start and the balance will be paid when a hundred percent of the job is completed.
FEMALE SPEAKER: There is two. Okay. Ten for here and ten for --
MALE SPEAKER: (Inaudible) and 10 for air.
FEMALE SPEAKER: We have already approved it, so can we look at that final -- I mean, look at it later (inaudible).
(Speaking simultaneously.)
MALE SPEAKER: (Inaudible).
FEMALE SPEAKER: That's approved.
FEMALE SPEAKER: And we are on No. B.
(Speaking simultaneously.)
FEMALE SPEAKER: And how long did you say it would take them to do this job?
MALE SPEAKER: It will be done by next week, Wednesday.
FEMALE SPEAKER: It just takes them a week?
MALE SPEAKER: Yeah.
FEMALE SPEAKER: (Inaudible).
MALE SPEAKER: (Inaudible) a whole crew.
FEMALE SPEAKER: Oh.
MALE SPEAKER: Maybe six people, six or seven people, (inaudible).

FEMALE SPEAKER: So $22,000.
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: (Inaudible) because it's hot.
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: (Inaudible).
MALE SPEAKER: They will have (inaudible).
FEMALE SPEAKER: (Inaudible).
(Speaking simultaneously.)
FEMALE SPEAKER: That's great.
THE CHAIR: Okay. Next item of approval is OCI Development 2012/13.
* * *

TUESDAY, JULY 31, 2012
LOS ANGELES, CALIFORNIA
* * *
(Beginning of recording 55:00 through 59:30.)
FEMALE SPEAKER: Okay. Unanimous decision, and the motion is approved.
FEMALE SPEAKER: Now, this is done on a monthly basis for 12 months; is that correct? I mean, in regards to the salary for the year?
MALE SPEAKER: Yes (inaudible).
FEMALE SPEAKER: July.
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: Okay.
FEMALE SPEAKER: Okay. Next item approval of revise fiscal policy. That has got to be moved to a future agenda item.
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: Yes. Item H, approval of resolution to purchase lease of vehicle for the school business.
FEMALE SPEAKER: Oh, I thought we had approved the buses. No?
MALE SPEAKER: Well, I would like to recommend (inaudible) to offer as an (inaudible) to lease a

(inaudible) vehicle for school use (inaudible). We have three campuses. We try to save money by using a van for field trips which if you only take --
FEMALE SPEAKER: So many.
MALE SPEAKER: -- increase in class size. So we have 34 students in fifth grade, we can only take 14. You know, so if we had another vehicle (inaudible) all the areas (inaudible) go to Wilshire several times for business, LACO several times, shopping for food for meetings at school. You name it. It is an enormous amount of wear and tear and guess what, (inaudible) cars are getting worn out. They over-use their own personal vehicles. Only thing you get back is (inaudible) for gas --
FEMALE SPEAKER: For gas.
MALE SPEAKER: -- wear and tear on your vehicle which is more value to me, so (inaudible) we would like to (inaudible).
FEMALE SPEAKER: You're also using your own vehicle, you're exposing yourself to more liability.
MALE SPEAKER: Exactly.
FEMALE SPEAKER: You're what?
FEMALE SPEAKER: Exposing yourself to more liability.
FEMALE SPEAKER: Yeah, (inaudible). Right, when

you take your own car and you have an accident and have kids in it.
MALE SPEAKER: We don't allow any of our adults that arrive at school in the car (inaudible) field trips (inaudible) whole lot of money (inaudible), buses cost for 4- or $500 each bus (inaudible).
FEMALE SPEAKER: (Inaudible).
MALE SPEAKER: (Inaudible).
(Speaking simultaneously.)
MALE SPEAKER: Right down the street.
(Speaking simultaneously.)
FEMALE SPEAKER: -- fifth graders to come to the Salvation Army to be together there (inaudible) you know.
(Speaking simultaneously.)
FEMALE SPEAKER: -- science fair. It's a real hassle, and it's a mile between the two schools.
FEMALE SPEAKER: $400? Whoa.
MALE SPEAKER: Can you imagine next year, the prices will go up for transportation.
FEMALE SPEAKER: Yeah, they are.
MALE SPEAKER: Actually, $400 is cheap.
FEMALE SPEAKER: Cheap?
FEMALE SPEAKER: Yeah.
FEMALE SPEAKER: Have you looked into any

purchases for leasing that van?
MALE SPEAKER: Not yet. Not yet. (Inaudible).
MALE SPEAKER: We (inaudible) approval (inaudible).
FEMALE SPEAKER: Yes. I'd like to motion (inaudible) vehicles for the school.
FEMALE SPEAKER: Second.
FEMALE SPEAKER: Okay. All right. We are going to take a vote on it. All in favor.
(Whereupon a vote was had.)
THE CHAIR: Unanimous decision. The motion is approved.
MALE SPEAKER: There was one (Inaudible) discussion. There was --
FEMALE SPEAKER: Travel stipend.
MALE SPEAKER: -- travel stipend. (Inaudible) discussion. (Inaudible) talk about this. (Inaudible) approval of this yet. (Inaudible) brought it to our attorney's attention yet.

* * *

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SPECIAL BOARD OF DIRECTORS MEETING
706 EAST MANCHESTER AVENUE
LOS ANGELES, CALIFORNIA
AUGUST 29, 2013

APPEARANCES:
BOARD MEMBERS PRESENT:
ELEANOR JONES
CHERYL JOHNSON
NORMAN D. GOLDEN, II
DOROTHY VALENTI
ARMANDO ESPINOZA
CAROL TOLBERT
KIMBERLY DANIELS
SAUNDRA DAVIS

THURSDAY, AUGUST 29, 2013
LOS ANGELES, CALIFORNIA
* * *
(Beginning of recording 17:48 through 21:22.)

MR. HARUNA: So basically the expenses -- in times of expenditures, expenditures was looked at, you know, when we worked with Jason to -- and Mr. Cabil to get this budget done, we look at the expenditures from the previous fiscal year and see if there are changes we need to make in certain line items which the changes were made and the school gives us what kind of salary and positions that are needed to have. We try to accommodate it in the budget as long as there's revenue to accommodate it.

FEMALE SPEAKER: You say something like cuts and expenditures were necessary as it relates to many line items that were over --

MR. HARUNA: Right. We had so many line items that were over in the previous year. You know, we --

FEMALE SPEAKER: Oh, that were over?

MR. HARUNA: Over budget, yeah. Over budget, yes. There is some line items over budget.

FEMALE SPEAKER: Oh, the expenses were over --

MR. HARUNA: Over budget in the previous fiscal

year, so we make adjustments to that and whatever others that we need to include that was not in the last fiscal year.

For instance, that the implementation of Common Core has blown up, the books and supplies budget, you know, a lot, of course of which we are getting some funding to cover some of that.

So we look at all the line items. We look at the actuals in helping us to build this year's budget. And, of course, we compare this year's budget to last year's budget to see what -- what's going on that is different from last year, why you are having a big increase compared to last year.

So the list, you know, that -- I think the school has a list of staff salaries and -- that they gave us, the different positions, teachers, how many teachers. We have about 22 teachers and the other administrative positions I listed them up there, but it's a long --

FEMALE SPEAKER: And you have -- in No. 2, I kind of broke it out so I could actually look at it more clearly and you said "And some related assistance."

MR. HARUNA: Right.

FEMALE SPEAKER: Who are "they"?

MR. HARUNA: Like instructional assistants. It's

a long list of staff that they gave us.

FEMALE SPEAKER: Oh, Okay. So I guess --

MR. HARUNA: Don't they have a staff roster that they already approve? Yeah.

FEMALE SPEAKER: Okay. So, Madam Chair --

MR. HARUNA: All right.

FEMALE SPEAKER: -- can we get -- can we get the staff roster?

THE CHAIR: Absolutely.

MR. HARUNA: Right. They have like a lot of staff, and I didn't want to list everything.

FEMALE SPEAKER: Oh, no problem. I just needed to ask that question.

MR. HARUNA: That's part of the budget.

FEMALE SPEAKER: Right.

MR. HARUNA: Then we have -- of course, we have benefits and, you know, health insurance and other insurance.

Books and supply, like we say, the Common Core implementation book and supply, we look at the actual budget under 4,000. It increase about from -- from -- it increase from 113- to 279-, just the books and supplies budget.

FEMALE SPEAKER: Is there a complete implementation of Common Core at this point?

MR. HARUNA: So they are working on it.

MR. CABIL: It's in the works, yeah.

MR. HARUNA: Okay.

FEMALE SPEAKER: So you are saying you are buying the books in advance. Okay.

MR. HARUNA: So that's why the state is giving about $200 per -- per student for that.

FEMALE SPEAKER: In addition to the other (inaudible).

MR. HARUNA: Right. You know, they are giving funding, revenue. This is --

FEMALE SPEAKER: Oh, gotcha.

MR. HARUNA: Yeah.

FEMALE SPEAKER: The other is --

MR. HARUNA: About $200 per student.

FEMALE SPEAKER: (Inaudible).

MR. HARUNA: For Common Core implementation --

FEMALE SPEAKER: Per student?

MR. HARUNA: Right.

FEMALE SPEAKER: I had a question in terms of benefits.

MR. HARUNA: Right.

* * *

THURSDAY, AUGUST 29, 2013
LOS ANGELES, CALIFORNIA
* * *
(Beginning of recording 24:00 through 51:40.)

MR. ESPINOZA: All right. I have a quick question. On the last page --
MR. HARUNA: Uh-huh.
MR. ARMANDO: -- where there is the 187,000 percent increase from 10,000 to 128,000.
What are those expenses?
MR. HARUNA: 10,000.
FEMALE SPEAKER: Where are you, Armando?
MR. ESPINOZA: I'm on the second page.
MR. HARUNA: What line item?
FEMALE SPEAKER: Wait a minute. Are we following the budget as --
FEMALE SPEAKER: (Inaudible).
MR. HARUNA: I was just doing a summary.
FEMALE SPEAKER: Okay. So -- so -- so we are not going in order on any of this. We are just --
MR. HARUNA: Yeah. I'm just giving you --
(Speaking simultaneously.)
FEMALE SPEAKER: (Inaudible).
MR. HARUNA: -- basis for building the budget

overview.
FEMALE SPEAKER: Because he was -- so weird, when you said that, I was on the back (inaudible) we got there.
MR. HARUNA: So what -- your second page?
MR. ESPINOZA: Yeah. Yes. Second page for this part where there is an increase of like a hundred -- how much increase?
FEMALE SPEAKER: A hundred thousand dollars.
FEMALE SPEAKER: 118,000.
FEMALE SPEAKER: That was for other services and operating expense.
MR. HARUNA: Yes.
FEMALE SPEAKER: Yes, that one.
MR. HARUNA: Other services, yeah --
FEMALE SPEAKER: Other services.
MR. HARUNA: -- and operating --
FEMALE SPEAKER: 5890.
MR. HARUNA: Yeah, I have to check that. I don't have the details of that here.
MR. ESPINOZA: That's a huge increase.
FEMALE SPEAKER: That was one of my --
FEMALE SPEAKER: Yeah, that is one of my questions.
MR. HARUNA: Okay. I have to check. I have to

check that and the other detail here.
FEMALE SPEAKER: (Inaudible) marked others (inaudible).
FEMALE SPEAKER: Yeah, that one --
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: See, that's going to create delay in this budget approval.
MR. HARUNA: Okay. Yeah, I don't have the complete answer here; but I will have to check other service. I think probably some line items was probably shifted.
FEMALE SPEAKER: Oh.
MR. HARUNA: Rearrange, that's probably why. I can get the answer once I get to see the spreadsheet.
FEMALE SPEAKER: Tonight or no?
MR. HARUNA: Tonight, no, I don't have it here --
FEMALE SPEAKER: Oh, okay.
MR. HARUNA: -- tonight. Okay.
FEMALE SPEAKER: I'm looking at the time. We still have a lot to go. Are we going to be able to go over this?
MR. HARUNA: So --
(Inaudible.)
MR. HARUNA: The only other thing I need to mention other than the numbers is our reserves.

FEMALE SPEAKER: Okay.
MR. HARUNA: We have -- the required reserve is 5 percent of your expenses, and the school has decided to do 10 percent instead of 5 percent.
FEMALE SPEAKER: Now, does that hurt -- Mr. Cabil, does that hurt or impact it adversely in any way, operational cost or ability to put the educational program in place or anything?
MR. CABIL: Just please be reminded that we only get half of what public schools get. But we try to manage to make sure that -- because testing is our priority and academics --
FEMALE SPEAKER: Uh-huh.
MR. CABIL: -- that we put as much emphasis on those areas as private. It's almost like you are nearly forced to do so.
FEMALE SPEAKER: So that this is -- this works for us, the 10 percent. Okay.
MR. HARUNA: Yeah. The more reserve we have, the more the school looks good financially --
FEMALE SPEAKER: Uh-huh.
MR. HARUNA: -- in terms of being fiscally strong, you know. And actually, most of the reserve money that -- that we have is money that has been saved from previous years. You know, they are excess from

previous years. It's not money you can take, put it in a budget, pay salaries going forward because you cannot be dependent on that reserve every year, you know.

In order to have a salary, you have to have a continuing revenue, otherwise you are going to have it this year. And if you exhaust the reserve, what are you going to use to pay for that salary.

FEMALE SPEAKER: No problem. You have to have unlimited reserves.

MR. HARUNA: You can use it one time.

FEMALE SPEAKER: Right.

MR. HARUNA: So that's mainly -- I'll -- I'll check the 128-, the -- a lot of the expenses I didn't memorize. I just -- I just focus on the main -- what are the main areas.

FEMALE SPEAKER: Let me ask you about carryover funds.

Do we have any carryover? I'm not talking about the reserves.

MR. HARUNA: Yes. Restricted funds, you have to spend all of it, Title 1. Food service, special education, those are -- you can't carry it over.

FEMALE SPEAKER: Right.

MR. HARUNA: Are you asking if you do not spend your money, can you carry over?

FEMALE SPEAKER: No. I'm asking, you have any carryover. I know what it is. Do we have any carryover --

MR. HARUNA: Right.

FEMALE SPEAKER: -- from last year?

MR. HARUNA: Yes, we have carryover from unrestricted funds.

FEMALE SPEAKER: Okay.

MR. HARUNA: We have excess -- I think we have excess income over expenditure, I think about 5- to 600,000.

FEMALE SPEAKER: Okay.

MR. HARUNA: Because we managed the budget conservatively. We try to let -- you know, last year there was a -- there was going to be about 4- to 500 per ADA cut --

FEMALE SPEAKER: Uh-huh.

MR. HARUNA: -- before the Prop 30 was passed. So the budget was built on a conservative note, on a conservative basis because, you know, it wasn't clear that Prop 30 was going to pass because it was tried before, and it did not pass.

FEMALE SPEAKER: Uh-huh.

MR. HARUNA: So we build that budget based on the assumption that there was going to be a cut, so we

managed the budget that way. We leave -- even though it was approved, we still work within that budget so we have excess income over expenditure. That helps with our reserve. So our reserve that we have, about 400,000, we still have extra money in the bank over and above the reserves.

FEMALE SPEAKER: How much did you say more?

MR. HARUNA: We have seven -- we have at least about -- I think recently we -- the school -- the school has moved money from the checking account, and we had like 900,000 in the account, you know.

FEMALE SPEAKER: That's the same figure that was reported as the (inaudible); right?

MR. HARUNA: Right. Yeah. About 900,000. I think we expecting almost a million by the time they finish paying.

FEMALE SPEAKER: Okay. There is something I want to go to, the asset page.

FEMALE SPEAKER: Wait. Wait. Wait. One second. I just -- I was trying it get the amount of the carryover. You said it's about --

MR. HARUNA: About 500,000.

FEMALE SPEAKER: -- 500.

MR. HARUNA: Right, from the previous year that we have based on what we earned versus what we paid out in

expenses, add it to what we already have from previous years, that's where you get the 900,000 to million.

FEMALE SPEAKER: So nobody asked for any money to be returned? Any carryover money you have stays with you?

MR. HARUNA: No. We try to spend all of it.

FEMALE SPEAKER: I know you try to spend all of it; but what I'm saying, well, if it's categorical or restricted --

MR. HARUNA: Right.

FEMALE SPEAKER: -- we are saying does anybody ask for -- I'm saying in charter schools --

MR. HARUNA: Right.

FEMALE SPEAKER: -- do you have to return anything?

MR. HARUNA: If you don't spend it.

FEMALE SPEAKER: Okay.

MR. HARUNA: So spend all of it.

FEMALE SPEAKER: What do we need, Mr. Cabil? Okay.

I had a question in terms of the asset.

MR. HARUNA: Okay. That's a different --

FEMALE SPEAKER: As -- so the financial position --

MR. HARUNA: (Inaudible). Okay.

FEMALE SPEAKER: -- number -- under property --
MR. HARUNA: Do we have it?
FEMALE SPEAKER: I knew I got it. You all got it?
MR. HARUNA: Okay. So it's --
FEMALE SPEAKER: Oh, okay. Here you go. (Inaudible).
MR. HARUNA: Oh, okay. We can --
(Inaudible.)
FEMALE SPEAKER: One more. Thank you. Okay. I'm just looking at the one that you --
FEMALE SPEAKER: And one more?
FEMALE SPEAKER: One more. (Inaudible).
MR. HARUNA: Oh, okay.
FEMALE SPEAKER: Okay. I'm looking at the one I got. It's just the one-pager assets --
MR. HARUNA: Statement of financial position.
FEMALE SPEAKER: Right. That one, where it talks about --
MR. HARUNA: Page 3 on this -- my report.
FEMALE SPEAKER: Oh, okay.
MR. HARUNA: I numbered mine. Okay. Oh, sorry.
FEMALE SPEAKER: That's okay. I want you to know where I'm at.
MR. HARUNA: Okay.
FEMALE SPEAKER: The leasehold improvements of

$341,710.
MR. HARUNA: Right.
FEMALE SPEAKER: What was that for? What leasehold improvements?
MR. HARUNA: This building.
FEMALE SPEAKER: Okay. What do we do?
MR. HARUNA: We did a lot of capital expenditure and renovation and all other stuff.
MALE SPEAKER: Put in an AC system.
MR. HARUNA: There's an AC system that we did last year.
FEMALE SPEAKER: AC system, the whole school?
MR. HARUNA: But way before that, we done a lot of changes, you know, in terms of capital -- remodeling, to make it, you know, class school, most -- a lot of it from the beginning.
FEMALE SPEAKER: Okay. My question is in that this building does not belong to Ways --
MR. HARUNA: Right.
FEMALE BOARD MEMBER: -- when you put that kind of money into leasehold improvements --
MR. HARUNA: Right.
FEMALE SPEAKER: -- what do we get back?
MR. HARUNA: That's something we negotiate.
FEMALE SPEAKER: Comfort. Comfort.

MR. HARUNA: You get comfort. You get comfort.
FEMALE SPEAKER: AC.
MR. HARUNA: Dependability to use it as a school.
FEMALE SPEAKER: Okay. Well, no. My -- the thing is --
(Speaking simultaneously.)
MR. HARUNA: Probably going to use it to negotiate that.
FEMALE SPEAKER: Right. So -- and I haven't -- this is a lot of money for a building we don't own --
MR. HARUNA: Right.
FEMALE SPEAKER: -- is what I'm saying.
MR. HARUNA: Right.
FEMALE SPEAKER: So in terms of do we negotiate the rent or do we have -- how do we do that?
MR. HARUNA: I'm sure, you know, we can use it -- the school can always use the process of negotiation and say, okay, look, for this money in here, improve their property, they can always use it.
So, yeah, some schools use it, you know, so -- but it all, you know --
FEMALE SPEAKER: Because the public schools, of course, the property belongs to the district.
MR. HARUNA: Yes.
FEMALE SPEAKER: But when you rent a building,

it's not yours.
MR. HARUNA: Yes. Some schools buy the building. Some charter schools, you can buy the building.
FEMALE SPEAKER: And maybe that's what we need to look at.
MR. HARUNA: Right.
FEMALE SPEAKER: (Inaudible).
MR. HARUNA: Right. I think there has been discussions about buildings and other stuff before now.
FEMALE SPEAKER: Okay.
MR. HARUNA: Yeah.
THE CHAIR: All right.
MR. HARUNA: So any -- that -- that's all the questions?
MR. ESPINOZA: Thank you, sir.
MR. HARUNA: Okay. Yeah, so that's the discussion --
MR. ESPINOZA: Yes.
MR. HARUNA: -- part of the budget.
FEMALE SPEAKER: Okay. So basically the one item that you need to bring back to us to make it clear in terms of where you spent that $118,724 --
MR. HARUNA: Right. And we will have to check.
Can we approve the budget subject to that so that we can -- because it's been going for too long.

MALE SPEAKER: What was that?
MR. HARUNA: There is an item here that I need to check where it increase, other services.
FEMALE SPEAKER: We will leave that to Armando, if he's comfortable --
MR. ESPINOZA: The expenses --
MR. HARUNA: Yeah, the expenses I need to check.
(Inaudible.)
FEMALE SPEAKER: Exactly.
(Inaudible.)
MALE SPEAKER: -- expenditure last year.
FEMALE SPEAKER: Right.
MR. HARUNA: No. This year.
MALE SPEAKER: Oh, this is a budget?
MR. HARUNA: Yeah. That's what budgeted proposed this here.
MALE SPEAKER: A hundred and twenty-eight.
FEMALE SPEAKER: I actually do have some questions in terms of bonuses --
MR. HARUNA: Okay.
FEMALE SPEAKER: -- made in terms of the staff.
MR. HARUNA: Yeah, the staff gave me the numbers for salary and all the other stuff.
FEMALE SPEAKER: Okay. What do we base our bonuses on?

MALE SPEAKER: Performance-based stipends.
MR. CABIL: We had a banner year activity, and we want to be more (inaudible) performance of our students.
FEMALE SPEAKER: Okay. So I'm thinking that in the future that we have a policy on bonuses because it's not untypical so -- but we just want to make sure we have a policy on how it's divvied up and we want to make that fair and, you know, what's the criteria and all that.
MR. CABIL: Based on what we have available from our (inaudible).
FEMALE SPEAKER: Lord have mercy. Okay.
MR. CABIL: Because mercy is a good physically charitable (inaudible).
FEMALE SPEAKER: So in terms of money (inaudible).
In terms of monies to staff?
MR. CABIL: You are talking --
FEMALE SPEAKER: Salary.
MR. CABIL: -- bonuses; right?
FEMALE SPEAKER: Uh-huh.
MR. CABIL: Bonuses is monies that we will have to (inaudible) sort of say, to reward teachers.
FEMALE SPEAKER: Okay. And that's fine because we did that under our IEUSP. The only thing I'm saying is

the board, we need to set a policy so that you can do that with, yeah.
MR. CABIL: No problem.
FEMALE SPEAKER: I wanted to ask but (inaudible).
Well, there are just a few of the line items that show an increase of over a hundred percent, and I was just curious to -- like I know we purchased or the plan was to purchase school books, right, that's why the textbooks increase is so high. So that one makes sense.
The 122 for SUI, is that just a standard (inaudible).
MALE SPEAKER: (Inaudible).
(Speaking simultaneously.)
FEMALE SPEAKER: Yeah. Right. So do we have more teachers or the increase is because of --
FEMALE SPEAKER: Because that's 122 percent increase, that's what she is saying.
MALE SPEAKER: (Inaudible) but you know what, it looks like it may be related to increase in clerical and technical staff.
FEMALE SPEAKER: Okay. So maybe there is more employees, so there is (inaudible).
FEMALE SPEAKER: (Inaudible).
FEMALE SPEAKER: And then the 188 percent that's

up in other federal income, other state income.
MALE SPEAKER: Other state income.
FEMALE SPEAKER: Charter school facility incentives.
FEMALE SPEAKER: I think that's a part of the money that Halilu was talking about.
FEMALE SPEAKER: Improve the building.
FEMALE SPEAKER: Right.
FEMALE SPEAKER: Okay. And then the 548, that's the other question I have, that increase, that is a huge amount of money (inaudible).
FEMALE SPEAKER: Just the percentage.
FEMALE SPEAKER: Yeah.
FEMALE SPEAKER: (Inaudible).
MR. HARUNA: Okay. Go ahead. (Inaudible) the e-mail so we can look at that line. Oh, sorry. Sorry.
FEMALE SPEAKER: I was just going to ask a few questions about the rest of the items that are increased over a hundred percent.
MR. HARUNA: Uh-huh.
FEMALE SPEAKER: Looks like (inaudible) explain this kind of (inaudible) amount kind of quickly. I remember us mentioning the purchase of school books to -- the textbooks increased by 123 percent. That makes sense. But that's the reason why; right?

MR. HARUNA: Right. It's because of Common Core. They have a hundred and eighty-seven -- let's see -- Common Core --
FEMALE SPEAKER: 187,00.
MR. HARUNA: Yes, a hundred and eighty-seven thousand, that's the --
FEMALE SPEAKER: And then the SUI was increased 122 percent, we're saying -- is that because of increase in staff?
MR. HARUNA: Yeah, there is increase in staff.
FEMALE SPEAKER: Okay. And then up above that, way in the third section from the top, you'll see 188 percent next to charter school facility incentive and is that what you were just explaining about this building? Is that --
MR. HARUNA: Which one is that? Revenue on the top?
FEMALE SPEAKER: It's other state income.
FEMALE SPEAKER: It's other state income.
MR. HARUNA: Other state income.
FEMALE SPEAKER: There is one there for 188- --
FEMALE SPEAKER: 8551. 8551.
MR. HARUNA: 85- --
MALE SPEAKER: So an increase by almost -- an increase in -- almost 85,000.

MR. HARUNA: Yeah, because we have two facilities. We have two facilities.
MALE SPEAKER: We had two facilities last year so --
FEMALE SPEAKER: What's the change?
MR. HARUNA: Actually, last year -- okay. We have --
MALE SPEAKER: Changes based on ADA.
MR. HARUNA: It's based on ADA and also the rate. I think we might have underestimated it the previous year. It's an estimate.
FEMALE SPEAKER: You said you underestimated it?
MR. HARUNA: We underestimated.
FEMALE SPEAKER: Is consistent from actual 20 --
MR. HARUNA: Right.
FEMALE SPEAKER: -- is consistent with what your increase is?
MR. HARUNA: Right.
FEMALE SPEAKER: So when we see the actual --
MR. HARUNA: Yeah. We should be close to that. We -- normally what happens is normally do an estimate, it's not really cut and dry, depends on the pot of the money and the state use. A lot of charter schools apply and you don't know -- you -- sometimes you don't

get a hundred percent of what you qualify for. So we really don't know exactly. Sometimes you get more, you get less depending on how many people apply and what's in the pot from the state.
FEMALE SPEAKER: Okay.
MR. HARUNA: So it's an estimate.
FEMALE SPEAKER: Then the other one was a -- line 8589 for children nutrition, I think that's the one. It's 548 percent.
FEMALE SPEAKER: Child nutrition stage.
FEMALE SPEAKER: It's increased students and so with that increased enrollment, I mean, I don't know --
MALE SPEAKER: Child nutrition.
MR. ESPINOZA: We voted on the -- we wanted the children to have -- we got our old supplier to a different supplier --
FEMALE SPEAKER: Healthier --
MR. HARUNA: Right.
MR. ESPINOZA: -- healthier -- a little more expensive, but it was better for the kids. And I think Mr. Cabil is the one that kind of promoted --
FEMALE SPEAKER: Spearheaded that one.
FEMALE SPEAKER: Healthier choices.
(Speaking simultaneously.)
FEMALE SPEAKER: It's really not that much.

(Speaking simultaneously.)
MR. ESPINOZA: Quick question. When she mentioned that incentive, I'm very confused because I thought those were -- those were income to us.
MR. HARUNA: Incentive, what incentive?
FEMALE SPEAKER: 8551.
MR. ESPINOZA: 8551. If it's an expense, why is it in income?
MR. HARUNA: 8551.
MALE SPEAKER: Yes, an income.
MR. ESPINOZA: Yes, and income to us.
MALE SPEAKER: Let me help explain --
MR. HARUNA: 8551.
MALE SPEAKER: -- facilities incentive.
MR. HARUNA: Okay.
MALE SPEAKER: That's what he had a question about it.
MR. HARUNA: Oh, okay.
MALE SPEAKER: (Inaudible) based on a rate, and it's also based on how many schools apply for that grant.
FEMALE SPEAKER: She has a grant.
MALE SPEAKER: Huh?
FEMALE SPEAKER: It's a grant?
MALE SPEAKER: Right. Say there's a pot of a

million dollars --
MR. HARUNA: It's not a grant, not the way you think about it.
MALE SPEAKER: Say there is a million dollars available for facilities incentives for all the schools in California. It's not an accurate number, just using that as an example, and there are 10 schools that apply this year, then each will get a hundred thousand dollars if they are accepted, if the application was accepted. And if one year there are only five schools that apply, then each would get $200,000. So that's why it varies. And that was income.
MR. HARUNA: Right.
MALE SPEAKER: Not an expense. So what we budgeted for was we underestimated, which is good because now you are expecting less money, but you get more. And we got more --
MR. HARUNA: Okay.
FEMALE SPEAKER: Okay.
MALE SPEAKER: -- than we expected. And this year we are actually budgeting for --
MR. HARUNA: 200.
MALE SPEAKER: 200, so is that less? I don't know.
MR. HARUNA: That's more. That's more than what's

budgeted before.
MALE SPEAKER: More than what was budgeted before. This year we are expecting to get more based on what we received --
MR. HARUNA: Right.
MALE SPEAKER: -- last year.
MR. HARUNA: Right.
FEMALE SPEAKER: Yes.
MALE SPEAKER: Which the formula changes each year.
MR. HARUNA: Formula change, No. 1 formula change; No. 2, some other years, they will tell you they will reimburse you from a previous year but you can also apply for this current year. So that's why it's some of it change, but it depends on the pot of money that is there.
It's an estimate. You get $750 per ADA and they reimburse your expenses up to 75 percent, you know. So -- so, again, you -- whatever you put in there, you don't normally get all of it, you know, because it all depends on the pot of money that is available. Sometimes they pay you a certain percentage of it so it's not cut and dry.
MALE SPEAKER: And also remember that when we are talking about the child nutrition, we did change our

vendor to receive better food. It is a bit more expensive.
MR. HARUNA: Right.
MALE SPEAKER: So the rate increases, but the state funds the school a certain money in regardless.
FEMALE SPEAKER: So it's offset by --
MR. HARUNA: Right. Right. Right.
MALE SPEAKER: Regardless of how much the vendor charges you --
MR. HARUNA: Sometimes the vendor charges you more than what you receive.
MALE SPEAKER: So our budget is based on whatever we are going to be charged --
MR. HARUNA: Right.
MALE SPEAKER: -- next year and what we think we are going to be charged for the whole year depending based on our ADA (inaudible), and then also what we are going to receive. And this is -- also we are expecting to receive or more than we did last year --
MR. HARUNA: Right.
MALE SPEAKER: -- by 400,000 and that change will stay with us at 548 percent. It looks like a lot but it's only --
FEMALE SPEAKER: Yeah, it's not that much.
MALE SPEAKER: -- $2,000 and that's based on what

we received last year. Did that clarify for you, Armando?
MR. ESPINOZA: I knew that but before it was sounding like --
(Speaking simultaneously.)
MR. HARUNA: Which one, the nutrition?
MR. ESPINOZA: It got clarified already.
MR. HARUNA: Oh, okay. Sorry.
FEMALE SPEAKER: All righty, so --
MALE SPEAKER: I left my computer (inaudible).
MR. HARUNA: Oh, okay. I was going to look at the 128- line item on the e-mail but computer is not available.
FEMALE SPEAKER: And we need to keep the air condition back on.
FEMALE SPEAKER: Do you? I'm sorry.
(Speaking simultaneously.)
FEMALE SPEAKER: Oh, my Lord, (inaudible).
MR. HARUNA: So whatever recommendation that --
FEMALE SPEAKER: That's okay. I'll suffer. Well, I've got a fan.
Go ahead.
(Speaking simultaneously.)
FEMALE SPEAKER: Yeah, you got to do something.
MR. HARUNA: Or what we can do with the 128- is to

reduce it back to 10,000 and then when we explain, we can restore it back. We can adjust it.
MR. ESPINOZA: That's fine.
FEMALE SPEAKER: You can adjust what?
MR. HARUNA: We can change it to 10,000 and the same as last year and then when we get explanation, we can restore it back, if it's necessary.
FEMALE SPEAKER: So where is that going now when you do that?
MR. HARUNA: It will be in the excess.
FEMALE SPEAKER: It will be in the excess.
MR. HARUNA: Yes. So that if we have a reason to put it back, then we can put it back.
FEMALE SPEAKER: Okay.
MR. HARUNA: That way we can get the budget approved.
FEMALE SPEAKER: Okay. You can't just take it out there (inaudible).
MR. HARUNA: It will still be money available --
FEMALE SPEAKER: Okay.
MR. HARUNA: -- to be used for something.
FEMALE SPEAKER: So we will have to approve when it's moved. So right now we are approving this budget --
MR. HARUNA: With a change.

FEMALE SPEAKER: -- with an amendment --
MR. HARUNA: Right.
FEMALE SPEAKER: -- that that money be put into -- into --
MR. HARUNA: That it will be reduced to 10,000.
FEMALE SPEAKER: It will be reduced to 10,000. And the additional, what is it, 108,000 --
FEMALE SPEAKER: Eighteen.
MR. HARUNA: -- will go back to reserves --
FEMALE SPEAKER: -- to reserves.
MR. HARUNA: -- pending more research and then it can be restored, if necessary.
FEMALE SPEAKER: All right. Does make sense to you?
THE CHAIR: Okay. Does anybody have more questions for Bali Business Management?
FEMALE SPEAKER: Do we have people taking the minutes or everything is on tape?
FEMALE SPEAKER: It's on tape.
THE CHAIR: All right. Moving right along, the next staff report.
FEMALE SPEAKER: We need --
MR. HARUNA: You need to approve --
FEMALE SPEAKER: We need to approve? Is that one of the action --

FEMALE SPEAKER: Uh-huh. Uh-huh.
MR. ESPINOZA: Should we approve it right now?
MALE SPEAKER: Is there a motion?
FEMALE SPEAKER: Yes. I motion to approve the budget with the amendment and modification that 118,000 in --
MR. HARUNA: 128-.
FEMALE SPEAKER: Oh, is it 118,000?
MR. HARUNA: Okay.
FEMALE SPEAKER: The change was 118.
(Inaudible.)
FEMALE SPEAKER: That will be removed.
MR. HARUNA: Yeah, we need to --
FEMALE SPEAKER: That it's -- it's removed from this.
MR. HARUNA: Yeah, we replacing 128- --
FEMALE SPEAKER: Line --
MR. HARUNA: We are replacing 128- with 10,000.
FEMALE SPEAKER: Okay.
FEMALE SPEAKER: At its current level.
MR. HARUNA: Right. At year's level, yes, until further research.
FEMALE SPEAKER: And that that -- but are we saying 118- --
MR. HARUNA: Yes.

FEMALE SPEAKER: -- will go into reserves --
MR. HARUNA: Right.
FEMALE SPEAKER: -- with the amendment that it goes into reserves.
FEMALE SPEAKER: You know, can I ask a quick question before we -- I know you just --
FEMALE SPEAKER: No. Go ahead.
FEMALE SPEAKER: Do we have a deadline for when this needs to be approved by?
MR. HARUNA: Yeah, actually need to be approved. We gave LACO a preliminary budget and we are using --
FEMALE SPEAKER: And we are waiting on the updated --
MR. HARUNA: Right. Yeah, not only that, we prepared these report, there has to be a budget that we compare to the variance budget, yeah, so we --
FEMALE SPEAKER: So we are approving it with the amendment of the modification.
MR. HARUNA: And staff already hired based on that.
FEMALE SPEAKER: Okay.
FEMALE SPEAKER: So we have to approve it.
FEMALE SPEAKER: So with the modification --
MR. HARUNA: Yeah, with modification, whatever reservation the board has, we can make the reserva- --

the modification.
FEMALE SPEAKER: Okay. The motion is on.
FEMALE SPEAKER: And I second the motion as amended.
FEMALE SPEAKER: Amended.
FEMALE SPEAKER: Amended.
All in favor?
THE CHAIR: All in favor.
All opposed.
(Whereupon a vote was had.)
MR. HARUNA: Next time what we can do with the budget, we'll have more detail --
THE CHAIR: And the budget is approved.
MR. HARUNA: -- line item description (inaudible).
(Speaking simultaneously.)
MR. HARUNA: I can come back actually -- actually we can come back and give more details on the revenue items and also the expense item, line item by line item. I think one year we did that.
FEMALE SPEAKER: Right.
MR. HARUNA: Sometimes people get bored with --
FEMALE SPEAKER: Especially when we see red flags. We see a huge spike in something --
MR. HARUNA: Right.
FEMALE SPEAKER: -- decline, it just --

MR. HARUNA: Right. Okay. Yeah, the books is the one that I explained I have to look at the other one. I don't know how I missed it.
FEMALE SPEAKER: So, Halilu, whenever you come and you know that there is -- that the percentages are great --
MR. HARUNA: Yes.
FEMALE SPEAKER: -- that there is going to be questions, please bring the documentation.
MR. HARUNA: Okay. We will do that. Very well. You know, and I learn. And I give you more detail. Some other times, they don't -- some people don't want to be bored with details. They want a snapshot.
FEMALE SPEAKER: Well, did you hear that we are fiscally responsible in that they can come after our assets.
MR. HARUNA: Yes.
FEMALE SPEAKER: And actually what I'd like to see is when you present the budget, you know, using the, you know, technology we have --
MR. HARUNA: Right.
FEMALE SPEAKER: -- presented, because some of us are used to that.
MR. HARUNA: We can do that.
FEMALE SPEAKER: It really -- it's not sexy but it

really --
FEMALE SPEAKER: It is sexy.
FEMALE SPEAKER: -- detailed --
MR. HARUNA: Yeah. We can do Powerpoint. We do (inaudible), up and down, line by line, and we can explain every revenue line item, how it is derived. We --
FEMALE SPEAKER: And we can just devote a, Madam Chair, a single meeting just to you --
MR. HARUNA: Okay.
FEMALE SPEAKER: -- to the budget.
MR. HARUNA: Okay. What we had before is had a budget like a similar, explain the revenue, how it is arrived at, expenses, how it is arrived at. So whatever detail for the board wants, we will provide that.
FEMALE SPEAKER: Thank you so much, Halilu.
FEMALE SPEAKER: Thank you.
MR. HARUNA: Okay.
FEMALE SPEAKER: You have a blessed evening.
MR. HARUNA: All right. Thank you.
FEMALE SPEAKER: We appreciate your patience.
FEMALE SPEAKER: We do.
MR. HARUNA: No problem. You ask good questions. You are asking the right questions.

FEMALE SPEAKER: Thank you.
MR. HARUNA: That's what you supposed to ask. Yeah.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
BOARD OF DIRECTORS MEETING
706 EAST MANCHESTER AVENUE
LOS ANGELES, CALIFORNIA
OCTOBER 24, 2013

APPEARANCES:
BOARD MEMBERS PRESENT:
CAROL LEE TOLBERT
DOROTHY VALENTI
KIMBERLY DANIELS
SAUNDRA DAVIS
ARMANDO ESPINOZA
NORMAN GOLDEN
CHERYL JOHNSON
ELEANOR JONES

THURSDAY, OCTOBER 24, 2013
LOS ANGELES, CALIFORNIA
* * *

(Transcription of recording 9:15 through 15:47.)

MS. TOLBERT: So I need more members to review it for accuracy. Oh, good. (Inaudible). Okay. I have a question about the (inaudible) addition to the agenda. (Inaudible) the flag.

(Speaking simultaneously.)

FEMALE SPEAKER: (Inaudible). She put it on the screen.

MS. TOLBERT: No.

(Inaudible.)

MS. TOLBERT: Okay. So that needs to be take- -- deleted.

And also I want to make a note of the budget.

FEMALE SPEAKER: Thank you.

MS. TOLBERT: Of the budget. Thank you.

There was a question regarding different questions by Board Member Espinoza of a difference of $118,000 in category and then you were going to bring it back. And he's going to bring it back to let us know what that addition was.

And I think we need to be clear on No. E, the

executive director contract to be tabled was because there was no contract for us to review. So that was the reason it was tabled.

Also on Item G, an election of officers, that's when Vice President Valenti was also elected.

FEMALE SPEAKER: (Inaudible). What letter was that?

MS. TOLBERT: That was on G, under discussion, Action No. 7.

Okay. And if I'm not mistaken, (inaudible) public comments.

(Inaudible).

MS. TOLBERT: That was last week.

FEMALE SPEAKER: That was last (inaudible).

MS. TOLBERT: We did have public comments from two teachers, and I forget who they were, but there was some public comments.

MALE SPEAKER: (Inaudible).

MS. TOLBERT: Oh.

MS. DAVIS: I'd like to correct my name spelling in Item B, S-a-u-n-d-r-a.

And in D, I'd like to -- where it says "Commercial Property Lease," it says 2013-12; it should be the other way around, 2012-13.

So also my spelling all the way through,

because I see it in D, as well. I see it all the way through, A -- A, B, C, D.

MS. TOLBERT: (Inaudible). So those are what I saw.

So any other board members have any corrections or modifications to be made to the budget, I mean, excuse me, to the agenda?

FEMALE SPEAKER: To the minutes.

MS. TOLBERT: To the minutes. Thank you.

So I want to make sure that the budget does reflect the fact that we requested Bali Business Management to bring back the details of that end piece of $118,000. Okay.

Are there any more changes?

Okay. Without being none, I move that we accept the min- --

FEMALE SPEAKER: As amended.

MS. TOLBERT: -- as amended.

FEMALE SPEAKER: (Inaudible).

MS. TOLBERT: Agenda.

FEMALE SPEAKER: I second.

MS. TOLBERT: All in favor.

(Whereupon a vote was had.)

MS. TOLBERT: Is that unanimous?

FEMALE SPEAKER: Yes.

MS. TOLBERT: Okay.

* * *

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SPECIAL BOARD OF DIRECTORS MEETING
7518 SOUTH VERMONT AVENUE
LOS ANGELES, CALIFORNIA
JANUARY 6, 2014

APPEARANCES:

NO APPEARANCES PROVIDED

MONDAY, JANUARY 6, 2014
LOS ANGELES, CALIFORNIA
* * *
(Transcription of track "WAYS Spl Board Meeting 010614 pt1" 26:30 through 38:00.)

MS. TOLBERT: Okay. Let me just say, too, as we are talking about the finances. We voted to approve two board standing committees.

MR. HARUNA: Right.

MS. TOLBERT: The financial and budget committee.

MR. HARUNA: Uh-huh.

MS. TOLBERT: And the teaching and learning committee. So we are going to schedule meetings with those committees.

MR. HARUNA: Correct.

MS. TOLBERT: So that you can bring information to us prior to it coming to the board, the full board for ratification, so that we will know more clearly about what are some of the problems that are occurring or some of the issues so that we can remedy these things.

MR. HARUNA: Yeah. Unfortunately, you know, these problems -- again, I apologize -- one of my staff left that was working on this.

MS. TOLBERT: Uh-huh. No.

MR. HARUNA: Had to scramble and catch up.

MS. TOLBERT: Right.

MR. HARUNA: Normally, we don't have -- not that there are no problems, everybody, there is mistakes being made, all that stuff. But it has been accentuated because of the staff left.

MS. TOLBERT: Uh-huh. And what I'm actually referring to is much more of the formal process.

MR. HARUNA: Oh, yeah.

MS. TOLBERT: The formal process for hearing and, you know, moving things smoothly so that --

MR. HARUNA: Yeah, actually I had recommended it a long time the first time to have a finance committee. Every one of my schools has the finance committee. We don't deal with the board.

MS. TOLBERT: Uh-huh.

MR. HARUNA: In fact, in some schools, I don't go to the board meetings.

MS. TOLBERT: Uh-huh.

MR. HARUNA: I go to the finance committee.

MS. TOLBERT: Uh-huh.

MR. HARUNA: You look at it. The finance committee own it --

MS. TOLBERT: Uh-huh.

MR. HARUNA: -- at that time, you know.

MS. TOLBERT: Uh-huh.

MR. HARUNA: So if they want me to speak at the board, yes, I'm going to (inaudible).

MS. TOLBERT: Uh-huh. And that's of the process we are familiar with, too.

MR. HARUNA: Yeah.

MS. TOLBERT: Yes.

FEMALE SPEAKER: So you have previously recommended this and --

MR. HARUNA: Yeah. I think they had a finance committee and something happened and somehow it's kind of died down, you know. But, yes, they had one from the beginning, you know, long time ago --

MS. TOLBERT: Uh-huh.

MR. HARUNA: -- when they were under LAUSD.

MS. TOLBERT: Uh-huh. Well, we going to revive that. We actually have, so it's much clearer, much smoother, and board members have an opportunity to, you know, ask questions.

MR. HARUNA: Right.

MS. TOLBERT: You know, and then be answered in a timely manner because, again, to fulfill our fiduciary responsibilities.

MR. HARUNA: Absolutely.

MS. TOLBERT: So great. Okay. Any other comments

or questions, board members?

FEMALE SPEAKER: Not in regard to --

MR. HARUNA: Yeah. I mean, one thing I want to say is that -- I mean, I know there are concerns. One thing I want to say (inaudible) get to this.

MS. TOLBERT: Okay.

MR. HARUNA: The school is -- has always been for the past probably eight, nine years has been fiscally sound.

MS. TOLBERT: Uh-huh.

MR. HARUNA: You know, the school has not has any financial problems in terms of not having enough money to pay bills.

MS. TOLBERT: Uh-huh.

MR. HARUNA: You know, and so in terms of ratios, of, you know, rating at school, the school is in good shape --

MS. TOLBERT: Uh-huh.

MR. HARUNA: -- in terms of being able to pay its bills --

MS. TOLBERT: Uh-huh.

MR. HARUNA: -- and being able to have the resources to run what needs to be run. Yes, there are some issues with reporting and timely because of staff issues.

MS. TOLBERT: Uh-huh.
MR. HARUNA: But, you know, just want to say that the school is fiscally sound --
MS. TOLBERT: Uh-huh.
MR. HARUNA: -- from whatever angle you measure it.
MS. TOLBERT: Uh-huh.
MR. HARUNA: Even when you are making reports at LACO, some of the schools, I mean, yes, Wisdom is --
MS. TOLBERT: Uh-huh.
MR. HARUNA: -- one of the best schools in terms of, again, if you look on financial ratios according to how your financial industry rates -- rate any organization --
MS. TOLBERT: Uh-huh.
MR. HARUNA: -- the current ratio is four to one.
MS. TOLBERT: Uh-huh.
MR. HARUNA: The industry requirement's two to one.
MS. TOLBERT: Uh-huh.
MR. HARUNA: You know, the financial health ratio is six to one. I mean, six to one for every dollar of reliability of $6 of assets against that. So I just want to mention that in terms of that last (inaudible) big surplus, you know, and if the school has a million

dollars in the bank --
MS. TOLBERT: Uh-huh.
MR. HARUNA: -- you know, where a lot of schools are borrowing money. Just want to mention. I know there are no other problems but just in terms of the barometer --
MS. TOLBERT: Uh-huh.
MR. HARUNA: -- of finances --
MS. TOLBERT: Uh-huh.
MR. HARUNA: -- basically I want to mention that.
MS. TOLBERT: Okay.
FEMALE SPEAKER: That's great.
(Speaking simultaneously.)
FEMALE SPEAKER: One of the things that is such a major concern is that in this reporting process, it results in violations that would cause so much damage to the school that they don't care. You know, it makes the financial status of the school null and void if you have all these other violations.
So the -- in every concern that they have after that concern is a resulting violation, and so now this has resulted in many violations that we are looking at on here. And we are trying to resolve these things.
So no matter how healthy the financial health

is, we are still concerned about the violations that LACO is looking at and FCMAT is looking at. And we're also concerned about, you know, with the school being so healthy about school books, about materials, about supplies for the kids. So if the school has this kind of health, how come the kids are lacking in these books and these supplies and these materials?
So I -- you know, so we have more concerns that -- that don't really concern you, but it's why we have to really detail and define what's going on with the school. So you have to be at the forefront of that when we are asking questions about --
MR. HARUNA: Yeah, definitely. I mean, I have the same concerns about some thins that wasn't happy that things were submitted late. But, you know, I got a situation with staff. All I can say is that going forward, you know, I'm going to take this into -- make sure that I have direct -- you know, I directly get involved to make sure that it's submitted on time.
MS. TOLBERT: Okay.
MR. HARUNA: You know, and also that we don't have these notices anymore.
MS. TOLBERT: Yes.
MR. HARUNA: So, again, I apologize for what happened. But going forward, we will correctly -- I'm

directly making sure that the people who are working on it, that I -- I'll be making sure that they have it dateline (inaudible), so --
MS. TOLBERT: Excuse me.
MR. HARUNA: Yeah.
MS. TOLBERT: Okay.
FEMALE SPEAKER: I have another question, though. You know, when we -- on one of those previous budgets that we are looking that we did not approve and I don't know that any of that is here but there was a hundred and eighteen thousand dollars that they were asking us to approve for supplies. And you were going to detail that and you were going to define all of that for us to tell us about that hundred and eighteen thousand dollars.
I'm just wondering, is it here any place? Do you remember that?
MR. HARUNA: That was a long time ago.
MS. TOLBERT: That was board member --
(Speaking simultaneously.)
MR. HARUNA: -- but I can try to --
MS. TOLBERT: Armando --
MR. HARUNA: -- memory. I think -- I think what happened is that there was a line item called "Other Operating Expenses." And what it is is just different

line items that lumped together, and we took the report from -- when we are doing the budgets, we took the report, the actuals, as of May and maybe as of May, we have, you know, about a hundred and seventeen thousand in actual amount banks. So we have to analyze it and get 128,000. So we (inaudible).

It may be that they -- I think the question was comparing it with the previous year's budget.

MS. TOLBERT: Okay. Let me just clarify here. One of the requests that I made of you was I wanted the board to see the last year's budget which was 2012-13 --

MR. HARUNA: Uh-huh.

MS. TOLBERT: -- the projected budget.

MR. HARUNA: Right.

MS. TOLBERT: The actual budget in terms of all the monies that were actually spent --

MR. HARUNA: Right.

MS. TOLBERT: -- for 2012-13.

MR. HARUNA: Right.

MS. TOLBERT: Then we had the proposed budget for 13-14 --

MR. HARUNA: Uh-huh.

MS. TOLBERT: -- so that we could actually measure and gauge the increases and decreases in the line

items, that was No. 1.

Number 2 was we wanted more specificity in the budget. So we have these line items, and I don't have that with me. We have the line item, but we don't have the specific payees for that. So we need more detail so that we can really see, you know, who is getting paid and how much money they are being paid and if our approval of a budget makes sense based upon a spending pattern and if there are --

(Speaking simultaneously.)

MR. HARUNA: -- you want the register?

MS. TOLBERT: Yes. I would love it. That's second. That's a check register. That's second --

MR. HARUNA: So how do we give you details of the line item? Because you have -- even though we printed the whole GL, general ledger --

FEMALE SPEAKER: Just the breakdown of the 100 --

FEMALE SPEAKER: Well, you know what --

MS. TOLBERT: Well, no. What I was asking, for example, we have, okay, employee benefits.

MR. HARUNA: Right.

MS. TOLBERT: Right. So under employee benefits, we have STRS, PERS, whatever.

MR. HARUNA: Right.

MS. TOLBERT: Under expenses, we just have

expenses, supplies, but we don't have who was paid those --

MR. HARUNA: The vendors.

MS. TOLBERT: The vendors. Yes. The payees.

MR. HARUNA: So you want it for specific line items or all the line items?

MS. TOLBERT: I would say all the line items initially.

MR. HARUNA: See, that's why I'm saying. Then you will have to have the whole GL --

MS. TOLBERT: Okay. That's fine.

MR. HARUNA: -- to give you that detail.

MS. TOLBERT: That's fine. You know why?

MR. HARUNA: Give you every detail.

MS. TOLBERT: Then that comes to the committee so that the committee can actually look at it and say, okay, do we still need to have this; you know, how much information do we really need. Based upon all the information you provide, we can then actually look at it and scale it down, if we need to, or get more specific with certain areas.

MR. HARUNA: So we can e-mail you the GL.

MS. TOLBERT: Okay.

MR. HARUNA: I'll tell you what we sent to LACO and (inaudible).

MS. TOLBERT: Okay.

MR. HARUNA: Exactly that.

MS. TOLBERT: Well, FCMAT had the register.

MR. HARUNA: Yeah. But I'm saying, yeah, that check register, what we send to LACO every month includes these financials, plus the general ledger --

MS. TOLBERT: Yes.

MR. HARUNA: -- of all the accounts --

MS. TOLBERT: Yes.

MR. HARUNA: -- to whatever that was paid for every line item.

MS. TOLBERT: Yes.

FEMALE SPEAKER: That may be something for the financial committee to also --

FEMALE SPEAKER: Yes.

MS. TOLBERT: But that's what I'm saying will go to the committee.

FEMALE SPEAKER: Oh, okay.

MS. TOLBERT: And they wouldn't come to the board --

(Speaking simultaneously.)

MS. TOLBERT: Exactly.

MR. HARUNA: Right. Okay.

MS. TOLBERT: So that's the standing process or procedure that you would --

MR. HARUNA: Whatever --
MS. TOLBERT: -- generate --
MR. HARUNA: -- iteration you want.
MS. TOLBERT: Okay.
MR. HARUNA: You know, you tell us what you want to see. Board say --
MALE SPEAKER: I think that would be perfectly fine (inaudible) they know that that's exactly what they were doing and that's what (inaudible).
MS. TOLBERT: Exactly. And then it comes to the board with a recommendation.
MALE SPEAKER: Right.
MS. TOLBERT: And then if there are questions, then we would share those questions with the board, say these are some of the issues that we found that we needed the board to know and, you know, comment on it.
MALE SPEAKER: Yes.
MS. TOLBERT: Uh-huh. Okay.
MR. HARUNA: So as far as you mention that --
* * *

MONDAY, JANUARY 6, 2014
LOS ANGELES, CALIFORNIA
* * *
(Transcription of track "WAYS Spl Board Meeting 010614 pt1" 01:03 through 01:08.)
MS. TOLBERT: Board Member Goldman, did you have some comment?
MR. GOLDMAN: Oh, no. I was just going to actually comment on that item 7439, (inaudible). I don't actually remember discussing that issue with the board.
MS. TOLBERT: Auto lease expense.
MR. GOLDMAN: I know we had a discussion about that came up in (inaudible) e-mails in regards to, you know, a Lexus.
MS. TOLBERT: Oh, here it is, 32,000.
(Speaking simultaneously.)
MR. GOLDMAN: What to do with it. We never resolved that. It just kind of --
MR. HARUNA: Yeah. My understanding, the board approved as in everything is, you know, I have to check to see if they give -- but we ask questions about board approval. Even the purchase. Even the lease of it from the beginning.

FEMALE SPEAKER: So before you --
FEMALE SPEAKER: (Inaudible) lease.
MALE SPEAKER: It was a purchase.
MR. HARUNA: Yeah. It was a -- you know, it was -- after I looked at the documents recently, it was a financing -- it was a financing, so payments were being made.
FEMALE SPEAKER: It was a purchase.
MR. HARUNA: It was a purchase, yeah.
FEMALE SPEAKER: Yeah. And so when you did that, when you -- when that transaction happened, was there something communicated to you to say that the board had reviewed and approved? Was there any --
MR. HARUNA: I have to check to see. I know we asked the question. I have to check to see. If you -- but I was told the board approved it because we didn't want to do (inaudible).
MR. GOLDMAN: That's the gray area in terms of what approved looks like because if it was slipped in a budget and it was just, oh, auto lease, board's (inaudible), based on the way things were kind of going on, (inaudible) review the budget, oh, okay, looks good. Well, this is the projected budget. We don't really actually --
(Speaking simultaneously.)

MR. HARUNA: Actually, it wasn't in the budget.
(Speaking simultaneously.)
MR. GOLDMAN: You talking about the line items and everything being, you know, like documented. So, okay, now what is this for, because I don't -- I don't have -- actually remember having a discussion about an auto lease or auto finance.
FEMALE SPEAKER: Uh-huh.
MR. HARUNA: Yeah. Again, the auto financing, from the beginning, I think there is board minute. That one I remember is board minutes when they started it.
MS. TOLBERT: So for the record, would you say when this happened, when the lease purchase was made.
MR. HARUNA: That was the previous year.
MS. TOLBERT: So what year?
(Speaking simultaneously.)
MR. HARUNA: '12/'13.
MS. TOLBERT: '12/'13. So last school year?
MR. HARUNA: Yes.
FEMALE SPEAKER: Was when the vehicle was purchased?
MR. HARUNA: Right.
FEMALE SPEAKER: But the check that you wrote to pay it off --

FEMALE SPEAKER: It was financed, so they purchased it, financed it, and they paid off the amount --
MR. HARUNA: Right. I pay off the --
FEMALE SPEAKER: -- the $30,000 --
MR. HARUNA: Right.
FEMALE SPEAKER: What was -- I'm sorry.
FEMALE SPEAKER: No. Go ahead.
FEMALE SPEAKER: The price, was it actually 32- or was that just what was the balance on the loan?
MR. HARUNA: That's the payoff. Yes. It's about 40,000 or more.
FEMALE SPEAKER: Okay.
MR. HARUNA: I don't have the exact --
MS. TOLBERT: So the original purchase was 40-something.
FEMALE SPEAKER: Yeah, over $40,000.
MR. HARUNA: Right. Over $40,000. Yes.
FEMALE SPEAKER: So now -- we are now asking that any purchases over $5,000, that there is a form that you will receive, and then you do not pay anything over that amount. Do not write a check for anything over that amount unless --
MR. HARUNA: Okay.
FEMALE SPEAKER: -- you see a board approval.

MR. HARUNA: Okay. Okay. We always ask for board approval.
MS. TOLBERT: Well, we are saying document --
MR. HARUNA: That form --
MS. TOLBERT: Document it.
FEMALE SPEAKER: When you ask for it, what, do you just wait for them to say "Yeah, it's board approved" and that's fine.
MR. HARUNA: Well, I know from the beginning, there was a board approval for when I did the purchase.
FEMALE SPEAKER: But for the $30,000 check.
MR. HARUNA: The 30-, I have to check. I know we asked, but I have to check what we have.
MS. TOLBERT: And you know, Halilu, I instructed you not to write that check.
MR. HARUNA: Yeah, I know; but they say it was approved by the board.
MS. TOLBERT: I gotcha.
MR. GOLDMAN: Just Like this, the original $40,000 (inaudible).
MR. HARUNA: That was approved by the board. That's why I wanted to check.
(Speaking simultaneously.)
MR. GOLDMAN: I've been on the board for the last three years, and I -- you know, I cannot recall -- me

personally I don't think I would recall approving a $40,000 on the loan, because it doesn't -- it doesn't fit.
MR. HARUNA: There is minutes that were given to us from the beginning. We have minutes.
(Speaking simultaneously.)
MS. TOLBERT: Okay. You know, and he raises an interesting point. Because we need to make sure that the communication that goes out to people is the same communication that we get and the communication that is correct, you see. And that's one of the issues, yes. So we have to develop a process that says this is how we communicate to contractors.

* * *

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SPECIAL BOARD OF DIRECTORS MEETING
706 EAST MANCHESTER AVENUE
LOS ANGELES, CALIFORNIA
FEBRUARY 3, 2014

APPEARANCES:
BOARD MEMBERS PRESENT:
CHERYL JOHNSON
DOROTHY VALENTI
ARMANDO ESPINOZA

MONDAY, FEBRUARY 3, 2014
LOS ANGELES, CALIFORNIA
* * *

(Transcription of recording 00:00 through 02:08.)

MALE SPEAKER: Time is 6:14.

MR. ESPINOZA: Good afternoon. My name is Armando (inaudible) Espinoza. I will be chairing this board meeting. It is now 6:14, and it is now called to order.

We will now stand and do the pledge allegiance.

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, for liberty and justice for all.

FEMALE SPEAKER: Hi.

MR. ESPINOZA: We will now be doing board member roll call.

Cheryl Johnson.

MS. JOHNSON: Here.

MR. ESPINOZA: Here.

Norman Goldman, absent.

Dorothy Valenti.

MS. VALENTI: Here.

MR. ESPINOZA: Here?

MS. VALENTI: Yes.

MR. ESPINOZA: Armando Espinoza, here.

Anna -- Saundra Davis, absent.

Kimberly Daniels, absent.

We will now be reading the approval of the board meeting minutes of August 29th, 2013, quietly.

Can someone take a motion to accept the board minutes.

FEMALE BOARD MEMBER: I'll make a motion to accept the board minutes.

FEMALE BOARD MEMBER: I second.

MR. ESPINOZA: The board meeting minutes have been accepted.

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MONDAY, FEBRUARY 3, 2014
LOS ANGELES, CALIFORNIA
* * *

(Transcription of recording 09:35 through 21:30.)

MALE SPEAKER: C is the 2013-14 fiscal year executive director contract for 2013-14.

MR. ESPINOZA: Okay.

MALE SPEAKER: This is the employment contract for our executive director and this has been on the table since July. It's normally approved in the beginning of the school year in July.

MR. ESPINOZA: Uh-huh.

MALE SPEAKER: And because of difficulties in our past board meetings, we haven't gotten around to approving it. So it's on the table again for approval.

And it's just a very standard contract. The language in it has not changed. The contract was drafted by our attorney, could be years ago. It was revised by our attorney, John Lemmo (inaudible) process. And it's the same contract they had last year, just the amount has changed because of his retirement restrictions.

Are there any questions related to the executive director contract?

MR. ESPINOZA: No.
MALE SPEAKER: The commercial (inaudible).
MR. GIL: (Inaudible) director. Part of this operation in terms of the board (inaudible).
MALE SPEAKER: Yes, well, that's important. That's an important --
MR. GIL: (Inaudible).
(Speaking simultaneously.)
MR. GIL: -- questionable (inaudible).
MALE SPEAKER: Sir, can you say your name just for the record.
MR. GIL: Compton Gil.
MALE SPEAKER: Compton Gil. G-i-l?
MR. GILL: L. G-i-l-l.
MALE SPEAKER: Has a public comment related to this item, and I think that's an important comment that we identify what the executive director's role is and his responsibilities.
The executive director is actually the president of the said organization with the academy. He's the president, CEO, chief executive officer, executive officer, chief operating officer. He's the head honcho of our organization. So technically he's actually board president and the board chair.
At this point it's not been (inaudible) vice

chair is Dr. Valenti and so on.
So, yes, Mr. Cabil is an agent of the board but not a voting member. Okay.
MALE SPEAKER: D and D Commercial Property Lease 2013-14 fiscal year. DOCI Development, this property here at 706 East Manchester and 8778 South Central Avenue, those negotiations were rather easy with no increase in rental fees, just the standard 3.5 increase.
For E, we had a difficult time with 7651 South Central Avenue, not so much moneywise but facilitywise getting access to, say, rooms. As you may remember we did not get one of the rooms for our third graders, and we ended up having to put them downstairs in the (inaudible) room. So we (inaudible) seek to do more and more in that area coming up. But right now I'm recommending the approval goes through.
MR. ESPINOZA: So did the price that the property rent went up for the 7651 South Central Avenue property --
MALE SPEAKER: It increased, but it increased (inaudible) -- it didn't increase significantly. It's a standard 3.5 that's in the contract, that is the increase that occurred.
MR. ESPINOZA: Okay.

MALE SPEAKER: (Inaudible) all -- most leases (inaudible).
MR. ESPINOZA: These are year-by-year lease?
MALE SPEAKER: Yes.
MR. ESPINOZA: Okay.
MALE SPEAKER: And, again, this was (inaudible) mentioned that we will be reapproving (inaudible) in the past because we don't have access to documents that past board members may have taken with them were regard they did keep with them (inaudible). So for the sake of the record, we are asking for reapproval of this item.
MR. ESPINOZA: Okay.
MALE SPEAKER: I'll continue on with resolution to (inaudible) vehicle. That is (inaudible) also (inaudible). So there is a capital expense analysis that goes with it, and it says for the person to SEB and the use as executive business transportation, the reason (inaudible) foundation and provide that administrative personnel operate the vehicle and operating expenses for the use of conducting Ways of foundation business, any reasonable person be used provided that (inaudible) foundation administrative personnel chose to utilize the executive business transportation, this will reduce the automobile use

reimbursement cost and the wear and tear for individual personal property. The impact is more or less $10,000 annually, personal -- personnel transportation expenses.
The date that that was approved was in July 2012.
Now we are asking for the sale of that vehicle and that's an SUV and the use is executive business transportation. And the reason is, in the best interest of the (inaudible) Wisdom Academy, selling the executive business automobile vehicle should provide the funds to better serve the school in which those funds may be used to purchase the vehicle for pupil transportation.
The impact is 26,000 to 32,000, one time payment and more or less $10,000 annual personnel transportation reimbursements.
In August 2013, that was presented but not approved which is (inaudible) up for approval now, the sale.
And, furthermore, we expect or we hope to be able to purchase a school bus or van for the use of pupil transportation and dual use for utility vehicle. And the reason is to subsidize the expenses for rentals and charge school buses for short distance field trips

and destinations, provide van for pupil transportation, and select utility use.

Impact is 10- -- more or less $10,000 annually in pupil transportation expenses and on the day on that (inaudible) thus the communication about that.

So the school vehicle, school executive business vehicle was sold. And, again, that was done so that we can provide funds for a vehicle -- for a vehicle that will be used to transport students instead of staff.

And that was sold for $26,000 on or -- and that transaction finally closed on January 10th with Escrow.com. And the fee for Escrow.com was $115.17. And we received the final check minus the Escrow.com fee, $25,884.30, that was received on January 28th.

To sum that up, the executive business transportation was sold -- was purchased and subsequently sold, and we are hoping to -- we will do (inaudible) revisit the board when we have more information about purchasing a school bus or van for student transportation.

That is the end of that report. Are there any questions?

MR. ESPINOZA: No.

MALE SPEAKER: Okay. So moving on. Selection of

auditor Wilkinson, Hadley, King, and Company. This was an item that I believe -- I have reason to believe was approved at a previous meeting. Again, we do not have access to the audio for the minutes of that meeting, so I'm asking that we reapprove it on business selection of the auditor which has already conducted our audit.

And to take a few steps back, we put out an RFP which is a request for proposals publicly. We requested proposals -- we actually received three proposals. And Wilkinson, Hadley, King and Company was the lowest bid for $9,500 for the audit procedure. And that was our reason behind selecting this auditor for our school, and she also was the only auditor -- this auditing company, the only one that could audit our school within the time frame that we had available to us to have our audit prepared by this extended due date of January 15th.

So my recommendation of -- the executive director's recommendation is to select the auditor, Wilkinson, Hadley, King and Company, as an auditor for the school and ask for reapproval.

Are there any questions related to Item No. G?

MR. ESPINOZA: Are you asking to approve or to reapprove?

MALE SPEAKER: That's a reapproval. I believe it

has been --

FEMALE SPEAKER: (Inaudible) had that company before?

MALE SPEAKER: We have this (inaudible).

FEMALE SPEAKER: (Inaudible).

MALE SPEAKER: So she already did the audit. They already did the audit and that's the next --

MR. ESPINOZA: Oh, okay.

MALE SPEAKER: (Inaudible). Yeah, we had selected them for this year. (Inaudible). If the board wants, we can do another RFP to select another auditor for next year.

FEMALE SPEAKER: Okay.

MALE SPEAKER: This year we have the best interest of the school, selected them because they were able to do it within the time frame we had available to us.

FEMALE SPEAKER: Oh, okay.

MALE SPEAKER: And they were the lowest bid.

FEMALE SPEAKER: Oh, okay. What happened to the other -- what was the other (inaudible)?

MALE SPEAKER: Audit claim (inaudible) Junior?

FEMALE SPEAKER: Yeah.

MALE SPEAKER: There is a limit on how long the auditor (inaudible).

(Speaking simultaneously.)

FEMALE SPEAKER: Okay.

MALE SPEAKER: (Inaudible) the limitation with an auditor, so (inaudible).

FEMALE SPEAKER: Okay.

MALE SPEAKER: Are there any more questions related to the selection of the auditor? Okay.

H was (inaudible) financial audit. That presentation was given at the last meeting (inaudible) police station.

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WISDOM ACADEMY FOR YOUNG SCIENTISTS
SPECIAL BOARD OF DIRECTORS MEETING
706 EAST MANCHESTER AVENUE
LOS ANGELES, CALIFORNIA
MARCH 13, 2014

APPEARANCES:
BOARD MEMBERS PRESENT:
CHERYL JOHNSON
DOROTHY VALENTI
ARMANDO ESPINOZA
ADRAINE COOK

ALSO PRESENT:
JASON OKONKWO
EDWARD CABIL
JIMMY CHAL

THURSDAY, MARCH 13, 2014
LOS ANGELES, CALIFORNIA
* * *

(Transcription of recording 00:00 through 01:45.)

MALE SPEAKER: The time is 7:00 o'clock. Time is now 7:00 o'clock.

MS. VALENTI: Hello.

MALE SPEAKER: Hi.

MR. ESPINOZA: We are still here. We just started the board meeting recording, and you are on speaker phone --

MS. VALENTI: Okay.

MALE SPEAKER: -- loudspeaker. Everybody can hear you.

MS. VALENTI: Okay.

MALE SPEAKER: Okay. And Armando is starting the meeting right now.

MS. VALENTI: All right.

MR. ESPINOZA: Good afternoon board members and stakeholders of the community. We are now starting the board meeting, and the time as mentioned is 7:00 o'clock.

We will now pledge allegiance to the flag. Ready, begin.

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, for liberty and justice for all.

I will now take attendance.

We will start with Cheryl Johnson.

MS. JOHNSON: Present.

MR. ESPINOZA: Mrs. Adraine Cook.

MS. COOK: Present.

MR. ESPINOZA: Dr. Dorothy Valenti --

MS. VALENTI: Present.

MR. ESPINOZA: -- who is also via telephone.

Armando Espinoza, present.

Maria Garcia, absent.

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THURSDAY, MARCH 13, 2014
LOS ANGELES, CALIFORNIA
* * *

(Transcription of recording 05:15 through 07:01.)

MR. ESPINOZA: We will now move to open session -- to the open session item regarding updates of FCMAT audit including auditor communication regarding OSE Businesses Services vendor.

After reviewing documents, is there -- after reviewing these documents, is there a motion on the table?

FEMALE SPEAKER: I motion to approve the --

MALE SPEAKER: Resolution.

FEMALE SPEAKER: -- the resolution. I move to approve the resolution.

FEMALE SPEAKER: I second the motion.

MR. ESPINOZA: Okay. We will now take a roll call vote.

We will start with Cheryl Johnson.

MS. JOHNSON: Aye.

MR. ESPINOZA: Ms. Adraine Cook.

MS. COOK: Aye.

MR. ESPINOZA: Dr. Dorothy Valenti.

MS. VALENTI: Aye.

MR. ESPINOZA: Myself, Armando Espinoza, aye.

Item 6 has been approved. Action 9 has been approved for the updates regarding FCMAT audit including auditor communication regarding OSE Business Services vendor.

So other than that, I -- this concludes our board meeting. The time is now -- the time is now 7:48, and I move to end the board meeting.

All in favor.

FEMALE SPEAKER: Aye.

MR. ESPINOZA: Aye.

FEMALE SPEAKER: Aye.

MS. VALENTI: Aye.

MR. ESPINOZA: Okay. Motion carry. The board meeting is adjourned.

MALE SPEAKER: And the time is 7:00 o'clock.

* * *

WISDOM ACADEMY FOR YOUNG SCIENTISTS
BOARD OF DIRECTORS MEETING
706 EAST MANCHESTER AVENUE
LOS ANGELES, CALIFORNIA
APRIL 25, 2014

APPEARANCES:
BOARD MEMBERS PRESENT:
CHERYL JOHNSON
DOROTHY VALENTI
ARMANDO ESPINOZA
ADRAINE COOK

ALSO PRESENT:
JASON OKONKWO
EDWARD CABIL
APRIL MITCHELL
ZAK MEMON

FRIDAY, APRIL 25, 2014
LOS ANGELES, CALIFORNIA
* * *
(Transcription of recording 03:20 through 09:44.)

MR. ESPINOZA: All right. We will now be reviewing the minutes of April 3rd agenda.

MALE SPEAKER: Armando and board of directors, as you are reviewing the minutes, you'll notice that there are minutes of February 27th and March 13th included there. There were some typos, small typos identified in those minutes.

FEMALE SPEAKER: Uh-huh.

MALE SPEAKER: On the third one (inaudible) 13 minutes, Item No. I, which says the regular meeting of the Ways Governing Board was held on Thursday, March 13th, that's a correction.

In the -- the previously approved minutes, there was a typo there and also under No. 8, Open Session, the vote in favor of this item was opposed by one board member which is now corrected on these minutes. So (inaudible) corrected minutes for the approval for them.

MR. ESPINOZA: For the -- for which date minutes?

MALE SPEAKER: I just went over to March 13th.

MR. ESPINOZA: March 13th.

MALE SPEAKER: And then we also had typos -- those are all the typos on March 13th.

Any questions about March 13th minutes?

FEMALE SPEAKER: I got to get it first.

FEMALE SPEAKER: Give --

MALE SPEAKER: It's on the left side of here.

FEMALE SPEAKER: Here it is.

(Inaudible.)

MALE SPEAKER: March 27 minutes on page 3, sorry, page 2 of the March 27th minutes.

MR. ESPINOZA: February.

FEMALE SPEAKER: February 27th.

MALE SPEAKER: I'm sorry. February 27th. That's how these typos happen, saying the wrong date.

Item F, there (inaudible). That's been corrected.

And then Item D, that was said to be tabled to a future board meeting. That's also a correction.

MR. ESPINOZA: Item F?

MALE SPEAKER: Item F and G.

MALE SPEAKER: There were typos there.

MR. ESPINOZA: Okay.

MALE SPEAKER: They have been corrected in the minutes that's before you today for approval, to be

approved.

FEMALE SPEAKER: Okay.

MR. ESPINOZA: Which item? There wasn't an item on March 13th; correct?

MALE SPEAKER: There was no -- there was no item.

MR. ESPINOZA: Okay. Yes.

MALE SPEAKER: Actually, yes, there was an item. It was Item A on No. 8. There was one board member in opposition to that item and that's been corrected.

MR. ESPINOZA: On Item 8?

MALE SPEAKER: Item 8A.

MR. ESPINOZA: Okay. On the March 13th --

FEMALE SPEAKER: Uh-huh.

MR. ESPINOZA: So give me one minute to review. Let us review really quick. Yes, I remember this.

FEMALE SPEAKER: Motion to move forward?

MR. ESPINOZA: Yes. Is there a motion to approve the February 27th minutes, the March 13th minutes, and the April 22nd minutes?

FEMALE SPEAKER: Yes, I make a motion for the minutes to be approved.

MR. ESPINOZA: Is there a second?

FEMALE SPEAKER: I second.

MR. ESPINOZA: A second.

So we will now be taking a vote on this.

Cheryl Johnson.

MS. JOHNSON: Aye.

MR. ESPINOZA: Ms. Valenti.

MS. VALENTI: Aye.

MR. ESPINOZA: Adraine Cook.

MS. COOK: Aye.

MR. ESPINOZA: And myself, Armando Espinoza, aye.

The minutes have been approved for all these occasions. We will now --

* * *

WISDOM ACADEMY FOR YOUNG SCIENTISTS
SPECIAL BOARD OF DIRECTORS MEETING
706 EAST MANCHESTER AVENUE
LOS ANGELES, CALIFORNIA
JULY 23, 2014

APPEARANCES:

NO APPEARANCES PROVIDED

WEDNESDAY, JULY 23, 2014
LOS ANGELES, CALIFORNIA
* * *

(Transcription of track "WAYS Board Meeting July 23, 2014 pt2" 26:00 through 33:37.)

MR. ESPINOZA: Item D which is 20014-2015 board member appointment. There is an action item and in this --

MALE SPEAKER: I'm sorry. It shouldn't say 2014-2015. That's a mistake.

MR. ESPINOZA: Yeah. So in this board member appointment, we want to -- I see there -- is there any members here that are interested in joining the board?

We have one, two. We have two members that are interested in joining the board. And -- well, has -- well -- has you guys -- have Mr. Cabil received the -- their resumes and also their questionnaire?

(Inaudible.)

MR. ESPINOZA: Yes. Well, I hadn't -- I had them because I've been on the board.

MALE SPEAKER: (Inaudible).

MR. ESPINOZA: So people that are interested in joining the board, can you give us a little reason -- can you give us a reason -- introduce yourself, give us

a reason why you would like to join the board.

MS. McKETTA: (Inaudible). So for those of you who don't know me, I'm Diana McKetta; and I used to work at Ali's. But unfortunately due to the (inaudible), I had to leave.

I (inaudible) as I serve on the board, I'll be able to remain a representative of Ways and a little bit more about me. I have a background in psychology, and I'm a (inaudible) to become a school psychologist and advocate for education and that's why I'm interested in joining the board.

MR. ESPINOZA: Thank you.

MS. FORD: (Inaudible) Annette Ford. Those of you who don't know me, (inaudible) school counselor. Not working right now as a school counselor and interested on being on the board because I've been doing work with Ways and, you know, we have done some in-service here, done couple of programs.

And I really enjoy the campus, I enjoy the curriculum (inaudible) students very respectful over here, and I enjoy, you know, just the experience here. And also would like to see that the mission of the school is, you know, like met (inaudible) for that.

And also I'm just really interested in helping children and that's why I'm a school counselor because

we help to give a little method to the madness when it comes to education and (inaudible). So anyway, I'm looking forward to being a board member.

(Inaudible) background. School counselor. I got my masters from (inaudible) university. My bachelors is a double major psychology studies and (inaudible).

MR. ESPINOZA: Thank you. Now, what is -- this is on our agenda item. There is an action item. I would like to hear from each one the board members if they want to take an action on this or move it to a future board agenda.

FEMALE SPEAKER: I have read their info that they sent -- the resume that they sent in --

MR. ESPINOZA: Uh-huh.

FEMALE SPEAKER: -- and I was impressed with the -- and I brought it up now just in case anybody wanted to see it.

MR. ESPINOZA: Okay.

FEMALE SPEAKER: And I was impressed by it. I think we can benefit; but it has to be a, you know, board, a unanimous decision.

MR. ESPINOZA: I think the same. I looked over their resumes and can make a decision -- I felt I could take an action on it.

MALE SPEAKER: (Inaudible) a motion.

MR. ESPINOZA: Okay.

FEMALE SPEAKER: (Inaudible).

MR. ESPINOZA: Did you guys reviewed their information?

FEMALE SPEAKER: One, I didn't get (inaudible) their resume.

MR. ESPINOZA: Okay.

FEMALE SPEAKER: You know, I didn't get a chance to look at resumes but (inaudible).

I'd like to make a motion.

FEMALE SPEAKER: I second.

MR. ESPINOZA: Okay. Since there was a motion and second on this item, we will be taking a vote to accept both board members to the governing board of Ways.

We will start with Cheryl Johnson.

MS. JOHNSON: Aye.

MR. ESPINOZA: Adraine Cook.

MS. COOK: Aye.

MR. ESPINOZA: Dr. Dorothy Valenti.

MS. VALENTI: Aye.

Mr. ESPINOZA: And myself, Armando Espinoza, aye.

Congratulations. You guys have been accepted to Ways board.

FEMALE SPEAKER: You look puzzled.

FEMALE SPEAKER: (Inaudible).

FEMALE SPEAKER: You tired. Okay. I understand that.

Been that said, there is times where the board meetings are actually long like this. Would that be a problem for either of you? They not always like this, but there is times when we have pressing things upon us that has to be taken care of. Would that would a problem? You know, you might have children, anything. Would this be a problem in the future if we ever came across this same situation?

MS. McKETTA: No.

FEMALE SPEAKER: No.

MS. FORD: It's not really a problem but if there's any way I can know ahead of time, get a couple other appointments, but they are, you know, canceled now.

FEMALE SPEAKER: We never know. We can't -- we say we going to start at 6:00; and we hopefully get out at 7:00, 7:30. But there is no guarantee. So I just want to make sure that you are aware that you are willing to still come onboard.

MR. ESPINOZA: At this moment I would like to take -- I would like the board -- I would like to ask the board for -- for a recess, for a five-minute

recess.

Can we take vote on this?

FEMALE SPEAKER: Can you do what?

FEMALE SPEAKER: Before the recess or after the recess?

MR. ESPINOZA: I would like to take a recess at this moment.

FEMALE SPEAKER: Okay.

MR. ESPINOZA: And can we take a vote on this?

FEMALE SPEAKER: Aye. I motion that we do a five-minute recess.

FEMALE SPEAKER: A recess from what?

FEMALE SPEAKER: We're going on a recess?

FEMALE SPEAKER: (Inaudible).

FEMALE SPEAKER: I second it.

MR. ESPINOZA: All right. We will take a vote to take a recess at this moment.

FEMALE SPEAKER: (Inaudible).

MR. ESPINOZA: No. We will start with Cheryl Johnson.

MS. JOHNSON: Yes, I'd like to take a recess.

MR. ESPINOZA: Adraine Cook.

MS. COOK: Aye.

MR. ESPINOZA: Dr. Dorothy Valenti.

MS. VALENTI: Aye.

MR. ESPINOZA: And myself, aye.
At this moment the time is 8:46, and we will take -- we will be taking a five-minute recess.
* * *

We will start with Cheryl Johnson.
MS. JOHNSON: Aye.
MR. ESPINOZA: Dr. Valenti.
MS. VALENTI: Aye.
MR. ESPINOZA: Miss Adraine Cook.
MS. COOK: Aye.
MR. ESPINOZA: And myself, Armando Espinoza, aye.
Congratulations.
MALE SPEAKER: (Inaudible).
MR. ESPINOZA: Yes.
FEMALE SPEAKER: (Inaudible).
MR. ESPINOZA: Congratulations, Annette Ford.
FEMALE SPEAKER: Thank you.
MR. ESPINOZA: And Miss Diana McKetta. Welcome to the board of Ways.
So -- so the time now is 8:51, and the meeting is adjourned. Thank you, everyone.
(End of transcription.)

WEDNESDAY, JULY 23, 2014
LOS ANGELES, CALIFORNIA
* * *
(Transcription of track "WAYS Board Meeting July 23, 2014 pt3" 00:00 through 01:45.)
MR. ESPINOZA: Okay.
MALE SPEAKER: The time is now 8:49.
MR. ESPINOZA: The time now is 8:49. We have come back from our recess that was needed.
Two members didn't get a chance to review the two potential nominees', their questionnaires or their resumes. And during this recess, they got the opportunity to review all the information and now that we have their information --
MS. COOK: I motion that we bring on these two board members.
MR. ESPINOZA: Okay. It has been motioned by Adraine Cook.
Is there a second on the table?
MS. VALENTI: I second.
MR. ESPINOZA: It's been seconded by Dr. Dorothy Valenti.
So now we will be retaking a vote to appoint these two new board members.

STATE OF CALIFORNIA)
} ss
COUNTY OF LOS ANGELES)
I, MARTHA L. VENTIMIGLIA, Certified Shorthand Reporter qualified in and for the State of California, do hereby certify:
That the foregoing transcript is a true and correct transcription of my original stenographic notes taken down by me from recorded media;
I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action in which this proceeding was taken; and furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto or financially interested in the action.
IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of August, 2014.

MARTHA L. VENTIMIGLIA, CSR. 8992

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STATE OF CALIFORNIA)
)
) ss
)
COUNTY OF LOS ANGELES)

I, MARTHA L. VENTIMIGLIA, Certified Shorthand Reporter qualified in and for the State of California, do hereby certify:

That the foregoing transcript is a true and correct transcription of my original stenographic notes taken down by me from recorded media;

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action in which this proceeding was taken; and furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of August, 2014.

MARTHA L. VENTIMIGLIA, CSR. 8992

EXHIBIT W

FIRST AMENDMENT TO AT-WILL EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO AT-WILL EMPLOYMENT AGREEMENT ("Amendment") is entered into by and between Edward Cabil ("Employee") and the Merle Williamson Foundation, the holder and operator of The Merle William Foundation dba The Wisdom Academy for Young Scientists, a California public charter school ("School"). It amends the terms of the Employment Agreement entered into by Employee and the School on or about February 3, 2014 for the term from July 1, 2013, to June 30, 2014 ("Agreement").

The Parties hereby agree to amend the Agreement as follows:

Work Schedule

The Employee will continue to be employed on the same terms as conditions as set forth in the Agreement on an at-will basis after June 30, 2014. Neither party has an expectation that the employment relationship will continue for any set period of time. Either party may terminate the employment relationship at any time and for any reason, with or without cause and with or without notice.

Work Year

There shall be no specific number of days that must be worked. Instead, Employee will be a full-time exempt employee who will be expected to continue to devote the time and energies necessary to fulfill the job requirements as under the existing Agreement.

Benefits

Employee shall be entitled to paid time off and leave for illness at the same amount per year of employment as set forth in the Agreement. However, this leave shall accrue on a pro-rated basis.

_____ _____

Employee Signature *Date*

MERLE WILLIAMSON FOUNDATION APPROVAL:

_____ _____

Dated *Authorized MWF Representative*

This Employment Agreement is subject to ratification and approval by the Governing Board of Merle Williamson Foundation.

INDEPENDENT CONTRACTOR CONSULTING AGREEMENT
Merle Williamson Foundation dba Wisdom Academy for Young Scientists

THIS INDEPENDENT CONTRACTOR CONSULTING AGREEMENT (hereinafter "Agreement") is entered into by and between Merle Williamson Foundation dba Wisdom Academy for Young Scientists (hereinafter "School") and Jason Okonkwo (hereinafter "Consultant"), effective July 1, 2014.

RECITALS

A. SCHOOL is a non-profit corporation organized under the laws of the State of California to operate a charter school in the State of California.

B. Consultant is very experienced in operating a charter school. SCHOOL is retaining Consultant to provide services to SCHOOL as set forth below.

C. SCHOOL wishes to retain Consultant to provide such services to SCHOOL.

AGREEMENT

In consideration of the promises and of the mutual covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Independent Contracting Agreement and Services. SCHOOL hereby engages Consultant, and Consultant hereby accepts such an engagement upon the terms and conditions set forth herein. It is expressly understood between the parties that Consultant is an independent contractor and not an employee of SCHOOL. Consultant shall perform the following services: administrative support services. Consultant assumes full responsibility for the performance of his/her duties under the terms of this Agreement. SCHOOL acknowledges that it does not and will not control or direct Consultant with regard to the manner or means in which Consultant performs his/her duties under this Agreement. SCHOOL shall simply have the right to approve or disapprove the final products and/or services provided by Consultant and shall have the right to set deadlines for the completion of products and/or services pursuant to this Agreement. Consultant shall not be responsible for reporting to any officer, employee or agent in carrying out the services to be performed by him/her under the terms of this Agreement.

2. Effective Date and Term. The effective date of this Agreement shall be July 1, 2014, and the term of this Agreement shall begin on the effective date and shall remain in effect until DATE, unless terminated pursuant to section 16.

3. Confidentiality.

a. Confidential Information in General. During the course of this Agreement, Consultant may have access to Confidential Information of SCHOOL, its employees, and certain third parties such as customers and vendors. "Confidential Information" is information, which is not generally known to the public and, as a result, is of economic benefit to SCHOOL in the conduct of its business. SCHOOL and Consultant agree that Confidential

Information shall include, but not be limited to, all information developed or maintained by SCHOOL and/or its employees and and/or vendors and comprising the following items, whether or not such items have been reduced to tangible form (e.g., physical writing): contract terms, lesson plans, education plans, business development techniques, processes, inventions, development, equipment, prototypes, methods, databases, consulting agreements, product research, sales, marking and strategic plans, programming plans, advertising and promotion plans, products and "availability" information, existing and developing software products, source code, object code, technical documentation, flow charts, test results, models, data, research, formulas, ideas, trade names, service marks, slogans, forms, student lists, business forms, marketing programs and plans, business plans and strategies, layout and design, financial structure, operational methods and tactics, cost information, the identity of students or vendors of SCHOOL, accounting procedures, details, and any document, record or other information of SCHOOL relating to the above. Confidential Information include not only information belonging to SCHOOL or its customers and/or vendors, which existed before the date of this Agreement but also information developed by Consultant for SCHOOL or its customers and/or vendors during the time period that Consultant has provided services to SCHOOL, the term of this Agreement, and thereafter.

b. Restriction on Use of Confidential Information. Consultant shall not disclose to any third party or parties during or after the term of this Agreement, without the prior written consent of SCHOOL, any information relating to SCHOOL, its employees, customers, and/or vendors, or information regarding the affairs or operations of SCHOOL, including SCHOOL's Confidential Information. Consultant agrees that his use of Confidential Information is subject to the following restrictions during the time period that SCHOOL has retained Consultant, the term of this Agreement, and for an indefinite period thereafter so long as the Confidential Information has not become generally known to the public.

i. Nondisclosure. Consultant will not publish or disclose or allow to be published or disclosed, Confidential Information to any person who is not an employee of SCHOOL unless such disclosure is necessary to the performance of Consultant's obligations under this Agreement.

ii. Surrender Upon Termination of Agreement. Upon termination of this Agreement for any reason, Consultant will surrender to SCHOOL all documents and materials in his possession and/or control which contain Confidential Information. Consultant further agrees to return any and all other documents, materials, computer disks, or other items or property provided to Consultant by SCHOOL during the term of this Agreement upon the termination of this Agreement for any reason.

iii. Prohibition Against Unfair Competition. Consultant will not use any Confidential Information to engage in competition with SCHOOL at any time during the term of this Agreement or after the termination of this Agreement for any reason.

c. Solicitation of Employees.

i. Information About Employees. Consultant may be, or may have been, called upon to work closely with employees of SCHOOL in performing services under this Agreement. All information about such employees which becomes known to Consultant during the course of this Agreement, and which is not otherwise known to the public, including compensation or commission structure, is Confidential Information of SCHOOL and shall not be used by Consultant in soliciting employees of SCHOOL at any time during or after termination the termination of this Agreement.

ii. Solicitation of Employees Prohibited. During the term of this Agreement and for one (1) year following the termination of this Agreement, Consultant shall not, directly or indirectly ask or encourage any employee(s) of SCHOOL to leave their employment with SCHOOL, or solicit any employee(s) of SCHOOL for employment elsewhere. Consultant further agrees that he shall make any subsequent employer aware of this non-solicitation obligation.

d. Violations of Confidential Information, Solicitation and Written Material Clauses. Consultant agrees and acknowledges that the violation of any of the provisions contained in section 3 hereof would cause irreparable injury to SCHOOL, that the remedy at law for any violation or threatened violation thereof would be inadequate, and that SCHOOL shall be entitled to temporary and permanent injunctive relief or other equitable relief from a court of competent jurisdiction without the necessity of proving actual damages.

4. Compensation. SCHOOL shall pay Consultant for services performed pursuant to this Agreement; according the pay schedule attached as Exhibit "A."

5. Materials/Equipment/Costs. All materials and equipment needed by Consultant to carry out the services to be performed by him under this Agreement, shall be furnished by Consultant at his own expense.

6. Consultant's Obligation to Pay Taxes. All compensation called for under this Agreement will be paid without deductions or withholdings, and will be accompanied by a Form 1099 at year end. As an independent contractor, Consultant agrees that he/she will be responsible for the reporting and payment of any state and/or federal income tax or other withholdings on the compensation provided for his/her services under this Agreement. In addition, Consultant shall fill out and execute the form W-9 which is attached as Exhibit "B."

7. General Liability Insurance. Consultant expressly acknowledges and understands that SCHOOL shall have no obligation to provide general liability insurance for Consultant or his employees.

8. Corporate/Business Responsibilities/Workers' Compensation Insurance. Consultant shall be responsible for performing all duties incident to operating a business and/or corporation, including, but not limited to, obtaining all necessary licenses and paying all applicable taxes. Consultant expressly acknowledges and understands that SCHOOL shall have no obligation to provide workers' compensation insurance, unemployment insurance, health insurance or any employee benefits of any nature for Consultant. Consultant agrees to hold

harmless and indemnify SCHOOL for any and all claims arising out of any injury, disability or death of Consultant.

9. Other Activities. Consultant shall be permitted to engage in other activities for other businesses during the term of this Agreement, so long as he performs his duties pursuant to this Agreement.

10. Successors and Assigns. The rights and obligations of SCHOOL under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of SCHOOL. Consultant shall not be entitled to assign any of his rights or obligations under this Agreement without the prior written consent of an authorized officer of SCHOOL.

11. Governing Law. This Agreement shall be interpreted, construed, governed and enforced in accordance with the laws of the State of California.

12. Entire Agreement/Amendments. This Agreement reflects the only, sole and entire agreement between the parties relating in any way to the subject matter hereof. No statement, promise or different representations have been made which in any way form a part of or modify this Agreement. No amendment or modification of the terms or conditions of this Agreement shall be valid unless in writing and signed by the parties hereto.

13. Separate Terms. Each term, condition, covenant or provision of this Agreement shall be viewed as separate and distinct, and in the event that any, such term, covenant or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

14. Waiver. A waiver by either party of a breach of any provision or provisions of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.

15. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and sent by mail to Consultant at an address provided by Consultant, or hand delivered to Consultant, or to its principal office, in the case of the SCHOOL.

16. Termination. SCHOOL or Consultant each reserve the right to terminate this Agreement for any reason, upon 30 days written notice of termination.

17. Arbitration of Disputes. With the exception of any claims related to injunctive relief, which may be heard by a court of competent jurisdiction, all claims for monetary damages between the parties to this Agreement shall be resolved by binding arbitration under the commercial rules of JAMS in San Diego, California. Such arbitration shall be conducted in San Diego, California, before a single arbitrator selected through the usual and customary procedures of JAMS.

a. Any demand for arbitration shall be in writing and must be made within the time required by applicable law.

b. The arbitrator shall be a former or retired judge or attorney with at least ten years experience.

c. At the election of either party, the arbitration proceedings may be transcribed by a court reporter at the expense of the electing party and a written transcript may be provided to the arbitrator.

d. The arbitrator shall be requested to make factual findings and render a statement of decision, explaining the legal and factual basis for the award.

e. Final decisions by the arbitrator shall be rendered within ninety days from the date the arbitration hearings are completed.

f. The prevailing party shall be entitled to an award by the arbitrator of costs reasonably incurred in connection with the arbitration, including witness fees and expert witness fees, unless the arbitrator for good cause determines otherwise. Each party shall be responsible for its own attorneys' fees.

g. Costs and fees of the arbitrator shall be borne equally between the parties initially, but the arbitrator shall be requested to order restitution of such costs and fees by the non-prevailing party, unless the arbitrator for good cause determines otherwise.

h. The award or decision of the arbitrator shall be final, and binding, and may be entered as a judgment in any court of competent jurisdiction, in accordance with applicable law.

i. The provisions of Title 9 of Part 3 of the California Code of Civil Procedure, including section 1283.05, and successor statutes, permitting expanded discovery before the arbitration hearing, shall be applicable to all disputes which are arbitrated pursuant to this Agreement, provided, however, that the discovery limits in California Code of Civil Procedure section 94 shall be deemed applicable, to limit the scope and extent of such discovery.

18. Surrender of Documents Upon Termination of Agreement. Upon termination of this Agreement for any reason, Consultant will surrender to SCHOOL all documents and materials in his/her possession or control which contains SCHOOL confidential information. Consultant further agrees to return any and all other documents, materials, computer disks, or other items or property provided to Consultant by SCHOOL during the term of this Agreement upon the termination of this Agreement for any reason.

19. Counterparts. This Agreement may be executed in counterparts and, if so executed, each such counterpart shall have the force and effect of an original. A facsimile signature shall have the same force and effect as an original signature.

IN WITNESS HEREOF, the parties have executed this Agreement as of the date set forth above.

CONSULTANT:

Dated: June __, 2014

_____
Jason Okonkwo

MERLE WILLIAMSON FOUNDATION DBA WISDOM ACADEMY FOR YOUNG SCIENTISTS:

Dated: June___, 2014

By:_____

Title:_____

101806830.1

Exhibit A

EXHIBIT A
Compensation

Term of Agreement: Completion of Services

Rate: $100 per hour.

Work product to be delivered by Contractor (Check boxes as applicable, and set forth details as desired in space provided):

[ ] Oral recommendations/reports

[ ] Written reports
- [ ] Daily
- [ ] Weekly
- [ ] Monthly
- [ ] Upon Completion
- [ ] Other: Bi-weekly

Exhibit B

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 3

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

☐ Other (see instructions) ▶

Exemptions (see instructions):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

Employer identification number
☐☐ - ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person** ▶ | **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at *www.irs.gov/w9*. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

EXHIBIT X

WISDOM ACADEMY FOR YOUR SCIENTISTS
2012-2013 PROPOSED BUDGET

	Comments	Actual 012112	11-12 Estimated Actuals	12-13 BUDGET	2011-2012 ESTIMATED ACTUALS
Total Enrollment	Scenario One	497	497.0	520.0	497.0
Attrition		445	445.0	(36.0)	445.0
Net enrollment				484.0	
ADA				444.6	
INCOME					
8011-8096 · Revenue Limit Sources					
8011 · Supplemental Hours					-
8015 · Charter School General Purpose - State Aid		$ 624,894.00	1,077,828.0	1,463,049.6	1,077,838.4
8096 · In lieu of Property Taxes		$ 182,685.00	595,059.0	602,433.0	595,059.0
Total 8011-8096 · Revenue Limit Sources		1,807,579.0	1,672,887.0	2,065,782.6	1,672,897.4
8100-8290 · Other Federal Income					-
8220 · Child Nutrition (Federal)			370,000.0	370,000.0	338,347.0
8221 · Title I, A, Basic Low Income			200,000.0	200,000.0	200,000.0
8222 · Title II, A Teacher Quality			14,296.7	14,296.7	14,296.7
8290 · Title V, D EETT			-	-	-
8294 · Title III, Limited English (LEP)			-	-	-
8223 · Education Jobs Fund			-	-	-
8295 · State Fiscal Stabilization			-	-	-
8297 · Other Federal Income			-	-	-
Total 8100-8290 · Other Federal Income			584,296.7	584,296.7	552,643.7
8300-8599 · Other State Income			-	-	-
8311 · Special Ed	Schedule A: Revenue		208,889.5	221,388.6	184,000.0
8434 · Class Size Reduction (K-3)	Schedule A: Revenue	$ 42,037.00	176,334.0	176,334.0	176,334.0
8480 · Charter Sch Categorical Blk Gr	Schedule A: Revenue	334,226.00	327,226.0	316,222.8	327,226.0
8560 · Child Nutrition (State)	Schedule A: Revenue	$ 2,085.00	2,264.2	2,264.3	18,815.0
8550 · State Lottery Revenue	Schedule A: Revenue		38,657.5	55,525.0	-
8545 · Facilities Incentive Grant			63,286.0	-	63,286.0
8566 · PE Teachers Incentive	Schedule A: Revenue	$ 1,468.00	2,000.0	-	2,000.0
8551 · Charter School Facilities Incentive	Schedule A: Revenue	$ 37,670.00	45,204.0	136,896.0	45,204.0
8563 · Art and Music Block Grant	Schedule A: Revenue	$ 143.00	8,332.0	-	8,332.0
8564 · After School Education & Safety		$ 13,125.00	112,500.0	112,500.0	112,500.0
8590 · Other State Revenue	Facilities Incentive Grant, ARES, etc.	32,808	2,979.0	2,979.0	2,979.0
Total 8300-8599 · Other State Income		423,376.0	1,194,416.3	1,025,504.2	918,676.0
8600-8699 · Other Income-Local			-	-	-
8634 · Food Service Sales	Based on historical data		-	-	-
8660 · Interest Income	Based on historical data	$ 1,219.00	3,042.0	3,042.0	3,043.0
8699 · All Other Income	Based on historical data		20,000.0	20,000.0	20,000.0
8802 · Grants/Donations	Schedule B: Dev (Includes Foundation and Corporate grants)	$ 600.00	-	-	-
8872 · Fundraising	Schedule B: Dev (Individual donations, major gifts, and events)		-	-	-
Total 8600-8699 · Other Income-Local		$ 1,819.00	23,042.0	23,042.0	23,043.0
TOTAL INCOME		$ 1,512,773.00	3,884,641.9	3,698,625.5	3,784,259.1
EXPENSE					
1000 · Certificated Salaries					
1100 · Teachers Salaries	Schedule C: Salary	524,749.00	1,132,600.00	983,232.00	1,033,811.00
1110 · Substitute Teachers	Schedule C: Salary		30,388.00	30,388.00	-
1175 · Teachers - Extra Duty/Stipend	Schedule C: Salary		-	-	-
1176 · Bonus-Certificated			-	-	-
1200 · Certificated Pupil Support	Schedule C: Salary		-	-	-
1300 · Certificated Executive Director	Schedule C: Salary	162,489.00	100,800.00	100,800.00	-
1300 · Certificated - Principal			165,000.00	143,000.00	273,235.00
1900 · Other Certificated	Schedule C: Salary		-	75,000.00	-
Total 1000 · Certificated Salaries		687,231.00	1,428,788.00	1,312,420.00	1,307,046.00
2000 · Classified Salaries					
2100 · Instructional Aides	Schedule C: Salary		185,323.20	220,972.00	182,203.00
2500 · Bonus-Classified	Schedule C: Salary		-	-	-
2300 · Classified School Administrators	Schedule C: Salary	$ 31,706.00	80,000.00	80,000.00	76,240.00
2400 · Clerical/Technical/Office	Schedule C: Salary	$ 71,985.00	54,000.00	55,200.00	130,082.00
2900 · Other Classified	Schedule C: Salary	$ 82,851.00	115,269.00	59,684.00	-
Total 2000 · Classified Salaries		$ 186,542.00	434,592.20	415,856.00	388,505.00
3000 · Employee Benefits					
3101 · STRS	8.25% of Certificated Salaries	$ 50,079.00	$ 117,875.01	$ 108,274.65	$ 96,379.00
3202 · PERS	9.709% of Classified Salaries	$			
3302 · Medicare	0.2% of certificated salaries	$ 15,672.00	$ 30,745.77	$ 28,516.55	$ 30,636.00
3501 · Social Security (OASDI)	1.45% of All Salaries	$ 12,718.00	$ 26,075.53	$ 24,951.36	$ 24,488.00
3401 · H & W Payment (medical, dental, vision insurance)	$500 per month per FTE	$ 89,870.00	$ 154,062.86	$ 154,062.86	$ 140,145.00
3601 · SUI	0.3% of All Salaries	$ 19,485.00	$ 33,402.86	$ 57,262.04	$ 29,522.00
3901 · Workers' Compensation	2.5% of All Salaries	$ 9,354.00	$ 63,354.93	$ 58,761.38	$ 14,624.00
3901 · Other Benefits		203.00	$ 348.00	$ 596.57	$ 325.00
Total 3000 · Employee Benefits		$ 197,976.00	425,864.96	432,425.42	336,119.00
4000 · Supplies					
4100 · Textbooks	Schedule D: Expense	$ 28,575.00	30,000.00	30,000.00	36,769.00
4200 · Other Books and Reference Materials	Schedule D: Expense	$ 21,104.00	25,000.00	5,000.00	21,104.00
4300 · Instructional Materials	Schedule D: Expense	$ 5,702.00	20,000.00	20,000.00	39,864.00
4400 · Noncapitalized Furniture/Equipment	Schedule D: Expense	$ 50,414.00	60,000.00	20,000.00	62,706.00
4500 · Other Supplies	Schedule D: Expense	$ 33,161.00	40,000.00	20,000.00	50,056.00
4330 · Office Supplies	Schedule D: Expense	$ 5,000.00	5,000.00	15,000.00	13,227.00
4700 · Food Supplies	Schedule D: Expense	$ 8,160.00	9,000.00	3,000.00	19,631.00
Total 4000 · Supplies		$ 162,148.00	189,000.00	113,000.00	243,357.00
5000 · Operating Services					
5200 · Travel and Conferences	Schedule D: Expense	$ 5,072.00	10,000.00	5,000.00	5,134.00
5300 · Dues and Fees	Schedule D: Expense	$ 4,074.00	7,000.00	7,000.00	3,329.00
5400 · Insurance (property, student accident, board)	Schedule D: Expense	$ 38,569.00	45,000.00	45,000.00	38,569.00
5500 · Operations & Housekeeping	Schedule D: Expense	$ 23,996.00	50,000.00	50,000.00	39,989.00
5610 · Building Rent	Schedule D: Expense	$ 253,877.00	388,340.16	399,990.36	402,743.00
5620 · Equipment Rental	Schedule D: Expense		6,470.00	3,000.00	-
5630 · Repairs and Maintenance			8,650.00	8,650.00	-
5812 · Pupil Transportation		$ 3,202.00	10,000.00	10,000.00	6,892.00
5831 · Students Activities		$ 4,333.00	10,000.00	40,000.00	31,381.00
5852 · Contractor Food Services	Schedule D: Expense	$ 56,509.00	370,000.00	370,000.00	298,217.00
5864 · Legal/Audit	Schedule D: Expense	$ 33,782.00	31,994.00	31,994.00	56,761.00
5830 · Advertisement/Recruitment			5,000.00	5,000.00	-
5820 · Permits & Licenses			10,000.00	5,000.00	-
5836 · Fingerprinting			400.00	400.00	-
5840 · LACOE Expense Reimbursement		$ 1,675.00	10,040.00	10,040.00	4,925.00
5853 · Business Consultants	Schedule D: Expense	$ 31,343.00	65,000.00	60,000.00	61,265.00
5850 · Non Instructional Consultants		$ 39,241.00			66,933.00
5863 · Professional Development		$ 3,097.00	5,000.00	5,000.00	2,947.00
5851 · Instructional Consultants	Schedule D: Expense	$ 58,320.00	10,000.00	50,000.00	92,360.00
5856 · Special Ed Expenses		$ 15,195.00	100,000.00	100,000.00	73,058.00
5881 · Bank Service Charge			500.00	500.00	-
5892 · Fees & Other Charges			-	-	-
5800 · Other Services & Operating Expe	Schedule D: Expense	$ 61,547.00	10,000.00	10,000.00	75,320.00
5805 · Fundraising Cost	Schedule D: Expense		-	-	-
5896 · LAUSD Expense Reimbursement			-	-	-

WISDOM ACADEMY FOR YOUR SCIENTISTS
2012-2013 PROPOSED BUDGET

	Comments	Actual 07/31/12	11-12 Estimated Actuals	12-13 BUDGET	2011-2012 ESTIMATED ACTUALS
5807 LAUSD-Special Education Cost			7,647.00	7,647.00	-
5810 Communications (tele, internet, postage)	Schedule D Expense	$ 15,241.00	-	-	22,944.00
5820 Postage (UPS, Fedex, US Mail)	Based on actuals	$ 1,162.10	5,000.00	5,000.00	-
Total 5000 · Operating Services		$ 555,258.99	1,166,041.16	1,229,221.36	1,282,767.00
6000 · Capital Outlay					
6300 Buildings and Improvements			91,730.00	30,000.00	80,221.00
6400 Equipment			48,594.00	30,000.00	67,429.19
6900 Furniture	Schedule F Depreciation		-	-	-
Total 6000 · Capital Outlay			140,324.00	60,000.00	147,650.19
7000 · Other Outgo					
7299 Overnight Fee	1% X (Categorical Block Grant, General Purpose and In Lieu of Property)	$ 777.00	43,568.00	43,568.00	43,000.00
7399 Debt Service - Interest	Schedule E Loans	-	30,000.00	30,000.00	5,000.00
Total 7000 · Other Outgo		$ 777.00	73,568.00	73,568.00	48,000.00
TOTAL EXPENSES		**$ 1,904,934.00**	3,858,178.32	3,636,490.78	3,753,444.19
NET INCOME		$ (392,161.00)	26,463.58	62,134.73	30,814.87

EXHIBIT Y

Patel_Neha

From: Edward Cabil [edcabil@sbcglobal.net]
Sent: Thursday, February 16, 2012 10:52 AM
To: Patel_Neha
Subject: Re: SECOND REQUEST: Past Due: Agenda (2/17 mtg - WAYS)

Apparently, you took the schedule from our site some time ago, for the board meeting schedule was taken down until we could finalize a common date for our new board members. If you visit our site, you will see that the board schedule was taken down a long time ago.

We now have to determine our monthly board meeting according to the availability of our new boar members, for this diverse group of board members is comprised of an actor, who can't say what date he is available weeks in advance, private business owners, and those in school whose class schedules changes from quarter to quarter.

Until further notice, we will set our board meetings according to the announced monthly available days common for all of our members.

Blessings,
Ed Cabil

From: Patel_Neha <Patel_Neha@lacoe.edu>
To: Ed Cabil <edcabil@sbcglobal.net>
Cc: Isenberg_Jan <Isenberg_Jan@lacoe.edu>; Sanchez_Lila <Sanchez_Lila@lacoe.edu>
Sent: Thursday, February 16, 2012 8:34 AM
Subject: SECOND REQUEST: Past Due: Agenda (2/17 mtg - WAYS)

Mr. Cabil.

Please see my e-mail below and respond as soon as possible as it is PAST DUE.

Thank you,
Neha

From: Patel_Neha
Sent: Wednesday, February 15, 2012 8:21 AM
To: Ed Cabil (WAYS)
Cc: Isenberg_Jan; Sanchez_Lila
Subject: Past Due: Agenda (2/17 mtg - WAYS)

Mr. Cabil,

According to the schedule we had received back in September, there is a Board meeting scheduled on 2/17/12.

The agenda is due 72 hours prior to the meeting so it was due yesterday. Please let me know the status. Thank you.

Neha Patel
Assistant Administrative Analyst
Charter School Office

EXHIBIT Z

WAYS BOARD ROSTER

FY – 2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	President	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Saundra Davis	Member	saundavis@aol.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Norman Golden	Member	normanskx@gmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cheryl Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Kimberly Daniels	Member	kimberly@ksdanielslaw.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/13	1/30/14	02/27/14	03/27/14	04/24/14	05/29/14	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm

*Subject to change.

Rec'd 3-31-14

WAYS BOARD ROSTER
2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	President	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Saundra Davis	Member	saundavis@aol.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Eleanor Jones	Member	eleanor@c-pass.biz	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cherly Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Norman Golden	Member	normanskx@gmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Kimberly Daniels	Member	kimberly@ksdanielslaw.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Carol Lee Tolbert	Member	kids@civicpride.net	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/12	1/30/14	02/27/14	03/27/14	04/25/13	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm

*Subject to change.

Rec'd - 8-15-13

WAYS BOARD ROSTER
2013/2014

Board Member Name	Title	Email Address	Telephone	Mailing Address
Dr. Dorothy Valenti	Member	dvalenti747@yahoo.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Adriane Cook	Member	aecook@lasd.org	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Armando Espinosa	Interim Chair/Treasurer	armando.espinoza.10@my.csun.edu	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Maria Garcia	Member	cmcmarycg@hotmail.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001
Cheryl Johnson	Member	johnsoncenter@msn.com	323-752-6655	706 E Manchester Ave Los Angeles, CA 90001

WAYS BOARD CALENDAR OF MEETINGS

Date	07/25/13	08/29/13	09/26/13	10/24/13	11/21/12	1/30/14	02/27/14	03/27/14	04/25/13	06/26/14
Time	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:00pm	5:30pm	5:30pm	5:30pm

*Subject to change. Updated 3/13/14

EXHIBIT AA

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, April 3, 2014
6:00 P.M.– 7:30 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, April 3, 2014
6:00 PM to 7:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 2, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** March 13, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
- a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Extension of Escrow period from 45 to 120 days.
- b. Conference with Legal Counsel/ Potential Litigation: One Item

VIII. **Closed Session Report**

IX. **Open Session**
- a. Wells Fargo Commercial Property Finance Application - Action Item
- b. Wilkinson Hadley King & Company, LLP tore-audit the financial statements year-end June 30, 2013
- c. Fiscal Crisis Management Team (FCMAT), to provide fiscal management assistance and professional development training.
- d. Selection of Independent Audit Firm for year-end June 30, 2014

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Thursday, April 3, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Thursday, April 3, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:24pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook

Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil,

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. March 13, 2014

VI. **Reports/ Oral Communication**
   a. Bali Business Management – Monthly Financial Report (Hand-outs)
   b. Vice-Principal's Report (Hand-out)

VII. **Closed Session**
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Extension of Escrow period from 45 to 120 days. – Approved 4/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. Conference with Legal Counsel: One Item – Discussion

VIII. **Open Session**
   a. Wells Fargo Commercial Property Finance Application – Approved 4/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. Wilkinson Hadley King & Company, LLP to re-audit the financial statements year-end June 30, 2013 – Approved 4/0
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   c. Fiscal Crisis Management Team (FCMAT), to provide fiscal management assistance and professional development training, Pending On-site Fiscal Services Proposal - Discussion
   d. Selection of Independent Audit Firm for year-end June 30, 2014 - Discussion

IX. **Future Agenda Items**

X. The board meeting of WAYS was officially adjourned at 7:52 PM.

Board Member — Date 4/25/14

Board Chairperson — Date 4/23/14

Wisdom Academy for Young Scientists

Notice of Board of Directors Board Meeting
Friday, April 25, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Friday, April 25, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 22, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 3, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit– LACOE staff Ed. Code section 1241.5 requires that the LACOE superintendent report its findings and recommendations to the governing board of the charter school
b. Selection of Independent Audit Firm for year-end June 30, 2014 - Action

VIII. **Closed Session**
a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates regarding due diligence.
b. Conference with Legal Counsel/ Potential Litigation: One Item

IX. **Closed Session Report**

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Friday, April 25, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Friday, April 25, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. The Director of Operations requested that anyone bearing weapons or arms display evidence of authorization to do so. An Oxnard Police Officer accompanied LACOE staff at this meeting and provided his badge. All members and guests stood and saluted the flag.

III. **Board Members Present**: Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook
Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil, April Mitchell (LACOE), Zak Memon (LACOE), Oxnard Police Officer (Private Security for LACOE Staff)

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. February 27, 2014, March 13, 2014

VI. **Reports/ Oral Communication**
   a. Bali Business Management – Monthly Financial Report (Hand-outs)
   b. Vice-Principal's Report (Hand-out)

VII. **Open Session**
   a. LACOE Superintendent's report to WAYS Board regarding FCMAT Audit – LACOE staff Ed. Code section 1241.5 requires that the LACOE superintendent report its findings and recommendations to the governing board of the charter school – Discussion
   b. Selection of Hill, Morgan, and Associates Independent Audit Firm for year-end June 30, 2014
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None

VIII. **Closed Session**
   a. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8): Negotiator: Cushman & Wakefield; Negotiating parties: Marie Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: 706 East Manchester Buildings A, B, Under Negotiation: Updates regarding due diligence – Discussion
   b. Conference with Legal Counsel: One Item – Discussion

IX. **Future Agenda Items**

X. The board meeting of WAYS was officially adjourned at 7:31 PM.

Board Member — Date 6-12-14

Board Chairperson — Date 6/12/14

Recd 7-15-14

Wisdom Academy for Young Scientists

Notice of Board of Directors Board Meeting
Wednesday, April 30, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Board Meeting
Wednesday, April 30, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted April 29, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 25, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Open Session**
- a. WAYS Financial Policies and Revisions (4/25/14) – Action
- b. WAYS Response to LACOE Superintendent's notice of the FCMAT AB139 recommendation pursuant Ed. Code 1241.5 – Discussion and Potential Action
- c. WAYS 2014-15 School Year Operating Budget – Discussion and Potential Action
- d. WAYS 2014-15 School Year Special Education Budget – Discussion and Potential Action
- e. WAYS 2014-15 Title I Budget – Discussion and Potential Action
- f. 2013-14 School Year Employment Agreements – Discussion and Potential Action
- g. Recruitment of Additional Board Members – Discussion

VIII. **Closed Session**
- a. Public Employee Performance Evaluation (Employment Title: Executive Director)
  - i. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b)
- b. Public Employee Appointment (Executive Director)
- c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations)
- d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)

IX. **Closed Session Report**

X. **Meeting Adjourned**

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Wednesday, April 30, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Wednesday, April 30, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:22pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza, Adraine Cook
Board Members Absent: Maria Garcia
Others in Attendance: Jason Okonkwo, Edward Cabil,

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports/ Oral Communication**
   a. None

VII. **Open Session**
   a. WAYS Financial Policies and Revisions (4/25/14)
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   b. WAYS Response to LACOE Superintendent's notice of the FCMAT AB139 recommendation pursuant Ed. Code 1241.5
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None
   c. WAYS 2014-15 School Year Operating Budget – Discussion
   d. WAYS 2014-15 School Year Special Education Budget - Discussion
   e. WAYS 2014-15 Title I Budget - Discussion
   f. 2013-14 School Year Employment Agreements
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti, Adraine Cook
      ii. Oppose – None

VIII. **Closed Session**
   a. Public Employee Performance Evaluation/Employment Title: Executive Director – Discussion, Moved to future board meeting
   b. Public Employee Performance Evaluation/Employment Title: Director of Operations - Discussion, Moved to future board meeting
   c. Public Employee Dismissal/Release 1 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item – Discussion, Moved to future board meeting
   d. Public Employee Dismissal/Release 2 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item - Discussion, Moved to future board meeting

IX. **Future Agenda Items**
   a. Public Employee Performance Evaluation/Employment Title: Executive Director
   b. Public Employee Performance Evaluation/Employment Title: Director of Operations
   c. Public Employee Dismissal/Release 1 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item
   d. Public Employee Dismissal/Release 2 (pursuant to Gov. Code § 54957, subd. (b)) – Action Item

X. The board meeting of WAYS was officially adjourned at 7:30PM.

Board Member Date 6-12-14 Board Chairperson Date 6/12/14

Rec'd 7-15-14

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Tuesday, May 20, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

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5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Tuesday, May 20, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted May 19, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** April 25, 2014, April 30, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Public Employee Performance Evaluation (Employment Title: Executive Director)
    i. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b)
b. Public Employee Appointment (Executive Director)
c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations)
d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.
f. Conference with Legal Counsel: One Item: Formation of the 706 East Manchester Ave, LLC under the Merle Williamson Foundation (to hold the title of the Manchester Property) – Action

VIII. **Closed Session Report**

IX. **Open Session**
a. Consider and Approve the "Assignment And Assumption Of Standard Offer, Agreement And Escrow Instructions For Purchase Of Real Estate" From Merle Williamson Foundation ("WAYS") to 706 East Manchester, LLC – Action

b. Consider and Approve Lease Agreement between Merle Williamson Foundation ("WAYS") to 706 East Manchester, LLC as Tenant, and 706 East Manchester, LLC as Landlord – Action

X. Meeting Adjourned

WISDOM ACADEMY FOR YOUNG SCIENTISTS

BOARD OF DIRECTORS
Special Board Meeting

Tuesday, May 20, 2014 6:00 PM

I. The Regular Meeting of the WAYS Governing Board was held on Tuesday, May 20, 2014 at the school of Wisdom Academy for Young Scientists. Board Member, Armando Espinoza, called this meeting to order at 6:00pm.
Location: 706 East Manchester Ave Los Angeles, Ca 90001

II. All members and guests stood and saluted the flag.

III. **Board Members Present** : Cheryl Johnson, Dr. Dorothy Valenti, Armando Espinoza
Board Members Absent: Maria Garcia, Adraine Cook
Others in Attendance: Jason Okonkwo, Edward Cabil,

IV. **Additions to the Agenda**

V. **Approval of Minutes**
   a. None

VI. **Reports/ Oral Communication**
   a. None

VII. **Closed Session**
   a. Public Employee Performance Evaluation (Employment Title: Executive Director) - Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) - The WAYS Board took action and voted on the renewal of the current executive director's 2014-15 contract. The board unanimously voted to not renew the exective director's contract.
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   b. Public Employee Appointment (Executive Director) – The WAYS Board took action and voted to engage in the search for a new executive director. The board appointed Mr. Armando Espinoza to identify and engage a search firm and post a job description.
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   c. Public Employee Discipline/Dismissal/Release (Gov. Code § 54957(b) (Director of Operations) – The WAYS Board gave directions to the Executive Director concerning the non-renewal of the current director of operations contract for 2014-15.
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2) – No action was taken.
   e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price. – The WAYS board took action and voted to approve the amended escrow instructions and property purchase agreement. The purchase price was based on the lender's, Wells Fargo, appraisal which was less than the initial negotiated purchase price.
      i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
      ii. Oppose – None
   f. Conference with Legal Counsel: One Item: Formation of the 706 East Manchester Ave, LLC under the Merle Williamson Foundation (to hold the title of the Manchester Property) – The board took action and voted to approve the Formation of the 706 East Manchester Ave, LLC under the Merle

5/30/14 — 5/30/14

Board Member — Date — Board Chairperson — Date

WISDOM ACADEMY FOR YOUNG SCIENTISTS

Williamson Foundation (to hold the title of the Manchester Property). The vote was unanimous amongst all board members present.

i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
ii. Oppose – None

VIII. Open Session

a. Consider and Approve the "Assignment And Assumption Of Standard Offer, Agreement And Escrow Instructions For Purchase Of Real Estate" From Merle Williamson Foundation ("WAYS") to 706 East Manchester, LLC
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None

b. Consider and Approve Lease Agreement between Merle Williamson Foundation ("WAYS") to 706 East Manchester, LLC as Tenant, and 706 East Manchester, LLC as Landlord
   i. In favor – Cheryl Johnson, Armando Espinoza, Dorothy Valenti
   ii. Oppose – None

IX. **Future Agenda Items**

X. The board meeting of WAYS was officially adjourned at 6:45 PM.

7/20/14
Board Member Date

Board Chairperson 7/20/14 Date

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Thursday, June 12, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

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6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Thursday, June 12, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted June 10, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes** – April 25, 2014, April 30, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Public Employee Appointment (Executive Director)
b. Public Employee Evaluation (Executive Director)
c. Conference with Legal Counsel – Notice of Violation (one matter, Gov. Code § 54956.9(d)(2)
d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Property negotiation, purchase price.

VIII. **Closed Session Report**

IX. **Open Session**
a. Local Control Funding Formula Spending (LCFF) and Local Control and Accountability Plan (LCAP) - Action
b. 2014-15 School Year Operating Budget - Action
c. Board Member Elections - Discussion
d. 2014-15 Board Roster and Calendar - Discussion
e. Donation awarded by Food 4 Less - Action

X. **Meeting Adjourned**

Wisdom Academy for Young Scientists

Notice of Board of Directors Special Board Meeting
Friday, June 27, 2014
6:00 P.M.
706 East Manchester Avenue – L.A. CA 90001

I. Instructions for Presentations to the Board by Members of the Community

Wisdom Academy for Young Scientists ("Charter School") welcomes your participation at the school's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the school in public. We are pleased you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. **Agendas are available to all community members, and are posted in accordance with the Ralph M. Brown Act and American Disabilities Act compliance.**
2. **"Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communication."**
3. **"Oral Communication" is set-aside for members of the community to raise issues that are not specifically on the agenda; however, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen requested agenda item.**
4. **With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak up to (3) minutes when the Board discusses that item.**
5. **Community members may request ("Community Member Agenda Request Form") that a topic related to school business be placed on a future agenda. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.**
6. **Requests for disability-related modification of accommodation may be made by a person with a disability to the Executive Director by notifying the main office by 12pm of the day school is in operation prior to the date and time of the Board Meeting.**

Wisdom Academy for Young Scientists Public Charter School
Special Board Meeting
Friday, June 27, 2014
6:00 PM
706 East Manchester Avenue – L.A. CA 90001

(Posted June 24, 2014)

Mission: Our mission is to create a transformational learning climate in which students become empowered to be leaders, self-responsible learners, agents of change, and true scientists.

I. **Call to Order**
II. **Pledge of Allegiance**
III. **Board Member Roll Call - Present/Absent**

1. Cheryl Johnson _____/_____
2. Adraine Cook _____/_____
3. Dorothy Valenti _____/_____
4. Armando Espinoza _____/_____
5. Maria Garcia _____/_____

IV. **Approval of the Board Meeting Minutes –** May 20, 2014, June 14, 2014

V. **Additions to the Agenda** *(Provisions of Emergency/Urgency)*

VI. **Staff and Consultants Reports / Public Communication on Non-Agenda items**
Individuals of the public who have submitted a Request to Speak form will be allowed 3 minutes to address the Governing Board. This segment shall not exceed 15 minutes.

VII. **Closed Session**
a. Public Employee Appointment (Executive Director)
b. Public Employee Evaluation (Executive Director)
c. Conference with Legal Counsel – Notice of Violation (one matter, Gov. Code § 54956.9(d)(2)
d. Conference with Legal Counsel – Anticipated Litigation (one matter, Gov. Code § 54956.9(d)(2)
e. Conference with Real Property Negotiator (pursuant to Gov. Code § 54956.8) Negotiator: Cushman & Wakefield; Negotiating parties: Merle Williamson Foundation and 706 East Manchester Ave LA Ca 90001; Real Property: (706 East Manchester Buildings A-E) Under Negotiation: Updates

VIII. **Closed Session Report**

IX. **Open Session**
a. 2014-15 School Year Operating Budget - Action
b. 2014-15 Master Calendar – Action
c. 2014-15 Board Roster and Calendar – Action
d. 2014-15 Board Retreat – Discussion
e. 2014-15 Board Member Elections – Discussion
f. 2013-14 School Year Evaluation – Discussion

X. **Meeting Adjourned**

From: Jason Okonkwo
To: Patel, Neha
Cc: Wilson, Dina; Higelin, Judy; Sanchez, Lila; edcabjl@sbcglobal.net; wayscharter@gmail.com
Subject: Access to WAYS Board Meeting Materials and Audio Recordings
Date: Monday, July 21, 2014 5:57:27 PM

Hello Neha,

Please use the following link to access WAYS Board Meeting Materials and Audio Recordings.

https://drive.google.com/folderview?id=0B9fWlvPbZrYcblVkdDhjb3E1b1E&usp=sharing

The Google Drive link will be permanently available to you and all who receive it.

Also, WAYS Board Meeting scheduled on June 27, 2014, was postponed until July 9, 2014. The July 9, 2014 board meeting materials and audio are available on Google Drive.

Please confirm receipt.

Sincerely,
--
Jason Okonkwo
Direct: 323.253.8907
Email: mrjason7@gmail.com

- CONFIDENTIALITY NOTICE -
The information contained in this transmission is intended only for the person or entity to which it is addressed and contains confidential and/or privileged material. If you are not the intended recipient of this information, do not review, retransmit, disclose, disseminate, use, or take any action in reliance upon, this information. If you received this transmission in error, please contact the sender and destroy all printed copies and delete the material from all computers.

EXHIBIT BB

Los Angeles County Office of Education

Monitoring and Oversight Memorandum of Understanding[1]

Wisdom Academy for Young Scientists Charter School

Charter Authorization Period: July 1, 2011 – June 30, 2016

INTRODUCTION

The Los Angeles County Board of Education (hereinafter "County Board") is guided by the intent of the legislature, that quality charter schools are and should be an integral part of the California educational system. The County Board believes that charter schools provide an opportunity to implement accountability-based school-level reform, support innovation which improves student learning, and provide choice for parents. Charter schools operate under the provisions of the charter, applicable state and federal laws, and the general oversight of the County Board.

The County Board supports this effort by establishing a defined accountability system for determining the effectiveness of the charter schools it authorizes. Charter schools are public schools; as such, their performance is subject to review and comparison with any other publicly funded school. A charter school's demographic composition should reflect the community it serves and in which it is located.

PURPOSE OF AGREEMENT

The State of California enacted the Charter Schools Act of 1992 authorizing the creation of charter schools with the intent that the schools improve student learning through a variety of means, including increased learning opportunities, innovative teaching methods, expanded choice for parents, and performance-based accountability.

Education Code Section 47605 requires a charter petition need to provide a "reasonably comprehensive description" of the manner in which the school will operate; it is not a comprehensive document. An agreement is a useful tool for clarifying the expectations, operations, and responsibilities of both parties beyond that which is required in the charter but is required for successful operation and monitoring of a charter school.

County Board has established this Monitoring and Oversight Memorandum of Understanding ("Agreement") to address matters not covered in the charter in order to clarify the monitoring and oversight expectations and responsibilities. The Charter School Act allows the County Board to authorize charter schools under specified circumstances and by doing so, becomes the authorizing agency of the charter schools. The County Board has delegated to the County Superintendent of Schools, its obligations to oversee its authorized charter schools under the terms of this Agreement, the provisions of the school's charter, applicable laws, regulations, and County Board Policy and Regulation.

The fundamental interest of the Los Angeles County Office of Education (hereinafter "LACOE") is — on a continuing basis — to be reasonably assured that charter schools authorized by the County Board are:

- Implementing the provisions of the charter as approved
- Adhering to all requirements of federal, state, and local law that apply to charter schools
- Being operated reasonably in all respects

[1] Adapted from the Memorandum of Understanding (MOU) utilized by the State Board of Education. This agreement reflects changes made for the Los Angeles County Board of Education as the authorizer.

- Providing a sound education for all their students

LACOE will report periodically to the County Board regarding its delegated oversight of the Wisdom Academy for Young Scientists Charter School (hereinafter, "Charter School").

The County Board recognizes that there are matters related to the operation of the Charter School and to the effective oversight of the Charter School by LACOE that go beyond the provisions included in the school's charter. The County Board also acknowledges that the day-to-day operation of the Charter School is appropriately carried out by the school's leadership, faculty, and staff. This Agreement is intended to address those matters that have not been covered in the charter and to provide guidance on the oversight policies and procedures of the County Board, as carried out by LACOE. Further, this Agreement is intended to outline the parties' agreement governing their respective fiscal and administrative responsibilities and their legal relationships.

The Charter School petition and this signed Agreement, which includes

- Attachment A: Student Achievement Plan Guidelines (if applicable);
- Attachment B: Fiscal Oversight Requirements and Financial Reporting;
- Attachment C: Reporting Timeline (as revised yearly);
- Attachment D: LACOE Closure Procedures;
- Attachment E: Action of the County Board to authorize the Charter School, including conditions (*To follow after approval of Minutes*);
- Attachment F: Revisions to the charter petition necessary to reflect the County Board as the authorizer; and
- Attachment G: Revisions to the charter petition necessary to comply with Education Code Section 47607(a)(2)

constitute the conditions and terms under which the charter shall be monitored. To the extent that the terms in the charter vary from the provisions of this Agreement, the *Agreement* (Initial) shall take precedence unless both parties agree to other terms.

TERM OF AGREEMENT

This Agreement shall commence on the date upon which it is fully executed by all parties and shall cover the term of the charter. This Agreement between LACOE and the Charter School is inclusive of Attachments A through G.

Any modification of this Agreement must be in writing and executed by duly authorized representatives of the parties.

1. The duly authorized representatives of the Charter School are the governing board president or CEO/Director of the Charter School or designee.
2. The duly authorized representative of the County Board is the County Superintendent of Schools or designee. For purposes of material amendments to the charter, such amendments may only be made upon the approval of the Charter School's governing board, and will take effect only if approved by the County Board.

This Agreement shall be reviewed at least annually, and may be amended or augmented by addendum at any time with mutual agreement. In the case of mid-year changes in laws or policies, the County Board and the Charter School reserve the right to request modifications to this Agreement. Such modifications, if agreed upon, shall be included as Addenda to this Agreement. *Failure to reach agreement on required changes in the Agreement may result in termination of the*

Agreement and the charter. (Initial) The approved Agreement (including any subsequent Addenda) shall continue unless modified in writing. This Agreement shall automatically expire upon the expiration or revocation of the charter. The approved Agreement (including any Addendums) continues in existence as long as the Charter School is operational, but automatically expires if the Charter School becomes non-operational, typically because of non-renewal, revocation, or voluntary closure.

TERM OF THE CHARTER

The Charter School is a public school that is or shall be operating pursuant to a charter (hereinafter the "charter"). On June 7, 2011, the County Board authorized the charter contingent upon the petitioner making any necessary non-material changes to the petition, the signing of the LACOE Monitoring and Oversight Memorandum of Understanding, and upon inspection and approval of facilities.

The Charter School shall operate as a classroom based charter school within the boundaries of Los Angeles Unified School District in the county of Los Angeles. The Charter School shall serve grades K-5 and shall have an approximate enrollment of five hundred twenty (520) students per year for the term of the charter.

The Charter School shall be responsible for all the functions of a charter school subject to applicable statutes, the charter, the terms and conditions set forth in the charter, and this Agreement.

If applicable, the Charter School will commence its first year of operation between July 1 and September 30, 2011, subject to any conditions that were specified by the County Board in the action it took to approve the Charter. Any condition that was not met through revision of the Charter may be addressed in this Agreement.

The Charter School's charter shall have a five (5) year term to expire on June 30, 2016. The provisions of the charter and the Agreement shall be aligned.

The County Board reserves the right to approve material revisions to the charter and/or revoke the charter as specified in Education Code Section 47607. *The school may only seek renewal of its charter after successfully operating the school as specified in Section 4.4 of this Agreement.* (Initial)

SECTION 1: GOVERNANCE AND ORGANIZATIONAL MANAGEMENT

The Charter School is operated by a nonprofit public benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law (Corporations Code § 5110 et seq.). The Charter School is a separate legal entity and neither the County Board nor LACOE is liable for the debts and obligations of the Charter School. The Charter School shall use all revenue received from state and federal sources only for the educational services specified in the charter and this Agreement for the benefit of the students enrolled in and attending the Charter School. Other sources of funding must be used in accordance with applicable state and federal statutes, and the terms or conditions of any grant or donation.

1.1 Organization

The Charter School shall provide to LACOE annually in accordance with Attachment C, Reporting Timeline, and as updated:

- Contact information, including phone numbers, official addresses and e-mail addresses for the principal contacts for the Charter School
- Organization chart displaying relationship between governing board and the Charter School

leadership

- Written notice of any change in the directors, officers, and administrators
- Prior written notice of any proposed service/employment contract and/or agreement with the former executive director whose contract was terminated by the WAYS board in June 2011, and a copy of the contract/agreement prior to execution (to monitor fulfillment of the conditions of authorization attached hereto as Attachment E.)
- A copy of any proposed contract with any person or entity that pertains to facilities prior to the Charter School's execution of that agreement

1.2 Governing Board Establishment

The Charter School shall provide to LACOE annually in accordance with Attachment C, Reporting Timeline, and as updated:

- Articles of Incorporation
- Bylaws approved by the governing board
- Conflict of Interest Policy
- Roster and resumes of current governing board members
- Statement of Economic Interests, Form 700 for all filers

1.3 Governing Board Activities

A. Calendar: The Charter School shall provide an annual calendar of governing board regular meetings, including a description of how parents and community members shall be notified of meetings.

B. Governing Board Meetings: The governing board of the Charter School shall conduct public meetings at such intervals as are necessary to ensure that the board is providing sufficient direction to the Charter School through implementation of effective board policies and procedures. Governing board meetings shall be conducted in keeping with the requirements of the Ralph M. Brown Act (Government Code § 54950 - 54962). Governing board adopted policies, meeting agendas and minutes shall be maintained and available for public inspection and during site visits. For all regular and special meetings of the governing board, the Charter School shall provide LACOE with written notification of the meeting, including a copy of the posted agenda, no less than 72 hours prior to a regular meeting and no less than 24 hours prior to a special meeting. The posted agenda shall contain a description of where the agenda was posted and that the meeting is held in compliance with the Americans with Disabilities Act. Within ten (10) working days of the board meeting, the Charter School shall provide LACOE with an audio recording of the meeting, and any changes, additions and/or materials provided to the governing board. Once approved by the Charter School's governing board, the Charter School shall provide LACOE with a copy of the minutes of the meeting within five (5) calendar days.

C. Brown Act Training: The Charter School should provide Brown Act training to its governing board members and administrative staff prior to the execution of any duties.

D. Governing Board Policies: Prior to opening, the governing board shall develop and adopt policies and procedures to guide the operation of the Charter School, including but not limited to, policies in the following areas. A copy of these policies and procedures shall be submitted to LACOE prior to opening and upon revision.

- *Conflicts of Interest:* If it has not already done so for the current year, at the first meeting of the Charter School's governing board, following July 1, 2011, and annually thereafter, the Charter School's governing board shall: (1) adopt a conflict of interest policy, including

provisions related to nepotism, for itself and the Charter School's employees and contractors to ensure that no action taken by an individual or organization covered by the policy results in actual or apparent conflicts of interest; (2) provide verification that all board members and Charter School management employees (i.e., Form 700 filers) have participated in conflict of interest training; and (3) take action to comply with the Political Reform Act, including adoption of a conflict of interest policy compliant with the Act and its implementing regulations. The Charter School shall follow the Political Reform Act, the California Corporation Code, and IRS regulations.

- *Internal Fiscal Controls:* The Charter School shall develop and maintain internal fiscal control policies governing all financial activities. Such policies and procedures are subject to review during site visits to see that they are being implemented.
- *Campus Supervision:* The Charter School shall implement the governing board policy relative to the supervision of students before and after school, while on campus, student pick-up, as well as a procedure for visitors to enter and leave campus.
- *Discipline Policies:* The Charter School shall implement the governing board policies relative to student discipline, including a list of the offenses for which students may (and must) be suspended or expelled, the procedures for suspension or expulsion, procedures by which parents and students shall be informed about reasons for suspension or expulsion, and of their due process rights in regard to either disciplinary action.
- *Parent/Student Handbook:* The Charter School shall distribute a hard copy of the parent/student handbook to families each year or make the handbook available online and provide a hard copy upon request. At a minimum, the handbook shall include detailed expectations for student attendance, behavior, and discipline, including policies and consequences for bullying and harassment, due process rights related to discipline (including suspension, expulsion, and special education), and a description of both informal and formal complaint procedures that parents may pursue in the event of disagreements.
- *Adherence to County Board of Education Policy and Regulation:* At the first governing board meeting of the Charter School following July 1, 2011, and annually thereafter, the governing board of the Charter School shall review and acknowledge in its board minutes that it shall adhere to all policies and regulations pertaining to charter schools that have been adopted by the Los Angeles County Board of Education, as long as the policies do not conflict with Education Code. LACOE shall provide the Charter School with a copy of these policies and regulations annually and upon revision.

1.4 Administration

A. Enrollment and Admissions Documentation: The Charter School shall maintain on file and provide to LACOE upon request the following information:

- Descriptions of outreach and recruitment activities that have been conducted to reach target populations as described in the charter
- Procedures for application, enrollment, admission, wait listing and lotteries for placement (enrollment preferences) as described in the charter
- Evidence of enrollment preferences consistent with the charter and with LACOE conditions of operation
- Copy of enrollment forms and information provided to prospective families
- Documentation, while pertinent, that start-up enrollment is consistent with enrollment numbers described in the charter

- Evidence that each student is a resident of California in accordance with EC § 47612
- For students over 18, evidence that each student has been continuously enrolled (no break in enrollment greater than 20 school days) in an educational program and is making satisfactory progress toward completion of a high school diploma

B. Health and Safety Plan: Prior to opening, annually, and upon revision, the Charter School shall provide to LACOE:

- A copy of the health, safety, and emergency plan for students and employees
- Evidence that staff has been trained in health, safety, and emergency procedures
- A calendar of emergency drills for students

The health and safety plan shall address at a minimum, fire emergencies, earthquakes and other natural disasters, civil disorder, accidents, injuries, and other threats to the health and safety of students and staff. The Charter School shall provide training for staff in responding to emergencies and conduct emergency response drills for its students. Amendments to the plan may be made by the Charter School throughout the year. The Charter School shall provide LACOE with a copy of the amended plan.

C. Notice to Parents/Guardians: Annually, the Charter School shall provide to LACOE a copy of the annual notice sent to all parents/guardians regarding their rights under the Family Educational Rights and Privacy Acts (FERPA). If the Charter School receives Title I funding, parent notice shall provide information regarding the federal No Child Left Behind (NCLB) Act, including the right to request and receive essential information about the professional and educational background of the teacher(s) instructing their child and notification when their child is taught for four or more weeks by a teacher who is not "highly qualified."

D. Family Educational Rights and Privacy Act (FERPA): Employees of the Charter School who have a legitimate educational interest are entitled to access students education records under 20 U.S.C.A. § 1232g, the Family Educational Rights and Privacy Act (FERPA) and EC § 49076(b)(6). The Charter School, its officers and employees shall comply with FERPA at all times. In addition, it is agreed that LACOE has an educational interest in the educational records of the Charter School such that LACOE shall have access to those records for reasons that include, but are not limited to, records requests, complaints, and school closure. Records at a minimum, shall include emergency contact information, health and immunization data, attendance summaries, and academic performance data from the statewide student assessments required pursuant to EC §§ 60605 and 60851.

E. Criminal Records Summaries: All employees of the Charter School, parent and non-parent volunteers who will be performing services that are not under the direct supervision of a certificated teacher, and onsite vendors having unsupervised contact with students shall submit to background checks and fingerprinting in accordance with EC § 45125.1. The Charter School shall maintain documentation, and provide to LACOE upon request, that all employees, volunteers, and vendors (as applicable) have clear criminal records summaries prior to their having any unsupervised contact with students. The Charter School shall maintain on file and have available for inspection during site visits, evidence that the Charter School has performed criminal background checks for all employees and volunteers (as applicable) and documentation that vendors have conducted required criminal background checks for their employees prior to any unsupervised contact with students.

F. Data Reporting: The Charter School shall directly report data to the California School Information Service (CSIS), California Longitudinal Pupil Achievement Data System (CALPADS), and/or any other state-mandated data collection system required by the California Department of Education (CDE).

G. The School Accountability Report Card (SARC): On or before the date determined by the CDE

each year, the Charter School shall post its SARC on the Charter School's website. The Charter School may, but is not required to, use the template developed by the CDE and available at http://www.cde.ca.gov/talac/sa as a guide. The Charter School shall include all elements as determined by the CDE. If the Charter School does not maintain a school website, it shall print and make copies of the SARC available to parents and other members of the community. If the Charter School posts the SARC on its website, and receives a request for a copy, it shall provide the copy at no charge.

H. Insurance and Risk Management: The Charter School shall procure from an insurance carrier licensed to do business in the State of California, or shall otherwise participate in a Joint Powers Authority (JPA) or other self-insurance pool consistent with Government Code § 6528 and keep in full force during the term of the charter, no less than the following insurance coverage:

- Workers' Compensation insurance in accordance with provisions of the California Labor Code, adequate to protect the charter school from claims under Workers' Compensation that may arise from its operations
- Comprehensive Bodily Injury and Property Damage Liability insurance with a limit of no less than $1,000,000 per occurrence, providing coverage for negligence, errors and omissions/educators' legal liability, abuse and molestation, employment practices liability and employee benefits liability
- Property Damage/Boiler and Machinery/Electronic Data Processing insurance coverage with replacement value limits sufficient to protect the Charter School's assets (buildings, classroom space improvements, instructional materials, computers, furnishings)
- Fidelity Bond coverage with a limit of no less than $50,000 per occurrence, with no self-insured retention, to cover all employees who handle, process, or otherwise have responsibility for the Charter School's funds, supplies, equipment, or other assets

The Charter School shall provide evidence of insurance coverage to LACOE annually and upon renewal and shall instruct the insurance carrier(s) to inform LACOE immediately if the coverage becomes inoperative for any reason. LACOE may request to see evidence of insurance coverage during site visits.

In addition, the Charter School shall institute risk management policies and practices to address reasonably foreseeable occurrences and provide LACOE with evidence of such policies and practices on an annual basis.

The Charter School shall hold harmless, defend, indemnify, and name on the Certificate of insurance as additional insureds the County Board, LACOE, its officers and employees, from every liability, claim, or demand which may be made by reason of (1) any injury to volunteers; and (2) any injury to person or property sustained by any person, firm, or corporation caused by any act, neglect, default, or omission of the Charter School, its officers, employees or agents. In cases of such liabilities, claims, or demands, the Charter School at its own expense and risk shall defend all legal proceedings which may be brought against it and/or the County Board, LACOE, its officers and employees, and satisfy any resulting judgments up to the required amounts that may be rendered against any of them. Certificates of insurance and policies shall name the County Board, LACOE, its officers and employees, as additional insureds with respect to any potential tort liability irrespective of whether such potential liability might be predicted on theories of negligence, strict liability, or products liability.

I. Exclusive Employer: The Charter School is deemed the exclusive employer of the employees of the Charter School for the purposes of the Educational Employee Relations Act (EERA) under Government Code § 3540, et seq. The Charter School shall have sole responsibility for employment, management, dismissal, and discipline of its employees.

J. Employee Handbook: Prior to opening, annually and upon revision, the Charter School shall provide to LACOE a copy of the employee handbook that shall be distributed to employees each year. At a minimum, the handbook shall include detailed expectations for employee performance and behavior, due process rights of employees related to disciplinary actions (including termination), compensation, and benefit information for each type of employee, and a description of both informal and formal complaint procedures that employees may pursue in the event of disagreements.

Amendments to the employee handbook may be made and distributed to employees by the Charter School during the year. A copy of the handbook may be reviewed during site visits.

K. Employee Contracts or Agreements: Annually and upon revision, the Charter School shall provide to LACOE a sample copy of the employee contract that, at a minimum, states that the Charter School is the exclusive employer of employees and has sole responsibility for employment, management, dismissal, and discipline of its employees. Employee contracts, for each type of employee, shall be available for review by LACOE upon request.

L. Teacher Credentials, Highly Qualified Teacher Requirements, and Non-Certificated Personnel: Annually in September and February, in accordance with Attachment C, Reporting Timeline, the Charter School shall provide to LACOE an all Staff Information List (certificated and non-certificated personnel) and documentation that all teachers hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which teachers in other public schools are required to hold, except as otherwise exempted by The Charter Schools Act. The Charter School shall also comply with NCLB highly qualified teacher requirements. The Charter School shall provide documentation that the teachers of any NCLB and/or charter defined core subject meet the highly qualified teacher requirements on an annual basis and when teachers and courses may be reassigned.

The Charter School shall adhere to all provisions of employment laws applicable to charter schools including, but not limited to, EC § 47612.5(e)(1) which states: "Notwithstanding any other provision of law, and as a condition of apportionment, "classroom-based instruction" in a charter school, for the purposes of this part, occurs only when charter school pupils are engaged in educational activities required of those pupils and are under the immediate supervision and control of an employee of the school who possesses a valid teaching certification in accordance with subdivision (1) of Section 47605."

M. Management Contracts: Prior to entering into a new or revised contract with an education or charter management organization (EMO/CMO), the Charter School shall provide the following information:

- A draft of the proposed management contract
- A recent corporate annual report and audited financial statements for the EMO/CMO
- A description of the EMO/CMO's roles and responsibilities for the management of the Charter School and the internal controls that shall be put in place to guide the relationship
- A list of other charter schools managed by the EMO/CMO and the academic and operational results of such management
- A list of and background on the EMO/CMO's leaders and board of directors
- A letter of assurance from the EMO/CMO that it has conflict of interest policies in place and that none of the principals of either the EMO/CMO or the Charter School have conflicts of interests

The County Board considers entering into a contract with an EMO/CMO not identified in the charter to be a material revision to that charter. The County Board shall review and approve any charter school management contracts prior to the Charter School entering into the contract. (See Section 4.1

Material Revision to Charter)

N. Facilities: No later than 60 days prior to the opening of school or the occupying or re-occupying of a facility or site, including learning centers, satellite facilities, administrative offices, and/or other facilities used by the Charter School, the Charter School shall provide evidence that the facility is/will be adequate for the Charter School's needs.

The Charter School will provide a written signed Agreement (lease or other similar document) indicating the Charter School's right to use the principal school site and any ancillary facilities identified by the Charter School for the first year of the School's operation and upon any change. The Charter School shall also provide evidence that the facility will be adequate for the Charter School's needs. A pre-opening site visit will be conducted prior to opening regardless of whether the Charter School is locating in a facility provided by a district under Proposition 39 or in a privately-leased facility.

Once open, the Charter School may change facilities only with prior approval of the County Board. Under ordinary circumstances, the School shall provide LACOE not less than 30 days notification of any change in facilities in order for LACOE to conduct a site visit prior to students attending the new facilities. Under extraordinary circumstances, (e.g., a change of facilities necessitated by fire or natural disaster), LACOE may waive the pre-opening site visit.

O. Zoning and Occupancy: At all times it is operational, the Charter School shall maintain on file a certification that its facility or facilities is/are located at a site or sites zoned and/or permitted for operation of a charter school (grades operated by Charter School) and has been cleared for use as a charter school by all appropriate local authorities. The facility shall meet all applicable health and fire code requirements and zoning laws.

The Charter School shall maintain on file, post as required, and upon request furnish LACOE with documentation of all local approvals (EC § 47610(d)) including applicable fire marshal clearances, certificates of occupancy, signed building permit inspections, and approved zoning variances. The Charter School cannot exempt itself from applicable/local zoning or building code ordinances.

Prior to opening a new site or before an existing school may occupy a new or different facility, LACOE may conduct a site review to determine that the facilities are clean, safe, Americans with Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. The Charter School may not operate in the facility until the County Board has granted approval to do so.

A LACOE site review of the Charter School's facilities will determine whether they are clean, safe, American Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. Section 1.4 N of this Agreement describes the pre-opening site visit process and requirements.

If the Charter School seeks facilities from the district in which it intends to locate, or is located, under EC Section 47614 (Proposition 39), it will follow applicable statute and regulations regarding submission of such a request to the district. LACOE will conduct a pre-opening site review to approve any facilities allocated to the school by the district.

SECTION 2: EDUCATIONAL PERFORMANCE

2.1 Educational Program

At all times it is operational the Charter School shall have available the information listed below. The information shall be submitted to LACOE prior to opening, whenever updated, and upon request:

- Scope and sequence for all subjects to be offered by the Charter School during the school year and during any supplemental instruction offering
- The complete educational program for students to be served including, but not limited to:

(1) A description of the curriculum and identification of the basic instructional materials to be used

(2) Plans for professional development, including agendas, topics to be covered, and speakers

(3) Results of interim assessments used to evaluate student specific progress during the school year in addition to the results of the Standardized Testing and Reporting (STAR) program in evaluation of student progress

(4) If a high school, the University of California course descriptions submitted to UC Doorway (http://www.ucop.edu/doorway/)

(5) The Charter School's annual calendar for the school year that includes the number of instructional days (minimum 175 days), minimum or early release days, holidays, board recess days, and professional development days

(6) Daily bell schedule for site-based programs that includes any passing time, breaks or recess, lunch breaks, before and after school activities

(7) Designation of any non-classroom based instructional days

(8) Sample student contracts, description of frequency of contact with teachers, pupil/teacher ratios, and description of how student work will be evaluated for time value for nonclassroom-based programs (if applicable)

(9) Initial and mid-term (as appropriate) Western Association of Schools and Colleges (WASC) accreditation self-study and visiting committee reports (if the school seeks such accreditation)

2.2 Student Achievement Plan

The Charter School shall not be required to submit a Student Achievement Plan if it has met its API growth targets and AYP, both school wide and by significant subgroups, each year.

If the Charter School fails to meet API and/or AYP targets school-wide or by numerically significant subgroups, it shall be required to submit a Student Achievement Plan to LACOE according to the following dates:

- October 1 - Draft Student Achievement Plan
- December 1 - Final Student Achievement Plan

If the Charter School is seeking renewal of a charter and has not met API and/or AYP in the prior year, it shall submit a draft Student Achievement Plan for the future concurrent with the charter renewal request.

The Charter School shall implement its final Student Achievement Plan that sets forth school specific goals, how progress towards and achievement of each goal shall be measured, and plans for addressing areas identified as needing improvement. The Student Achievement Plan shall build upon the assessment measures, educational goals, and student outcomes described in the charter petition, and shall provide for more stringent assessment measures, educational goals, and student outcomes than those described in the charter petition. If the final Student Achievement Plan is less stringent than the charter, this shall be considered a material revision to the charter and shall be subject to County Board of Education review and approval. The specific requirements of the Student Achievement Plan are described in Attachment A, Student Achievement Plan Guidelines.

2.3 Annual Report

By December 1 each year, the Charter School shall submit to LACOE a written Annual Report/School Accountability Report Card (SARC) to the County Board of Education for the prior

year that examines and describes the following:

- STAR results both in aggregate and disaggregated by numerically significant subgroups
- If a high school, California High School Exit Exam (CAHSEE) results both in aggregate and disaggregated by subgroups
- Progress made toward meeting API and AYP targets
- Progress made toward each of the educational goals and student outcomes identified in the charter
- Evidence that the Charter School is systematically examining student data and using it to drive decisions regarding curriculum and instruction
- Names of any additional internal assessments used by the Charter School not identified in the charter
- Plans to address areas identified as needing improvement by the Charter School
- Evidence that the Charter School is financially sound based on certain criteria as indicated in Attachment B, Fiscal Oversight Requirements and Financial Reporting.
- Other relevant information as determined by LACOE or the County Board

LACOE shall provide the Charter School with a template for completing the Annual Report/ SARC each year. The Charter School shall also be provided with comparison schools.

If the Charter School has been required to submit a Student Achievement Plan, it shall address the following elements in the Annual Report/SARC:

- Progress made in areas identified where progress falls short of meeting outcomes identified in the Student Achievement Plan
- Professional development provided to further progress on goals described in the Student Achievement Plan
- Progress made on the implementation of changes to curriculum and instructional strategies identified in the Student Achievement Plan
- Identification of targeted funds to support elements of Student Achievement Plan
- Specific evidence that the results, as shown in the Annual Report, are targeting improvement in student achievement, and that the Charter School is financially sound according to the criteria as set forth in Attachment B, Fiscal Oversight Requirements and Financial Reporting.

2.4 Oral Report to the Los Angeles County Board of Education

The Charter School shall also participate in presenting an oral report to the County Board each year. ~~The Charter School shall be informed of the presentation date by LACOE.~~ The presentation shall be on or after December 1 as agendized by the County Board, typically between January and April. LACOE shall inform the Charter School of the date when it is scheduled.

At the discretion of the County Board, the Charter School may be requested to present additional updates and or reports during the year.

2.5 Services for Students with Disabilities

The Charter School shall submit documentation that it is a Local Education Agency (LEA) with a Special Education Local Plan Area (SELPA) prior to commencing operations and provide a copy of its SELPA Agreement to LACOE annually.

2.6 Annual Assessment of Students

The Charter School shall comply with all state and federal student assessment requirements. The Charter School shall test independent of LACOE, comply with all requirements of the Educational Testing Service (ETS), and provide LACOE with an electronic copy of all Student Level Data provided by ETS within ten (10) days of receipt of the data from ETS.

SECTION 3: FISCAL OPERATIONS

3.1 Funding

The Charter School shall be funded in accordance with EC § 47630 et seq. The Charter School's general purpose entitlement shall be calculated in accordance with EC § 47633 et seq. The parties recognize the authority of the Charter School to pursue additional sources of funding. The County Board of Education must receive prior written notification of any source of additional funding that may result in incurring additional debt (i.e., loans) to the Charter School.

LACOE shall not be responsible for resolving fiscal deficiencies for the Charter School.

3.2 Fiscal Agent

The Charter School shall contract with LACOE for the Charter School's participation in the State Teachers' Retirement System (STRS) and/or the Public Employees Retirement System (PERS) if applicable. See section 3.7 for further discussion of the STRS/PERS responsibilities.

3.3 Student Attendance Accounting and Reporting

The Charter School shall use commercially available and state approved attendance accounting software. Annually and as updated, the Charter School shall provide a copy of the software user manual as well as the Charter School's procedures for attendance accounting, with evidence of internal controls. Charter School created spreadsheets on Excel or other database programs shall not be accepted.

The Charter School shall submit a calendar of attendance months to LACOE no later than two (2) weeks prior to the start of the school year. The structure of attendance months shall adhere to EC § 37201.

NOTE: It is critical that the above attendance reporting deadlines are met in an accurate and timely manner. If the School misses a reporting deadline it risks being excluded from that apportionment's certification and funding period. For example, if P-1 attendance data is not received in time for inclusion in the P-1.

The Charter School shall submit monthly enrollment and attendance data as required to receive apportionment of funding within five (5) business days after the end of the attendance month to LACOE.

In addition, the Charter School shall prepare and submit to LACOE/Controller's Office/Pupil Attendance Accounting and Compliance Unit, the certified data file and original signature state attendance reports according to the following schedule:

- First Principal Apportionment (P-1) (attendance for all full attendance months between July 1 and December 31) by January 4 or if it falls on a Saturday or Sunday, the first business day following January 4
- Second Principal Apportionment (P-2) (attendance for all full attendance months between July 1 and April 15) by April 20 or if it falls on a Saturday or Sunday, the first business day following April 20

- Annual Apportionment (attendance for The Charter School year) by July 5 or if it falls on a Saturday or Sunday, the first business day following July 5
- Corrections to the second principal apportionment and annual principal apportionment reports shall be received by LACOE not later that September 15 or if it falls on a Saturday or Sunday, the first business day following September 15

Submit with the Monthly Attendance Report, an Exit Report for each student who leaves the school (except when matriculating to sixth grade). The Exit Report shall be completed by the parent/guardian and minimally include: (1) reason for withdrawal; (2) date of withdrawal; (3) school to which student is transferring; (4) parent/guardian signature and date; and (5) administrative signature and date. The Exit Reports shall coincide with the inclusive dates of the Monthly Attendance Report.

Supplemental Instruction: A schedule of Summer Supplemental hourly instructional days and hours shall be provided to LACOE no less than two (2) weeks prior to the start of the instruction. Enrollment and attendance data shall be submitted on a weekly basis, and is due within five (5) business days after the end of each week. The Charter School's governing board policy shall clearly identify goals, and how students will be identified for supplemental instruction programs and progress evaluated requisite of funding. Students shall be individually identified for each class, and the hours shall be calculated separately due to different reporting requirements and funding levels.

3.4 Revenue and Expenditure Reporting

The Charter School is required by EC § 47604.33 to submit periodic reports of revenues, expenditures, and reserves. The Charter School shall submit to LACOE monthly statement of cash flows, copies of bank statements, General Ledger, Revenue and Expenditure Summary, Statement of Financial Position, Statement of Fund Balance, Year-to-date Budget to Actual Statement and notes to financial statements in accordance with Attachment B, Fiscal Oversight Requirements and Financial Reporting. As part of the continuous oversight, LACOE shall make a periodic assessment of the charter's fiscal condition.

In order to meet statutory timelines for revenue and expenditure reporting, The Charter School shall submit reports to LACOE for review using the state software (SACS20 ALL), according to the following schedule:

- Preliminary budget on or before July 1
- First Interim Report (expenditures through 10/31) on or before December 15
- Second Interim Report (expenditures through 1/31) on or before March 15
- Unaudited Actuals Report for the prior fiscal year on or before September 15

Any changes in the budget or interim reports from one reporting period to the next period shall be explained in writing. Explanations and budget assumptions shall accompany the reports. The Charter School is expected to maintain reserves of no less than three (3) percent of the Charter School's Adopted Budget for the fiscal year. An explanation of any projected drop in reserves below the three (3) percent level shall be included in the assumptions.

3.5 Annual Audit

In accordance with EC § 41020(h), by December 15 of each year, the Charter School shall submit an annual independent financial audit to the State Controller's Office, LACOE, and the CDE. The audit shall be conducted by an auditor from the list approved by the State Controller's Office and mutually agreeable to LACOE and the Charter School. If any findings or exceptions are identified in the annual audit, the charter school shall implement corrective action plans in a timely manner. Continuing or unresolved prior year findings or deficiencies shall have negative impact on the charter school's renewal request.

In addition to the Charter School's financial statements, the audit shall include, as applicable, but not be limited to:

- Contemporaneous records of attendance
- Annual instructional minutes
- Additional nonclassroom-based instruction
- Determination of funding for nonclassroom-based instruction as per EC § 47634.2

3.6 Oversight Fees

The Charter School shall be charged an oversight fee not to exceed one (1) percent of the general purpose and categorical block grant revenue received by the Charter School in accordance with EC § 47613 and used to offset consultant and administrative costs required for comprehensive oversight, which includes but is not limited to the following categories:

- Curriculum and instruction
- Assessment and accountability
- School fiscal review
- Site visitations
- Renewal evaluations
- Attendance accounting processing, analysis and certification

The oversight fee shall be based on the general purpose entitlement and categorical block grant funding provided to the Charter School at the Second Principal Apportionment (P-2).

3.7 State Teachers Retirement System (STRS)/Public Employees Retirement System (PERS) Reporting

If the Charter School offers its employees the opportunity to participate in STRS or PERS, the Charter School shall be responsible for contracting with LACOE for reporting purposes. Such arrangements shall be made prior to the hiring of any employee. The Charter School shall notify LACOE of the staff person who will make the arrangements and provide written notification that arrangements have been made prior to the hiring of employees.

SECTION 4: FULFILLING CHARTER TERMS

4.1 Material Revision to Charter

Changes to the charter deemed to be material revisions may not be made without prior approval by the County Board of Education. Revisions to the charter considered to be material changes include, but are not limited to, the following:

- Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision
- Adding a nonclassroom-based program
- Proposed changes in enrollment that increases or decreases by more than 20 percent +1- of the enrollment originally projected in the charter petition in any given year
- Addition or deletion of grades or grade levels to be served
- Changes to location of facilities or lease agreements for the Charter School sites, resource

centers, meeting space, or other satellite facility including the opening of a new facility; temporary locations rented for annual student testing purposes shall be exempted from this provision

- Admissions requirements and procedures
- Governance structure, including but not limited to: changes in number of board members, method by which new board members are selected, and/or changes in majority/quorum or other provisions relating to resolution approval
- Entering into or revising a contract with an EMO/CMO

4.2 State Assessments

The Charter School agrees to comply with and adhere to the state requirements for participation and administration of all state mandated tests. The state tests required to be administered include, but may not be limited to:

- California Standards Tests
- California High School Exit Examination
- Physical Fitness Test
- California English Language Development Test
- California Alternate Performance Assessment
- Aprenda

4.3 Site Visits

LACOE shall conduct at least two (2) visits during the school year. The site visits shall consist of the following:

- At least one (1) site visit shall be conducted in order to assess the Charter School's progress in governance and organizational management, educational performance, fiscal operations, and fulfillment of the terms of the charter. The primary focus of the visit shall be on teaching and learning and, if applicable, the Student Achievement Plan (described under Section 2: Educational Performance). The site visit may include review of the facility, review of records maintained by the Charter School, interviews with administrators, staff, students, and parents, and observation of instruction in the classroom. The evaluations for each year shall constitute one (1) of the basis upon which a renewal decision shall be made at the end of the term of the charter in accordance with the Education Code. Any deficiencies shall be reviewed with the Charter School administration. The Charter School administration shall be given an opportunity to address the deficiencies.
- At least one (1) site visit shall be conducted to examine and reconcile attendance documentation and review the Charter School's compliance with applicable codes and regulations concerning instructional minutes, ADA, and apportionment.

LACOE reserves the right to make unannounced visits to the Charter School. EC § 47604.32(b) requires LACOE to conduct a site visit annually. The purpose of the visits shall be to monitor the instructional program and operations in accordance with County Board of Education Policy 6650.

4.4 Renewals

The Charter School may seek renewal of its charter prior to expiration of the term of the charter in accordance with EC § 47607(a) and (b). The Charter School shall submit its renewal petition for the next charter term along with a copy of the most recent Annual Report and Student Achievement Plan (if applicable) to LACOE, no later than the second Monday in January (County Board Policy 6670) of

the school year in which the Charter School term expires.

LACOE shall review the charter petition, academic and financial performance, audit reports, annual visitation reports, and conduct a renewal site visit prior to scheduling the renewal request for consideration by LACOE. To the extent required, the charter petition shall be revised in accordance with current statutes and regulations. LACOE shall abide by Education Code, California Code of Regulations, and County Board Policy and Regulation when considering charter renewal.

4.5 Notice of Violation, Opportunity to Remedy, and Revocation

The County Board may provide notice of violation, opportunity to remedy, and revoke the charter as set forth in EC § 47607 and County Board Policy and Regulation.

4.6 Closure Procedures

At all times it is operational the Charter School shall have closure procedures in place and available for review. Closure procedures shall be submitted to LACOE prior to opening, whenever updated, and upon request. Procedures shall be compliant with requirements contained in County Board Policies and Procedures as operationalized in Attachment D, LACOE Closure Procedures, and shall contain at a minimum:

- Identification of a responsible person(s) (e.g., Executive Director, Financial Officer, president of the Charter School governing board) to oversee and conduct the closure process; this provision shall include a process to ensure that it is updated no less than annually or when any change is made
- Notification of students and families of the Charter School closure
- Security of student and business records
- Processing of final employee payroll and benefits
- Identification of all assets and liabilities and plan for transfer as detailed in the charter
- Final close-out audit to be paid for by the Charter School
- Identification of a source of funding to be used for closeout expenses including the final audit
- Dissolution of the Charter School and/or nonprofit corporation

Further descriptions of each category and a closure procedures checklist are included as Attachment D, LACOE Closure Procedures. The Charter School's procedures shall also satisfy the definition of "closure procedures" in Title 5, California Code of Regulations § 11962, to the extent that Section imposes, or is amended to impose, additional requirements.

Closure procedures will not begin until appeal rights (if applicable) have been exhausted If the Charter School is to close permanently for any reason (i.e., voluntary surrender, non-renewal, or revocation), LACOE shall serve written notice on the Charter School that the closure procedures described in Attachment D, LACOE Closure Procedures have been invoked. The Charter School shall immediately identify the specific individual who is responsible for coordinating the Charter School's close out activities and shall notify LACOE. LACOE shall identify a staff person who shall work with the Charter School to accomplish all close out activities.

The Charter School expressly acknowledges the right of LACOE, on behalf of the County Superintendent of Schools (pursuant to EC § 47604.3), to take immediate and direct control of all of the Charter School's student and business records at any time after LACOE gives written notice that it is invoking the closure procedures. (Initial)

SECTION 5: NONDISCRIMINATION

The parties recognize and agree that the Charter School shall not charge tuition, shall be nonsectarian, and shall be open to all students regardless of race, ethnicity, national origin, gender, sexual orientation (whether perceived or actual), religion, socioeconomic status, or disability. These non-discrimination provisions shall apply to employment as well.

SECTION 6: SEVERABILITY

If any provision or any part of this Agreement is for any reason held to be invalid and or unenforceable or contrary to public policy, or statute, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

SECTION 7: NON-ASSIGNMENT

No portion of this Agreement or the charter petition approved by the LACOE may be assigned to another entity without the prior written approval of the County Board of Education.

SECTION 8: WAIVER

A waiver of any provision or term of this Agreement shall be in writing and signed by both parties. Any such waiver shall not constitute a waiver of any other provision of this Agreement. All parties agree that neither party to this Agreement waives any of the rights, responsibilities, and privileges established by the Charter Schools Act of 1992.

SECTION 9: NOTIFICATION

All notices, requests, and other communications under this Agreement shall be in writing and mailed to the proper addresses as follows:

To LACOE at:

Procurement Services Manager
Los Angeles County Office of Education
9300 Imperial Hwy
Downey, CA 90242

To the Charter School at:

Name Mickey L. Cureton Title Executive Director

NAME OF SCHOOL: Wisdom Academy for Young Scientists
ADDRESS 1 706 E. Manchester Avenue L.A., CA 90001
ADDRESS 2

This Agreement, including Attachments A through G, contains the entire agreement of the parties

with respect to the matters covered hereby, and supersedes any oral or written understandings, agreement or agreements between the parties with respect to the subject matter of this Agreement ~~except for the Charter itself~~. (Initial) No person or party is authorized to make any representations or warranties except as set forth herein, and no agreement, statement, representation or promise by any party hereto which is not contained herein shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any warranties, representations, statements, or promises by any of the parties herein or any of their agents or consultants except as may be expressly set forth in this Agreement. The parties further recognize that this Agreement shall only be modified in writing by the mutual agreement of the parties.

7-18-2011 Print: Alex Cook Sign:
Date Authorized Board Representative, Wisdom Academy for Young Scientists

7-18-2011 Print: Adell Walker Sign:
Date Authorized Board Representative, Wisdom Academy for Young Scientists

8/1/2011 Patricia Amick
Date Designee, Los Angeles County Board of Education

Attachment A: Student Achievement Plan Guidelines

I. Overview

A Student Achievement Plan is required to be submitted to the Los Angeles County Office of Education (LACOE) if the Charter School fails to meet API growth targets and/or AYP in any year. The Achievement Plan requires the Charter School to establish specific goals and actions the Charter School will take to improve student academic achievement in those areas identified through the API and/or AYP as not meeting performance criteria. The Charter School shall be expected to present an annual update to the County Board of Education on the progress made in meeting goals identified in the Student Achievement Plan. These guidelines make explicit the elements that shall be addressed in the Student Achievement Plan for any subject area or criteria in which the Charter School falls short of targets. Data compiled from this Student Achievement Plan and the annual update, plus confirming evidence gathered during periodic site visits will provide LACOE with evidence of whether the Charter School is on track to its charter being renewed.

In addition to API and AYP, the Charter School may incorporate a variety of additional outcome measures to further demonstrate academic achievement and organizational effectiveness. While these various supplemental measures will not carry as much weight as the required measures in making renewal decisions, they may be important in helping the Charter School achieve its academic goals and distinctive qualities in the Charter School's mission as well as highlight those goals.

II. Required Components of the Student Achievement Plan

For each area in which the Charter School did not meet API and/or AYP targets, the Charter School shall submit a plan to the LACOE describing specific and concrete actions the Charter School will take in order to improve student achievement over the course of the current school year. The Student Achievement Plan shall address, at a minimum, the following elements:

- Methods or system the Charter School uses to examine student achievement data on a regular basis across grade levels, by subject matter, by significant subgroups, and across the Charter School as a whole
- Analysis of the STAR and AYP results that identifies the specific problem in the area(s) not meeting targets and/or criteria
- Specific actions, which follow from the examination of student data, which the Charter School will take to improve student achievement in the area(s) identified as needing improvement, including changes to curriculum, instruction, assessment, governance, and organization
- Professional development plan for teachers and/or other staff that supports the activities the Charter School will implement to improve performance in targeted areas
- Diagnostic assessments that will be used to enable the Charter School to monitor the effects of proposed changes on student performance

The Charter School shall submit a draft Student Achievement Plan to LACOE by October 1 if the Charter School did not meet API targets or AYP in the prior year. LACOE will review the draft plan and either approve it as submitted or request changes to it. If changes are required, the final Plan shall be due to LACOE by December 1.

Further information regarding API may be found at www.cde.ca.govitalaciap/index.asp on the LACOE website. Information on AYP, including targets and criteria may be found at www.cde.ca.goviteac/ayfindex.asp.

Attachment B: Fiscal Oversight Requirements and Financial Reporting

LACOE shall determine fiscal soundness of the Charter School by reviewing and analyzing the financial reports and documents provided by the Charter School. This determination shall be made each month and LACOE shall notify the Charter School in writing of any concerns it may have regarding the financial stability of the Charter School.

By the fifteen of each month the Charter School shall provide the following reports and documents with full disclosure of transactions to the Controller's Office, LACOE for the prior month:

1. Monthly bank statements
2. Monthly bank reconciliations
3. Monthly general ledger
4. Statement of revenue and expenditures
5. Statement of financial position
6. Year to date budget to actual statement
7. Notes to financial statements

LACOE may require additional financial related documents and shall request them of the Charter School as needed.

Los Angeles County Office of Education
Timeline and Due Dates 2011-12

Attachment C: Reporting Timeline (Revised Annually)

(Provided as a separate Excel Spreadsheet)

1

Charter School Office

Timeline and Due Dates 2011-12

Category	Report/Activity	Send to^	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul '12
Administrative	Site Lease Agreements*: Due Aug. 18 (And when modified)	CSO		X											
Administrative	Charter School Annual Site Information Survey: Due TBD (Tentative) Monitor CDE Website (http://www.cde.ca.gov/sp/cs/ac/) Send copy of CDE submission	CDE cc:CSO												X	
Administrative	School Contact Information (General & School Leadership Team): Due Aug.18	CSO		X											
Administrative	Blank Employment Agreement/Contract for each employee type (i.e., certificated, non-certificated, mgnt., etc.) Due Aug. 18	CSO		X											
Administrative	FERPA (Family Educational Rights and Privacy Act): Annual Parent Notification (http://www2.ed.gov/policy/gen/guid/fpco/ferpa/parents.html) Sample copy of dated Notification: Due Aug 18	CSO		X	X	X									
Administrative	Health & Safety Plan* (Include staff training schedule and emergency drill calendar): Due Aug. 18 (and when modified)	CSO		X											
Administrative	Parent, Student & Employee Handbooks*: Due Aug 18 (and when modified)	CSO cc: COPA		X											
Administrative	Student Information List: Due Oct. 3 and Feb. 3	CSO				X				X					
Administrative	Staff Information Lists (Certificated and non-certificated) and copies of teacher credentials: Due Oct. 3 and Feb. 3	CSO				X				X					
Administrative	Annual Report to LACOE Board (Oral): Jan. - Apr. (TBD)	N/A							X	X	X	X			
Administrative	Annual Report to LACOE Board (Written): Due Dec. 1	CSO						X							
Administrative	Scheduled Charter School Office Meetings (Tentative)	N/A			X					X		X			
Attendance	Class Size Reduction Form J-7CSR: (Participating Charters) Must be received 10 days prior than CDE required submission date (Tentative May). Send to "CONTROLLER'S OFFICE, ATTN: JANET LEE" LACOE mails to CDE. Attach copy of calculations to form. (http://www.cde.ca.gov/ls/cs/k3/)	CO/PAAC cc: CSO											X		
Attendance	Instructional Calendar and Bell Schedule: Preliminary Due July 19 for review. CO/PAAC will review and provide feedback. Final and/or revised calendar and/or bell schedule to be approved by school's board & Due to LACOE Aug 18. If calendar/bell schedule must be revised during the year, notify CO/PAAC immediately and send a draft copy of revisions for review and feedback.	CO/PAAC & CSO	X	X											
Attendance	Monthly Attendance Report AMENDMENTS 1 (from July 1 – Dec. 31): Must be received by end of the following attendance month but no later than Jan. 6, 2012	CO/PAAC	X	X	X	X	X	X	X						
Attendance	Monthly Attendance Report AMENDMENTS 2 (from July 1 – April 15): Must be received by end of the following attendance month but no later than Apr. 13, 2012	CO/PAAC	X	X	X	X	X	X	X	X	X	X			
Attendance	Monthly Attendance Report AMENDMENTS 3 (from July 1 – June 30): Must be received by end of the following attendance month but no later than June 22, 2012 (All Charters except SEA); July 2, 2012 (SEA).	CO/PAAC	X	X	X	X	X	X	X	X	X	X	X	X	X
Attendance	P-1 State Attendance Report (All Charters except SEA): Certified data file e-mailed by Jan. 6, 2012. Send original signature documents sent after data file is accepted by CO/PAAC.	CO/PAAC							X						
Attendance	P-2 State Attendance Report (All Charters except SEA): Original signature documents received & certified data file e-mailed by Apr. 20, 2012. Send original signature documents sent after data file is accepted by CO/PAAC.	CO/PAAC										X			
Attendance	P-3 State Annual Attendance Report (All Charters except SEA): Original signature documents received and certified data file e-mailed by July 6, 2012. Send original signature documents sent after data file is accepted by CO/PAAC.	CO/PAAC												X	X
Attendance	Summer Session Schedule (including days and hours): Due no later than 2 weeks prior to start of summer session for all 10-Month Charters.	CO/PAAC											X	X	
Attendance	Summer Session Attendance Reports: Due no later than the Friday following the close of the summer session (if applicable) for all 10-Month Charters.	CO/PAAC	X	X	X										X

Current as of July 2011. Subject to Amendment and/or Revision.
Note: If a stated date falls on the weekend or holiday, due next business day.

2 **Charter School Office** **Timeline and Due Dates 2011-12**

Category	Report/Activity	Send to^	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul '12
Attendance	Monthly Attendance Reports: Must be received by the first Friday after end of the attendance month. Exceptions: P-1: last attendance month ending on or prior to Dec. 31 – report must be received by Jan. 6, 2012 P-2: last attendance month ending on or prior to April 15 – report must be received by Apr. 13, 2012 P-3/Annual: last attendance report must be received no later than three (3) days after the last day of school.	CO/PAAC	X	X	X	X	X	X	X	X	X	X	X	X	
Fiscal	Monthly Cash Flow projections submitted on Quarterly Basis: Due 15 days after quarter ends	CO cc: CSO	X			X			X			X			
Fiscal	Preliminary Budget for Fiscal Year 2012-13: Due June 15. Submit DAT & Excel files for details (i.e. budget assumptions, enrollment, ADA, staffing, etc.). The signature page with original signature is required.	CO	X											X	
Fiscal	Consolidated Application (Title I,II, III,VI, Economic Impact Aid) Part II for current FY Due Jan. 12. Part I for next FY Due June 12. Include fully completed UMIRS (Uniform Management Information Reporting System)	SEA to CO; Others to CDE & CSO							X					X	
Fiscal	Final, unaudited actual data of the prior year: Due on or before August 15 (Ed Code 42100(b))	CO cc: CSO		X											
Fiscal	Annual Financial Expenditure Report for Special Education: Due Sept. 30.	CO cc: CSO			X										
Fiscal	First Interim Financial Report: Due Dec. 1 (Ed Code 47604.33)	CO cc: CSO						X							
Fiscal	Independent Annual Audit: Due Dec. 15 (Ed Code 41020(h))	State CO, CDE, CO						X							
Fiscal	Monthly Financial Reports: Must be received by the 15th day of the month: 1) Monthly bank statements, 2) Monthly bank reconciliation, 3) Monthly general ledger, 4) Statement of revenue and expenses, 5) Statement of financial position, 6) Year to date Budget to Actual Statement, 7) Notes to financial statements.	CO	X	X	X	X	X	X	X	X	X	X	X	X	
Fiscal	Proof of Insurance (Worker's Comp., Comp. Bodily Injury & Property Damage Liability, Property Damage/Boiler & Machinery/Electronic Data Processing Insurance, Fidelity Bond): As notified. (First submission LACOE will contact the Charter School)	Edix (LACOE's Insurance Compliance Office)		X	X										
Fiscal	Second Interim Financial Report: Due March 1 (Ed Code 47604.33)	CO cc: CSO									X				
Governance	Governing Board List of Members, Officers, Affiliations, and Contact Info: Due Aug. 18 (And when modified).	CSO		X											
Governance	Governing Board Meeting Schedule for 2011-12: Due Aug.18 (And when modified).	CSO		X											
Governance	Governing Board Regular & Special Meeting Agenda Notice: When posted per Brown Act; Audiorecording w/in 10 business days of meeting; Approved Minutes w/in 5 business days of approval.	CSO	X	X	X	X	X	X	X	X	X	X	X	X	
Governance	Organization Chart displaying relationship between governing board and school leadership: Due Aug.18	CSO		X											
Instruc	CAHSEE (CA High School Exit Exam): Administer to eligible students as required. (http://www.cde.ca.gov/ta/tg/hs/) (http://www.cde.ca.gov/ta/tg/sa/201112testdates.asp)	N/A	X			X	X	X		X	X		X		
Instruc	CAHSEE: Dates of Grade 10 Census Testing Administrations Due Aug. 18 (http://www.cde.ca.gov/ta/tg/hs/)	CSO		X											
Instruc	CAHSEE: Schedule for census and non-census administrations Due 4 weeks prior to each test date. (http://www.cde.ca.gov/ta/tg/hs/)		X			X	X	X		X	X		X		
Instruc	CALPADS (California Longitudinal Pupil Achievement Data System): Upload all required student data. Follow CALPADS guidelines. (http://www.cde.ca.gov/ds/sp/cl)	CDE	X	X	X	X	X	X	X	X	X	X	X	X	
Instruc	Campus Supervision Policy*: Due Aug. 18 (And when modified)	CSO		X											
Instruc	CBEDS (California Basic Educational Data System) reporting date is the first Wednesday in October. Data should be submitted online. See CALPADS website for data submission windows. (http://www.cde.ca.gov/ds/sp/cl)	CDE				X									

Current as of July 2011. Subject to Amendment and/or Revision.
Note: If a stated date falls on the weekend or holiday, due next business day.

3 **Charter School Office** **Timeline and Due Dates 2011-12**

Category	Report/Activity	Send to^	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul '12
Instruc	SARC (School Accountability Report Card): Publish annual update on school website or make written report available per CDE due date (February). Provide web link or hard copy. Annual notification to parents per CDE guidelines. (http://www.cde.ca.gov/ta/ac/sa/)	CDE CSO								X					
Instruc	SELPA (Special Education Local Plan Area)* Agreement: Due Aug 18 (and when modified) (http://www.cde.ca.gov/sp/se/as/caselpas.asp)	CSO		X											
Instruc	STAR (Standardized Testing And Reporting): Student-level data disk of California Standards Tests (CST) results Due within 5 days of receipt from Educational Testing Service (ETS) but no later than October 1 (http://www.cde.ca.gov/ta/tg/sr/)	CSO		X	X	X									
Instruc	STAR: Testing Schedules Due 2 weeks prior to first day of testing (http://www.cde.ca.gov/ta/tg/sa/201112testdates.asp)	CSO								X	X	X	X		
Instruc	STAR: Testing Window Dates Due 6 weeks prior to first day of testing (http://www.cde.ca.gov/ta/tg/sa/201112testdates.asp)	CSO							X	X	X	X	X		
Instruc	UC Doorways Course Submission: (High Schools Only). Submission cycle opens in February and closes in September. (http://www.ucop.edu/doorways)	CSO	X	X	X					X	X	X	X	X	
Instruc	WASC: Accreditation timeline/report, if applicable. Follow individual school plan submission and visitation cycle. (http://www.acswasc.org/)	CSO	X												
Instruc-EL	CELDT Initial Assessment - Within 30 days of enrollment for students not previously enrolled in a CA school (http://www.cde.ca.gov/ta/tg/ev/celdtelpt.asp)	N/A	X	X	X	X	X	X	X	X	X	X	X	X	
Instruc-EL	CELDT Annual Testing Window	N/A	X	X	X	X									
Instruc-EL	CELDT Placement Parent Letter - To parents no later than 30 days after the start of the school year or within two weeks of student placement. Sample of letter to be sent to parents Due Aug. 18 (http://www.cde.ca.gov/ta/tg/el/resources.asp)	CSO		X	X	X									
Instruc-EL	English Learners Monthly Monitoring of RFEP Students (Documentation maintained at site)	N/A	X	X	X	X	X	X	X	X	X	X	X	X	
Instruc-EL	English Learner Waiver Program, annual information to parents: Sample of information to be sent to parents Due Aug. 18	CSO		X											
Instruc-EL	English Learner Plan (If applicable)*: Due August 18 (http://www.cde.ca.gov/sp/el/)	CSO		X											
Instruc-EL	R30 Language Census Report. Exact date TBD by CDE. See website. (http://www.cde.ca.gov/ds/dc/lc/index.asp)	CSO									X				
Instruc-Title I	Title I PI Notification to Parents, if applicable, at least 14 days before the beginning of the traditional school year. Sample of letter sent to parents Due Aug. 18 (http://www.cde.ca.gov/ta/ac/ti/programimprov.asp)	CSO		X											
Instruc-Title I	Non-Highly Qualified Teacher (HQT), Notification to Parents, if applicable, at the start of school year and every 4 weeks if a class is being taught by a teacher who has not met the HQT Requirements. Sample of letter to be sent to parents Due Aug. 18 (http://www.cde.ca.gov/nclb/sr/tq/)	CSO	X	X	X	X	X	X	X	X	X	X	X	X	
Site Visit	Site Facility Inspections (TBD)	N/A	X	X	X	X	X	X	X	X	X	X	X	X	
Site Visit	Site Visit Per EC 47604.32 (TBD)	N/A	X	X	X	X	X	X	X	X	X	X	X	X	
	^Key to Abbreviations: CDE = California Department of Education CSO = Charter School Office CO = Controller's Office CO/PAAC = Controller's Office Pupil Attendance Wms/Valen = Williams/Valenzuela														
	* If this is not the Charter School's first year of authorization by County Board, submit only if there are changes from last August's submission. If mid-year changes were made, re-submit. Notify CSO in writing of documents that were not submitted because there was no change from prior August.														

Category	Report/Activity	Send to*	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul '12

Notice of Intent to Revoke
accs-apr15item04
Attachment 6
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000732

Los Angeles County Office of Education
Charter School Closure Procedures Checklist
Attachment D: LACOE Closure Procedures

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
1.	When revocation, non-renewal, or proceedings have been exhausted, LACOE shall, within three (3) business days, provide the charter school with written notification by certified mail/courier service, of the closure action. In the case of voluntary surrender, the charter school shall, within three (3) business days of the decision to close, provide LACOE Charter School Office (CSO) with written notification by registered mail that closure procedures have been invoked. In both instances, the dated notice shall be referred to as the "Closure Action." The charter school shall post, in public view at each site, a copy of the Closure Action upon receipt/issuance whether it originates with LACOE or the charter school.	Three (3) business days Receipt/Issuance of Closure Action
2.	LACOE CSO shall, upon Closure Action, immediately notify the California Department Education (CDE). The notice will include: • Charter school name, charter number, CDS code; • Reason for closure (revocation, non-renewal, other); • Effective date of closure; • Description of the circumstances (reason) of the closure.	Immediate
3.	The charter school shall, within two (2) business days of the Closure Action, notify LACOE CSO of the location of all student and business records. No student or business records shall be disposed of, moved, or duplicated without the express written consent of LACOE CSO, except that student records may be copied for students' families or for the purpose of sending them to a receiving school. A record must be kept of all files copied and/or sent; the record must be provided to LACOE.	Two (2) business days
4.	The charter school shall, within two (2) business days of the Closure Action, provide LACOE CSO with the name, address, and contact information of the individual designated as the primary contact for all close out activities of the school, and the board approved resolution appointing this person as primary contact.	Two (2) business days
5.	The charter school primary contact and a member of the charter school's governing board shall meet with the LACOE Superintendent or designee within 5 days of the Closure Action to review the orderly closing of the charter school. At this meeting: 5a. The charter school shall provide LACOE with a complete and accurate roster of all students enrolled in the charter school including: • Student names; • Parent(s)/guardian(s) names, addresses, phone numbers; • Grade levels and grades completed; • Each student's district of residence.	Five (5) business days

Los Angeles County Office of Education
Charter School Closure Procedures Checklist

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
	5b. LACOE will determine the date and time when LACOE will retrieve all pupil cumulative records, including but not limited to specific information on completed courses, credit or grade levels, report cards, IEP, discipline records, and immunization records. High school charters will include all curriculum and standard syllabus, instructional materials, and one textbook for each subject.	Time to be determined; no later than 120 business days
6.	The charter school shall, within five (5) business days of the Closure Action, submit to LACOE CSO for approval a draft of a notification letter to parents. The letter shall include: • Reason for closure; • Date of closure; • Process for the transfer of student records; • Current list of local public and charter schools; • Name(s) and contact information of the charter school personnel to whom inquiries may be made; • The manner in which parents/guardians may obtain copies of pupils' cumulative records, including but not limited to, specific information on completed courses, credits or grade level, report cards, Individualized Education Program (IEP), discipline records, immunization records; • List of public schools in the districts of residence of charter school students. Upon LACOE's approval, the charter school shall mail the letter to parents within three (3) business days.	Five (5) business days Three (3) business days
7.	The charter school shall, within five (5) business days of the Closure Action, draft a notification letter to the districts of residence for all its students and submit to LACOE CSO for approval; the letter will include the date of closure, charter school personnel to whom requests for records can be made. Upon approval by LACOE, the charter school will mail the letter to the districts within three (3) business days.	Five (5) business days Three (3) business days
8.	The charter school, if a Local Education Agency (LEA) in a Special Education Local Plan Area (SELPA), shall within five (5) business days of the Closure Action, notify the SELPA of the Closure Action. 8a. If the last date of instruction is ten (10) or more days from the Closure Action, the charter school must mail parents/guardians copies of their child's current IEP within five (5) business days of the last date of instruction. 8b. If the last date of instruction is less than ten (10) days from the Closure Action, the charter school shall mail copies of all student IEPs to the SELPA within 10 days of the Closure Action.	Five (5) business days Five (5) business days Ten (10) business days

Los Angeles County Office of Education
Charter School Closure Procedures Checklist

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
9.	The charter school shall, within five (5) business days of the Closure Action, notify all contractors (such as a charter management organization, education management organization, food service provider, instructional service provider, or transportation service provider) of the school's closure. The charter school shall terminate all existing leases, service agreements, and other contracts for the close out of the school. Leases, service agreements and contracts should be terminated in a cost effective manner in order to minimize expenses. LACOE CSO shall be copied on all correspondence.	Five (5) business days
10.	The charter school shall, within five (5) business days of the Closure Action, provide written notification to the State Teachers Retirement System (STRS), Public Employees Retirement System (PERS), or other retirement benefit administration systems, and follow their procedures for dissolving contracts and reporting. LACOE CSO shall be copied on all correspondence.	Five (5) business days
11.	The charter school shall, within five (5) business days of the Closure Action, notify all faculty and staff of the school's closure, providing each with necessary information related to compensation and retirement, including, but not limited to, any optional benefits that they may continue after the school closes. LACOE CSO shall be copied on all correspondence.	Five (5) business days
12.	LACOE CSO shall respond promptly to inquiries from students, their families, charter school faculty and staff, the community/public, and the media.	Immediately
13.	Provided that LACOE has possession of pupil records, LACOE shall, within five (5) business days, respond to parent/guardian written requests for a copy of their child's cumulative file ensuring that the documents are given to the parent/guardian identified as having legal custody/guardianship of the student with regard to educational placement.	Five (5) business days from request
14.	LACOE shall, within ten (10) business days, respond to requests for the transfer of students' cumulative files to other public or private schools in which students enroll.	Ten (10) business days from request
15.	If the charter school continues instruction to the end of the current academic year, it shall issue report cards within five (5) business days of the last date of instruction.	Five (5) business days from last date of instruction
16.	16a. The charter school shall, within five (5) days of the last date of instruction, submit an enrollment update to the CDE California School Information Services (CSIS) Program and deposit a copy with http://lacoemis.org 16b. The charter school shall, within twenty (20) business days of the last date of instruction, provide the LACOE Controller's Office (CO), Pupil Attendance with the final monthly student attendance registers, signed by teachers and certified by the designated administrator; all teacher contemporaneous records (daily class lists/rosters); and all absence logs, sign-in/out sheets and other supporting documentation for attendance accounting. 16c. The charter school shall provide closing State Attendance Report (SAR) with original signatures as well as the electronic file on compact disk either hand delivered or certified/return receipt mail to LACOE CO, Pupil Attendance within ten (10) business days of the above.	Five (5) business days from last date of instruction Twenty (20) business days from last date of instruction Ten (10) business days

Los Angeles County Office of Education
Charter School Closure Procedures Checklist

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
17.	The charter school must continue to maintain the same insurance coverage for the period following dissolution and winding up of the corporation or entity.	Continuous
18.	The charter school shall continue to ensure that assets are protected against misappropriation, theft, and deterioration. Assets shall not be disposed of or moved without the express written consent of LACOE Controller's Office (CO). Insurance must be maintained until assets are properly disposed of in accordance with the distribution plan. All materials/inventory purchased with federal dollars and subject to federal restrictions must be disposed in accordance with applicable federal law.	Continuous
19.	The charter school shall, within ten (10) business days of the Closure Action, produce for LACOE's inspection, a comprehensive list of and copies of all existing leases, service agreements, and other contracts. LACOE CSO shall be copied on all correspondences with identified contractors.	Ten (10) business days
20.	The charter school shall, within ten (10) business days of the Closure Action, notify all funding sources (including charitable partners) of the school's closure. LACOE CSO shall be copied on all correspondence.	Ten (10) business days
21.	If the charter school has any agreements with organizations representing employees, the charter school shall notify the organizations of the Closure Action as specified in the agreements. LACOE CSO shall be copied on all correspondence.	According to agreements
22.	The charter school shall, within ten (10) business days of the Closure Action, notify the LACOE CSO of all pending law suits or legal claims to which the school is a party. The charter school shall immediately notify LACOE CSO if litigation or claims are filed thereafter until the school is formally dissolved.	Ten (10) business days
23.	The charter school shall, within ten (10) business days of the Closure Action, prepare and deliver to LACOE CO a comprehensive inventory of all assets. These assets may not be disposed of, moved, transferred, or liquidated without express written consent from LACOE.	Ten (10) business days
24.	The charter school shall, within ten (10) business days of the Closure Action, provide the LACOE CO with a close-out budget that includes the following: 24a. A description of current and outstanding projected payroll and payroll benefits commitments through closure, including a list of each employee, and their job duties; and 24b. A projection of the funds necessary to complete all administrative closure related tasks.	Ten (10) business days
25.	The charter school shall, within ten (10) business days of the Closure Action, prepare and deliver to LACOE CO a comprehensive list of all creditors and debtors.	Ten (10) business days

Los Angeles County Office of Education
Charter School Closure Procedures Checklist

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
26.	The charter school shall return grant funds and restricted categorical funds to their source in accordance with the terms of the grant or state and federal law as appropriate. Submit a final expenditure report for all grants to the granting agency within twenty (20) business days from the last date of instruction. Federal grants must be closed out, including the filing of the required Final Expenditure Report and Final Performance Reports. Federal Forms 269 and 269a may apply if the school was receiving funds directly from the U.S. Department of Education. LACOE CSO shall be copied on all correspondence.	Twenty (20) business days from last date of instruction; applicable state and federal requirements
27.	The charter school shall, within twenty (20) business days of the Closure Action and monthly until dissolution, submit to LACOE CO monthly accounts payable along with detailed payment schedules. (Expenditures must be strictly limited to only those that are reasonable and necessary for the on-going day-to-day operations of the charter school. These expenditures are limited to salaries, benefits, utilities, rent, auditor /certified public accountant and insurance and must already be authorized in the budget.) Submit year-end financial reports to the LACOE CO within twenty (20) business days of the last date of instruction.	Twenty (20) business days Twenty (20) business days from last date of instruction
28.	The charter school shall, within twenty (20) business days from the Closure Action, prepare and deliver to LACOE CO a proposed plan and timeline for the disposal of all property owned by the school (and acquired with public funds) in order to maximize revenue in accordance with law, payment of any and all liabilities and the disbursement of any remaining assets of the school, liquidation of assets to pay off any and all outstanding liabilities. No assets may be liquidated, disposed of, moved, or transferred, in accordance with this proposed plan until LACOE has given approval and the final closure audit has been concluded.	Twenty (20) business days
29.	The charter school shall arrange for a preliminary audit, if requested by LACOE. The charter school shall arrange for a final closure audit no more than 120 **calendar** days from the last date of instruction; cost of the audit will be considered a liability of the charter school. This audit may coincide with the regular required annual audit. The auditor engaged to perform the audit(s) shall be from the list of approved school auditors maintained by the California State Controller's Office and shall be approved by LACOE with the estimated start and completion date, and estimated cost of audit. The independent auditor will conduct a final audit of the charter school, including but not limited to the following task(s): • An accounting of all financial assets, including cash and accounts receivable and an inventory of property, equipment, and other items of material value. • An accounting of the liabilities, including accounts payable and any reductions in apportionments as a result of audit findings or other investigations, loans, and unpaid staff compensation. • An assessment of the disposition of net assets including all unrestricted and restricted funds received by, or due to the charter school. • Verification of school's comprehensive list of creditors and debtors and the amounts owed or owing. • The charter school will provide copies of the final monthly student attendance registers to the independent auditor.	Upon request 120 **calendar** days from the last date of instruction

Los Angeles County Office of Education
Charter School Closure Procedures Checklist

ITEM	DESCRIPTION OF NECESSARY ACTION	COMPLETION DATE
30.	Based on the audit findings, and with the written approval of LACOE, the charter school shall be authorized to: • Expend identified assets to liquidate appropriate identified liabilities, bearing in mind that assets paid for by state funds shall be transferred to another LACOE charter school operated as or by nonprofit public benefit corporation pursuant to Education Code Section 47604. Assets donated to the school may be returned to donors or disposed of, in accordance with donor's wishes. • Return of any grant funds and restricted categorical funds to their source in accordance with the terms of the grant or state and federal law, as appropriate, which may include the submission of a final expenditure reports for entitlement grants and the filing of any required Final Expenditure Reports and Final Performance Report.	Per LACOE approved plan and timeline in accordance with audit
31.	At the conclusion of the final closure audit, all remaining assets shall be disposed of by the LACOE approved plan in accordance with the Education Code prior to any distribution of said assets. Following the resolution of all outstanding assets and liabilities, the charter school shall be dissolved. If the charter school is established as a nonprofit public benefit corporation pursuant to Education Code Section 47604 and does not have any functions other than the operation of the charter school, the corporation shall be dissolved.	Per LACOE approved plan and timeline
32.	On the dissolution date, the charter school shall perform **all** of the following on behalf of the faculty and staff: • File all final federal, state, and local employer payroll tax returns and issue final W-2s and Form 1099s by the statutory deadlines; • File the Federal Notice of Discontinuance with the Department of Treasury (Treasury Form 63); • Make final federal tax payments (employee taxes, etc.); • File the final withholding tax return (Treasury Form 941 and State Form DE6); • File the final return with the IRS (Form 990 and Schedule). The charter school will submit any required year-end financial reports to the CDE and LACOE CO in the form and time frame required, and provide copies of all items above to the LACOE CO within twenty (20) business days of the dissolution date.	Dissolution date Twenty (20) business days from dissolution
33.	At all times, the charter school shall allow LACOE immediate access, inspection, and copying of all school records including financial and attendance records, upon LACOE's request.	Immediate access

ATTACHMENT E

Action of the County Board to Authorize the Charter School

(Provided as a separate file)

APPROVED
LOS ANGELES COUNTY
BOARD OF EDUCATION

JUN 07 2011

BY: JRG: mm
Ex Officio Secretary

Board Meeting – June 7, 2011

* approved with conditions See attached minutes

Item VI. Recommendations

C. Action on the *Wisdom Academy for Young Scientists Charter School* on appeal of non-renewed Petition by the Los Angeles Unified School District Board of Education

The Interim Superintendent recommends that the Los Angeles County Board of Education (County Board) adopt the revised June 7, 2011 Findings of Fact and the May 10th Report in Support of Denial (Attachments 1 and 2), and take action to deny the charter petition for *Wisdom Academy for Young Scientists Charter School*, received on appeal following denial by the Los Angeles Unified School District Board of Education.

California Education Code Section 47605(b) requires that the County Board evaluate the petition according to the criteria and procedures established in law and may only deny a petition if it provides written findings addressing the reasons for the denial. Denial of a petition is limited to the following reasons, as stipulated by Education Code:

(1) The charter school presents an unsound educational program

(2) The petitioners are demonstrably unlikely to successfully implement the program

(3) The petition does not contain the required number of signatures

(4) The petition does not contain an affirmation of specified assurances

(5) The petition does not contain reasonably comprehensive descriptions of the 16 required elements of a charter

A summary of the Finding of Fact supporting the denial of the Wisdom Academy for Young Scientists Charter School petition is as follows:

Finding 1: Under *EC* section 47605(b)(1), the charter school presents an unsound educational program

The educational program is unsound for specific subgroups of students as described under required Element 1: Description of the Educational Program; Element 2: Measurable Student Outcomes; and Element 3:

Means for Measuring Pupil Progress. *These three elements would require material revisions to make them reasonably comprehensive which is outside the scope of the appeal process.*

Finding 2: Under *EC* section 47605(b)(2), the petitioners are demonstrably unlikely to successfully implement the program

The WAYS governing board was and continues to be *unfamiliar with the content of the petition* and *requirements of law* with respect to Conflict of Interest and lacks the capacity to effectively govern the school.

The petitioner and the WAYS governing board *lack the necessary background in curriculum, instruction, assessment, finance, and business management to effectively govern the school and have no plan to obtain the services of individuals who have the knowledge.*

Based on a review of the petition, documents provided by the petitioner and the denying district, and information provided during the Capacity Interview, the Review Team considers the WAYS governing board to be ineffective in governing the school and demonstrably unlikely to successfully implement the renewal petition.

Actions proposed in the board's Corrective Action Plan (CAP) have not been taken. Documents submitted to the Charter School Office on May 27, 2011, provide additional evidence of the board's inability to govern the school effectively.

- The board did not permanently replace the executive director. The board action to release and the letter sent to her by the WAYS board state the release is not permanent. The board resolution states, "Once the Corrective Action Plan is in place and the action items are completed, we can reinstate the Executive Director." The "new executive director" is an interim, hired through June 2011.

- The WAYS governing board has not cured the Conflict of Interest resulting from the executive director's self-dealing transaction. WAYS did not fulfill the requirements necessary to secure the Prop 39 sites. LAUSD reported that WAYS did not return the signed Facility Use Agreement (sent March 2011), which binds WAYS to use of the facility and it was non-responsive to the district's request to submit their shared use schedules by the May 31, 2011 due date. The school's failure to comply with the above stated requirements releases LAUSD from its obligation to provide the Prop 39 facilities. WAYS has not

provided evidence it has secured alternate facilities that can accommodate the enrollment stated in the petition.

The WAYS governing board has not acted in the best interest of the school. By failing to execute the Prop 39 contract, the board failed to provide a more cost-effective facilities option than leasing from the executive director. Additionally, "buying out" the executive director's contract, in violation of the school's charter, and not requiring her to pay back her profits in the matter of the self-dealing transaction to make the corporation whole as required by the *Corporations Code*, demonstrates lack of understanding of the gravity of the executive director's action in her "transfer of property" as an intent to deceive.

It appears the maneuverings of the WAYS board are a disingenuous attempt to make it appear that the board is working to resolve the Conflict of Interest; however, the board failed to take the steps that could permanently resolve conflicts, prevent future conflicts, and protect the school.

Finding 3: Under *EC* section 47605(b)(5), the petition does not contain a reasonably comprehensive description of all required elements

The renewal petition, as it was submitted to the local district, is insufficient to act as the primary contract and accountability document under which the charter would be required to operate should the appeal be upheld.

Eleven (11) of the sixteen (16) required elements are not reasonably comprehensive including, but not limited to: Description of the Educational Program; Measurable Student Outcomes; Means for Measuring Pupil Progress; Governance; Employee Qualifications; Admission Requirements; Annual Independent Financial Audits; Suspension and Expulsion Procedures; and Dispute Resolution.

Due to petition insufficiencies in these required elements, WAYS would not be accountable for specific requirements of law regarding the proposed educational program, fiscal reporting, admissions criteria, and the due process rights afforded to students with regard to suspension and expulsion.

The governance structure described in the petition was the same structure under which the governing board allowed the executive director to engage in self-dealing transactions during the school's first authorized term. The governance structure described in the petition does not prevent conflicts of interest in the future. All changes made to bring the governance structure into compliance with law were made

subsequent to the renewal petition and *exist in documents that are not part of the petition.* As a result, the governing board could make changes to these documents without the knowledge and or approval of the County Board, which could allow the school to circumvent conflict of interest safeguards.

Furthermore, the dispute resolution process outlined in the charter favors the school over the authorizer; exposing the County Board to financial and legal risk should a dispute arise.

Material changes to the renewal petition would be required to make these elements reasonably comprehensive and bring the petition into *compliance with EC* Section 47607(a)(2) which states, *the petition "... shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed."*

Such material revisions are outside the scope of the appeal process.

Attachment 1

Los Angeles County Office of Education
Charter School Office
Date: May 17, 2011 Revised June 7, 2011

Wisdom Academy for Young Scientists Charter Petition, Grades K-5
Appeal of a Petition for Charter Renewal Denied by Los Angeles Unified School District Board of Education

Findings of Fact in Support of Denial

Charter renewal is governed by *EC* sections 47605 and 47607 as follow:

Section 47605(b) limits the reasons for denying a renewal petition to the following:

(1) The charter school presents an unsound educational program

(2) The petitioners are demonstrably unlikely to successfully implement the program

(3) The petition does not contain an affirmation of specified assurances

(4) The petition does not contain reasonably comprehensive descriptions of 16 required elements of a charter

The County Board shall evaluate the petition according to the criteria and procedures established in law and may only deny the petition if it provides written findings addressing the reasons for the denial.

Section 47607(a)(2) states: Renewals… of charters are governed by the standards and criteria in § 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

Section 47607(b) states: Commencing on January 1, 2005, or after a charter school has been in operation for four years, whichever date occurs later, a charter school shall meet at least one of [5 academic performance] … criteria prior to receiving a charter renewal….

Section 47605(b) states: A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

The Findings of Fact in support of denial are as follows:

Finding 1: Under *EC* Section 47605(b)(1), the charter school presents an unsound educational program

1. The educational program is determined to be unsound for specific subgroups of students as described under required Element 1: Description of the Educational Program; Element 2: Measurable Student Outcomes; and Element 3: Means for Measuring Pupil Progress. These three elements would require material revisions to make them reasonably comprehensive which is outside the scope of the appeal process.

2. The school has an unstable enrollment and fails to provide a program of educational benefit for all students the petition states it intends to serve. Based on its failure to increase or sustain its percentage of Valid CST scores, the school continues to be classified as a "small school." Valid scores are based on the number of students tested who were continuously enrolled from Census (CBEDS) in early October through the first day of testing. For 2009-10, only 71% of tested students were continuously enrolled. At South Park Elementary, the nearest public non-charter school, 88% of tested students were continuously enrolled. On average, 26% of students who enroll at WAYS withdraw prior to standardized testing based on the "Elementary Principal's Statistical Report" for 2007-08 through 2010-11. The rate of students leaving the school indicates it fails to provide a program of educational benefit to all students it proposes to serve.

3. The school fails to provide a program of educational benefit for specific subgroups of students. Based on enrollment data through 2009-10 (the year prior to renewal consideration) the school failed to provide a program of educational benefit for Hispanic/Latino students, English learners, and students with disabilities based on low enrollment of these students as compared to the LAUSD local district and nearby public non-charter schools.

2009-10 DEMOGRAPHIC Information	WAYS	LAUSD Local District 7	South Park Elem.	93rd Street Elem.
Black or African American	61%	18.6%	17%	24%
Hispanic or Latino	38%	80.4%	82%	76%
Free & Reduced Price Lunch	100	Data Not Available or Not Available for 2009-10	100	100
English Learners	15		52	41
Students with Disabilities	4		9	8
Average Parent Education Level	2.53 *		1.58**	1.57***

* 21% Not HS Grad. / 37% HS Grad. / 9 % Some College / 33% College Grad. ** 59% Not HS Grad. / 28% HS Grad. / 9 % Some College / 2% College Grad. / 2% Grad. School ***60% Not HS Grad. / 25% HS Grad. / 13% Some College / 1% College Grad. / 1% Grad. School

Data Sources: CDE STAR and LAUSD http://search.lausd.k12.ca.us/cgi-bin/fccgi.exe#racialandethnichistory

Finding 2: Under *EC* Section 47605(b)(2), the petitioners are demonstrably unlikely to successfully implement the program

Based on review of the petition, additional documents provided by the petitioner, documents provided by the denying district, and the Capacity Interview with the school's leadership team, the petition does not meet the criteria established in *CCR, Title 5*, § 11967.5.1(c).

1. The WAYS governing board was and continues to be *unfamiliar with the content of the petition* and *requirements of law* with respect to Conflict of Interest and lacks the capacity to effectively govern the school.

   A. The submitted charter states the school will comply with *Government Code* 1090; however, some members of the board had prior relationships with the school and/or the Executive Director and members of her family. The May 10, 2011 Wisdom Academy for Young Scientists Response to Report Findings (WAYS Response) and the undated Board of Directors Corrective Action Plan Re: Conflict of Interest (CAP) submitted to the County Board on May 10, 2011, state that the conflicts reported to the County Board were based on misleading information provided by board members or have been corrected. Nonetheless, the fact that misleading information was provided and conflicts existed indicate the governing board lacks the capacity to prevent these concerns.

   B. The governing board failed to comply with the terms of the charter by allowing the school to enter into a self-dealing transaction with its Executive Director regarding the school's facilities. There is no evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director.

C. The governing board allowed other conflicts of interest to exist through the hiring of members of the Executive Director's family and by permitting the Executive Director to supervise these family members. Additionally, the Executive Director's son, originally hired to oversee custodial and gardening services was promoted to Director of Operations, which according to the Executive Director, involves financial responsibilities. The Executive Director stated that her daughter, who is employed as a teacher and dance instructor, owns the dance studio facility used by the school.

D. The governing board demonstrated its inability to effectively govern the school by its failure to respond fully and in a timely fashion to the September 29, 2010 Notice to Cure from its sponsoring district regarding Conflicts of Interest. The LACOE Review Team reviewed documents received from both the district and the charter school. The documents indicate WAYS failed to provide a sufficient cure. WAYS governing board had eight (8) months (September 2010 to April 2011) to remedy the concerns in the Notice to Cure, and failed to do so.

E. In the school's response to the Findings of Fact upon which the LAUSD Board of Education denied charter renewal, WAYS submitted documents pertaining to the governance structure of the school in an effort to demonstrate that the school had taken steps to address Conflict of Interest concerns. The LACOE Review Team considered the documents to determine whether they would substantially resolve the conflicts and determined the documents were inadequate to resolve the Conflict of Interest concerns based on the facts presented below:

i. The board failed to take definitive action to end the conflict. The action taken by the Executive Director after the petition was submitted to LAUSD failed to resolve the conflict regarding her ownership of the property. Documents submitted by WAYS indicate the properties were placed into a revocable trust, which WAYS' attorney stated failed to resolve the conflict in that "the transfer to a holding company through a revocable trust, [was] not transferring the property ownership under California law." (page 3 of the March 25, 2011 Response to LAUSD Findings of Fact) WAYS' governing board allowed the conflict to continue by executing a lease agreement with the holding company and failed to consider the conflict posed by the fact that a relative of the Executive Director signed as the "landlord" on the lease agreement.

   a. *New documents* (The WAYS Response to Findings and CAP) submitted to the County Board on May 10, 2011, indicate the action taken by the Executive Director to transfer her property was done improperly, and resulted in a void transaction. The WAYS governing board contends it was unaware of this impropriety at the time they signed the lease with the holding company. The actions of the WAYS board further demonstrate it lacks sufficient knowledge to exercise its fiduciary responsibility and legal due diligence in overseeing the actions of its Executive Director and executing a lease, providing further evidence that it lacks the ability to effectively govern the school.

ii. Changes to the governance structure proposed after the petition was submitted to LAUSD continue to be inadequate. The Organizational Chart indicates three (3) positions report directly to the board due to the Conflict of Interest posed by the familial relationships: the Executive Director, Principal, and Director of Operations. This structure places an undue burden on the board to manage the day-to-day operations of the school. There is no evidence the WAYS governing board has the capacity to govern effectively under this structure.

iii. The governing board failed to demonstrate the ability to avoid future Conflict of Interests. When asked at the Capacity Interview about potential conflicts arising from the employment of multiple family members, the chain of command, and continued use of the facilities owned by the Executive Director, the board members did not explain how they would prevent future

Conflicts of Interest or how they would handle them if they arose. The board did say that additional changes to the governance structure were being considered. *Such changes would constitute a material revision to the charter as submitted to and considered by the LAUSD Board of Education, which is outside the scope of the appeal process.*

New documents submitted to the Charter School Office on May 27, 2011, indicate the board has not taken steps to permanently end the Conflict of Interest:

a. The board's release of Ms. Okonkwo is temporary. The board resolution and letter sent to Ms. Okonkwo indicate her release is not permanent. The board resolution states, "Once the Corrective Action Plan is in place and the action items are completed, we can reinstate the Executive Director." The "new executive director" presented to the County Board May 17, 2010, is an interim, hired through June 2011.

b. The WAYS governing board has not cured the Conflict of Interest resulting from the executive director's self-dealing lease transaction. WAYS did not fulfill the requirements necessary to secure the Prop 39 sites. LAUSD reported that WAYS did not return the signed Facility Use Agreement (sent March 2011), binding WAYS to use of the facility, or return its shared use needs by the May 31, 2011 due date. The school's failure to comply with the requirements identified above means LAUSD is no longer bound to provide the Prop 39 facilities, and WAYS has not provided evidence it has secured other facilities.

iv. The renewal petition submitted by WAYS fails to comply with *EC* § 47607(a)(2) which requires that *Renewals...of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed...* The petition contains references to outdated laws in Elements 2: Measurable Student Outcomes; Element 4: Governance; and Element 8: Admission Procedures. These deficiencies indicate the petitioner and governing board lack knowledge of the laws under which the charter would operate. *Changes to these elements would constitute material revisions to the charter as submitted to and considered by the LAUSD Board of Education, which is outside the scope of the appeal process.*

F. The WAYS governing board failed to take action to cure the Conflict of Interest since the petition was submitted to the County Board on appeal.

i. The WAYS governing board provided no evidence of an action (e.g. board meeting minutes) to terminate the employment of the Executive Director and continues to demonstrate a lack of fiduciary responsibility to the charter school.

a. An email sent from the school's attorney to the County Board on May 10, 2010, states, "I wanted to let you know that the WAYS Board has released Kendra Okonkwo, the Executive Director. As such, the conflict no longer exists."

To the contrary, CAP (page 5) states the Executive Director's contract will be paid out through June 30, 2011, in contradiction to the petition (page 125) which states employees are hired "at will" which does not require a "buy out" calling into question the board's duty of loyalty to the school and its understanding of Element 5 of the charter.

b. The WAYS Response to Findings and CAP contains no evidence that WAYS board took the action to release the Executive Director; rather the CAP is a proposed plan of action. The WAYS Response to Findings states:

When you review the corrective action plan, you will find the dismissal of the Executive Director as the board's number one ***option*** [emphasis added]... (page 9)

c. Additionally the CAP fails to ensure that there will be no future employment, contract services awarded, or other compensation, including payment for rent, provided to the current Executive Director.

d. The CAP fails to demonstrate the governing board's understanding the seriousness of the action of the Executive Director in her "transfer of property" as an intent to deceive. The CAP proposes to "buy out" the contract of the Executive Director rather than act in the fiduciary interest of the school as stipulated in the *Corporations Code*.

The interested officer must disgorge his or her profits in the matter to make the corporation whole by one of the following means:

- *Account for any profits made in the transaction and pay them to the corporation, or*
- *Reimburse the corporation for the value of any corporate property used in the transaction; or*
- *Return or replace corporate property lost in the transaction or to account to the corporation for the proceeds of any property sold and to pay those proceeds, plus interest, to the corporation.*

ii. Acceptance of Prop 39 sites does not guarantee the end of the Conflict of Interest. WAYS governing board has provided no evidence that the Prop 39 sites offered by LAUSD will be used to house the school to the exclusion of the sites owned by the Executive Director.

2. The petitioner and the WAYS governing board *lack the necessary background in curriculum, instruction, assessment, and finance and business management to effectively govern the school and have no plan to obtain the services of individuals who have the knowledge.*

A. The submitted renewal petition does not comply with *current legal requirements of charter schools;* contains outdated school policies, practices and significant contradictions and omissions regarding key positions of employment. The key elements outlining the instructional program (Elements 1 – 3) are not reasonably comprehensive and do not constitute a sound educational program. In all, eleven (11) required elements are not reasonably comprehensive. *Changes to the petition to make the elements reasonably comprehensive would constitute material revisions to the charter as submitted to and considered by the LAUSD Board of Education, which is outside the scope of the appeal process.*

B. The proposed Governance Structure (Element 4) is insufficient to provide effective school governance as indicated by the chronology of events that transpired between September 2010 and May 2011. *Changes to the petition that would make the governance structure reasonably comprehensive would constitute a material revision to the charter as submitted to and considered by the LAUSD Board of Education, which is outside the scope of the appeal process.*

C. The WAYS Response to Findings, prepared by the school principal, provides further evidence that the school lacks the necessary leadership in *assessment* to provide a sound educational program. The response indicates a lack of understanding of how API scores are derived and the terminology of assessment and assessment reporting:

On November 2, 2010, WYAS staff attended a professional development workshop hosted by the Los Angeles County Office of Education entitled, "Understanding Federal and State Accountability Systems." During this workshop we were made aware of the different criteria for determining our API as well as criteria for determining AYP. According to our reports received fro LACOE at this workshop WAYS CST scores are valid and the growth of the CST is noteworthy... There was no indication in the reports generated by LACOE specifically for WAYS of our CST scores being invalid due to our enrollment and attendance data.

LACOE's Findings of Fact did not state that the CST scores were "invalid" but rather that the CDE calculates API based on "Valid" Scores, which are scores of students who are continuously enrolled from Census day through the first day of testing.

D. The WAYS Response to Findings also indicates the school lacks leadership in *instruction and business management.* The principal's statement that the Principal's Statistical Report measures Average Daily Attendance (ADA) not enrollment is incorrect; the report provides data on both. The Report shows the number of students who enter and leave the program each reporting month by grade level clusters in addition to calculating ADA.

3. *The petitioner has a history of involvement in education agencies (public or private) considered as unsuccessful.*

A. The Executive Director is listed as the petitioner. Properties she owns and leases to WAYS were previously used to house her private school. CDE records compiled from data supplied by the private school operator through completion of the Private School Affidavit indicate that enrollment declined from 60 to 20 students in the three years prior to the school closing. (Source: http://www.cde.ca.gov/ds/si/ps/).

B. The WAYS Executive Director closed her private school with the intent to use the facilities she owned to house a charter school. The chronology of public records and statements made by the Executive Director during the Capacity Interview indicate she closed the private school due to insufficient enrollment. The petitioner stated she inquired about the process of becoming a charter school and was informed that the private school would need to be closed for one year prior to becoming a charter. The petitioner purposely closed the private school as required and applied for a charter after the one year required waiting period. Under *EC* 47605(j)(1), the review of a petition received on appeal is conducted under 47605, as if the review were being conducted for the first time. Because LAUSD did not have findings on this issue does not preclude the County Board from making this finding.

The Review Team considers the WAYS governing board to be ineffective in governing the school and demonstrably unlikely to successfully implement the proposed petition for charter renewal.

Finding 3: Under *EC* Section 47605(b)(5), the petition does not contain a reasonably comprehensive description of all required elements

The following elements would require material changes to the petition to make them reasonably comprehensive. Such changes would constitute a material revision to the charter as submitted to and considered by the LAUSD Board of Education, which is outside the scope of the appeal process.

Element 1: Description of the Educational Program. *Not reasonably comprehensive*

The *5 CCR* § 11967.5.1(f)(1) requires the petition to address eight (8) requirements. The petition fails to meet each of the established criteria rendering aspects of the educational program deficient for specific

populations the school proposes to serve: English Learners, low-achieving students, high-achieving students, and students with disabilities. The deficiencies are as follows:

1. Failure to *indicate the proposed charter school's target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.*

   A. The petition overestimates the number of students to be served in the first year of the renewal charter and provides no build-out plan to support this assumption.

      i. There is no build-out plan to support the proposed enrollment. The petition states (page 31) 520 students will be served in the first year of operation. At the Capacity Interview, the leadership team indicated that number is attainable only if a new site is obtained with increased capacity. The petition lacks an expansion plan except to state "...scheduled expansion to 25 [classrooms]." No plan was provided during the Capacity Interview.

      ii. WAYS has never increased enrollment by 250 students in a single year. In 2009-10, the school enrolled 237 students, 46% of which were in grades K-1; in 2008-09, the school enrolled 177 students, of which 43% were in K-1; and in 2007-08, the school enrolled 146 students, of which 60% were in K-1. Historically, the school has seen reduced enrollment in its upper grades, although that trend was not as pronounced in 2009-10, the most recent year for which CDE data is available. At the Capacity Interview, the school stated it currently enrolls about 250 students.

   B. WAYS failed to meet its goal of serving a target population "similar to that of the surrounding community" defined as 50% Hispanic/Latino and 50% African American (page 34). In 2009-10, 61% of the students were Black or African American and 38% were Hispanic or Latino as compared to LAUSD Local District 7 which was comprised of 18.6% Black or African American students and 80.4% of Hispanic or Latino Students. Additionally, the goal listed in the petition does not reflect the intent of the legislature that the school should reflect the general population of the district in which the school is located.

   C. The petition lacks specific information regarding its target population for students with disabilities and English learners. It states (page 33) the student population at the nearest non-charter public school is 63% English learners while the CDE reports 7% of WAYS students are English learners. The CDE reports 4% of WAYS students are identified as having disabilities which is half the rate of the two (2) closest non-charter public elementary schools.

2. The inadequate description of the population to be served, and the actual enrollment at the school, results in an inability to compare WAYS to neighborhood or Similar Schools to determine whether it is providing a better educational opportunity for students who are enrolled at the school.

   A. WAYS small school status results in a less reliable API score and prevents comparison to schools with similar demographics. The CDE does not provide a Similar Schools Rank for small schools. This results in an inability to compare the API of WAYS to other schools with similar demographics locally or state-wide.

   B. The petition's failure to adequately define the population to be served, and failure to enroll a proportionate number of demographically similar students to those enrolled in neighborhood schools, results in an inability to compare WAYS to those schools to determine whether WAYS is improving educational opportunities for all student groups the petition states it will serve. WAYS enrolls fewer students with disabilities, fewer Latino/Hispanic Students, fewer English

learners, and conversely more students whose parents have high levels of education than surrounding elementary schools.

3. *Lacks a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.*

   A. The petition lacks detail regarding the grade levels and outcomes for each grade level and there is no framework for curriculum and/or instructional approach for English learners outlining how this population of students will be provided access to core curriculum.

   B. While the petition states the school will provide more instructional minutes than required by the state, WAYS has been reducing the number of minutes it provided based on its Independent Audit Reports. The year ended June 30, 2009, shows 72,900 actual minutes and the year ended June 30, 2010, shows 70,200 minutes. The petition proposes 53,500 minutes for year 2011-2012; it does not explain the reason for the reductions or how the school intends to maintain its academic performance as instructional minutes are reduced.

4. Fails to *indicate how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.* The goals (page 47) for low achieving students are not clear and there is no indication of what advanced academic challenges will be provided for gifted and talented students (page 48).

5. *Indicates how the charter school will meet the needs of students with disabilities, English learners, students achieving substantially above or below grade level expectations, and other special student populations.*

   A. The element is deficient with respect to English learners because it fails to:

      i. Describe adequate basic and supplemental resources to provide English learners equitable access to the core curriculum.

      ii. Provide the manner in intervention will be given to students who struggle to acquire English language skills outside of the "45 minutes during the school day for focused English language development. This instruction will emphasize vocabulary development, phonemic awareness, and oral and writing English." (page 48)

      iii. Describe how the Individualized Education Program (IEP) Team determines placement of English learners in need of special education services, state that non-biased assessments used to determine placement must be conducted in the student's primary language under Federal law, and that the IEP must be linguistically appropriate.

      iv. Demonstrate understanding of the difference between meeting the needs of English learners and meeting the needs of students with disabilities. The petition (page 22) indicates that to ensure the success of English learners, the school will use a collaborative approach that fosters communication between its Resource Specialist and Speech Therapist. These specialists only provide direct services to students identified as having disabilities.

   B. The element is deficient with regard to students with disabilities because it fails to *specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.*

i. It does not describe accommodations and/or modifications that may be used during standardized assessments or how WAYS is responsible for students with disabilities when the IEP Team exempts them from standardized testing.

ii. There is no mention of how parents of students with disabilities are informed about the school's educational program.

iii. There are deficiencies with regard to English learners and special education services as stated in "A," above.

Element 2: Measurable Pupil Outcomes. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(2) as follows:

1. It fails to *specify skills, knowledge, and attitudes that reflect the school's educational objectives and can be assessed by objective means that are frequent and sufficiently detailed enough to determine whether pupils are making satisfactory progress.*

   A. There are no identified measurable outcomes for students in Kindergarten and first grade who do not participate in Standardized Testing and Reporting (STAR).

   B. There is no ongoing means for measuring English learners' acquisition of English or academic growth in content areas. The petition states the (California English Language Development Test (CELDT) will be administered "periodically" to monitor student progress of English language acquisition; however, it can only be administered annually which is insufficient to *evaluate the effectiveness of and to modify instruction.* The petition indicates Open Court Reading assessments will be used as formative assessments for English learners; however, they are not designed to measure progress towards English language proficiency but rather language arts skills and concepts. It fails to provide assessments to determine academic growth in other content areas.

   C. Goals cannot be measured as stated. The petition states the percentage of students achieving proficient and advanced in History/Social Science will increase on the CST by 5% each year; there is no History/Social Science CST for grades K-5.

   D. It lacks information on how students with disabilities will be assessed on making progress toward meeting their goals and benchmarks.

Element 3: Method for Measuring Pupil Progress. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(3) as follows:

1. It does not *utilize a variety of assessment tools that are appropriate to the skills, knowledge, or attitudes being assessed, including, at minimum, tools that employ objective means of assessment consistent with the measurable pupil outcomes.*

   A. Information is limited on how stated internal assessments (text based, benchmark performance, unit level, etc.) are used *as objective means* to assess student progress *consistent with measurable outcomes* (page 98). Language is vague and fails to indicate how assessments are used in English-Language Arts, math, science, social studies, and English Language Development.

   B. There is no information regarding assessment of K-1 students who do not participate in STAR. This is of particular concern since about half the school's enrollment is in grades K-1.

C. Out of date assessments are proposed in violation of *EC* § 47606(a)(2). The petition states the school will administer the CAT 6, which is obsolete, and proposes performance objectives based on data from this assessment.

2. It does not *outline a plan for collecting, analyzing, and reporting data on achievement* of English learners *to school staff and to pupils' parents and guardians, and for utilizing the data continuously to monitor and improve the charter school's educational program.* There is no mention of English learner's testing performance or academic monitoring of English language levels beyond use of the CELDT. Nor is there mention of providing accommodations and/or modifications for standardized tests for students with disabilities; tests used to determine eligibility for special education programs and services; the manner and type of data maintained for students with disabilities; or how information will be disseminated to parents of students with disabilities.

Element 4: Governance Structure. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(4) as follows:

1. There is lack of *evidence of the charter school's incorporation as a non-profit public benefit corporation* for the purpose of running a charter school. While the articles of incorporation and bylaws provide evidence of the charter school's non-profit public benefit corporation status, governing a charter school is not listed as the specific purpose of this corporation. The petitioners have failed to amend these documents to reflect the running of a public charter school. As stated above in Finding 3, 3.B, the WAYS Executive Director purposely closed her private school with the intent to use the facilities she owned to house a charter school.

2. There is a lack of *evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:*

   A. *The charter school will become and remain a viable enterprise.* The governance structure fails to provide adequate oversight of the school's operation and fiscal management. Failure of the articles of incorporation and bylaws to state the purpose of the corporation is to provide for the operation of a publicly funded charter school is further evidence that the structure lacks a *seriousness of purpose*. The bylaws states the board has only one regularly scheduled meeting, which is insufficient to provide for effective governing of a public charter school. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no evidence that the board can implement the proposed educational program stated in the petition.

   B. The petition does not provide a clear description of the governance and management structure. It is difficult to know the duties and responsibilities of management. The Organization Chart (Appendix B) conflicts with information provided elsewhere in the petition. The Organizational Chart does not include the position of Executive Director.

   C. The petition makes no commitment to complying with the Political Reform Act (PRA), which is required of all charter schools. The petition fails to include a Conflict of Interest policy which is required under the PRA.

   D. The body of the petition states that meetings will comply with the Brown Act (page 109). However, certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

      i. Section 4.6, Place of Meetings allows for meetings outside California. The Brown Act requires that the Board's meetings be held within the boundaries of the territory within which it has jurisdiction.

ii. Section 4.7, Regular Meetings authorizes meetings "without call or notice" in violation of the Brown Act. The Brown Act requires that at least 72 hours before a regular meeting an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting shall be posted.

iii. Section 4.11, Telephone Meetings, authorizes teleconferencing and video teleconferencing to constitute presence but fails to state the necessary safeguards that would render it compliant with the Brown Act such as posting agendas at the teleconferencing location and ensuring those locations are fully accessible to members of the public.

iv. Section 4.14, Action without Meeting, permits the Board to take an action without a meeting if all the members of the Board consent in writing to such action. This violates the Brown Act requirement that the board not take action on any item of business outside a meeting.

v. Section 4.7, the Board of the Merle Williamson Foundation is required to meet only once per year, on the last Friday in June; the Brown Act requires regularly scheduled meetings.

vi. The Agenda for the Special Board Meeting held Saturday, April 30, 2011, documents specific violations of the Brown Act with respect to items discussed in Closed Session.

Element 5: Employee Qualifications. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(5) as follows:

1. There is insufficient information on *the general qualifications for the various categories of employees (e.g., administrative, instructional, instructional support, non-instructional support)* and whether the *qualifications are sufficient to ensure the health, and safety of the school's faculty, staff, and pupils.*

2. It fails to *identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions.*

   A. The petition fails to provide job descriptions and/or minimum qualifications for the following positions listed in the petition: Special Education Program Coordinator (page 96), Academic Co-Principals (page 112), Coordinator of Operations (page 128), and Academic Consultants and Director of Operations (Appendix B). Qualifications for Executive Director are absent.

   B. The Organization Chart (Appendix B) is deficient. It fails to include an Executive Director, although there is a job description (page 120) outlining critical duties such as "oversee the school-operating budget...instructional program...classroom management...supervise staff...be an active member of the school board." Based on the job description, it is unclear if the Executive Director is a member of the board. Appendix B lists board members by name; the Executive Director's name is absent. The Organizational Chart includes a "Director of Operations," with no job description or qualifications provided for that position. It is unclear if it is the same as "Coordinator of Operations." The Organizational Chart identifies "Auxiliary Staff," but lacks specific corresponding positions.

3. *Specify that all requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary.* Teacher qualifications (page 122) state the CA *SB* 2042 teaching credential is required; this will exclude teachers who hold Ryan multiple subject credentials and life elementary credentials with added English language certification.

Element 7: Means to Achieve a Reflective Racial and Ethnic Balance. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(7) based on evidence that:

1. During the term of its first charter, WAYS failed to *achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district in which it is located* as indicated on in the chart on page two (2) of this report. Enrollment of Hispanic/Latino students is not comparable to the two (2) closest LAUSD non-charter elementary schools.

2. The description of the student population (required under Element 1) and the proposed recruitment plan show no indication WAYS is aware that it failed to achieve the required ethnic balance and provides no corrective action in its plan. The recruitment plan is vague and lacks benchmarks that could guide the school toward correcting the deficiency.

Element 8: Admission Requirements. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(8) as follows:

1. It does not comply with *the requirements of* EC § *47605(d)* which, by reference, includes *EC* § 220 and *CA Penal Code* § 422.55 as the *other applicable provision*[s] *of law* in its statement of non-discrimination of protected classes. The petition additionally violates *EC* § 47607(a)(2) because the deficiency is the result of failing to update the renewal petition. This failure could result in the school engaging in discriminatory practices in its admissions procedures and policies.

2. *The process for conducting the lottery* is absent from the petition.

3. The preference given to siblings is *likely to negatively impact* the school from attaining its stated *racial and ethnic* goal.

Element 9: Annual Independent Financial Audits. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(9) as follows:

1. It does *specify the timeline in which audit exceptions will typically be addressed* or specify the timelines for statutory reporting requirements including the submission of the preliminary budget.

2. It does not specify that the school's Board of Directors will hire an independent auditor or that the auditor selected will be on the State Controller's list of educational auditors.

Element 10: Suspension and Expulsion Procedures. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(10) as follows:

1. There is no differentiation between *offenses for which students in the charter school must and may be suspended* and *separately, the offenses for which students in the charter school must or may be expelled, providing evidence that the petitioner reviewed the offenses for which students must or may be suspended or expelled in non-charter public schools.*

2. There is insufficient specificity regarding *the procedures by which pupils can be suspended or expelled.* It fails to provide timelines necessary to comply with due process requirements. It refers to due process but never defines it with regard to the suspension and expulsion process. No information is provided regarding how members of the expulsion hearing panel will be selected to avoid Conflict of Interest. The petition lists three (3) standards where "a student's suspension may lead to expulsion..." but lacks criteria for meeting the standards, which could result in capricious and prejudicial practices.

3. It does not describe how parents are informed *of their due process rights in regards to suspension and expulsion.* The school's *Parent and Student Handbook* fails to provide parents with information regarding Suspension and Expulsion procedures nor does it apprise them of their due process rights with regard to suspension and expulsion.

4. It fails to *demonstrate an understanding of the rights of pupils with disabilities in...regard to suspension and expulsion.* The petition references the Individuals with Disabilities Act (IDEA) and Section 504 but does not differentiate between them regarding the procedures to be used for suspension and expulsion. The petition discusses Manifestation Determination; however, there is no mention of how WAYS deals with pupils when the behavior is associated with the disability, or ensure the pupil is in the appropriate program/services. There is no mention of how WAYS deals with a student with disabilities who begins displaying negative behaviors, of calling an IEP Team meeting and writing a Behavior Support Plan, or deals with suspensions (cumulative) of over 10 days.

Element 12: Public School Attendance Alternatives. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(12) as it does not *specify that the parent/guardian of each pupil enrolled in the charter shall be informed that the pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.*

Element 14: Dispute Resolution Procedures. *Not reasonably comprehensive*

The petition fails to meet the minimum requirements of *CCR, Title 5,* § 11967.5.1(f)(14) as follows:

1. Provides an unacceptable description of *how the costs of the dispute resolution process would be funded.* LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."

2. It fails to *recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto.*

   A. While the petition states that "any controversy or claim... except [one] that is in any way related to revocation of this Charter must be put in writing," the language does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).

   B. The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.

Los Angeles County Office of Education
Charter School Office
Date: May 10, 2011

Report on the *Wisdom Academy for Young Scientists Charter Petition, Grades K-5*
Appeal of a Petition for Charter Renewal Denied by Los Angeles Unified School District
Board of Education

Background Information

The *Wisdom Academy for Young Scientists Charter School* (WAYS) petition seeks an application for renewal of their K-5 charter school in accordance with *Education Code* Section 47607.5. The school's current enrollment is approximately 250 students. The school proposes to grow enrollment to 500 students over the next five (5) years by expanding operations from its two (2) current sites (706 East Manchester 90001 and 8878 South Central Avenue 90002) to a larger facility. WAYS also applied to LAUSD for a Prop 39 site; sites were awarded on April 1, 2011.

The petition states the charter school's mission "is to create a transformational learning climate in which students become 'Empowered to be Leaders Change Agents and True Scientists.'"

The school's vision is "to create an educational program that educates the whole child." Nine (9) goals are stated under the vision.

WAYS first year of operation was 2006-07. Its Academic Performance Index (API) history (calculated as a small school with less than 100 students in Growth API) and enrollment figures are presented below.

Growth API			Enrollment Figures			
Year	Growth API	Number of Valid Scores*	Enrollment on First Day of Testing Grades 2-5	Total Enrollment Grades 2-5	Total Enrollment Grades K-1	Total Enrollment Grades K-5
2009-10	879	90	127	129	108	237
2008-09	843	95	98	97**	76	173**
2007-08	774	78	93	59	87	141
**Number of students included in Growth API. Students must be continuously enrolled since Census day (CBEDS)* Source: CDE DataQuest			***4 additional students are included as enrolled in grade 6 although school is authorized for grades K-5* Source: CDE DataQuest			

The CDE states "APIs based on small numbers of students are less reliable and therefore should be carefully interpreted." Schools with less than 100 Valid Scores on the California Standards Test (CST) do not receive Similar School Rankings or comparison schools; therefore, it cannot be determined how WAYS' API compares to schools with similar demographics.

The chart compares the demographics of WAYS and the two (2) closest public non-charter schools.

2009-10 DEMOGRAPHIC Information	WAYS	LAUSD Local District 7	South Park Elem.	93rd Street Elem.
Black or African American	61%	18.6%	17%	24%
Hispanic or Latino	38%	80.4%	82%	76%
Free & Reduced Price Lunch	100	Data Not Available or Not Available for 2009-10	100	100
English Learners	15		52	41
Students with Disabilities	4		9	8
Average Parent Education Level	2.53 *		1.58**	1.57***

* 21% Not HS Grad. / 37% HS Grad. / 9 % Some College / 33% College Grad. ** 59% Not HS Grad. / 28% HS Grad. / 9 % Some College / 2% College Grad. / 2% Grad. School ***60% Not HS Grad. / 25% HS Grad. / 13% Some College / 1% College Grad. / 1% Grad. School

Data Sources: CDE STAR and LAUSD http://search.lausd.k12.ca.us/cgi-bin/fccgi.exe#racialandethnichistory

Racial and ethnic demographic data shows WAYS does not reflect diversity of the community (LAUSD Local District 7) in which it is located or the two (2) closest LAUSD non-charter elementary schools. WAYS also enrolls fewer students with disabilities and English learners than near-by public non-charter schools. Conversely, its parents have a higher education level, which positively correlates with higher levels of student academic achievement.

Reason for Denial by the Local District

The Los Angeles Unified School District (LAUSD) Board of Education denied the petition based on written Findings of Fact that comply with requirements for denial under the following sections of the Charter School Act:

EC § 47605(b)(2) The petitioners are demonstrably unlikely to successfully implement the program:

Conflict of interest concerns exist pertaining to members of the WAYS Board of Directors and the WAYS Executive Director and Principal. Specifically, the WAYS founder and Executive Director receives both a salary for her position and lease payments for two properties which she owns that are occupied by the school. She negotiated the leases to WAYS charter school. The WAYS governing board was asked to independently address and resolve the conflicts by the mutually agreed upon date of October 15, 2010; the WAYS Board of Directors' response failed to resolve the issues by that deadline. The WAYS governing board was minimally responsive to staff communications; the Executive Director was the primary respondent to address the Conflict of Interest issues. LAUSD considered the governing board's lack of independent and effective response to the Notice of Concern to be inconsistent with its fiduciary responsibility considering that the Executive Director was the subject of the self-dealing Conflict of Interest concerns which called into question the Board's capacity to govern the Charter School and successfully implement the program set forth in the petition. The WAYS Board failed to resolve the Conflict of Interest issues and only minimally attempted to do so in January 27, 2011.

The WAYS governing board is unfamiliar with the content of the petition and/or requirements of law. Cited examples included inconsistencies between the charter petition and the WAYS' corporate bylaws regarding compliance with the Brown Act which called into question whether the Board is familiar with and complies with the requirements of the Brown Act. Additionally, the Board allowed self-dealing transactions to transpire, even though the Board in the charter agreed to comply with LAUSD's charter school policies and regulations regarding Conflict of Interest.

EC § 47605(b)(5) The petition fails to provide a reasonably comprehensive description of 12 of the 16 required elements: The Educational Program, Method for Measuring Pupil Progress, Governance Structure, Health and Safety Procedures, Means for Achieving a Racial and Ethnic Balance, Admission Requirements, Submission of Independent Audit, Suspension and Expulsion Procedures, Identification of Retirement Systems, Public School Alternatives, Dispute Resolution, Closure Procedures.

Any of the above findings alone may be cause for the denial of a charter under *EC* § 47605(b).

The Findings of Fact state the academic performance criteria for renewal under *EC* § 47607(b) were met.

Response from the Petitioner

The petitioner provided a written response to the findings of the local board and submitted it as part of the petition package. The response was considered during the review process.

Appeal to the Los Angeles County Board of Education

The Los Angeles County Board of Education (County Board) held a Public Hearing to determine support for the petition on April 19, 2011.

LACOE Review Process

The LACOE Charter School Review Team (Review Team) considered the petition according to the requirements of law, *California Administrative Code of Regulations*, County Board Policy and Regulations, and LACOE review procedures.

The Review Team included staff from the Controller's Office, Business Operations and Services, Risk Management, Divisions for School Improvement, Curriculum and Instruction, Special Education, Student Support Services, Human Resource Services, Office of General Counsel, and the Charter School Office.

Findings are based on a review of the same petition submitted to the local district and supporting documents submitted by the petitioner, and information provided through the Capacity Interview and other communications with the petitioner and other representatives of the school. The petitioner also submitted proposed changes (technical adjustments) to the petition necessary to reflect the County Board as the potential authorizer. These changes should reflect the statutory, policy, and structural differences between a county office of education and a local district. These differences include, but are not limited to, the statutory authority of the County Superintendent of Schools to investigate complaints as well as structural differences in the responsibilities with regard to special education services. Proposed changes provided by the petitioner were considered by the Review Team.

Findings also take into account the petition was initially submitted to a local district and contains specific references to that district. The Charter School Office confirmed that LAUSD requires the petitioner to include specific language or content in a petition. This requirement was considered by the Review Team.

Findings of Fact

Finding 1: WAYS met the academic performance criteria for renewal under *EC* § 47607(b)(1) and (2).

WAYS *attained its Academic Performance Index (API) growth target in the prior year, in two of the last three years, and in the aggregate for the prior three years.*

Academic Performance Criteria: Met Assigned Growth Targets				
Year	API Base	Growth Target	API Growth	Actual Growth
2007-08	782*	5	774	-8
2008-09	775*	5	843	68
2009-10	843*	A**	879	36
	Aggregate Growth	10	[redacted]	96

**API is calculated for a small school (between11 and 99 valid scores) which makes it less rellable and should be carefully interpreted. ** No growth target for schools where API is 800 or above.*

WAYS *ranked in deciles 4 to 10, inclusive, on the API in the prior year and in two of the last three years.*

Academic Performance: Decile Ranks*		
Year	Statewide Rank	Similar Schools Rank
2007-08	6	N/A*
2008-09	5	N/A*
2009-10	8	N/A*
* *Not calculated for small schools*		

While WAYS met the academic criteria necessary to be considered for renewal, there are concerns that the school has not increased or sustained its percentage of "Valid" CST scores indicating an unstable student enrollment base. Valid scores are based on the number of students tested who were continuously

enrolled from norm day (CBEDS) in October through the first day of testing. For 2009-10, only 71% of tested students were continuously enrolled. At South Park Elementary School, 88% of tested students were continuously enrolled. On average, 26% of students who enroll at WAYS withdraw prior to standardized testing based the "Elementary Principal's Statistical Report" for 2007-08 through 2010-11.

Finding 2: The petition provides an unsound educational program for students to be enrolled in the school. [*EC* § 47605(b)(1)]

The program is determined to be unsound for specific subgroups of students as described under Finding 5: Elements 1 – 3.

Additionally, based on enrollment data for Hispanic/Latino students, English learners, students with disabilities, and data showing the number of students who leave during the year, the school is not providing a *program of educational benefit* for all students the petition states the school intends to serve.

Finding 3: The petitioners are demonstrably unlikely to successfully implement the program. [*EC* § 47605(b)(2)]

Based on review of the petition, supporting documents provided by the petitioner, documents provided by LAUSD, and the Capacity Interview with the school's leadership team, the petition does not meet the criteria established in *CCR, Title 5*, § 11967.5.1(c).

1. Review of the renewal petition submitted on behalf of the WAYS board indicates the WAYS governing board lacked the capacity to govern the school.

   A. The governing board was *unfamiliar with the content of the petition* and *requirements of law* with respect to Conflict of Interest. The submitted charter states the school will comply with *Government Code* 1090; however, some members of the board had prior relationships with the school and/or the Executive Director and members of her family.

      i. The board president, a business management consultant, lists Wisdom Academy as a client on her resume, which contradicts her statement on the *Prospective Charter School Board Member Questionnaire* that consulting services were not provided.

      ii. One board member stated on the *Prospective Charter School Board Member Questionnaire* that she is the Board President for DeDe Dance Studio, owned by the Executive Director's daughter, and is currently used by the charter school; this indicates a Conflict of Interest.

   B. The governing board failed to comply with the terms of the charter by allowing the school to enter into a self-dealing transaction with its Executive Director regarding the school's facilities. There is no evidence that the governing board considered other sites or conducted an independent assessment of lease rates prior to entering into the agreement with the Executive Director.

   C. The governing board allowed other conflicts of interest to exist through the hiring of members of the Executive Director's family and by permitting the Executive Director to supervise these family members while the Principal supervised other similarly employed personnel. The Executive Director's son, originally hired to oversee custodial and gardening services was promoted to Director of Operations, which involves financial responsibilities according to the Executive Director. The Executive Director's daughter, who is employed as a teacher and dance instructor, owns the dance studio used by the school.

   D. The governing board demonstrated its inability to effectively govern the school by its failure to respond fully and in a timely fashion to the September 29, 2010 Notice to Cure regarding Conflicts of Interest issued by LAUSD. The LACOE Review Team reviewed documents received

from both the district and the charter school. The documents indicate WAYS failed to provide a sufficient cure. WAYS governing board had eight (8) months (September 2010 to April 2011) to remedy the concerns in the Notice to Cure, and failed to do so.

2. The WAYS governing board continues to be *unfamiliar with the content of the petition and requirements of law that would apply to the proposed charter school* and lacks the *necessary background* to effectively govern the school.

   A. In its response to the Findings of Fact upon which the LAUSD Board of Education denied charter renewal, WAYS submitted documents pertaining to the governance structure of the school in an effort to demonstrate that the school had taken steps to address Conflict of Interest concerns. Although these documents may not have been considered by the LAUSD Board of Education because they were submitted after the deadline to provide evidence, the LACOE Review Team considered the documents to determine whether they would substantially resolve the conflicts. The Review Team determined the documents were inadequate to resolve the Conflict of Interest concerns based on the facts presented below:

      i. The action taken by the Executive Director, and supported by the WAYS governing board, failed to resolve the conflict regarding her ownership of the property. Documents submitted by WAYS indicate the properties were placed into a revocable trust. WAYS' attorney concurred that this action failed to resolve the conflict in that "the transfer to a holding company through a revocable trust, [was] not transferring the property ownership under California law." (page 3 of the March 25, 2011 Response to LAUSD Findings of Fact) WAYS' governing board allowed the conflict to continue by executing a lease agreement with the holding company rather than requiring the Executive Director to take action that would definitively end the conflict.

      ii. The governing board failed to disclose that the school had been offered Prop 39 facilities, a viable option to resolving the issue. At the April 19, 2011 Capacity Interview, the Review Team inquired about the school's statement that it had requested a Prop 39 site. Neither the Executive Director nor WAYS board members disclosed that LAUSD had offered the school facilities on April 1, 2011. LAUSD received a letter of acceptance signed by the Executive Director on May 2, 2011. LACOE has yet to hear from WAYS regarding their decision.

      iii. Changes to the governance structure proposed after the petition was submitted to LAUSD continue to be inadequate. The Organizational Chart indicates three (3) positions report directly to the board due to the Conflict of Interest posed by the familial relationships: the Executive Director, Principal, and Director of Operations. This structure places an undue burden on the board to manage the day-to-day operations of the school. There is no evidence the current board has the capacity to govern effectively under this structure.

      iv. The governing board failed to demonstrate the ability to avoid future Conflict of Interest situations. When asked at the Capacity Interview about potential conflicts arising from the employment of multiple family members, the chain of command, and continued use of the facilities owned by the Executive Director, the board members did not explain how they would ensure that no future Conflicts of Interest would develop or how they would handles such conflicts if they did occur. The board stated that additional changes to the governance structure are being considered; these options are outside of the scope of this review as they were not available to be considered by the LAUSD Board of Education.

      v. The renewal petition submitted by WAYS fails to comply with *EC* § 47607(a)(2) which requires that *Renewals...of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter*

schools enacted into law after the charter was originally granted or last renewed... The petition contains references to outdated laws, policies, and practices, contains significant contradictions and omissions regarding key positions of employment, and provides elements that are no reasonably comprehensive. These deficiencies, reported under Finding 5, indicate the governing board lacks the knowledge of the laws under which the charter would operate.

3. *The petitioner has a history of involvement in education agencies (public or private) considered as unsuccessful.*

   A. The Executive Director is listed as the petitioner. Properties she owns and leased to WAYS were previously used to house her private school. CDE records compiled from data supplied by the private school operator indicate that enrollment declined from 60 to 20 students in the three years prior to the school closing.

   B. The WAYS Executive Director closed her private school with the intent to use the facilities she owned to house a charter school. The chronology of public records and statements made by the Executive Director during the Capacity Interview indicate she closed the private school due to insufficient enrollment. The petitioner stated she inquired about the process of becoming a charter school and was informed that the private school would need to be closed for one year prior to becoming a charter. The petitioner purposely closed the charter school as required and applied for a charter after the one year required waiting period.

The status of the Conflict of Interest issues is unclear. With the acceptance of the Prop 39 sites, the conflict regarding facilities may be resolved only if the school stops leasing its current facilities. The conflicts concerning personnel could only be resolved through a material revision to the governance structure of the charter including, but not limited to, the Executive Director's resignation or release from her current position and with the provision that she hold no future positions funded by the school. Regardless of the potential resolution to the certain Conflict of Interest issues, the Review Team considers the governing board to be ineffective in governing the school and demonstrably unlikely to successfully implement the proposed charter.

Finding 4: The petition contains an affirmation of all specified assurances. [*EC* § 47605(b)(4); *EC* § 47605(d)]

Finding 5: The petition does not contain a reasonably comprehensive description of all required elements. [*EC* § 47605(b)(5)(A)-(P)]

Based on criteria provided by the *California Code of Regulations, Title 5*, (*5 CCR*) eleven (11) of the 16 elements are not reasonably comprehensive.

Element 1: Description of the Educational Program. *Not reasonably comprehensive*

The *5 CCR* § 11967.5.1(f)(1) requires the petition to address eight (8) requirements. The petition fails to meet each of the established criteria rendering aspects of the educational program deficient for specific populations the school proposes to serve: English Learners, low-achieving students, high-achieving students, and students with disabilities. The deficiencies are as follows:

1. Failure to *indicate the proposed charter school's target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.*

   A. The petition overestimates the number of students to be served in the first year of the renewal charter and provides no build-out plan to support this assumption.

i. There is no build-out plan to support the proposed enrollment. The petition states (page 31) 520 students will be served in the first year of operation. At the Capacity Interview, the leadership team indicated that number is attainable only if a new site is obtained with increased capacity. The petition lacks an expansion plan except to state "...scheduled expansion to 25 [classrooms]." No plan was provided during the Capacity Interview.

ii. WAYS has never increased enrollment by 250 students in a single year. In 2009-10, the school enrolled 237 students, 46% of which were in grades K-1; in 2008-09, the school enrolled 177 students, of which 43% were in K-1; and in 2007-08, the school enrolled 146 students, of which 60% were in K-1. Historically, the school has seen reduced enrollment in its upper grades, although that trend was not as pronounced in 2009-10, the most recent year for which CDE data is available. At the Capacity Interview, the school stated it currently enrolls about 250 students.

B. The school failed to meet its goal of serving a target population "similar to that of the surrounding community" defined as 50% Hispanic/Latino and 50% African American (page 34). In 2009-10, 61% of the students were Black or African American and 38% were Hispanic or Latino as compared to LAUSD Local District 7 which was comprised of 18.6% Black or African American students and 80.4% of Hispanic or Latino Students.

C. The petition lacks specific information regarding its target population for students with disabilities and English learners. It states (page 33) the student population at the nearest non-charter public school is 63% English learners while the CDE reports 7% of WAYS students are English learners. The CDE reports 4% of WAYS students are identified as having disabilities which is half the rate of the two (2) closest non-charter public elementary schools.

2. *Lacks a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.*

A. The petition lacks detail regarding the grade levels and outcomes for each grade level and there is no framework for curriculum and/or instructional approach for English learners outlining how this population of students will be provided access to core curriculum.

B. While the petition states the school will provide more instructional minutes than required by the state, WAYS has been reducing the number of minutes it provided based on its Independent Audit Reports. The year ended June 30, 2009, shows 72,900 actual minutes and the year ended June 30, 2010, shows 70,200 minutes. The petition proposes 53,500 minutes for year 2011-2012; it does not explain the reason for the reductions or how the school intends to maintain its academic performance as instructional minutes are reduced.

3. Fails to *indicate how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.* The goals (page 47) for low achieving students are not clear and there is no indication of what advanced academic challenges will be provided for gifted and talented students (page 48).

4. *Indicates how the charter school will meet the needs of students with disabilities, English learners, students achieving substantially above or below grade level expectations, and other special student populations.*

A. The element is deficient with respect to English learners because it fails to:

i. Describe adequate basic and supplemental resources to provide English learners equitable access to the core curriculum.

ii. Provide the manner in intervention will be given to students who struggle to acquire English language skills outside of the "45 minutes during the school day for focused English language development. This instruction will emphasize vocabulary development, phonemic awareness, and oral and writing English." (page 48)

iii. Describe how the Individualized Education Program (IEP) Team determines placement of English learners in need of special education services, state that non-biased assessments used to determine placement must be conducted in the student's primary language under Federal law, and that the IEP must be linguistically appropriate.

iv. Demonstrate understanding of the difference between meeting the needs of English learners and meeting the needs of students with disabilities. The petition (page 22) indicates that to ensure the success of English learners, the school will use a collaborative approach that fosters communication between its Resource Specialist and Speech Therapist. These specialists only provide direct services to students identified as having disabilities.

B. The element is deficient with regard to students with disabilities because it fails to *specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.*

i. It does not describe accommodations and/or modifications that may be used during standardized assessments or how WAYS is responsible for students with disabilities when the IEP Team exempts them from standardized testing.

ii. There is no mention of how parents of students with disabilities are informed about the school's educational program.

iii. There are deficiencies with regard to English learners and special education services as stated in "A," above.

Element 2: Measurable Pupil Outcomes. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(2) as follows:

1. It fails to *specify skills, knowledge, and attitudes that reflect the school's educational objectives and can be assessed by objective means that are frequent and sufficiently detailed enough to determine whether pupils are making satisfactory progress.*

A. There are no identified measurable outcomes for students in Kindergarten and first grade who do not participate in Standardized Testing and Reporting (STAR).

B. There is no ongoing means for measuring English learners' acquisition of English or academic growth in content areas. The petition states the (California English Language Development Test (CELDT) will be administered "periodically" to monitor student progress of English language acquisition; however, it can only be administered annually which is insufficient to *evaluate the effectiveness of and to modify instruction.* The petition indicates Open Court Reading assessments will be used as formative assessments for English learners; however, they are not designed to measure progress towards English language proficiency but rather language arts skills and concepts. It fails to provide assessments to determine academic growth in other content areas.

C. Goals cannot be measured as stated. The petition states the percentage of students achieving proficient and advanced in History/Social Science will increase on the CST by 5% each year; there is no History/Social Science CST for grades K-5.

D. It lacks information on how students with disabilities will be assessed on making progress toward meeting their goals and benchmarks.

Element 3: Method for Measuring Pupil Progress. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(3) as follows:

1. It does not *utilize a variety of assessment tools that are appropriate to the skills, knowledge, or attitudes being assessed, including, at minimum, tools that employ objective means of assessment consistent with the measurable pupil outcomes.*

   A. Information is limited on how stated internal assessments (text based, benchmark performance, unit level, etc.) are used *as objective means* to assess student progress *consistent with measurable outcomes* (page 98). Language is vague and fails to indicate how assessments are used in English-Language Arts, math, science, social studies, and English Language Development.

   B. There is no information regarding assessment of K-1 students who do not participate in STAR. This is of particular concern since about half the school's enrollment is in grades K-1.

   C. Out of date assessments are proposed in violation of *EC* § 47606(a)(2). The petition states the school will administer the CAT 6, which is obsolete, and proposes performance objectives based on data from this assessment.

2. It does not *outline a plan for collecting, analyzing, and reporting data on achievement* of English learners *to school staff and to pupils' parents and guardians, and for utilizing the data continuously to monitor and improve the charter school's educational program.* There is no mention of English learner's testing performance or academic monitoring of English language levels beyond use of the CELDT. Nor is there mention of providing accommodations and/or modifications for standardized tests for students with disabilities; tests used to determine eligibility for special education programs and services; the manner and type of data maintained for students with disabilities; or how information will be disseminated to parents of students with disabilities.

Element 4: Governance Structure. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(4) as follows:

1. There is lack of *evidence of the charter school's incorporation as a non-profit public benefit corporation* for the purpose of running a charter school. While the articles of incorporation and bylaws provide evidence of the charter school's non-profit public benefit corporation status, governing a charter school is not listed as the specific purpose of this corporation. The petitioners have failed to amend these documents to reflect the running of a public charter school. As stated above in Finding 3, 3.B, the WAYS Executive Director purposely closed her private school with the intent to use the facilities she owned to house a charter school.

2. There is a lack of *evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:*

   A. *The charter school will become and remain a viable enterprise.* The governance structure fails to provide adequate oversight of the school's operation and fiscal management. Failure of the articles of incorporation and bylaws to state the purpose of the corporation is to provide for the

operation of a publicly funded charter school is further evidence that the structure lacks a *seriousness of purpose*. The bylaws states the board has only one regularly scheduled meeting, which is insufficient to provide for effective governing of a public charter school. The governing board's lack of effective oversight has jeopardized the school's charter status and there is no evidence that the board can implement the proposed educational program stated in the petition.

B. The petition does not provide a clear description of the governance and management structure. It is difficult to know the duties and responsibilities of management. The Organization Chart (Appendix B) conflicts with information provided elsewhere in the petition.

C. The petition makes no commitment to complying with the Political Reform Act (PRA), which is required of all charter schools. The petition fails to include a Conflict of Interest policy which is required under the PRA.

D. The body of the petition states that meetings will comply with the Brown Act (page 109). However, certain provisions of the bylaws appear to be in direct conflict with the Brown Act.

i. Section 4.6, Place of Meetings allows for meetings outside California. The Brown Act requires that the Board's meetings be held within the boundaries of the territory within which it has jurisdiction.

ii. Section 4.7, Regular Meetings authorizes meetings "without call or notice" in violation of the Brown Act. The Brown Act requires that at least 72 hours before a regular meeting an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting shall be posted.

iii. Section 4.11, Telephone Meetings, authorizes teleconferencing and video teleconferencing to constitute presence but fails to state the necessary safeguards that would render it compliant with the Brown Act such as posting agendas at the teleconferencing location and ensuring those locations are fully accessible to members of the public.

iv. Section 4.14, Action without Meeting, permits the Board to take an action without a meeting if all the members of the Board consent in writing to such action. This violates the Brown Act requirement that the board not take action on any item of business outside a meeting.

v. Section 4.7, the Board of the Merle Williamson Foundation is required to meet only once per year, on the last Friday in June; the Brown Act requires regularly scheduled meetings.

vi. The Agenda for the Special Board Meeting held Saturday, April 30, 2011, documents specific violations of the Brown Act with respect to items discussed in Closed Session.

Element 5: Employee Qualifications. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(5) as follows:

1. There is insufficient information on *the general qualifications for the various categories of employees (e.g., administrative, instructional, instructional support, non-instructional support)* and whether the *qualifications are sufficient to ensure the health, and safety of the school's faculty, staff, and pupils.*

2. It fails to *identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions.*

A. The petition fails to provide job descriptions and/or minimum qualifications for the following positions listed in the petition: Special Education Program Coordinator (page 96), Academic Co-Principals (page 112), Coordinator of Operations (page 128), and Academic Consultants and Director of Operations (Appendix B). Qualifications for Executive Director are absent.

B. The Organization Chart (Appendix B) is deficient. It fails to include an Executive Director, although there is a job description (page 120) outlining critical duties such as "oversee the school-operating budget...instructional program...classroom management...supervise staff...be an active member of the school board." Based on the job description, it is unclear if the Executive Director is a member of the board. Appendix B lists board members by name; the Executive Director's name is absent. The Organizational Chart includes a "Director of Operations," with no job description or qualifications provided for that position. It is unclear if it is the same as "Coordinator of Operations." The Organizational Chart identifies "Auxiliary Staff," but lacks specific corresponding positions.

3. *Specify that all requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary.* Teacher qualifications (page 122) state the CA *SB* 2042 teaching credential is required; this will exclude teachers who hold Ryan multiple subject credentials and life elementary credentials with added English language certification.

Element 6: Health and Safety Procedures. *Reasonably comprehensive*

Element 7: Means to Achieve a Reflective Racial and Ethnic Balance. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(7) based on evidence that:

1. During the term of its first charter, WAYS failed to *achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district in which it is located* as indicated on in the chart on page two (2) of this report. Enrollment of Hispanic/Latino students is not comparable to the two (2) closest LAUSD non-charter elementary schools.

2. The description of the student population (required under Element 1) and the proposed recruitment plan show no indication WAYS is aware that it failed to achieve the required ethnic balance and provides no corrective action in its plan. The recruitment plan is vague and lacks benchmarks that could guide the school toward correcting the deficiency.

Element 8: Admission Requirements. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5*, § 11967.5.1(f)(8) as follows:

1. It does not comply with *the requirements of* EC § *47605(d)* which, by reference, includes *EC* § 220 and *CA Penal Code* § 422.55 as the *other applicable provision*[s] *of law* in its statement of non-discrimination of protected classes. The petition additionally violates *EC* § 47607(a)(2) because the deficiency is the result of failing to update the renewal petition. This failure could result in the school engaging in discriminatory practices in its admissions procedures and policies.

2. *The process for conducting the lottery* is absent from the petition.

3. The preference given to siblings is *likely to negatively impact* the school from attaining its stated *racial and ethnic* goal.

Element 9: Annual Independent Financial Audits. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(9) as follows:

1. It does *specify the timeline in which audit exceptions will typically be addressed* or specify the timelines for statutory reporting requirements including the submission of the preliminary budget.

2. It does not specify that the school's Board of Directors will hire an independent auditor or that the auditor selected will be on the State Controller's list of educational auditors.

Element 10: Suspension and Expulsion Procedures. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(10) as follows:

1. There is no differentiation between *offenses for which students in the charter school must and may be suspended* and *separately, the offenses for which students in the charter school must or may be expelled, providing evidence that the petitioner reviewed the offenses for which students must or may be suspended or expelled in non-charter public schools.*

2. There is insufficient specificity regarding *the procedures by which pupils can be suspended or expelled.* It fails to provide timelines necessary to comply with due process requirements. It refers to due process but never defines it with regard to the suspension and expulsion process. No information is provided regarding how members of the expulsion hearing panel will be selected to avoid Conflict of Interest. The petition lists three (3) standards where "a student's suspension may lead to expulsion..." but lacks criteria for meeting the standards, which could result in capricious and prejudicial practices.

3. It does not describe how parents are informed *of their due process rights in regards to suspension and expulsion.*

4. It fails to *demonstrate an understanding of the rights of pupils with disabilities in...regard to suspension and expulsion.* The petition references the Individuals with Disabilities Act (IDEA) and Section 504 but does not differentiate between them regarding the procedures to be used for suspension and expulsion. The petition discusses Manifestation Determination; however, there is no mention of how WAYS deals with pupils when the behavior is associated with the disability, or ensure the pupil is in the appropriate program/services. There is no mention of how WAYS deals with a student with disabilities who begins displaying negative behaviors, of calling an IEP Team meeting and writing a Behavior Support Plan, or deals with suspensions (cumulative) of over 10 days.

Element 11: STRS, PERS, and Social Security. *Reasonably comprehensive with specific omission*

The petition does not state *the staff who will be responsible for ensuring that appropriate arrangements for coverage have been made* as required under *CCR, Title 5,* § 11967.5.1(f)(11).

Element 12: Public School Attendance Alternatives. *Not reasonably comprehensive*

The petition fails to meet the requirements of *CCR, Title 5,* § 11967.5.1(f)(12) as it does not *specify that the parent/guardian of each pupil enrolled in the charter shall be informed that the pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.*

Element 13: Post-Employment Rights of Employees. *Reasonably comprehensive*

Element 14: Dispute Resolution Procedures. *Not reasonably comprehensive*

The petition fails to meet the minimum requirements of *CCR, Title 5,* § 11967.5.1(f)(14) as follows:

1. Provides an unacceptable description of *how the costs of the dispute resolution process would be funded.* LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."

2. It fails to *recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto.*

   A. While the petition states that "any controversy or claim... except [one] that is in any way related to revocation of this Charter must be put in writing," the language does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).

   B. The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.

Element 15: Exclusive Public Employer. *Reasonably comprehensive*

Element 16: Closure Procedures. *Reasonably comprehensive with specific deficiencies*

The petition fails to meet the requirements as defined by *CCR, Title 5,* § 11962 as follows:

1. It does not comply with the requirement for *transfer and maintenance of personnel records in accordance with applicable law or* state how the school *will return any donated materials and property if closed.*

2. Closure procedures reflect the LAUSD Board of Education as the authorizer; the petitioner did not submit necessary changes to reflect the County Board as the potential authorizer. This is of particular importance with regard to special education as WAYS currently operates as a school of the district for special education services and would be a Local Education Agency (LEA) if authorized by the County Board.

Finding 6: The petition does not satisfy all of the Required Assurances of *Education Code* section 47605(c), (e) through (j), (l), and (m) as follows:

Standards, Assessments and Parent Consultation. *Does not meet the condition*

The petition does not provide evidence required by *EC* § 47605(c) that charter schools:

1. *Meet all statewide standards and conduct the pupil assessments required pursuant to EC § 60605 and 60851 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in non-charter public schools.* It fails to meet this condition due to its stated use of outdated tests and failure to specify correct procedures for students with speoial needs.

2. *The school shall, on a regular basis, consult with their parents and teachers regarding the school's educational programs.* It fails to meet the condition as there is no indication that WAYS provides a method for parents of English learners to provide input on programs specific to English learners and there is no mention of how parents of students with disabilities will be informed about the school's educational program.

Effect on the Authorizer and Financial Projections. *Does not provide the necessary evidence*

EC § 47605(g) requires the petition to provide information regarding the proposed operation and potential effects of the school on the authorizer. Requirements regarding the budget and facilities currently under lease were met. Concerns are as follows:

1. The petition does not provide evidence that there are no potential civil liability effects. Due to the Conflict of Interest issues raised by LAUSD and WAYS' failure to resolve those conflicts, there are concerns with the potential liability effects that authorizing the charter may bring to the County Board if the charter is authorized and the conflicts continue or recur.

2. While the current budget and projections for the next two years seem reasonable, the cost of facilities is unknown as the current lease expires in June 2011. The budget reflects an increase to lease expenses for expansion, based on current expenditures; however, if the school were to remain at the current site, it is unknown whether the holding company might raise the rate for the current sites, which would impact the out-year budgets.

Teacher Credentialing Requirement. *Does not meet the condition*

EC § 47605(l) requires that *teachers in charter schools shall be required to hold a CCTC certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold...It is the intent of the Legislature that charter schools be given flexibility with regard to noncore, non-college preparatory courses.* The petition fails to meet the condition because there is no mention of the type of credential a teacher would need to teach students with disabilities and teacher qualifications limited to *SB* 2042 credentials as reported under Element 5.

ACTION ON THE BUILDING BRIDGES INTERNATIONAL CHARTER SCHOOL APPEAL OF A PETITION PREVIOUSLY DENIED BY CULVER CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

The Interim Superintendent recommended that the Los Angeles County Board of Education adopt the findings of fact in the report as revised and take action to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education.

It was **MOVED** by Dr. Turrentine and **SECONDED** by Mrs. Holt to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education. Discussion followed.

Speaking in support of Building Bridges International Charter School were Dr. Powell, Dr. Hocevar, Dr. Hasan, and Ms. Janelle Ruley.

Mr. Boyd requested definitive information in writing on whether the County Board is allowed to accept and approve a charter petition with material changes or not.

A roll call vote to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education was taken. Voting yes were Ms. Braude, Mrs. Holt, Mr. Saenz, and Dr. Turrentine. Voting no were Mr. Boyd and Ms. Yepes.

The motion **CARRIED** to deny the charter petition for Building Bridges International Charter School received on appeal following denial by Culver City Unified School District Board of Education.

ACTION ON THE WISDOM ACADEMY FOR YOUNG SCIENTISTS CHARTER SCHOOL ON APPEAL OF A NON-RENEWED PETITION BY THE LOS ANGELES UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

The Interim Superintendent recommended that the Los Angeles County Board of Education adopt the revised June 7, 2011 findings of fact and the May 10, 2011 report in support of denial, and take action to deny the charter petition for Wisdom Academy for Young Scientists Charter School, received on appeal following denial by the Los Angeles Unified School District Board of Education.

Speaking in support of Wisdom Academy for Young Scientists Charter School was Mr. Mickey L. Cureton.

It was **MOVED** by Mr. Boyd and **SECONDED** by Mrs. Holt to reject the Interim Superintendent's recommendation to deny the charter petition, and to grant renewal of the charter for Wisdom Academy for Young Scientists Charter School. Discussion followed.

Mr. Saenz is concerned about the conflicts of interest and whether the changes that have been made are permanent. He would like to make sure that LACOE has in writing a clear indication that those changes need to be permanent and if there is any departure from the permanence of those changes it would be grounds for revocation for this charter. He also requested that there be

a condition not to employ the previous Executive Director until any and all allegations of conflict of interest have been resolved in her favor.

Mrs. Holt requested that the following also be included in the motion: that Wisdom Academy for Young Scientists will comply with California's conflict-of-interest laws.

Mr. Boyd accepted the amendments to the motion from Mr. Saenz and Mrs. Holt.

Mr. Saenz stated that the motion is to approve the charter school renewal subject to the condition that the current Executive Director be contracted for two years, that the former Executive Director not be employed by or at the charter school until such time, if any, that the allegations of conflict of interest have been resolved fully in her favor, and that the school comply with all California conflict-of-interest laws.

Mr. Boyd and Mrs. Holt agreed to the amended motion.

Ms. Jan Isenberg, Project Director III, Charter School Office, stated that if the County Board moves to approve the charter, the Interim Superintendent recommended that the County Board incorporate the following provisions in its approval action. If authorized, recommended conditions for approval are: Term of the charter begins July 1, 2011 and runs through June 30, 2016 contingent upon the following conditions:

By June 30, 2011, Wisdom Academy shall submit to the Charter School Office the signed LACOE Monitoring and Oversight Memorandum of Understanding following the approval by the Wisdom governing board; shall submit changes to reflect the County Board as the authorizer; and complete and submit an application to a Special Education Local Plan Area (SELPA). The petitioner will notify LACOE Charter School Office in writing to which SELPA the application was made.

A roll call vote to approve the petition for renewal subject to the conditions presented was taken. Voting no were Ms. Braude and Dr. Turrentine. Voting yes were Mr. Boyd, Ms. Yepes, Mrs. Holt, and Mr. Saenz. The motion **CARRIED**.

HEARINGS

3:15 P.M. PUBLIC HEARING ON 2008-2011 LACEA COLLECTIVE BARGAINING TENTATIVE AGREEMENT FOR THE PERIODS 2008-2009, 2009-2010, AND 2010-2011
In compliance with the collective bargaining agreement public disclosure requirements set forth in Government Code section 3547.5 (a), the Office entered into a 2008-2011 Tentative Agreement with Los Angeles County Education Association (LACEA).

The purpose of the public hearing was to receive comments from the public, if any, to the 2008-2011 Tentative Agreement with LACEA.

There was no public comment.

ATTACHMENT F

Necessary Changes to the Charter Petition to Reflect the County Board as the Authorizer

To be submitted to the Los Angeles County Office of Education by August 15, 2011. The Charter Office has requested to meet with the Charter School to provide support in making the necessary changes.

Element 1 – Educational Program: Describe the manner in which the school shall comply with the requirement to serve students with disabilities in the same manner as students are served in other public schools (EC 47646 and 56145). The Charter School shall:

1. Inform LACOE whether it intends to remain a "school of the district" or will be an LEA for the purpose of special education services and which LEA the school will join.

   If the school shall become an LEA, the petition must specify the charter school's special education plan, including the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities. Including, description of the accommodations and/or modifications that may be used during standardized assessments and how the Charter School is responsible for students with disabilities when the IEP Team exempts them from standardized testing; how parents of students with disabilities are informed about the school's educational program; how the school shall provide special education services to students who are English learners. Specify services to be provided by employees of the school and those to be provided by contract with the SELPA or another agency.

   Describe the target population to be served, how the educational program for students with disabilities reflects the mission of the school and ensures that this student population will achieve content standards. Specifically, respond to Findings of Fact contained in the Report and Recommendation to the County Board with regard to students with disabilities.

2. Provide a five-year build-out plan that describes the number of students and grade levels to be served each year including the location (facility) in which the students will be housed.

3. Describe how the school identifies and responds to the needs of students who are not achieving at or above expected levels.

Element 2 – Measurable Student Outcomes:

1. Revised Section 2.3 (Extent to which all pupils demonstrate that they have attained skills #1 and #2) of the Charter School's petition shall be revised to reflect the County Board as the authorizer.

2. Describe the measurable outcomes the school uses to determine whether students in grade K and 1 are making progress toward meeting the content standards.

3. Describe the measurable outcomes the school uses to determine whether English learners are making progress toward meeting the content standards in all content areas.

Element 3 – Means for Measuring Pupil Progress:

1. Describe the assessment instruments the school uses to measure ongoing student progress in all academic areas, grade levels, and student populations.

Element 5 – Employee Qualifications:

1. Submit copies of all current job descriptions including any new job descriptions for special education positions.

Element 7 – Means to Achieve a Racial and Ethnic Balance:

1. Submit recruitment plan used for 2011-12 enrollment. Describe the racial and ethnic balance the school is attempting to achieve and show how that balance is reflective of LAUSD.

Element 8 – Admissions Requirements:

1. Describe the process for conducting the lottery.

Element 12 – Public School Attendance Alternatives:

1. Describe how the school notifies the parent/guardian of each enrolled pupil has no right to admission in a particular school of any local education agency as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.

Element 14 – Dispute Resolution Procedures: Minimally, this section shall be revised to come into compliance with County Board Policies and Regulations and the terms of the petition shall not place LACOE or the County Board in the position of being adversely impacted.

1. *As written, the charter petition provides an unacceptable description of how the costs of the dispute resolution process would be funded. LACOE cannot agree to the provision, "Any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim or dispute."*
2. *The charter petition fails to recognize that if the substance of a dispute is a matter that could result in the taking of appropriate action, including, but not limited to, revocation of the charter in accordance with EC § 47607, the matter will be addressed at the County Board's discretion in accordance with that provision of law and any regulations pertaining thereto. The charter petition does not unequivocally exempt any issue related to revocation from first having to go through Element 14 (Dispute Resolution).*
3. *The Dispute Resolution element provides for unreasonable timelines. For instance, mediation must occur within 120 days to four (4) months after the Issues Conference and there is no timeline within which arbitration, the final step, must occur.*

The Charter School agrees to submit changes to the petition that adhere to the concernsd identified, above, no later than August 15, 2011. (Initial AUS)

Element 16 – Closure Procedures:

1. Closure procedures in the charter petition reflect the LAUSD Board of Education as the authorizer; the petitioner did not submit necessary changes to reflect the County Board as the potential authorizer. This is of particular importance with regard to special education as WAYS currently operates as a school of the district for special education services and would be a Local Education Agency (LEA) if authorized by the County Board.

The Charter School shall make the necessary technical amendments to the complete charter petition to reflect the County Board as the authorizer.

ATTACHMENT G

Changes to the Charter Petition Necessary to Comply with Education Code Section 47607(a)(2)

To be submitted to the Los Angeles County Office of Education by August 15, 2011. The Charter Office has requested to meet with the Charter School to provide support in making the necessary changes.

The Charter School's renewal petition fails to comply with *EC* § 47607(a)(2) which requires that *Renewals...of charters are governed by the standards and criteria in 47605, and shall include...a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed....*

The sections that shall be brought current include, but may not be limited to: Element 2: Measurable Student Outcomes; Element 3: Method of Measuring Student Progress; Element 4: Governance; and Element 8: Admission Procedures.

EXHIBIT CC

Los Angeles County Office of Education
Leading Educators ▪ Supporting Students ▪ Serving Communities

June 5, 2013

Via First Class Mail, Facsimile to (323) 752-6644 & (323) 537-8209
E-mail: edcabil@sbcglobal.net

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Rudell S. Freer
President

Rebecca J. Turrentine
Vice President

Douglas R. Boyd

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil,

Response to Email Dated May 19, 2013

It is always our intent to be cooperative and work with all charters to ensure their petitions have addressed all requirements as specified in *Education Code (EC)* 47605. As requested by you, a meeting was scheduled on May 15, 2013, from 1:00 to 2:00 p.m.

The purpose of the meeting was to review the Wisdom Academy for Young Scientists (WAYS) Charter, Los Angeles County Office of Education (LACOE) Charter School Office (CSO) Charter Review Summary dated December 20, 2012, and attachments F and G of the LACOE Monitoring and Oversight Memorandum of Understanding (MOU).

Your email dated May 19, 2013, referenced comments made at this meeting. Several of the statements contained errors; therefore, it is my intention to clarify and restate some of the information provided to you at this meeting. (Comments contained in your email are in italics.)

> *In regards to one key point of conversation regarding enrollment demographics that match those of the district in which Wisdom Academy for Young Scientists operates, I wish to summarize the statements made by Olivia Fuentes on this issue:*
>
> 1. *After a few exchanges on the enrollment plan, I mentioned that there was a reason why Black parents took their children out of the Los Angeles Unified School District and placed them in charter schools operated by Black leaders, and that the parents' action was due to a recent Office of Civil Rights suit against LAUSD for not teaching academic English to Black students, thus thats why there are only 4% of Black students in our California colleges. I then said that the requirement of forcing an 80/20 Latino ratio was unfair. To that statement, Olivia replied, "That's the law!"*

Response: You mentioned that the closest school to WAYS is Manchester Elementary School. As a point of reference, in order to assist you in addressing the petition requirement under *EC* 47605(b)(G), I provided you with the demographics of Manchester Elementary School. Although this is the closest school to WAYS, we stated that *EC* 47605(b)(G) requires that you have a plan to reflect the racial and ethnic composition of the district in which the school is located.

We also stated that due to the large geographic area served by LAUSD, providing demographic information for the schools that are closest to WAYS as well as for the district as a whole, may provide a fuller demographic picture. Nonetheless, the statutory requirement is to provide a plan to reflect the demographics for the entire district.

I acknowledged your statement regarding the teaching of academic English to Black students and the 4% of black students in California colleges as a concern.

The reference to "the law" was that the school must submit a plan to reflect the racial and ethnic demographics of the LAUSD as required by *EC* 47605(b)(G).

2. *I asked the question, "What was the purpose of this law? I did not get a clear answer, but a discussion ensued about school segregation. I then said that there were many Latino schools that had 98-100% Latino students enrollment, so why are there no attempts made to desegregate those schools to reflect LAUSD's ethnic ratio?*

Response: We did not directly comment about the purpose of the law because we do not know the exact intent of the legislature. Our reference to "segregation" was based on our knowledge of the history of the desegregation movement in California public schools. Based on that history, it seems likely the legislature wanted to ensure that the creation of charter schools did not result in the re-segregation of the public school system.

3. *Mr. Jason mentioned that WAYS' recruitment plan was going quite well due to the fact that a concerted effort is in effect by WAYS to recruit Latino pre-school grads for our kindergarten class by using our Latino staff members as the key contact persons who present at 100% Latino enrolled pre-schools. To this Olivia stated, "Latino parents want to see the face of the community!" Olivia explained her statement to mean that Latino parents want to see the administrative leadership of the school! To this, I mentioned that you mean that we must hire a Latino administrator, who would be the lead person in recruiting Latino students, and Olivia nodded yes!*

Response: Mr. Jason Okonkwo shared the plan to recruit Latino students matriculating from preschool to WAYS' kindergarten program. We stated that the recruitment plan should be detailed in the petition. He stated that the school uses Spanish-speaking recruiters for this purpose. Ms. Judy Higelin said that some of our charter schools have reported that it is also helpful for members of the school's leadership team to reflect the ethnic and racial composition the school is striving to achieve.

4. *Olivia said to me, "Mr. Cabil, you retired once, are you retiring again after this year? I did not give a yes or no answer to this question because I felt that that question was related to filling my Executive Director's position with a Latino.*

Response: In reference to the comment regarding your retirement, there was no statement made about filling of the position of Executive Director with a Latino. You stated you were mentoring someone for the Executive Director's position.

5. *Following all of the final exchanges between both sides, I mentioned that this whole issue of forcing an 80/20 Latino ratio in a school that followed all of the enrollment and recruitment rules will have to be settled in court!*

Response: *EC* 47605(b)(G) which is part of the current provisions of charter law requires all charter petitions to describe a plan to achieve a racial and ethnic balance reflective of the district in which the

school is located. The charter element as written in WAYS petition is not reasonably comprehensive because the plan lacks sufficient detail and does not reflect the County Board as the authorizer. Your email's reference to the court ordered integration balance of 80/20 does not apply to WAYS because the school is not authorized by LAUSD, the only district affected by the Crawford Integration Order.

If you have any questions, please contact me at (562) 922-8227.

Sincerely,

Olivia Fuentes

Olivia Fuentes
Director
Division of Accountability, Support and Monitoring

OF:of

c: Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Judy Higelin, Interim Project Director III, Charter School Office, LACOE

EXHIBIT DD

Los Angeles County Office of Education
Leading Educators ▪ Supporting Students ▪ Serving Communities

January 10, 2013

Via First Class Mail, Facsimile to
(323) 752-6644 & (323) 589-6550
E-mail: edcabil@sbcglobal.net

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Rudell S. Freer
President

Rebecca J. Turrentine
Vice President

Douglas R. Boyd

Katie Braude

Gabriella Holt

Maria Reza

Thomas A. Saenz

Mr. Edward Cabil, Executive Director
Wisdom Academy for Young Scientists Board
Dr. Dorothy Valenti, President
Mr. Armando Espinosa
Mr. Norman Golden
Ms. Karen Haynes
Ms. Cherly Johnson
Ms. Eleanor Jones
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of the Wisdom Academy for Young Scientists Board:

Notice of Noncompliance with Law and Charter

The Los Angeles County Board of Education delegates the monitoring and oversight of the charter schools it authorizes to the Los Angeles County Superintendent of Schools and the Los Angeles County Office of Education (LACOE) as detailed in the LACOE *Monitoring and Oversight Memorandum of Understanding* (MOU).

Education Code 47605(m) states:

> A charter school shall transmit a copy of its annual, independent, financial audit report for the preceding fiscal year to the County Office of Education, State Controller, and the State Department of Education by December 15 of each year[1].

MOU Section 3.5 Annual Audit (page 13) and Attachment C: *Reporting Timeline* identifies this requirement. Wisdom Academy for Young Scientists (WAYS) received the 2012-13 *Reporting Timeline* prior to July 1, 2012, and a reminder of the audit due date was sent to WAYS' Executive Director and Director of Operations by email on December 12, 2012.

LACOE did not receive WAYS' 2012 Independent Audit until Monday, January 7, 2013. The website for the State Controller's Office (SCO) states, "The SCO does not grant extensions for charter school audits. The extension must be obtained through the chartering entity… and the chartering entity should notify the SCO and the CDE of the extension." (Retrieved 1/2/13 from http://sco.c.gov/aud_lea_filing_extensions.html) WAYS' late submission did not comply with this requirement, as the school did not request an extension from the County Board.

[1] The State Controller extended the deadline for submission of the 2012 Independent Audit to December 17, 2012.

This letter notifies WAYS, its governing board, and its auditor that the school failed to comply with *Education Code* 47605(m). Failure to comply with requirements of law is grounds for revocation under *Education Code* 47607(c)(4).

If you have any questions, please contact the Controller's Office at (562) 922-8973.

Sincerely,

Patricia Smith
Executive Director
Business and Finance

PS/JH:ls

c: Los Angeles County Board of Education
John Chiang, State Controller's Office, Division of Audits
Scott Hannan, Director, School Fiscal Services Division, California Department of Education
Clem Payne, Jr., Clem Payne, Jr., CPA, Auditor
Arturo Delgado, Ed.D., Superintendent, LACOE
Yolanda M. Benitez, Assistant Superintendent, Educational Services, LACOE
Alex Cherniss, Ed.D., Chief Business Officer, Business Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE
Judy Higelin, Interim Project Director III, Charter School Office, LACOE

Sanchez_Lila

From: Patel_Neha
Sent: Thursday, January 10, 2013 4:09 PM
To: edcabil@sbcglobal.net
Cc: Higelin_Judy; Sanchez_Lila
Subject: WAYS Letter_1-10-13_Notice of Noncompliance with Law and Charter
Attachments: WAYS Letter 1-10-13_Notice of Noncompliance with Law & Charter.pdf

Mr. Cabil,

Please find attached letter dated 1-10-13 regarding noncompliance with Law and Charter.

Letter will also be mailed to appropriate personnel and faxed at (323) 752-6644 and (323) 589-6550.

Please confirm receipt of this email.

Thank you,
Neha Patel
Charter School Office
Los Angeles County Office of Education
(562) 922-8806

EXHIBIT EE

Higelin_Judy

From: Patel_Neha
Sent: Thursday, November 21, 2013 11:41 AM
To: Higelin_Judy; Wilson_Dina
Cc: Sanchez_Lila
Subject: FW: Board Meeting Postponed

From: Saundra Davis [mailto:saundavis@aol.com]
Sent: Thursday, November 21, 2013 11:26 AM
To: Edward Cabil
Cc: dvalenti747@yahoo.com; armando.espinoza.10@my.csun.edu; johnsoncenter@msn.com; normanskx@gmail.com; Carol Lee Tolbert; kimberly@ksdanielslaw.com; Patel_Neha; Jason Okonkwo; Karen Horowitz; deara7@gmail.com; Bali Business Management; larry.wisdomacademy@gmail.com
Subject: Re: Board Meeting Postponed

Dear Mr. Cabil,
I am concerned about you postponing today's Board Meeting. Although I had concerns even before now because of the fact that we were Literally verbally threatened, told to leave and not to come back, lights turned off and then thrown out of the October 24th board meeting by Jason Okonkwo. On one hand I appreciate your intervention to ensure our safety and not allow him to attack us again. I want to thank you for stepping up to the plate to intervene on our behalf. On the other hand, I'm wondering if I missed the Board vote or authorization to postpone the board mtg. Is this in your scope of authority without Board Approval and/or authority? In our efforts to get this school and administration on the right track, we must take protocol and authority into consideration.
Please apprise me of how this decision was made because even though our safety was and is a concern, we must approach every situation within the scope of position, following all policies, procedures, rules and regulations and remembering,"It's All About The Kids"

Blessings,
Saundra Davis
(310)733-8091
Sent from my iPhone

On Nov 19, 2013, at 4:44 PM, Edward Cabil <edcabil@sbcglobal.net> wrote:

> I am writing you to notify that the November 21, 2013 board meeting has been postponed.
>
> Blessings,
> Ed Cabil

EXHIBIT FF

WAYS

12/14/13

Carol Lee Tolbert — Oakland, CA.

mutual friend knew Ed Calil who asked Ed Calil's mutual friend found Carol Tolbert and asked to be involved - Carol Agreed.

⇒ Board is kept at Bay + Not given details of FCMAT Reviews.

⇒ LACOE's letters showed Carol that WAYS was not Responding to LACOE.

⇒ Carol asked MR Calil - do you want me on the board or on the operational side? Mr. Calil said he wanted Carol on the board.

⇒ Carol flew down in June 2013 + Sandra Davis and Kimberly Daniels - the other 2 board members came + Watsonville. The election in August 2013 Carol was "elected" to board + become Board President.

⇒ Carol was given an overview of Plan for 6/30/12 audit + believed there was a fiscal problem. Carol felt the administrators were running the whole show.

⇒ Board members are not Receiving information ~~at~~ Administrators are running everything which makes Oversight + Fiduciary responsibility difficult.

⇒ Oct board meety 2013 = closed session - Premature termination of two employees.

⇒ MR Cabral did not want to collaborate with Carol in preparing the board Agenda.
on 10/9/13 - a board member called a special meety; however, the only one who can call a Special meety is President or a Quorum of BOard.
Carrol said it would have been an illegal meety + Jason
MR Tolbert wanted the Pre-maturely terminated staff to meet with Board member individually + staff shared their termination experience which was very poor even though they had good recommendations.
The MAnagement Staff said there was no paperwork for what the employees did wrong.

⇒ MRS Tolbert believed the at-will process was abused.

Then Jason Okonkwo "went off" + wanted to come into closed session + Edmundo Espinosa Board members want Jason in the meety because Edmundo is a good friend of the Okonkwo's

⇒ one of the Board members thought Jason was their boss.

⇒ Debi = the family believes it is their personal school.

Mrs Tolbert was clear that Jason was not their boss. Carol said to Judy that Mgmt is emboldened to act the way they do because nobody stopped them.

Office supplies increased by $18,000 but only gave Provided 13/14 and No actual figures for 12/13.

Jason called Halilu Not to come to the Sept 2013 Board meeting. Ms Tolbert Wanted Halilu to come to Sept 2013 Board meeting to continue discussing the finances + Carrol asked Jason what happened + Jason said he told Halilu not to come to the Sept 2013 Board meeting.

MRS Talbert has Not met Kardia. may board member know through mutual friends.

MR Cabil Cancelled the NOV 2013 Board meety.

Ed Cabil
Jason
De De
) No employment Contracts

Ed Cabil facilitates Jason's behavior. MR Cabil condone Jason's behavior.

* Halilu was in the August 2013 Board meety to address the Financials, Sept 2013 Board meety Halilu was told by Jason Not to come, The Oct 2013 board meety had the argument + board was thrown out of the building so Halilu could not discuss the financials + NOV 2013 Board meety was cancelled by Ed Cabil. There is NOW No Dec '13 Board meety.

MS Talbert does Not know who OSE Bulian serves. Halilu provided a vendor list to MS Talbert but Cabil told MS Talbert Not to talk to Contractors.

⇒ Tasch Lexus = Board Did not Receive any Request to pay off the Lexus. September 2013 Board Agenda had something about transportation needs. Halilu discussed with MS Tolbert what should be done with Paying off the Lexus + MS Tolbert said don't Pay off the Lexus.

⇒ Halilu has presented a Procedure Manual to the Charter.

* What Does the charter Petition say How transaction are approved.?

⇒ Administration is not Accountable + The Board has No Control

⇒ If Board member turn over in 3 years.

⇒ The LACOE staff need to have a meet with the board to describe the consequences of closure if petty is improved.

⇒ Board members have Not Received a "Notice to Cure" from LACOE although LACOE has most likely sent it to the administrators. =

Restraining Order = ~~Not~~ was filed but not Granted.

OCI Development, Inc 2013-14 loans agreement
- Not approved by the board.

John Lemmo from Procopio prepared WAYS Board member Refresher - however, the WAYS Board needs for more training in Board
- Brown Act
- Fiduciary Responsibilities
- Procedures, etc.

different schedules. Inconclusive

Look at Cabil's Payroll Agenda. His pay is 3k/month but Salary Schedule = 100,800 - verify how much in QB's Cabil is really getting

⇒ In 2010, Board member spoke up + were somewhat stiphoned but did get kendra out. Now, the Report of Administrators taking over + "Significant Influence" exerted the pattern is established that Administrators try + run off Board members that push back.

Wisdom Academy for Young Scientists

Notice of Intent to Revoke **and**
Notice of Facts in Support of Revocation
Pursuant to EC 47607(e)

Report to the Los Angeles County Board of Education
September 23, 2014

Legal Authority EC 47607(c)(1-2)

Grounds for Revocation: The chartering authority finds, through a showing of substantial evidence, that the charter school did any of the following:

(A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

(B) Failed to meet or pursue any of the pupil outcomes identified in the charter.

(C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.

(D) Violated any provision of law.

Required Consideration: Increases in pupil academic achievement for all groups of pupils most important factor in determining whether to revoke

Notice of Intent to Revoke

2

Revocation Process: EC 47607, 5CCR 11968.5.2

Step One:	**Notice of Violation** ***Issued: June 3, 2014***
	Reasonable Opportunity to Remedy ***Expired: July 31, 2014***
Step Two:	**Notice of Intent to Revoke/Notice of Facts in Support of Revocation** ***Proposed: September 23, 2014***
	Public Hearing held within 30 days ***Tentative: October 21, 2014***
Step Three:	**Final Decision within 30 days*** ***Tentative: November 4, 2014***

*May be extended for 30 days upon mutual agreement

3

Background

Grades: K-5

Enrollment: 537 (2013-14)

Locations: Los Angeles, 90001

- 706 E. Manchester Ave (Main)
- 7651 S. Central Ave (Salvation Army)
- 8778 S. Central Ave (Kinder House)

Authorized by LAUSD: 2006; Not renewed 2011

County Board Renewed on Appeal: June 2011

Renewal Subject to Conditions: Conditions not met

- Mediation began June 2012
- Arbitration entered April 2013
- Issues resolved July 2014

4

Documented Concerns

2011:

- **Renewal Report:** Conflict of Interest, Failure to Follow Charter, Governance
- **Notice of Investigation (EC 47604.4):** Failure to Follow/Implement Charter, Governance

2012:

- **Report on Investigation:** Fiscal Mismanagement, Conflict of Interest, Lack of Board Fiscal and Operational Oversight

2013:

- **Notice:** Failure to Submit Audit within Legal Timeline
- **Notice:** Request for FCMAT Audit
- **Notice of Concern:** Failure to Follow Charter, Law, Governance

2014:

- **FCMAT Audit:** Published March
- **Notice of Violation:** Issued June 3

5

What is "Generally Accepted Accounting Principles" (GAAP)?

- GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice.
- The purpose of GAAP is to ensure that financial reporting is transparent and consistent from one organization to another.
- Departures from these principles will result in misleading information, inaccurate financial statements and quite often fiscal mismanagement.
- Therefore, pursuant to Education Code 47607(c)(1)(C), there are grounds for revocation.

6

Notice of Intent to Revoke

Grounds for Revocation

I. WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement. EC 47607(c)(1)(C)

- WAYS failed to meet GAAP and engaged in fiscal mismanagement
  - WAYS lacks adequate internal controls
  - WAYS engaged in related party transactions
  - WAYS violated provisions of law

7

WAYS Failed to Remedy

WAYS does not meet generally acceptable accounting principles (GAAP)

- WAYS departed from GAAP resulting in misleading information, inaccurate financial statements, and fiscal mismanagement
- WAYS violated GAAP by
  - Not addressing the account reconciliations and implementing Year-End accruals and a closing process
  - Not implementing and documenting the capitalization of assets
  - Failing to maintain an "arms length" in its financial transactions

8

WAYS Failed to Remedy

WAYS did not remedy inadequate internal controls

- It failed to adhere to its Fiscal Polices in transactions with DeDe Dance and OSE Business Services
  - No evidence of formal contracts, purchase orders, or other agreement to substantiate payments
- WAYS' own evidence demonstrates lack of internal controls and failure to follow Fiscal Policies. Contracts show:
  - Payments exceeded amount approved by Board
  - Staff executed contract prior to Board approval
  - Vendor was paid without submitting an invoice
- Evidence WAYS continues to violate policies and procedures in Financial Handbook
- Financial Handbook inadequate due to contradictions, errors, unclear statements, and failure to provide separation of duties

9

WAYS Failed to Remedy

WAYS did not remedy its related party transactions

- The Director of Operations authorized payments to DeDe Dance (sister) and OSE (cousin). The Fiscal Policies did not authorize him to make payments to vendors.
  - Six (6) payments made to DeDe Dance in 2013 in the amount of $24,000 for the ASES program and one (1) payment for $320 for supplies reimbursement
  - Twenty (20) payments made to OSE in 2013 totaling $101,338
  - Transactions involving the Director of Operations provides evidence of failure to maintain "arm's length"
- FCMAT concluded that failure to disclose related party transactions may be considered a departure from GAAP and potential for civil and criminal prosecution.

10

Notice of Intent to Revoke

WAYS Failed to Remedy

WAYS did not remedy all violations of law

- It did not submit its 2012 Independent Audit to the State Controller's Office, CDE, and LACOE by the December 15 deadline as specified in EC 47605(m)
- It failed to comply with EC 8483(a)(2) pertaining to timely reporting
- It failed to comply with EC 8483(a) pertaining to the allowable indirect rates charged in administrating the After School Education and Safety (ASES) program
- It failed to issue a Form 1099 or W-9 to OSE as required by the law

11

Grounds for Revocation

II. WAYS committed a material violation of...the conditions, standards, or procedures set forth in the charter. EC 47607 (c)(1)(A)

- WAYS Board failed to exercise fiscal and institutional control
- WAYS Board violated Charter Element 4: Governance
- WAYS Board and administrators violated Charter Element 5: Employee Qualifications

12

WAYS Failed to Remedy

WAYS Board did not remedy its lack of fiscal and institutional control

- It materially violated the governance provisions of its charter (Element 4) by
  - Not providing adequate fiscal oversight
  - Not establishing/approving policies prior to implementation
  - Not holding regular monthly meetings, not following its bylaws or the Brown Act
  - Not providing proper oversight of key administrators

13

WAYS Failed to Remedy

WAYS Board did not remedy its lack of fiscal and institutional control

- It materially violated the conditions, standards and procedures identified in the Employee Qualifications stated in its charter (Element 5) by
  - Not adequately overseeing and evaluating the Executive Director and Director of Operations
  - Allowing the Executive Director and Director of Operations to not comply with duties specified in the charter

14

WAYS Failed to Remedy

WAYS Board Lacks Capacity to Govern

- It lacks understanding of its roles and responsibilities
- It is not active in decision-making and oversight due to
  - Lack of knowledge, experience, training, preparation
  - High Board turnover
  - Failure to maintain regular meeting schedule and absenteeism, resulting in
    - Lack of quorum
    - Lack of timely action
    - Staff acting independent of Board oversight
- Lacks accountability and does not hold administrators accountable

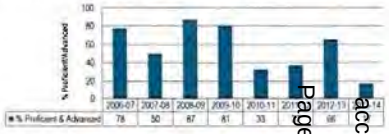
15

Academic Analysis

Pursuant to EC 47607(c)(2):

- **Growth Academic Performance Index (API)/3-Year Average**

- CST Proficiency Rate Decline: English-Language Arts & Math
- CST Grade 5 Science Performance Decline



- EL Redesignation Rate for 2013-14: <1%

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Notice of Intent to Revoke
accs-apr15item04
Attachment 6
Page 3428 of 3489

APPROVED
LOS ANGELES COUNTY
BOARD OF EDUCATION
SEP 23 2014
BY: AD:RC
Ex Officio Secretary

Board Meeting – September 23, 2014

Item VIII. Recommendations

B. Approve the Superintendent's Recommendation to Issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to Education Code Section 47607(e).

The Superintendent recommends that the Los Angeles County Board of Education adopt the written finding of facts based on the evidence provided and take action to issue a *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* pursuant to Education Code 47607(e).

The *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* to WAYS is attached to the Report Item dated September 23, 2014.

From: Sanchez_Lila
To: "edcabil@sbcglobal.net"; "armando.espinoza.10@my.csun.edu"
Cc: Higelin_Judy
Bcc: Patel_Neha
Subject: Letter Dated 9/24/14 - Confirmation of Board Action
Date: Wednesday, September 24, 2014 4:50:00 PM
Attachments: WAYS Ltr_Board Action_Issue N[redacted]Intent to Revoke_09-24-14.pdf

---

Dear Mr. Cabil and Mr. Espinoza,

Attached please find copy of a letter dated September 24, 2014, confirmation of the County Board Action to issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists. The original letter will follow by mail.

Kindly confirm receipt of this email.

Thank you,

Lila Sanchez
Administrative Assistant
Charter School Office
Los Angeles County Office of Education
(562) 922-8806
(562) 922-8805/Fax
Serving Students ▪ Supporting Communities ▪ Leading Educators

Los Angeles County Office of Education

Serving Students ▪ Supporting Communities ▪ Leading Educators

September 24, 2014

Via First Class Mail & E-mail to:
edcabil@sbcglobal.net and
armando.espinoza.10@my.csun.edu

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County Board of Education

Katie Braude
President

Thomas A. Saenz
Vice President

Douglas R. Boyd

José Z. Calderón

Alex Johnson

Raymond Reisler

Rebecca J. Turrentine

Mr. Edward Cabil, Executive Director
Mr. Armando Espinoza, Interim Board Chair
Wisdom Academy for Young Scientists Board
706 E. Manchester Ave.
Los Angeles, CA 90001

Dear Mr. Cabil and Members of Wisdom Academy for Young Scientists Board:

Confirmation of County Board Action to Issue a Notice of Intent to Revoke
and Notice of Facts in Support of Revocation

This letter serves as confirmation of the action taken by the Los Angeles County Board of Education (County Board) at its regular meeting held Tuesday, September 23, 2014. The County Board voted to issue a Notice of Intent to Revoke (NIR) and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to *Education Code* section 47607(e).

The following documents are attached:
1) Copy of the approved action taken by the County Board
2) NIR and Notice of Facts in Support of Revocation

The evidence (NOV Exhibits 1-38 and NIR Exhibits A-FF) were previously provided to WAYS on September 15, 2014. If you should require additional copies, please contact the Charter School Office at (562) 922-8806.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Judy Higelin
Project Director III
Charter School Office
Division of Accountability, Support and Monitoring

JH:ls
Attachments (2)

c: Arturo Delgado, Ed.D., Superintendent, LACOE
Yolanda M. Benitez, Chief Academic Officer, Educational Services, LACOE
Scott Price, Ph.D., Chief Financial Officer, Business Services, LACOE
Marlene P. Dunn, Director, Business Advisory Services, LACOE
Olivia Fuentes, Director, Division of Accountability, Support and Monitoring, LACOE

APPROVED
LOS ANGELES COUNTY
BOARD OF EDUCATION
SEP 23 2014
BY: AD:RC
Ex Officio Secretary

Board Meeting – September 23, 2014

Item VIII. Recommendations

B. Approve the Superintendent's Recommendation to Issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to Wisdom Academy for Young Scientists (WAYS) Pursuant to Education Code Section 47607(e).

The Superintendent recommends that the Los Angeles County Board of Education adopt the written finding of facts based on the evidence provided and take action to issue a *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* pursuant to Education Code 47607(e).

The *Notice of Intent to Revoke* and *Notice of Facts in Support of Revocation* to WAYS is attached to the Report Item dated September 23, 2014.

September 23, 2014

Executive Summary

The Los Angeles County Office of Education ("LACOE") recommends the Los Angeles County Board of Education ("County Board") issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation ("NIR") because substantial evidence exists that the Wisdom Academy for Young Scientists ("WAYS") has failed to meet generally accepted accounting principles, engaged in fiscal mismanagement, and committed material violations of the conditions, standards, and procedures set forth in its charter.

On June 3, 2014, the County Board issued a Notice of Violation ("NOV") to WAYS stating the following legal grounds for revocation:

I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement. California Education Code § 47607(c)(1)(C).

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter. California Education Code § 47607(c)(1)(A).

The NOV (NIR Exhibit A) documented specific factual findings and provided evidence to support each of the legal grounds for revocation. (NOV Exhibits 1-38)

On July 31, 2014, WAYS timely submitted its response (NIR Exhibit B) and supporting evidence (WAYS Exhibits 1-74) to the NOV.

After careful review, LACOE determined that while the response remedies a few of the violations listed in the NOV, substantial evidence exists that WAYS failed to refute, remedy, or propose remedy to the legal grounds for revocation identified in the NOV as follows:

I. WAYS failed to meet GAAP and engaged in fiscal mismanagement. Three significant issues remain uncured: WAYS lacks adequate internal controls, engaged in related party transactions, and violated provisions of law. The revised Fiscal Policies and Procedures Handbook (and the May 20, 2014 charter) upon which WAYS bases much of its remedy fails to provide adequate separation of duties, does not provide policies and procedures to prevent related party transactions or violations of law with regard to state and federal funds, and contains multiple contradictions, errors and unclear statements. Therefore, the Fiscal Policies and Procedures fail to ensure that GAAP are and will be followed and fiscal mismanagement avoided. While some specific issues were remedied, there is no evidence of systemic change adequate to cure material violations and prevent future violations. Since the NOV was issued, there is also new evidence of misuse of public funds.

II. WAYS committed material violations of the conditions, standards, or procedures set forth in the charter. Three significant issues remain uncured: WAYS Board failed to exercise fiscal and institutional control, violated charter Element 4 (Governance), and failed to hold key administrators accountable to the standards and procedures stated in charter

Element 5. (Employee Qualifications) WAYS failed to refute or propose adequate remedy to these violations. Much of WAYS' proposed remedy centers on its revised Financial Policies and Procedures Handbook and the May 20, 2014 charter; the insufficiency of the Financial Policies and Procedures is summarized above. Other proposed remedies include replacing the Executive Director and Director of Operations, contracting with Celerity Global Development and a new back office provider, and adding new board members. These proposed remedies have been minimally implemented and do not ensure permanent cure. The Executive Director has not been replaced and the Director of Operations continues to be compensated by WAYS through an independent contractor arrangement, which violates the school's Fiscal Policies. Additionally, replacing staff does not ensure adequate Board oversight. There is no contract with Celerity and no evidence that the newly appointed Board members have adequate experience. The Board's failure to follow the oversight provisions of the charter, Board bylaws, and Board policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement, including misuse of public funds and fraud.

Upon the County Board's determination that the WAYS Board failed to refute, remedy, or propose remedy to the material violations of the charter and the fiscal violations identified in the NOV, it will adopt and issue this NIR to WAYS and its Governing Board.

The findings below and substantial evidence in support of issuing NIR to WAYS conform to the standards and procedures of California Education Code ("EC") section 47607 and the California Code of Regulations, Title 5 ("5 CCR") section 11968.5.2.

This report provides the County Board with a summary of its legal authority, the violations identified in the NOV, WAYS' response to the NOV, LACOE's analysis of WAYS' response, and an analysis of academic performance.

Legal Authority

Pursuant to EC § 47607(c)(1), the authorizing entity "may revoke the charter of a charter school if it finds, through a showing of substantial evidence, that the charter school did any of the following:

(A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

(B) Failed to meet or pursue any of the pupil outcomes identified in the charter.

(C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.

(D) Violated any provision of law."

5 CCR § 11968.5.2 regarding charter revocation provides:

> "(c) Upon receipt of a Notice of Violation, the charter school's governing body as described in the school's charter, if it chooses to respond, shall take the following actions:
>
> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken,

or proposed remedial action by the charter school specific to each alleged violation. The written response shall be due by the end of the remedy period identified in the Notice of Violation.

(2) Attach to its written response supporting evidence of the refutation, remedial action, or proposed remedial action, if any, including written reports, statements, and other appropriate documentation.

(d) After conclusion of the reasonable opportunity to remedy, the chartering authority shall evaluate the response of the charter school's governing body as described in the school's charter response to the Notice of Violation and any supporting evidence, if submitted, and shall take one of the following actions:

(1) If the chartering authority has substantial evidence that the charter school has failed to refute to the chartering authority's satisfaction, or remedy a violation identified in the Notice of Violation, continue revocation of the school's charter by issuing a Notice of Intent to Revoke to the charter school's governing body as described in the school's charter; or

(2) Discontinue revocation of the school's charter and provide timely written notice of such action to the charter school's governing body as described in the school's charter."

EC § 47607(e) provides, in relevant part:

"Before revoking a charter for failure to remedy a violation pursuant to subdivision (d), and after expiration of the school's reasonable opportunity to remedy without successfully remedying the violation, the chartering authority shall provide a written notice of intent to revoke and notice of facts in support of revocation to the charter school. No later than 30 days after providing the notice of intent to revoke charter, the chartering authority shall hold a public hearing, in the normal course of business, on the issue of whether evidence exists to revoke the charter…."

Pursuant to EC § 47607(c)(2), the County Board "shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter."

Notice of Intent to Revoke and Facts in Support of Revocation Under EC § 47607(e)

On June 3, 2014, the County Board issued a NOV to WAYS. On July 31, 2014, WAYS timely provided its response and supporting evidence; however, the response failed to fully address each violation identified in the NOV.

WAYS' response to the NOV contends: (1) LACOE failed to follow the correct standard in issuance of the NOV because WAYS was not provided with "facts in support of revocation" and "a reasonable opportunity to remedy the violation," because LACOE's facts are "false and unfounded" or "to the extent they are true, they have already been fully cured … *or were never a violation of law or charter in the first place;"* and (2) that background information and timeline of events leading to the NOV contains inaccuracies and omissions, and is inaccurate. (NIR Exhibit B, p. 40)

WAYS was afforded a reasonable opportunity to cure as it was given from June 3, 2014 to July 31, 2014, to review the identified violations and formulate a response. Also, a majority of the identified violations were not new issues as they were identified in the March 19, 2014 Fiscal Crisis and Management Assistance Team (FCMAT) Audit, WAYS' Independent Audits, and correspondence from LACOE to WAYS over a period of approximately three years. WAYS' response to the NOV fails to present evidence that the violations asserted by LACOE are false, unfounded or have been cured. The NOV accurately identifies violations of law and the charter which are not refuted. The background information and timeline of events leading to the NOV are complete and accurate.

WAYS' response provides minimal remedies; however, substantial evidence exists that WAYS failed to refute, remedy or propose remedy to each of the material violations of the charter and the fiscal violations identified in the NOV. Additionally, WAYS failed to provide evidence to support its refutation, remedy and/or proposed remedy of these material violations.

Therefore, the County Board issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to WAYS based on the grounds for revocation set forth below:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement. EC § 47607(c)(1)(C).

II. WAYS committed a material violation of the conditions, standards, or procedures set forth in the charter. EC § 47607(c)(1)(A).

Facts and Findings in Support of Revocation

The bases for issuance of the NIR are set forth below. The County Board incorporates the June 3, 2014 NOV, (NIR Exhibit A) all of the substantial evidence and supporting documentation provided with the NOV (NOV Exhibits 1-38), and new facts and evidence described below. (NIR Exhibits A-FF) Revocation is based on the following grounds:

I. WAYS failed to meet generally accepted accounting principles and engaged in fiscal mismanagement.

A. WAYS Failed to Follow Generally Accepted Accounting Principles and Engaged in Fiscal Mismanagement.

Summary of NOV:

The NOV was based on substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement because the Charter School: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents provided in the NOV (NIR Exhibit A, p. 5-12) and NOV Exhibits 6, 8, 9, 11, and 12.

Summary of WAYS' Response to NOV:

WAYS states, "There has never been any fraud, misappropriation, theft or any misuse of public monies at WAYS." (NIR Exhibit B, p. 42) WAYS further contends that "FCMAT did ***not*** actually make ***any*** factual finding of any wrongdoing by WAYS in its report" and that the school never received evidence from LACOE or FCMAT to substantiate the claims in the FCMAT Audit. WAYS concludes that there are no grounds for revocation. (NIR Exhibit B, p. 43) WAYS attached Exhibit 16 in response.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS failed to refute or remedy the finding that the Charter School failed to follow generally accepted accounting principles, or engaged in fiscal mismanagement.

The NOV was issued based on substantial evidence that WAYS failed to follow GAAP and, as a result, engaged in fiscal mismanagement. FCMAT's recommendation was that the "County Superintendent should notify the governing board of WAYS, LACOE's governing board, the State Controller, and the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriate of assets or other illegal activities may have occurred." (NOV Exhibit 6, p. 101; WAYS Exhibit 16)

WAYS' contention that the FCMAT Audit has no findings is erroneous. The FCMAT Audit provides multiple findings, examples and source document citations that provide substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement. (NOV Exhibit 6; WAYS Exhibit 16) WAYS' response does not refute this or provide a remedy.

WAYS does not provide evidence to refute FCMAT's conclusion that WAYS' failure "to establish adequate internal controls…coupled with the lack of accountability to the governing board created an environment for fraud and misappropriation to occur" (NOV Exhibit 6, p. 66) or FCMAT's conclusion that "fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred." (NOV Exhibit 6, p. 100)

WAYS' contention that there is no ground for revocation is erroneous. WAYS does not dispute that it failed to follow GAAP; therefore, that finding stands. The NOV provides substantial evidence of WAYS' failure to follow GAAP, which in itself is fiscal mismanagement. Pursuant to EC § 41010, "The accounting system used to record the financial affairs of any school district shall be in accordance with the definitions, instructions, and procedures published in the California School Accounting Manual ("CSAM") as approved by the State Board of Education and furnished by the Superintendent of Public Instruction." CSAM states, "Governmental Accounting Standards Board ("GASB") is the standard-setting body for accounting and financial reporting by state and local governments, including local educational agencies. ("LEA") GASB establishes Generally Accepted Accounting Principles ("GAAP") for governments in its authoritative statements, interpretations, and technical bulletins."

GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction, generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements. State and local government financial statements and accounting records should be prepared in conformance with GASB principles. Material departures from these principles will result in misleading information, inaccurate

financial statements, and quite often fiscal mismanagement. Therefore, pursuant to EC § 47607(c)(1)(C), there are grounds for revocation.

WAYS' statement that it did not receive evidence supporting FCMAT's findings is false. WAYS requested FCMAT's evidence from LACOE and received the documents on June 19 and 23, 2014. (NIR Exhibit C) In fact, WAYS included evidence it received in its Exhibits 1-74 proving that it did receive the evidence. In its response, WAYS admits that it received this evidence by stating that it has reviewed all evidence including documents from FCMAT and LACOE. (NIR Exhibit B, p.1) Additionally, some findings in the FCMAT Audit were actually based on WAYS' failure to provide necessary documents. (e.g., packing slips to verify receipt of purchases from OSE, evidence of competitive bids, van lease agreements)

The NOV provided substantial evidence that WAYS failed to follow GAAP and engaged in fiscal mismanagement based on three specific findings: WAYS: (1) lacks effective internal controls; (2) engaged in related party transactions and violated conflict of interest statutes; and (3) violated provisions of law. Each of these findings is addressed in turn.

1. WAYS Lacks Effective Internal Controls

Summary of NOV:

WAYS lacks effective internal controls based on evidence contained in the FCMAT Audit, the 2012 Independent Audit, and the 2013 Independent Audit.[1] These reports identified the following specific issues that demonstrate a lack of effective internal controls:

- Failure to implement or monitor adopted financial policies and procedures. (NOV Exhibit 6)

- WAYS' administrators' failure to provide requested documents to the Board and obtain authorization and signatures prior to entering into contracts and cancellation of Board meetings. (NOV Exhibit 6)

- The integral relationship between appointed board members and related family members and business associates that created an environment that allowed and continues to allow access, opportunity, and motivation for occupational fraud to occur. (NOV Exhibit 6)

- Failure to correct findings from the 2011, 2012, and 2013 Independent Audits including those identified over multiple years and some identified as still not having been cured. (NOV Exhibits 6, 9)

- Multiple reconciliation issues (bank to book balances, general ledger balance to accounts receivable subsidiary ledger balances, payroll) due to inadequate written policies and procedures and lack of oversight resulting in materially misstated financial statements. (NOV Exhibits 8, 9)

[1] The 2013 Independent Audit was issued on three separate dates: January 15, 2014 (NOV Exhibit 9), January 29, 2014 (WAYS Exhibit 32), and June 27, 2014. (NIR Exhibit D) The June 27, 2014 report contains additional information regarding capital assets, related party transactions and subsequent events documenting WAYS' failure to obtain governing board approval for three financial transactions. This version is cited as the "revised 2013 Independent Audit issued June 27, 2014."

- Improper recording of transactions without complete supporting documentation (checks, credit cards, payroll) due to inadequate written policies and procedures and proper oversight. (NOV Exhibits 8, 9)

- Lack of a written asset capitalization policy to ensure that fixed assets are properly capitalized and classified in the financial records. (NOV Exhibits 8, 9)

- WAYS did not separately track expenditures for federal programs and does not have procedures for doing so, which results in an inability to ensure that federal expenditures are accurately reported, meet program requirements, and are not used to supplant existing services. (NOV Exhibit 9)

Summary of WAYS' Response to NOV:

WAYS states it has implemented new policies and procedures, is recruiting new management personnel to strengthen its internal controls, and that its Board adopted new comprehensive Financial Policies and Procedures on April 30, 2014 in response to FCMAT and LACOE concerns. (NIR Exhibit B, p. 44)

WAYS asserts it has effectively cured any failure to adopt and implement adequate Fiscal Policies through the adoption of its new policies. (WAYS Exhibit 17)

WAYS disputes FCMAT's finding that its management team failed to obtain proper signatures and Board approval prior to entering contracts and states there is nothing in the law, its charter, or its updated Fiscal Policies that require Board approval for all contracts. It states that the Executive Director has the "authority to enter into most contracts and approve most purchases without prior Board approval." (NIR Exhibit B, p. 44) WAYS contends that under its previous Fiscal Policies, the Executive Director's responsibilities included overseeing purchases and contracts. (WAYS Exhibit 19)

Note: WAYS refutes concerns regarding related party transactions; the response is summarized under Section I(A)(2) (NIR p. 12) rather than in this section.

WAYS states the Board exercises its approval powers when it comes to major contracts and provides five examples of contracts as evidence. (WAYS Exhibits 21-25)

WAYS states its Board provided regular oversight of the school's financial position and activities using the recently adopted LCAP and samples of monthly financial reports presented to the Board by its back office provider as evidence. WAYS states the financial reports show the school is in a strong financial position and asserts this is a result of the Board's consistent monitoring of the school's financial affairs.

WAYS states its Board is considering two contracts with established "charter school support organizations" to "further solidify the new internal controls and management at WAYS." (NIR Exhibit B, p. 46) The Board has "considered a contract" with Celerity and recently approved a new back office provider, Charter School Management Company. WAYS states, "These partnerships will ensure that WAYS implements and maintains the new, rigorous internal controls recommended by LACOE and adopted by the WAYS Board on April 30, 2014."

WAYS attached Exhibits 3, 10, and 17 through 30.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute or remedy the finding that it lacks effective internal controls.

- Adequate internal control for contracts is not substantiated based on WAYS' own evidence. While WAYS argues that its Board did not need to approve all contracts under its 2006 Fiscal Policies because the Executive Director had the authority to "approve contracts," it also contends that the Board "did (and continues to) exercise it approval powers when it comes to major contracts." (NIR Exhibit B, p. 44) WAYS supports its position based on five contracts approved by its Board. (WAYS Exhibits 21-25)

  The five contracts submitted as evidence actually demonstrate a lack of adherence to the school's Fiscal Policies and failure to follow GAAP, thereby providing evidence of a lack of internal controls.

  There are significant internal control issues in the submitted contracts, including payment to Medina's Air Conditioning of more than twice the amount approved by the Board, staff execution of the Total Education Solutions contract prior to board approval, and payment to McGraw Hill without a detailed invoice. The chart summarizes how WAYS violated internal control standards and its own Fiscal Policies.

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
Major Contract/Purchase (over $25,000)	**Yes** Amount Paid: $72,801.09	**Yes** Amount Paid: $50,800	**Yes** Amount Paid $40,093.75	**Yes** Amount Paid $163,030.61	**No** $3,500 (Board approval required by Ed Code)
Evidence of Multiple Bids as Required	**No**	**No**	**No**	**No**	**No**
Evidence of 2 Signatures as Required	**No**	**No**	**No**	**No**	**N/A**
Evidence of Executed Contract or Detailed Invoice	**Yes** (WAYS Exhibit 21)	**Yes** (WAYS Exhibit 22)	**Yes** (WAYS Exhibit 23)	**No** Statement of Account; not detailed invoice (WAYS Exhibit 24)	**No** WAYS did not submit a copy of the contract, only a proposal for services (WAYS Exhibit 25)
Effective Date(s) of Contract	Aug. 14, 2012	August 3, 2012	Mar. 15, 2013 to June 30, 2015	Aug. 14, 2013 to Oct. 16, 2013	After June 30, 2014
Evidence of Board Approval Prior to Effective Date of Contract	**Yes** Approved July 31, 2012	**Yes** Approved July 31, 2012 However, work began prior to	**No** Approved Mar. 22, 2013	**No** Approved Feb. 27, 2014	**Yes** Approved Apr. 25, 2014

Contracts Submitted by WAYS Fail to Provide Remedy					
	Contract				
Internal Control Standard	Royal Dining	Medina's Air Conditioning, Heating, Refrigeration	Total Education Solutions	McGraw-Hill	Hill, Morgan, and Assoc. LLP (Audit)
		approval (NIR p. 28)			
Executed Contract Complies with Board Approval	**Yes**	**No** Proposal submitted and approved by board was for **$21,200**	**No** The Executive Director executed the contract prior to Board approval to enter into the contract	**N/A** Not a Contract	**Cannot Determine** WAYS did not provide a copy of the contract
Evidence of Effective Internal Controls:	**No**	**No**	**No**	**No**	**Cannot Determine**

- WAYS further demonstrated lack of effective internal controls due to lack of adherence to its Fiscal Policies in its transactions with DeDe Dance Studio ("DDS") and OSE Business Services ("OSE")

  Financial dealings with DDS demonstrate a lack of internal controls. WAYS contends DDS was paid $4,000 a month (NIR Exhibit B, p. 51) therefore, competitive bids were not required. That statement is faulty for three reasons: (1) the 2006 Fiscal Policies in effect until January 31, 2013 (WAYS Exhibit 19, p. 10) required competitive bids for all amounts in excess of $2,999; (2) the annual amount paid to DDS from 2011 to 2014 was at least $28,000; therefore, WAYS' Fiscal Policies actually required a formal competitive bid process; and (3) WAYS failed to provide any evidence of a formal contract, purchase order, or other agreement to substantiate payments made to DDS. (NIR Exhibit E)

  Financial dealings with OSE demonstrate a lack of internal controls. WAYS failed to adhere to its Fiscal Policies in its dealings with OSE. WAYS' response to the NOV regarding related party transactions states "the OSE contract also did *not* violate the school's adopted Fiscal Policies in place at the time." (NIR Exhibit B, p. 50) Contrary to that statement, transactions with OSE did violate those Fiscal Policies (WAYS Exhibit 19) as follows:

  (1) The Director of Operations was not authorized to approve purchases or initiate check requests. The Fiscal Policies state all "purchases" and "check requests" must be approved by the School Director. (WAYS Exhibit 19 p. WAYS 000211; WAYS 000216) Twenty (20) of the 21 check requests for OSE were only signed by the Director of Operations (NIR Exhibit F) in violation of Policy #3 and Policy #5.

  (2) All transactions in excess of $2,999 required a competitive bid process. (WAYS Exhibit 19, p. WAYS 000211) Of the 19 invoices from OSE (WAYS Exhibit 41) 17 were in excess of $2,999 including three that were in excess of $10,000; those required a formal competitive bid process per WAYS' Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000214)

(3) WAYS failed to provide evidence of purchase orders, a contractual agreement for services, or packing slips to verify receipt of goods in its transactions with OSE as required by its Fiscal Policies. (WAYS Exhibit 19, p. WAYS 000212 and 000214)

- WAYS proposes to remedy its internal control weakness through its April 30, 2014 Financial Policies and Procedures Handbook. ("Handbook") This proposed remedy fails for the following reasons:

  There is no evidence Handbook policies and procedures have been implemented. The existence of policies and procedures does not guarantee implementation. WAYS has had Fiscal Policies in place since 2006; however, as documented in the FCMAT Audit and Independent Audits, as well as through the evidence provided above, WAYS has not consistently followed its own policies and procedures.

  The evidence demonstrates that WAYS has not followed its April 30, 2014 Financial Policies and Procedures. The independent contractor consulting agreement (NIR Exhibit G) with the former Director of Operations violates Policy #4 (WAYS Exhibit 17, p. WAYS 000175) because it fails to state the deliverables, contains no description of services, time frame or timeline of payments and reimbursements.

  Therefore, there is evidence that WAYS continues to violate its own Fiscal Policies.

  The Handbook does not provide adequate separation of duties to provide necessary checks and balances. The May 20, 2014 charter (NIR Exhibit H) combines duties under the Director of Operations that were previously separated into two (2) positions; combining the positions results in a lack of necessary checks and balances.

  The Handbook contains multiple contradictions, errors, and unclear statements that fail to remedy internal control inadequacies. For example, employee positions identified in the Handbook are not aligned to those in the charter, which results in a conflict between the documents. The Handbook identifies Executive Director and Director of Operations responsibilities that are different from those in the charter. The position of Financial Consultant identified in the Handbook does not exist in the charter, and the Handbook references "budget managers" that are not defined in either document. Additional inadequacies include, but are not limited to, those stated in the chart:

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #1 Budget Preparation and Implementation	• Annual budget requires Executive Director's Finance Committee, but does not provide a method to document committee process and review procedures. • The Handbook assigns specific job duties to a "Financial Consultant." This position does not exist in the May 20, 2014 Charter or in the school's organization chart. Until positions in the Handbook are aligned to those in the charter, and there is a clear separation of duties by position, there is an inherent flaw in the school's internal controls.

Reasons WAYS' Handbook dated April 30, 2014, Fails to Cure Internal Control Issues Identified in NOV	
Handbook Section	**Reason for Lack of Cure**
Policy #2 Timesheet and Payroll	• Conflict in Roles/Responsibilities: Paragraph 1 states Executive Director approves timesheets; however, Procedure #4 states Director of Operations approves timesheets. • Policy does not clearly indicate who signs payroll checks. • Lacks requirement to record criminal background check results legally necessary to complete hiring process.
Policy #3 Purchases and other Procurement (Item 2 and 9)	• As written, purchase orders are being discarded after invoice is processed; this practice does not support proper documentation of purchases. • As written, the policy does not adequately remedy concerns regarding federal program expenditures because it lacks a cost allocation plan or object code identification process.
Policy #4 Contracting (Item 1)	The statement, "All Contracts exceeding $25,000 should be signed and approved by the board" is inadequate because Board approval is discretionary not mandatory and does not specify approval must be in advance of execution
Policy #5 Check Request (Item 5)	The requirement that checks "in excess of $10,000 for non-recurring items require two signatures by authorized check signers" is insufficient because the Handbook does not identify who the second signer is.
Policy #7 Corporate Credit Cards (Item 12)	The statement refers to "the responsible budget manager" but the Handbook does not identify these individuals.
Policy #10 Cash Receipts and Deposit	The statement, "All program and other pass through payments will be paid to the Administrative Assistant" is incorrect; payments should be made to the school, not a specific individual.

- WAYS fails to fully remedy findings in the 2012 Independent Audit.

  - Upon review of evidence provided by WAYS and the year ending June 30, 2012 Schedule of Findings and Questioned Costs (NOV Exhibit 8), the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2011-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit reports Audit finding 2011-2 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Account receivable reconciliations: Although WAYS failed to refute Audit Finding 2011-3, the 2012 Independent Audit states WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 00098)

    Recording transactions without complete supporting documentation: Although WAYS failed to refute Audit Finding 2011-4, the 2012 Independent Audit reports WAYS remedied that finding. (WAYS Exhibit 31, p. WAYS 000599)

    Payroll expense reconciliation: WAYS failed to remedy Audit Finding 2011-2. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, WAYS fails to address payroll expense reconciliations, and the 2013

Independent Audit states management failed to implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAYS 000650)

Written asset capitalization: WAYS proposes remedy to Audit Finding 2011-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However WAYS fails to provide evidence that Policy #13 has been implemented; therefore, the remedy cannot be substantiated.

- WAYS fails to fully remedy findings in the 2013 Independent Audit.
  - Upon review of evidence provided by WAYS and the year ending June 30, 2013 Schedule of Prior Year Audit Findings (WAYS Exhibit 32, p. WAYS 000650) the remedy status is as follows:

    Bank reconciliations: WAYS partially remedied Audit Finding 2013-1. WAYS proposes remedy through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address bank reconciliations. The 2013 Independent Audit states finding 2011-1 was partially implemented by management. (WAYS Exhibit 32, p. WAYS 000650)

    Payroll expense reconciliation: WAYS fails to address and therefore fails to remedy Audit Finding 2013-2. WAYS proposes remedy through the April 30, 2014 Handbook (WAYS Exhibit 17); however, it fails to address payroll expense reconciliations. The 2013 Independent Audit states management did not implement corrections to finding 2011-2. (WAYS Exhibit 32, p. WAY 000650)

    Year-end accruals and closing process: WAYS proposes remedy to Audit Finding 2013-3 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses account reconciliation. However, WAYS fails to provide evidence that Policy #09 has been implemented by management; therefore, remedy cannot be substantiated.

    Payroll documentation: WAYS proposes remedy to Audit Finding 2013-4 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses time sheet and payroll. However, WAYS fails to provide evidence that Policy #02 has been implemented by management; therefore, the remedy cannot be substantiated.

    Capital assets: WAYS proposes remedy to Audit Finding 2013-5 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses asset capitalization. However, WAYS fails to provide evidence that Policy #13 has been implemented by management; therefore, remedy cannot be substantiated.

    Credit card supporting documentation: WAYS proposes remedy to Audit Finding 2013-6 through adoption of the April 30, 2014 Handbook (WAYS Exhibit 17), which addresses corporate credit cards. However, WAYS fails to provide evidence that Policy #07 has been implemented by management; therefore, remedy cannot be substantiated.

    Beginning net assets: WAYS fails to address Audit Finding 2013-7; however, the 2013 Independent Audit states WAYS remedied that Audit Finding. (NIR Exhibit D, p. 124)

Federal award findings: WAYS fails to address and therefore fails to remedy Audit Finding 2013-9 regarding Federal award audit findings stated in the revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 126)

- The revised 2013 Independent Audit issued June 27, 2014 provides additional evidence of lack of internal controls (NIR Exhibit D, p. 101) beyond those stated in the NOV, which was issued prior to the revised Audit report. Under subsequent events, the auditor expanded the findings to note the lack of Board approval on three financial transactions:

  Lease agreement with OCI Development Corporation: "In July 2013 the Academy entered into operating lease agreements for facilities with OCI Development Corporation. The lease terms provide for use of three facilities for one year in exchange for rents of $18,657 per month. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Lease agreement with Salvation Army: "In August 2013 the Academy entered into an operating lease for facilities with Salvation Army. The lease terms provide for use of facilities for one year in exchange for rents of $13,388 per month through May of 2014 with an increase in rent of $1,513 for June and July 2014. The lease agreement, as of the date of this audit report, **has not been approved by the governing board**. The agreement has been tabled to be reviewed and approved at a later date." (emphasis added)

  Vehicle Sale [Lexus]: "In December 2013 the Academy sold a vehicle for $26,000. Concurrent with the sale of the vehicle was a payoff of the lease agreement associated with the vehicle. The payoff of the lease agreement and the sale of the vehicle, as of the date of this audit report, **has not been approved by the governing board**. The items were tabled to be reviewed and voted on at a later date." (emphasis added)

- WAYS fails to provide substantial evidence that its Board provides adequate fiscal oversight. WAYS contends the Board provides regular oversight of the school's financial position and activities because its back office provider reports to the Board at most meetings and the school has a positive financial position.

  LACOE's position is that the Board's level of and process for oversight is insufficient based on substantial evidence that the school lacks effective internal controls. The NOV provided specific examples of how the Board failed to adequately oversee the use of the public funds. Examples include the purchase of a Lexus, failure to approve major contracts prior to staff execution, and failure to know that staff has not implemented directives given by the Board, including overpayments and payments made without supporting documentation.

  WAYS' own evidence (WAYS Exhibit 62) provides a clear example of the Board's lack of adequate oversight. The final 2013-14 budget submitted to LACOE by the Director of Operations does not reflect the Board's directive to staff to restore line item 5890 to $10,000. Review of WAYS' financial reports submitted to LACOE from July 1, 2013 to June 30, 2014, corroborates WAYS' failure to follow the directives of the Board. (NIR Exhibit I)

2. WAYS Engaged in Related Party Transactions and Violated Conflict of Interest Statutes.

Summary of NOV:

WAYS engaged in related party transactions and violated conflict of interest statutes based on transactions involving the Founder/Former Executive Director and transactions involving the Director of Operations.

Transactions involving Founder/Former Executive Director were supported by substantial evidence of a lease agreement between the Founder/Former Executive Director that existed at the time of charter non-renewal by LAUSD and continued during the appeal period to the County Board, a settlement agreement between the WAYS Board and the Founder/Former Executive Director for alleged unused vacation time and time-off without proper documentation (NOV Exhibit 6, p. 76), and settlement of a wrongful termination lawsuit brought by a former teacher for actions that show the Founder/Former Executive Director "*traveled to Omtsha, Nigeria and directed one of the school's teachers to go with her to marry her sister's husband (brother-in-law) for the purposes of making the brother-in-law a United States citizen.*" (NOV Exhibit 6, p. 77; NOV Exhibit 10)

Transactions involving the Director of Operations were supported by substantial evidence that he authorized transactions that did not "*represent an arm's-length transaction*" (NOV Exhibit 6, p. 92) including procurement and purchases with OSE (NOV Exhibit 6, p. 80), payments to DeDe Dance Studio, and transactions with two relatives who leased a van to WAYS. (NOV Exhibit 6, p. 92)

FCMAT concluded, "Failure to disclose related party transaction may be considered a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution." (NOV Exhibit 6, p. 91)

The NOV provided substantial evidence in support of this finding through examples, citations from source documents, and NOV Exhibits 6 and 10.

Summary of WAYS' Response to NOV:

WAYS states there is no conflict of interest at WAYS as defined by Government Code section 1090, the Political Reform Act, and the California Corporations Code, and alleges any past conflicts of interest have been cured.

WAYS responds to specific incidents of related party transactions presented in the NOV as follows:

<u>Transactions involving the Founder/Former Executive Director</u>: WAYS states the Founder/Former Executive Director is no longer employed by WAYS and does not sit on the WAYS Board; therefore, any conflict of interest related to leasing the 706 E. Manchester site is resolved. To cure any appearance of a conflict of interest, WAYS formed an LLC to purchase the property and is "currently in escrow." (NIR Exhibit B, p. 48)

WAYS states LACOE did not provide evidence to substantiate the allegation that the settlement agreement with the Founder/Former Executive Director created a conflict of interest. It further states that WAYS terminated the Founder/Former Executive Director under LACOE's direction and received a claim from her after this occurred. WAYS asserts it paid out $228,665.38 to the

Founder/Former Executive Director at the advice of its insurer and legal counsel after receiving a demand letter for $480,000. WAYS states negotiations surrounding the settlement are protected by attorney-client privilege.

Transactions involving the Director of Operations: WAYS states the contract with OSE was not a conflict of interest and was consistent with the Charter School's Fiscal Policies. It contends the business relationship was not a conflict of interest because the owner of OSE is a "distant cousin," the Director of Operations was unaware of this familial relationship until informed by LACOE, and that the July 18, 2014 letter from the Fair Political Practices Commission ("FPPC") to the Director of Operations states "there are no conflicts of interest related to" the Director of Operations. (NIR Exhibit B, p. 49)

The response further states that under the Political Reform Act, a conflict of interest exists when a "public official makes, participates in, or influences a governmental decision in which he has a personal financial interest" and that the Director of Operations was not the public official that made the decision to purchase from OSE. WAYS asserts that the decision was made by the Executive Director.

WAYS asserts transactions with OSE were not a violation of WAYS' Fiscal Policies that were in place at the time. It states those policies did not require competitive bidding as purchases were not in excess of $10,000 and that due to an increase in enrollment and addition of a satellite location, a purchase order was not needed because an "emergency situation" exception was applicable.

WAYS states that OSE is a legitimate business that provided actual supplies and services to the school. However, the WAYS Board "terminated the school's contract with OSE" when it learned that OSE failed to comply with FCMAT's investigation.

Payments to DeDe Dance Studio: WAYS states there are no facts or evidence to substantiate the NOV finding that the contract between WAYS and DeDe Dance Studio (DDS) presents a conflict of interest. It asserts that the owner of DDS (who is the sister of the Director of Operations and is currently WAYS' Vice Principal) was never paid by DDS. The response states DDS was paid approximately $4,000 per month. Thus, the contract falls "below the threshold for a competitive bidding process." Also, the Executive Director, not the Director of Operations, selected DDS as the ASES service provider. WAYS asserts these procedures were in accordance with the Fiscal Policies in place at the time. (NIR Exhibit B, p. 51)

WAYS states the reason FCMAT did not observe students at DDS during its fieldwork was because the school cancelled the dance classes to accommodate the FCMAT team.

WAYS reports that in 2010, LAUSD investigated whether or not the contract with DDS created a conflict of interest. The school states that LAUSD "*concluded it did not.*" (NIR Exhibit B, p. 52)

Additional Related Party Transactions: WAYS states the transactions involving the WAYS' Director of Operations and E. Enwezor are not a conflict of interest because the two are "distant cousins." WAYS also states the NOV's claim that WAYS failed to obtain a signed contract to lease the van is false. WAYS claims that its Board is not required to approve the contract because of its low dollar value. WAYS alleges that under the Fiscal Policies in place at the time,

both the Executive Director and Director of Operations had authority to enter into certain small contracts with vendors and other parties on WAYS' behalf. (NIR Exhibit B, p. 52)

Note: WAYS' response pertaining to the van was made under the NOV finding that WAYS lacks internal controls. LACOE has placed it here because it properly addresses related party transaction concerns.

WAYS states there is no conflict of interest relating to the Founder/Former Executive Director and her two (2) adult children who are employed at WAYS as the Director of Operations (currently an independent contractor) and Vice Principal. The response states these individuals are not dependents of the Founder/Former Executive Director and have not had "any actual conflict of interest in any of the school's transactions." (NIR Exhibit B, p. 45)

WAYS states the FPPC recently closed an investigation regarding the former Director of Operations citing insufficient evidence of a conflict of interest. (WAYS Exhibit 10) However, the school is in the process of replacing the Director of Operations to avoid any appearance of conflict of interest. The response also states the Charter School is in the process of selecting a replacement for the current Executive Director.

WAYS attached Exhibits 3, 7, 9, 10, 16, 17, 19, 29, and 33 through 46.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully remedy conflict of interest and related party transaction concerns. While two conflict of interest concerns were resolved, remaining concerns have not been fully remedied.

- WAYS partially remedied conflicts of interests involving the Founder/Former Executive Director.
    - WAYS remedied the conflict of interest related to leasing the Founder/Former Executive Director's property to WAYS when her employment with WAYS was terminated. The NOV provided an historical accounting of the conflict of interest.
    - However, WAYS' statement that "…to cure the *appearance* of a current conflict of interest related to the lease…the WAYS board decided to pursue purchase [of] the school site owned by [Founder/Former Executive Director], thereby removing her from any transaction." (NIR Exhibit B, p. 48) The statement is faulty for the following reasons:

      (1) The Board only pursued purchase of 706 E. Manchester Avenue site but not the 8778 South Central Avenue site also owned by the Founder/Former Executive Director, which is being leased by WAYS. (WAYS Exhibit 27; NIR Exhibit J)

      (2) While WAYS Board pursued the purchase of the Manchester Avenue site, the sale has not been executed and the school still leases this property owned by the Founder/Former Executive Director. (NIR Exhibit K)

      The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) provides further evidence that WAYS engaged in related party transactions with respect

to facilities. The audit states, "The Academy leases two school sites from a revocable trust, OCI Development Corporation, which is owned by the former executive director. For the year ended June 30, 2013 the Academy paid OCI Development Corporation $216,986 for use of facilities. In addition, the Academy paid $59,600 for leasehold improvements associated with these buildings in the year ended June 30, 2013."

(3) The purchase of the property is in fact a transaction from which the Founder/Former Executive Director would materially benefit.

- Additionally, LACOE has reviewed the proposed lease agreement between 706 East Manchester, LLC and the Merle Williamson Foundation and has serious concerns about the terms of the agreement should the lease agreement be executed. The concerns center on the prepayment amount of $507,000 which is excessive. (NIR Exhibit L)

- WAYS fails to remedy the related party transaction concern brought about by the employment settlement between WAYS and the Founder/Former Executive Director. This issue is addressed below (NIR p. 31-32) under **II: WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter**.

- WAYS does not dispute and therefore fails to remedy the related party transaction and conflict of interest issues presented in the NOV regarding the Founder/Former Executive Director and the wrongful termination lawsuit brought against WAYS and the Founder/Former Executive Director by a former teacher who accompanied the Founder/Former Executive Director to Nigeria. (NOV Exhibit 6, 10)

- WAYS partially remedies conflict of interest and related party transaction concerns involving the Director of Operations.

  - Related party transactions with the owner of OSE: WAYS fails to substantiate its claim that previous transactions with OSE were not related party transactions for the following reasons: (1) the Director of Operations' claim that he was not aware he was related to the owner of OSE until "he was informed by LACOE staff" is contradicted by public records that show both individuals shared a common address in 2011(NIR Exhibit M); (2) the claim the two are **"**distant cousins" is contradicted by an obituary notice (NOV Exhibit 11) posted at WAYS, which shows they are first cousins, having the same maternal grandmother; (3) the Director of Operations was responsible for processing employee hiring, and since the mother of the OSE owner was employed by the WAYS, the familial relationship would have been apparent (NIR Exhibit N); and (4) contrary to WAYS' claim that transactions with OSE did not violate the school's Fiscal Policies, substantial evidence exists to the contrary as discussed under WAYS lacks effective internal controls, above. (NIR p. 9-10) As stated previously, 20 of the 21 check requests to OSE were signed only by the Director of Operations providing further evidence of failure to maintain an "arm's-length" between the related party transactions. (NIR Exhibit F)

    The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100**)** corroborates the finding that WAYS engaged in related party transactions. It states, "The Academy purchases books and supplies from the vendor OSE Business Services. The owner of OSE Business services is related to the former executive director, director of

operations, and vice principal. The Academy paid $101,338 to OSE Business Services for materials and supplies during the year ended June 30, 2013."

WAYS proposes remedy through two actions: (1) they will not enter into future transactions with OSE (WAYS Exhibit 43) and (2) the Director of Operations will no longer be employed by WAYS. The proposed remedy to no longer use the services of OSE offers a viable remedy. However, since the Director of Operations is still being paid by WAYS through an independent contractor agreement**,** (NIR Exhibit G) there is no evidence that remedy has been implemented or that replacing the Director of Operations will be permanent.

- Related party transactions involving the Founder of DDS/WAYS Vice Principal: WAYS addresses the wrong concern in its response. It addresses the concern as a conflict of interest, while the NOV (NIR Exhibit A, p. 11) cites the FCMAT audit and addresses the concern as a related party transaction. LACOE agrees there is no conflict of interest.

  WAYS fails to refute and therefore fails to remedy the related party transaction concerns between the Director of Operations and the Founder of DDS, who is his sister.

  The revised 2013 Independent Audit issued June 27, 2014 (NIR Exhibit D, p. 100) corroborates the related party transaction. It states, "The vice principal [the sister of the Director of Operations] is the founder and executive director of a dance studio which the Academy has had a history of doing business with for the ASES program. For the year ended June 30, 2013 the Academy paid $24,000 to the studio for services provided in the ASES program."

  The evidence shows the Director of Operations approved six check requests authorizing payment to DDS for after-school services at $4,000 per month, providing evidence of failure to maintain an "arm's-length" between the related party (brother-sister) transactions. (NIR Exhibit O)

  While WAYS asserts the Executive Director, not the Director of Operations chose DDS to provide ASES services, (NIR Exhibit B, p. 51) WAYS did not provide evidence to support its assertion; therefore, there is no remedy and the finding stands.

  WAYS' statement that the transaction with DDS was in accordance with its Fiscal Policies in place at the time was previously disputed under "Financial Dealings with DDS Demonstrate a Lack of Internal Controls." (NIR p. 9)

  Additionally, there is evidence of other related party transactions between the Director of Operations and his sister through her role as WAYS Vice Principal. The Director of Operations approved reimbursements to his sister in the amount of $320, providing evidence of failure to maintain an "arm's-length" in transactions between the related parties. (NIR Exhibit P)

- Related party transactions involving the Director of Operations' cousin and father pertaining to the lease and donation of a van: WAYS fails to remedy related party transaction concerns involving the Director of Operations pertaining to the lease of a van from two family members: his cousin (E. Enwezor) and his father.

In its response to the FCMAT Audit (NIR Exhibit Q, p. 571 and 578) WAYS stated it made payments of $4,800 each to the Director of Operations' cousin and father. His father received payment in 2010-11 when the Director of Operations' mother was the Charter School's Executive Director (another conflict of interest and related party transaction) and his cousin received payment in 2011-12. WAYS fails to refute and therefore fails to remedy the related party transaction between the Director of Operations and his father.

While WAYS states E. Enwezor is a distant cousin to the Director of Operations, public records (NIR Exhibit R) and the obituary notice (NOV Exhibit 11) establish they are first cousins; therefore, the related party transaction concerns are not remedied.

Additionally, while WAYS states both the Executive Director and Director of Operations had the authority to enter into the lease with E. Enwezor because it was a low value contract, the 2006 Fiscal Policies in place at the time makes no mention of a Director of Operations; therefore, WAYS cannot claim that the Director of Operations had such authority. (WAYS Exhibit 19)

While WAYS claims the van was donated to the Charter School, the California Certificate of Title issued March 21, 2014, approximately two years after the donation was made, identifies the registered owners as Jason Okonkwo (Director of Operations) and the Merle Williamson Foundation. (WAYS Exhibit 45) A review of WAYS Board Meeting Agendas since 2012 provides no evidence the Board accepted the donation of the van and the 2012 Independent Audit (WAYS Exhibit 31, p. WAYS 000577) fails to identify the donation. The joint ownership of the vehicle presents a financial conflict of interest between the Foundation and the Director of Operations and calls into question which party can materially benefit.

- WAYS partially remedies conflict of interest concerns involving the Director of Operations through the letter from the FPPC. Conflicts of interest related to the lease of the properties owned by the Founder/Former Executive Director (his mother) are remedied; however, the letter does not specify that any other conflict of interest has been resolved. (WAYS Exhibit 10)

- WAYS partially remedies violations related to conflict of interest and related party transactions through the adoption of its new Financial Policies and Procedures Handbook, which now includes a Conflict of Interest statement. (Policy 16) (WAYS Exhibit 17) However, adoption of policies and procedures does not ensure they will be followed.

3. WAYS Violated Provisions of Law.

Summary of NOV:

WAYS violated provisions of law based on evidence that the school failed to submit its 2012 and 2013 Independent Audits to the State Controller's Office, CDE, and LACOE by the December 15 deadline specified in EC § 47605(m) and failed to comply with EC § 8483(a)(2) pertaining to time reporting and EC § 8483.9(a) pertaining to allowable indirect rates charged in administering the After School Education and Safety (ASES) Program.

The NOV provided substantial evidence in support of this finding through examples, citations from source documents including legal references, and NOV Exhibits 8 and 9.

Summary of WAYS' Response to NOV:

WAYS states the finding that its Independent Audits were submitted past the legal deadline is inaccurate because the Charter School requested and received extensions for late submission. WAYS submitted its 2012 Independent Audit on December 31, 2012 and its 2013 Independent Audit on January 15, 2014.

WAYS states that the two issues regarding ASES program compliance (excessive indirect cost rate and failure to document sign-out times of students) were remedied "as soon as the Auditor notified [the school]." (NIR Exhibit B, p. 53)

WAYS submitted Exhibits 31, 32, 47, and 72.

LACOE's Position on WAYS' Response: WAYS Failed to Fully Refute or Remedy

WAYS fails to fully refute, remedy, or propose remedy to the substantial evidence provided in the NOV that WAYS violated provisions of law.

- WAYS failed to follow the correct filing extension protocol established by the State Controller's Office ("SCO") in submitting its 2012 Audit. Contrary to WAYS' response that LACOE approved an extension for submitting the 2012 Audit, the school attempted to obtain an extension directly from the SCO and informed LACOE that it had received that extension on December 27, 2012, ten (10) days after the due date. (WAYS Exhibit 72) The SCO does not accept extension requests from charter schools. (NIR Exhibit S) WAYS was notified of its failure to comply with statutory submission timelines (NIR Exhibit DD) and did not respond to the notice.

  WAYS did follow the proper extension procedure for submitting its 2013 Audit. WAYS did not propose a remedy to ensure that future submissions will comply with statutory deadlines.

- WAYS states they cured the violation regarding the ASES program as soon as they were notified by the Auditor. However, WAYS provides no evidence to support the assertion. Therefore, the finding stands.

- Additionally, the NOV (NIR Exhibit A, p. 9) and FCMAT Audit (NOV Exhibit 6, p. 81) state WAYS failed to issue a Form 1099 or W-9 to OSE as required by law. WAYS refutes the statement in the NOV that FCMAT's team could not confirm that OSE is a legitimate business as "ridiculous" (NIR Exhibit B, p. 51), yet provides no evidence to substantiate the legitimacy of OSE and WAYS does not refute that it failed to issue these required tax documents. (NIR Exhibit T) Therefore, WAYS fails to remedy and the finding stands.

II. WAYS committed a material violation of…the conditions, standards, or procedures set forth in the charter.

A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.

Summary of NOV:

The WAYS Board committed material violations of Charter Element 4 (Governance), which establishes the Board's responsibilities to provide overall oversight of the school. By not providing general oversight and failing to monitor and evaluate the performance of the Executive Director and Director of Operations, the WAYS Board failed to ensure that these administrators fulfilled their job duties, complied with GAAP, and did not engage in and/or allow fiscal mismanagement to occur. The Board's failure to comply with Element 4, its bylaws and policies resulted in the school's failure to comply with GAAP, resulting in fiscal mismanagement under **I. WAYS failed to meet generally accepted accounting principles ("GAAP"), or engaged in fiscal mismanagement.**

Summary of WAYS' Response to NOV:

WAYS questions which version of the school's charter is used to support the NOV, acknowledges there has been turnover on the WAYS Board, and that governance is a concern of the County Board. The response (NIR Exhibit B, p. 53-54) states that in an effort to remedy governance concerns, "the school's board is considering a contract with Celerity that specifically includes board support and services" and that "the WAYS board has also implemented practices to improve the board's effectiveness" by having the "Executive Director, the Director of Operations, and a representative from the school's back office services provider all give extensive status reports at every board meeting…"

WAYS attached Exhibits 27, 48, and 49.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Governing Board failed to exercise fiscal and institutional control.

- The NOV clearly states (NIR Exhibit A, p. 5) that the charter petition referenced is dated December 18, 2012. LACOE and WAYS recently agreed that the May 20, 2014 charter is the operative charter document. All references to the WAYS authorized charter in the NIR refers to the version dated May 20, 2014 (NIR Exhibit H) unless otherwise specified.

- WAYS proposes remedy through its Board's consideration of a contract with Celerity Global Development. (Celerity) This remedy is inadequate for three reasons: (1) "considering a contract" is not a remedy; (2) WAYS failed to provide an executed contract with Celerity; and (3) WAYS fails to explain the services to be provided or how these services will reduce Board turnover and ensure Board "stability."

- WAYS' contention that its Board exercises fiscal and institutional control because the Executive Director, Director of Operations, and a representative of the school's back officer provider "all give extensive status reports at every board meeting" is without merit due to lack of evidence. WAYS' evidence (WAYS Exhibit 27) shows that during school year 2013-14, the WAYS Executive Director, Director of Operations, and a representative of the school's back office provider did <u>not</u> "all give extensive status reports at every board meeting." Specifically, WAYS' evidence shows:

- WAYS fails to provide evidence that the Executive Director and the Director of Operations gave reports at the July 26, 2013, August 29, 2013, and April 3, 2014 Board Meetings.

- WAYS fails to provide evidence that the Executive Director, the Director of Operations, and the back office provider gave reports at the September 26, 2013, October 24, 2013, January 20, 2014, and March 13, 2014 Board Meetings.

- WAYS fails to provide Meeting Minutes for the April 25, 2014, April 30, 2014, May 20, 2014, June 12, 2014, July 9, 2014, and July 30, 2014 Board Meetings. Therefore, WAYS fails to provide evidence that reports were provided by the Executive Director, Director of Operations, and/or a representative of the school's back office provider at those meetings.

- WAYS' evidence (WAYS Exhibit 48) also fails to demonstrate that it's Executive Director, Director of Operations, and a representative of the school's back office provider "all give extensive status reports at every board meeting" because Exhibit 48 only consists of five reports. Four of the reports are dated February 27, 2013; however, the topics covered in these reports were not on the February 28, 2013 Board Meeting Agenda. One report was dated August 10, 2011.

- WAYS' evidence (WAYS Exhibit 49) is nonresponsive to the NOV because it contains samples of Principal and Vice Principal Reports, but does not contain Executive Director, Director of Operations, and back office provider reports.

B. WAYS Board Violated Charter Element 4: Governance

Summary of NOV:

Element 4 of the Charter provides the governance structure of the school and defines the Board's responsibility and authority with regard to its oversight. The NOV provided substantial evidence that:

1. The WAYS Board failed to provide adequate fiscal oversight based on evidence that
   a. It did not establish a Finance Committee as required by the charter
   b. It did not develop adequate Fiscal Policies
   c. It relinquished its authority to approve contracts
   d. It did not provide adequate oversight in the development of the school budget
   e. It improperly authorized the expenditure of school funds
2. It did not establish and/or approve policies prior to implementation
3. It did not hold monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings
4. It did not provide proper oversight of the school's Executive Director and Director of Operations/On-Site Financial Manager and did not conduct performance evaluations

5. The Board President did not provide an annual report to the WAYS Board as stipulated in the charter

A summary of WAYS' response to the NOV and LACOE's Position on WAYS' Response is provided below organized by item number and/or letter in the order stated above.

1. The WAYS Board Failed to Provide Adequate Fiscal Oversight.

(a) WAYS Did Not Establish a Finance Committee

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 14) and NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS states the charter does not require the formation of a Finance Committee under Element 4, but acknowledges the reference in Elements 5 and 9. WAYS contends there is a Finance Committee, or "working group," made up of the "Executive Director, Director of Operations, and back office services provider." WAYS' response (NIR Exhibit B, p. 54) states that this group meets regularly to provide guidance and recommendations to the WAYS Board.

WAYS attached Exhibits 74 and 50.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not establish a Finance Committee as required by the charter.

- WAYS fails to recognize that Element 4 of the charter incorporates Fiscal Policies by reference (NIR Exhibit, p. 327) and that prior Fiscal Policies required a Fiscal Committee composed of Board members:
  - Fiscal Policies dated 2006 clearly indicate the requirement for a Finance Committee of the Board on the first page of the document. (NOV Exhibit 12, p. 622)
  - Fiscal Policies dated January 31, 2013 state, "The budget will be approved by the Board, and implemented by the management staff. The staff will also update the board on the status of the budget **through the Finance Committee**…" (Emphasis added) (NIR Exhibit U, p. 609)
- WAYS admits that a Finance Committee is specified in charter Elements 9 and 5. Element 9 specifically calls for a "School Board Finance Committee." (NIR Exhibit H, p. 373) The April 30, 2014 Financial Policies and Procedures Handbook conflicts with the charter, which is the prevailing document. WAYS' contention that the school's charter does not require the

formation of a finance committee is contradicted by the language of the charter. Therefore, remedy through the Handbook fails.

- Even if a finance committee "working group" provided remedy, WAYS fails to provide evidence that such a "working group" of the "Executive Director, Director of Operations, and back office services provider" exists and functions. WAYS' evidence (WAYS Exhibit 74) consists solely of monthly financial statement narratives signed by the Director of Operations. There is no evidence of any other committee member or that the committee has met. Therefore, the proposed remedy fails.

- WAYS fails to explain how a finance "working group" composed of staff and contractors ensures adequate fiscal oversight of the charter school by the WAYS Board.

- WAYS' evidence (WAYS Exhibit 50) is non-responsive to the fact that the WAYS Board did not establish a Board Finance Committee; Exhibit 50 consists of budgets with no evidence of any type of finance committee review. Therefore, the remedy fails.

(b) The WAYS Board Did Not Develop Adequate Fiscal Policies

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 15-17 and NOV Exhibits 6, 8, and 13 through 16.

Summary of WAYS' Response to NOV:

WAYS states its Board adopted a comprehensive Financial Policies and Procedures Handbook provided by back officer service provider Bali Business Management on April 30, 2014. The Handbook's policies include payroll, purchases, contracts, and budget formation to address issues raised by LACOE staff, and the school has "plans to contract with Celerity" to help it "consistently and effectively implement these Fiscal Policies." (NIR Exhibit B, p. 55)

WAYS attached Exhibits 18 and 51.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on evidence that it did not develop adequate Fiscal Policies.

- WAYS fails to refute the statements made in the 2011 Independent Audit (NOV Exhibit 14), the 2012 Independent Audit (NOV Exhibit 8), and the 2013 Independent Audit (NOV Exhibit 9) identifying material weakness and/or significant deficiencies with WAYS' internal controls. Nor does WAYS refute the conclusion that the deficiencies were "systemic." Instead, WAYS focuses on adoption of the April 30, 2014 Financial Policies and Procedures

Handbook as remedy. These new Financial Policies and Procedures fail to remedy as described throughout this NIR.

- WAYS does not refute that it took its Board six months to adopt the Fiscal Policies revised by staff on July 31, 2012, or that the reason for the delay was due to cancelled meetings and the tabling of the action as evidenced by Board Meeting Agendas and Meeting Minutes (NOV Exhibit 13) in spite of the fact that its Independent Auditors and LACOE had informed WAYS of its internal control problems. Nor does WAYS refute that it took another year for WAYS' staff and back office provider to further revise, and the Board to approve, additional changes to the Financial Policies and Procedures Handbook. Therefore, WAYS fails to cure.

- The April 30, 2014 Handbook adopted by WAYS Board fails to adequately remedy the internal control problems identified in the NOV as explained previously (NIR p. 10-11) under **I. WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.** By its adoption of these Financial Policies and Procedures, the WAYS Board demonstrates its lack of understanding of effective fiscal practices, especially with regard to internal controls and the separation of duties necessary to provide effective internal controls.

- WAYS does not refute that LACOE requested revised Fiscal Policies, but states LACOE's evidence (NOV Exhibit 15) does not explicitly request Fiscal Policies. The communications provided in NOV Exhibit 15 document LACOE's attempts to meet and provide support regarding Financial Policies because WAYS had failed to provide LACOE with revised Financial Policies.

- WAYS asserts (NIR Exhibit B, p. 55) that "the school has plans to contract with Celerity" to help it "consistently and effectively implement" its April 30, 2014 Fiscal Policies and Procedures. However, WAYS did not provide an executed contract with Celerity; therefore the "plans" cannot be evaluated and LACOE is unable to determine whether such a contract, if executed, can help the school "consistently and effectively implement" its Financial Policies. Therefore, the proposed remedy fails.

(c) The WAYS Board Improperly Relinquished its Authority to Approve Contracts

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it relinquished its authority to approve contracts by not reserving the right to approve contracts in advance of their execution, reduced its authority in the 2011 bylaw revision, and was inconsistent in its oversight with respect to contract and purchase approval.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 17-19 and NOV Exhibits 13 and 17 through 25.

Summary of WAYS' Response to NOV:

WAYS claims the NOV states the Merle Williamson Foundation should not have amended its bylaws without LACOE staff's express approval. WAYS cites LACOE's staff report to the County Board (June 2011) as recommending the bylaws be amended. WAYS contends it can change its bylaws at the discretion of the Foundation's Board, as long as it is not prohibited by the charter.

WAYS indicates that its current bylaws (dated March 2011) explicitly state that "the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, *by or under the direction of the Board of Directors."* WAYS further states there is nothing in the California nonprofit corporation laws, the school's charter or its Fiscal Policies that would require the bylaws to state that WAYS Board approval is needed for all contracts.

WAYS states the school's charter specifically states it is the Executive Director's responsibility to "oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality."

WAYS also states the WAYS Board exercises its oversight powers and has been active in reviewing and approving the school's major contracts. (NIR Exhibit B, p. 55) It provides details regarding specific contracts referenced in the NOV:

Central Air and Heat System: WAYS states the Director of Operations' comments at the July 31, 2012 Board meeting were misquoted and that the Executive Director signed the contracts three days after the Board approved it. (WAYS Exhibit 22)

Salvation Army Facility Lease: WAYS states the original lease between WAYS and the Salvation Army was approved by the Board on August 10, 2011, and signed on August 25, 2011. (WAYS Exhibit 53) It further states contract renewal has come to the Board each year and contends the Executive Director has the authority to execute the lease. WAYS states that, at LACOE's request, the Board began approving the lease renewal before execution by ratifying the 2013-14 Salvation Army lease on February 3, 2014. (WAYS Exhibit 54) WAYS states the Board will approve the next renewal of the Salvation Army lease prior to execution.

Purchase and Sale of Vehicle: WAYS states "the NOV mischaracterizes the purchase and sale of a school vehicle" and further states the Board approved a written resolution authorizing "the Executive Director or his designee to enter into a lease or purchase agreement for a vehicle for school use." (NIR Exhibit B, p. 22) WAYS states the written, executed Board resolution (WAYS Exhibit 55) is evidence of the Board's action and that the audio recording of the actual action is "trumped" by this record.

Regarding the sale of the school vehicle, WAYS states that the Executive Director instructed the Director of Operations to research a fair sales price and the vehicle was sold. The sale was later ratified by the WAYS Board. (WAYS Exhibit 56) WAYS contends the vehicle was sold for a fair price based on the Director of Operations' research.

Contract for 2013 Independent Audit: WAYS states that the Executive Director informed the Board via email (WAYS Exhibit 57) that the school's former auditor had raised its prices. The response states that, as an effort to save the school money, the Executive Director accepted a proposal and informed the Board of his decision. WAYS states that the Board could have

preapproved the auditors' contract and will do so in the future. The WAYS Board ratified the auditor's contract on February 3, 2014. (WAYS Exhibit 58)

Employment Contracts for Executive Director and Director of Operations: WAYS states that while California law does not require charter school boards to approve all employment contracts, the WAYS Board approves the contract for the Executive Director. (WAYS Exhibit 59) WAYS states it is the Executive Director's job to supervise and evaluate the teachers and classified staff, not the Board's, (WAYS Exhibit 60) and that the Executive Director kept the WAYS Board informed about staff employment contracts through his regular reports to the Board. (WAYS Exhibit 61)

WAYS attached Exhibits 22 and 52 through 61.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board relinquished its authority to approve contracts. Through amendment of its bylaws, the WAYS Board has significantly diminished its authority regarding contracts. While some delegation of management duties is allowed, the Board is ultimately responsible for the activities and affairs of WAYS. California Corporations Code § 5210. This diminishing authority proves that the Board is not effectively managing the activities and affairs of WAYS. The Board is not properly discharging its duty to ensure that public dollars are appropriately spent.

The WAYS Board: (1) has not reserved the right to approve contracts prior to execution; (2) has diminished its authority regarding contracts through adoption of its 2011 bylaws; and (3) is inconsistent with respect to approving contracts and purchases.

- Contrary to WAYS' statement, the NOV does not claim the Merle Williamson Foundation should not have amended its bylaws without LACOE staff approval, rather the NOV provided an explanation to the County Board why it did not have the opportunity to consider WAYS' 2011 bylaws at the time of the Charter School's non-renewal appeal. LACOE agrees that WAYS may change its bylaws as long as the bylaws comply with the charter and applicable law. Changes made to the 2011 bylaws resulted in improper oversight by the WAYS Board.

- WAYS fails to refute that its 2002 bylaws assigned broader authority to the Board than its 2011 bylaws. WAYS states (NIR Exhibit B, p. 55) the 2011 bylaws give the Board the power to manage the corporation "by or under the direction of the Board of Directors." That does not provide a comparison in Board authority between the two sets of bylaws.

- WAYS' contention (NIR Exhibit B, p. 55) that the Executive Director has the responsibility to "Oversee the school-operating budget, *authorize spontaneous and ongoing daily expenses as necessary* and maintain robust fiscal vitality" is not supported by evidence. This responsibility is not stated in the May 20, 2014 version of the charter (NIR Exhibit H) nor does the responsibility as stated give the Executive Director the authority to approve contracts. Therefore, WAYS' argument fails.

- WAYS' claim that the Board has been "active in reviewing and approving the school's major contracts" is not supported by evidence. The NOV presented six contracts as evidence;

WAYS' response confirms that four of them (Salvation Army lease, vehicle sale, Independent Auditor's contract, and Executive Director's contract) were ratified after execution by staff. Board ratification after a contract is executed by staff is not the same as Board review and approval prior to execution by staff.

Furthermore, WAYS' response regarding the 2013 Independent Audit contract is not supported by its evidence. (WAYS Exhibit 57) The response states the Executive Director informed the Board of the past year's auditor's increased price and gave the Board information regarding a less expensive option "to consider" and told the Board the item would be added to the October 24, 2013 Board Agenda. (WAYS Exhibit 57, p. WAYS 861) Based on the Minutes for the October 24, 2013 Board Meeting, (NOV Exhibit 13, p. 797-801) there is no evidence the item was presented to the Board for its consideration. WAYS proposes remedy by stating it will obtain Board approval prior to contracting with an auditor in the future.

WAYS' position on the other two contracts (air conditioning and vehicle purchase) is not accurate as follows:

Air conditioning contracts: WAYS contends the NOV misquotes the Director of Operation's statements at the July 31, 2012 Board Meeting with regard to work on the central heat and air systems. The transcript of the Board Meeting audio recording (NIR Exhibit V, p. 623) provides evidence the NOV does not misquote the Director of Operations' statement to the Board that an air condition construction project was already in progress at the school and that "we started early, before the approval." Therefore, the finding stands.

Vehicle (Lexus) purchase: WAYS fails to refute that the actual motion made by the Board Member at the July 31, 2013 Board Meeting was to "look into" the purchase or lease of a vehicle. WAYS contends the written Board Resolution trumps the actual action taken by the Board; LACOE disagrees. The written Board Resolution must accurately reflect the action moved, seconded and approved by the Board; WAYS failed to do this. The Board Resolution does not accurately reflect the Board's action, and is therefore, not valid. Therefore, the finding stands.

Vehicle (Lexus) sale: The Director of Operations sold the school vehicle without receiving prior Board approval. (NOV Exhibit 21 and 22) Not only did the Director of Operations sell the vehicle without the authority to do so, he did so at a financial loss as the vehicle was sold for $26,000, about $4,000 less than the loan pay off and less than the Kelly Blue Book value for that make/model vehicle with the mileage the Lexus had at the time of the sale. (NOV Exhibit 6, p. 96)

Additionally WAYS' staff did not comply with the Board President's directive regarding paying off the loan prior to the sale of the vehicle, necessary because the vehicle had been financed. The back office provider paid off the vehicle in the amount of $30,345, despite being directed not to do so. When the Board President asked the back office provider why he paid off the loan in spite of her directive to the contrary, he replied, "…they say it was approved by the board." (NIR Exhibit V, p. 75)

A review of WAYS Board meeting agendas, minutes, and supporting documents provides no evidence that the Board was aware of the type of vehicle that had been purchased, its cost or

interest payments. This supports FCMAT's concern that the Capital Expense Analysis the WAYS Board received from its staff failed to provide adequate information for the Board to make an informed decision regarding the sale of the vehicle. (NOV Exhibit 6, p. 96) The Board did not discipline the employees for their failure to provide sufficient information and/or to comply with Board directives is further evidence of the Board's lack of financial control and adequate oversight.

Additionally, as recently as July 9, 2014, the Board failed to approve major contracts before the effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014, providing evidence that the April 2014 Financial Policies and Procedures Handbook does not remedy the Board's lack of financial control and oversight. (NIR Exhibit W)

- WAYS' contention that the Executive Director properly kept the WAYS Board informed about staff employment contracts (WAYS Exhibit 61) is not supported by evidence. WAYS Exhibit 61 contains a single report dated April 30, 2013, which does not correspond to a Board meeting date and is limited to information on salary increase for nine employees. The example is insufficient to support the claim that the Executive Director kept the WAYS board informed about staff employment agreements by including an update on their development in his regular report to the Board.

- WAYS proposes remedy through its April 30, 2014 Financial Policies and Procedures Handbook, which states, "All Contracts exceeding $25,000 should be signed and approved by the board." (WAYS Exhibit 17, p. WAYS 000175) This Handbook is insufficient to remedy the concern regarding Board approval of contracts for two reasons: (1) It uses the word "should" instead of "shall/must," which fails to make approval obligatory; and (2) it does not explicitly state "prior approval."

- WAYS remedied the concern that the Board does not have to approve the Director of Operations' contract through the May 20, 2014 charter, which now has the Director of Operations reporting to the Executive Director and not to the Board.

(d) The WAYS Board Did Not Adequately Oversee the 2013-2014 School Budget

Summary of NOV:

The WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of WAYS' 2013-14 budget.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents (NIR Exhibit A, p. 19-21) and NOV Exhibits 13, 26, 27, and 28.

Summary of WAYS' Response to NOV:

WAYS states "The Board oversees the development of the annual budget and provides timely approval" (NIR Exhibit B, p. 57) and that only the final budget requires WAYS Board approval; preparation of the preliminary budget is the responsibility of the Executive Director.

WAYS states the budget was presented to and approved by the WAYS Board on August 29, 2014 (WAYS Exhibit 62) and that during the meeting a question was raised by a Board member regarding a specific line item. At the meeting, the back office service provider was unable to answer the question, so the Board directed the line item be restored to the prior year amount and then approved the budget. WAYS states the change in the line item is reflected in the minutes of that meeting and these minutes were approved on October 24, 2013. (WAYS Exhibit 63)

WAYS attached Exhibits 19, 62, and 63.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board failed to provide adequate fiscal oversight based on substantial evidence that it did not adequately oversee the development and approval of the school's 2013-14 budget.

- LACOE agrees that only the final budget requires board approval; however, LACOE's finding in the NOV (NIR Exhibit A, p. 19-20) was that the final approved budget submitted to LACOE did not reflect the Budget the WAYS Board approved at its August 29, 2013 Meeting.

  While LACOE concurs with WAYS' statement that a Board member asked for the restoration of line item 5890 to the prior year's level, the request is reflected in the minutes, and is substantiated by the transcript of the August 29, 2013 Board Meeting (NIR Exhibit V p. 627-634), the final approved budget submitted to LACOE (WAYS Exhibit 62, p. WAYS 000896) shows that line item 5890 (the line item in question) was not adjusted. It remained $128,724 in spite of the Board's directive that it be changed to the previous year's level until such time as an explanation for an increase could be provided to the Board. Line item 5890 was $10,000 in the 2012-13 budget. (NIR Exhibit X)

  WAYS fails to refute the evidence in the NOV that an explanation for an increase was never provided to the Board in spite of the Board's repeated requests. Therefore, the finding stands.

  WAYS cannot show that its Board exercised proper oversight of the budget because the WAYS Board was not cognizant that the final budget submitted to LACOE did not reflect the budget as they approved it. This further substantiates the Board's lack of oversight of its Executive Director and Director of Operations.

- Additional evidence of the Board's lack of adequate budget oversight comes from its failure to approve the 2013-14 Title 1, Special Education, and Afterschool Education and Safety (ASES) budgets. Approval of these budgets was on the February 3, 2014 Board Meeting Agenda; however, meeting minutes and the audio recording of the meeting indicates action was postponed to a future meeting. A review of Board Meeting Agendas and Minutes for the remainder of the 2013-14 school year indicates these budgets were never approved. (NOV Exhibit 13 and WAYS Exhibit 27)

(e) The WAYS Board Improperly Authorized the Expenditure of School Funds

Summary of NOV:

The WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

The NOV provided substantial evidence in support of this finding through examples and citations from source documents NIR Exhibit A, p. 21 and NOV Exhibits 6 and 13.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 57) the "Board did not authorize any improper expenditures of School funds." The school contends the findings related to performance based stipends are without merit. The Board approved the stipends on February 27, 2014, after a report from the Executive Director. (WAYS Exhibit 64) The Executive Director's report states that employees "are awarded stipends by performing extracurricular tasks, taking on leadership roles and good attendance habits that are beyond and beyond what is required." WAYS contends that the stipends were a proper expenditure of school funds and LACOE's conclusion that the approval of the stipends was a Brown Act violation was incorrect.

WAYS attached Exhibits 37, 64, and 65.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violation provided in the NOV that the WAYS Board improperly authorized the expenditure of school funds based on substantial evidence that it authorized staff stipends without appropriate criteria or supporting documents and approved the expenditure of funds to the Founder/Former Executive Director without evidence the funds were owed.

- LACOE agrees with WAYS that a teacher and/or other staff member could be compensated for extra duty assignments. However, for such compensation to not be a gift of public funds, the employer must document the service is not part of the employee's stated job duties or completed during regular working hours; WAYS does not provide this evidence. Additionally, there must be a record that the duties were in fact performed; WAYS does not provide this evidence. Therefore, WAYS fails to remedy the findings stated in the NOV.

  LACOE does not agree stipends can be given for attendance. Employees are compensated for attendance through their regular employment agreement. Therefore, getting a stipend to fulfill a regular contract duty is not an appropriate expenditure of public funds. Based on WAYS' evidence (WAYS Exhibit 64) the Board gave employees stipends for "attendance" and thus misused public funds.

- WAYS fails to refute the Charter School had no evidence that funds were owed to the Founder/Former Executive Director. WAYS states the expenditure was made after receipt of a demand letter (WAYS Exhibit 37) and on the advice of legal counsel, protected by

attorney-client privilege, and their insurance carrier. One letter from the insurance company requests documentation; the other denies the claim. (WAYS Exhibit 38) Therefore, WAYS fails to provide adequate support for its argument, and the finding in the NOV stands.

- There is additional evidence that the Board improperly authorized expenditures of school funds after the NOV was issued based on the July 9, 2014 Board Meeting (WAYS Exhibit 27):

  - WAYS Board improperly approved an expenditure of funds through its "amendment" to the Executive Director's 2013-14 employment agreement. The amendment states, "There shall be no specific number of days that must be worked. Instead, Employee will be a full-time exempt employee who will be expected to continue to devote the time and energies necessary to fulfill the job requirements as under the existing Agreement…. Employee shall be entitled to paid time off and leave for illness at the same amount per year of employment as set forth in the Agreement. However, this leave shall accrue on a pro-rated basis." (NIR Exhibit W) The amendment is improper because it fails to provide a basis for calculating salary, offers prorated benefits without specifying a method for determining the proration, and lacks a method for documenting the number of days worked and, therefore, the number of benefit days earned.

  - WAYS Board improperly approved the expenditure of funds through its independent contractor consulting agreement with the former Director of Operations. The contract provides the former Director of Operations be paid an hourly rate of $100 but does not provide a contract end date, a "not to exceed" amount (by dollar figure or number of hours) or a written scope of work to be performed. (NIR Exhibit W)

    This agreement also violates Policy #4 (Contracting) of the April 30, 2014 Policies and Procedures Handbook (WAYS Exhibit 17), providing additional evidence that the Handbook is an insufficient remedy, WAYS Board is not providing adequate fiscal oversight, and the Board continues to misappropriate public funds.

2. The WAYS Board Did Not Establish and/or Approve Polices Prior to Implementation.

Summary of NOV:

The WAYS Board did not establish and/or approve policies prior to implementation based on substantial evidence that it did not develop and approve sufficient Fiscal Policies, personnel policies, or approve policies before implementation and/or submission to LACOE.

The NOV provided substantial evidence in support of this finding through examples (NIR Exhibit A, p. 21-22) and NOV Exhibits 13 and 25.

Summary of WAYS' Response to NOV:

WAYS states (NIR Exhibit B, p. 58) "the Board has approved a comprehensive set of school policies" and "a full set of WAYS policies currently in place" (WAYS Exhibit 73) and its current Financial Policies and Procedures Handbook (WAYS Exhibit 17) has been attached. WAYS contends that it submits all approved policies to LACOE.

WAYS attached Exhibits 17 and 73.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the substantial evidence provided in the NOV that the WAYS Board did not establish and/or approve policies prior to implementation and/or submission to LACOE.

- WAYS fails to provide evidence that the policies submitted in WAYS Exhibit 73 were approved by the WAYS Board before they were implemented by WAYS staff.

- WAYS fails to state policies will be Board approved prior to staff implementation in the future; therefore, it fails to propose future remedy.

- April 30, 2014 Financial Policies and Procedures Handbook does not guarantee implementation as documented throughout the NIR; therefore, it is insufficient remedy.

3. The WAYS Board Did Not Appropriately Hold Meetings

Summary of NOV:

The WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings based on evidence that it (1) held an insufficient number of Regular Meetings; (2) does not publish a schedule of regular meetings through its website or school calendar; and (3) relies on special meetings to conduct its regular business.

The NOV provided substantial evidence in support of the finding through examples, a chart outlining Board Meeting Dates and citations from the December 18, 2012 Charter and 2011 bylaws. (NIR Exhibit A, p. 22-24)

Summary of WAYS' Response to NOV:

WAYS states, "Over the past 3 years the WAYS board has in fact held meetings at least once each month as required under its bylaws for nearly every month." (NIR Exhibit B, p. 58) WAYS' response emphasizes that LACOE failed to mention this detail in the NOV.

WAYS states that its Board publishes a schedule of regular meetings each year and the schedule is available to the public and provided to LACOE staff.

WAYS attached Exhibits 27 and 67.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the WAYS Board did not hold regular monthly meetings and did not follow its bylaws and the Brown Act with regard to meetings.

- WAYS does not refute NOV evidence that the Board conducts most of its business at special, not regular meetings; (NIR Exhibit A, p. 22) that the Board's annual schedule of regular meetings is not published on the school's website or through the school calendar; or that its

bylaws require the school to hold "regular meetings" monthly. (NOV Exhibit 17) Therefore, the NOV findings stand, including noncompliance with the Brown Act.

- WAYS states it publishes its meeting schedule, but provides no evidence to substantiate that claim. WAYS does submit a schedule of meetings to LACOE each year; however, this schedule is frequently revised and special meetings are substituted for regular meetings as described in the chart presented in the NOV. (NIR Exhibit A, p. 23-24) Special meetings do not afford the public the same notice as regular meetings, thereby limiting the public's ability to participate. A February 16, 2012 email from the Executive Director to LACOE (NIR Exhibit Y) provides evidence that the meeting schedule was removed from the school's website and that that meetings are scheduled based on Board availability, which is not always predictable.

- The Board continued its pattern of not adhering to its regular meeting schedule, even after the NOV was issued, through the end of the 2013-14 school year. Between April and June 2014, the Board continued its pattern of canceling one-third of its regular scheduled meetings and replacing them with special or revised regular meeting dates as shown in the chart below. For the 2013-14 school year, WAYS held six of its regular meetings and changed its regular meeting schedule twice after submitting the schedule to LACOE in August 2013. (NIR Exhibit Z)

Analysis of WAYS Regular and Special Board Meetings: April 2014 – June 2014		
Calendared Regular Meeting Dates	Meeting Held	Notes
April 25, 2014	Yes	
May 29, 2014	No	The 2013-14 schedule of Board meetings sent to LACOE on January 31, 2014 included a May 29, 2014 meeting. A revised schedule sent by the school administration omitted the May date. A Special Meeting was held on May 20, 2014.
June 26, 2014	No	Special meeting held June 12, 2014. For June 26, 2014 meeting, no agenda received 72 hours prior. An email from the Executive Director states the meeting was rescheduled for June 27, 2014. Agenda received for June 27, 2014; June 27, 2014 email from Executive Director stated the meeting was cancelled due to lack of a quorum.
2013-14 Summary:	**Calendared Regular Meetings held 6 of 12 months.**	

- The Board's failure to hold its June 26, 2014 Meeting resulted in two major contracts being approved after their effective dates. The independent contractor consulting agreement with the former Director of Operations and the amended employment agreement with the Executive Director were both approved by the WAYS Board after their effective dates. Both agreements were approved July 9, 2014 (WAYS Exhibit 27) with effective dates of July 1, 2014. (NIR Exhibit W)

4. The WAYS Board Did Not Provide Proper Oversight of Key Administrators

Summary of NOV:

The WAYS Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

Failure to provide oversight of its key administrators is evidence the Board did not assume its duty of care or fulfill the terms of the charter with respect to oversight of its administrative employees. The NOV provided specific examples of how the Board failed to provide adequate oversight of the Founder/Former Executive Director, the Executive Director, Director of Operations, and the Vice Principal.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 charter and NOV Exhibits 6, 10, 13, and 29.

Summary of WAYS Response to the NOV:

WAYS states the Board provided adequate oversight of school management personnel. It addresses the performance of the Executive Director and Director of Operations and the school's plan to replace the individuals in these positions.

WAYS did not attach any Exhibits.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute the substantial evidence provided in the NOV that its Board did not provide proper oversight of the school's Executive Director and Director of Operations and did not conduct performance evaluations.

- WAYS provides no evidence to supports its assertion that it provided proper oversight of its management personnel. Therefore, the finding stands.

- WAYS does not refute that it failed to conduct performance evaluations of its Executive Director and Director of Operations. Therefore, the finding stands.

- WAYS does not dispute, and therefore fails to remedy, findings pertaining to the Board's lack of oversight of its management personnel including the Founder/Former Executive Director and the Vice Principal. The failure of the Board to effectively monitor the activities of key management personnel resulted in a misuse of public funds as documented. (NOV Exhibits 6, 10, 13, and 29)

    - WAYS fails to refute that its Founder/Former Executive Director constructively discharged a teacher, resulting in a costly wrongful termination lawsuit. The Board took no action against the Founder/Former Executive Director.

    - WAYS fails to refute that its Vice Principal violated her employment contract and thereby misused public funds by simultaneously operating and working at her private school while receiving a full time salary including earning pension benefits from WAYS. The Board took no action against the Vice Principal, even though she publicly acknowledged her association with the private school through multiple Internet postings. (NOV Exhibit 29) The Vice Principal continues to be employed by WAYS.

- WAYS proposes a remedy to its lack of Board oversight of its school management personnel, but this remedy only partially addresses the violation.

    - Establishing an evaluation policy and procedure to evaluate the Executive Director in the future would provide a remedy if implemented; however WAYS fails to provide evidence of such. LACOE review of the policy and procedure is unnecessary; WAYS' only obligation is to submit the policy to LACOE as required by the MOU.

    - Replacing the current Executive Director and Director of Operations is not a sufficient remedy to lack of oversight because replacing employees does not guarantee the Board will provide adequate oversight of future employees. Additionally, both the Executive Director and Director of Operations continue to be employed and/or compensated by WAYS; therefore, the remedy has not been implemented.

5. The WAYS Board President Did Not Provide Appropriate Annual Reports

Summary of NOV:

The WAYS Board President did not provide an annual report to the WAYS Board as required by the charter.

The NOV provided substantial evidence in support of the finding through NOV Exhibit 13.

Summary of WAYS' Response to NOV:

WAYS did not respond to this issue.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to respond to the issue. Therefore, there is no remedy and the finding stands.

C. The WAYS Board and its Employees Violated Charter Element 5: Employee Qualifications (Section 5.2)

Summary of NOV:

The Executive Director and Director of Operations violated their duties as stated in the charter, Element 5. (Employee Qualifications)

The Executive Director violated his duties based on evidence that he: (1) failed to facilitate optimum performance of the Board, its committees, and individual members; (2) failed to oversee the financial systems of the organization; and (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, the administrative overseer to the charter schools the County Board of Education authorizes. County Board Policy 0420.1.

The Director of Operations violated his duties based on evidence that he: (1) failed to purchase parts and materials at a reasonable quality and at a reasonable price; (2) failed to prepare final recommended budgets; and (3) failed to participate in the development and implementation of the annual budget related to personnel matters and position control, did not authorize

expenditures in accordance with established limitations, and did not revise the budget for board consideration when there was a material change in the approved budget.

Charter citations in this section of the NOV (NIR Exhibit A, p. 26-27) came from the charter dated December 18, 2012. Since the date of the NOV, WAYS and LACOE have come to an agreement that the charter petition submitted on May 20, 2014 complies with the conditions of authorization. While the job descriptions for these positions have been modified somewhat, the May petition includes the same basic responsibilities and duties for the positions. The one material difference is that the Director of Operations no longer reports to the Board, but to the Executive Director.

The NOV provided substantial evidence in support of the finding through examples, citations from the December 18, 2012 Charter, and NOV Exhibits 6, 9, 13, 25, and 30 through 37.

Summary of WAYS Response to the NOV:

WAYS states that the exact description of the duties of the Executive Director and Director of Operations are one of the issues subject to the arbitration. WAYS further states that the Executive Director "has overseen the school's business practices, instructional program and classroom management" (NIR Exhibit B, p. 59) and that he gives oral reports at every Board meeting.

Regarding the removal of WAYS Board President Tolbert, WAYS states that neither the Executive Director nor the School Site Council (SSC) removed her from office. Rather, the SSC made this recommendation to the WAYS Board, and the Board subsequently approved the recommendation.

Regarding the finding that the WAYS Director of Operations violated his duties, WAYS reiterates their previously stated position regarding the purchase of the school vehicle and the relationship between WAYS and OSE. It also states, "LACOE staff misquoted a report made to the [WAYS] Board regarding performance based stipends." WAYS contends this report was actually made by the Executive Director, not the Director of Operations." (NIR Exhibit B, p. 60)

Regarding the 2013-14 budget, WAYS contends (NIR Exhibit B, p. 60) the "Director of Operations transmitted the preliminary budget to LACOE on July 3, 2013 as required under the MOU, the school's charter and California Law." The response further states that the budget was approved by the Board on August 29, 2013, and included the revision made to the questioned line item discussed previously. WAYS states that this is its standard procedure for getting the annual budget approved and the Director of Operations properly implemented this timeline.

WAYS attached Exhibits 48 and 68.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that the Executive Director and Director of Operations violated their duties based on the specific examples and evidence provided in the NOV.

- WAYS does not refute the evidence provided in the NOV that shows the Executive Director: (1) failed to facilitate optimum performance of the Board, its committees, and individual members based on the evidence provided in the NOV; (2) failed to oversee the financial systems of the organization based on the evidence provided in the NOV, or (3) failed to apprise the WAYS Board of all concerns communicated by LACOE, to whom the County Board delegates the administrative function of providing oversight to the charter schools the County Board authorizes under County Board Policy 0420.4. Therefore, the findings stated in the NOV stand.

- LACOE's position on WAYS' response that the Executive Director gave monthly reports to the Board to fulfill his reporting responsibilities was provided under **II. A. WAYS Governing Board Failed to Exercise Fiscal and Institutional Control.** (NIR p. 21-22)

- WAYS' response that neither the Executive Director nor the School Site Council (SSC) removed the Board President is non-responsive to the NOV. The NOV states the Executive Director "acted with the Director of Operations to remove two Board members, improperly using the WAYS School Site Council." WAYS fails to refute the evidence that the Executive Director and Director of Operations brought this recommendation to the SSC at its January 23, 2014 meeting (NOV Exhibit 31) thereby using their influence to bring about the SSC recommendation. Additionally, WAYS fails to refute the evidence provided in the NOV that the Executive Director posted fliers calling for the removal of the Board members. (NOV Exhibit 33) Therefore, the findings stated in the NOV stand.

- WAYS does not refute the evidence provided in the NOV that the Director of Operations violated his duties based on evidence he failed to purchase parts and materials at a reasonable quality and at a reasonable price, that he failed to prepare final recommended budgets, and failed to authorize expenditures in accordance with established limitations. (e.g. payments to OSE, DDS, and purchase of a luxury vehicle for school use) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Director of Operations followed the correct timelines and procedures for submitting the budget is non-responsive to the NOV's finding that the final 2013-14 budget submitted to LACOE was not revised to reflect the budget approved by the WAYS Board on August 29, 2013 (WAYS Exhibit 62) as discussed previously in this NIR under **I. 1. WAYS Lacks Effective Internal Controls.** (NIR p. 13)

- WAYS' response that LACOE misquoted a report made to the Board regarding performance based stipends is non-responsive to the evidence presented in the NOV that the Director of Operations failed to participate in the development and implementation of the annual budget related to personnel matters and position control based on providing an inaccurate report to the Board at its February 27, 2014 Meeting. (NOV Exhibits 13 and 35) The action item was the 2013-14 employment agreements, not the performance stipends.

Concerns Regarding the General Capacity to Operate a Charter School

Summary of NOV:

Based on the evidence provided in the NOV, LACOE has serious concerns regarding the lack of capacity and accountability demonstrated by the WAYS Board and administration, which raises larger questions about their ability to exercise sound judgment and conduct fiduciary oversight of the school as follows:

First, the WAYS Board lacks an understanding of its roles and responsibilities and has not taken a sufficiently active and proactive role in decision making and oversight. The Board lacks the breadth of knowledge necessary to oversee the use of public funds; it relies on the administration for its information and its administrators have not provided the Board with necessary and timely information. In fact, there is evidence staff has thwarted Board efforts to obtain information when it has attempted to exercise its oversight responsibilities.

Second, the WAYS Board failed to make necessary changes to address and correct audit findings that recurred over multiple years. When Board members attempted to institute changes that might have led to correction, including holding administrators accountable, they were met with resistance or they were removed from their positions on the Board or forced to resign due to hostility. (NOV Exhibits 38 and 13)

Third, the WAYS Board demonstrates questionable governance by failing to evaluate and discipline its administrators despite repeated evidence that management staff failed to fulfill the requirements of their job descriptions and repeated notice from the LACOE and the County Board that there were serious concerns about the school's operations. By failing to evaluate administrators and provide adequate direction and oversight, the Board demonstrated a lack of accountability on its part and failed to require accountability from its administrators.

Fourth, LACOE has grave concerns regarding the capacity of the WAYS Board to fulfill its responsibilities to the public due to its failure to establish and maintain a regular schedule of meetings. Additionally, board turnover and the lack of preparation and accurate information from administrators and consultants, has led to inconsistent Board practices and oversight, with matters needing timely action being deferred multiple times and over multiple months, leaving administrators to make decisions and take actions without Board approval.

LACOE concurs with the 2010-11 Independent Auditor's Report, which states the problem is "*systemic*" and the FCMAT Audit, which states, "*There is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration. The governing board has failed and often been prevented from its ability to maintain and exercise its responsibilities, authority, and control.*" (NOV Exhibit 6, p. 100)

Comments made by the Director of Operations at the February 3, 2014 WAYS Board Meeting (NIR Exhibit V, p. 643) demonstrate how the administrator misrepresented the role of the Executive Director and the chain of command within the organization; he was not corrected by the Executive Director. His statement supports those made by the former Board President to FCMAT) that "One of the Board members thought [the Director of Operations] was their boss" and "management is emboldened to act the way they do because nobody stopped them." (NIR Exhibit FF, p. 789)

The NOV provided substantial evidence in support of these finding through examples, citations from source documents and NOV Exhibits 13 and 38.

Summary of WAYS' Response to NOV:

WAYS states its Board "is comprised of respected community members with decades of experience in education and business," (NIR Exhibit B, p. 60) that its current Board is "very strong;" and that the Board has recently expanded by "two new, experienced board members." (NIR Exhibit B, p. 2) (WAYS Exhibit 1)

WAYS states that Board members take an Oath of Office which requires each member to "commit to enhancing their own individual education for the overall benefit of the school," (WAYS Exhibit 69) attend retreats together, (WAYS Exhibit 70) and receive comprehensive trainings from legal counsel including Brown Act Compliance, conflicts of interest, and best practices for charter school management. (WAYS Exhibit 71)

WAYS concludes by stating, "The WAYS Board has consistently provided necessary oversight and guidance that has allowed the school to prosper, and with support from Celerity, we believe this will continue to improve." (NIR Exhibit B, p. 27)

WAYS attached Exhibits 1 and 69 through 71.

LACOE's Position on WAYS' Response: WAYS Failed to Refute or Remedy

WAYS fails to refute, remedy, or propose remedy to the violations identified in the NOV that there are concerns regarding WAYS Board general capacity to operate a charter school.

- Although WAYS reports adding two new experienced Board members, WAYS only provides information for one Board member (WAYS Exhibit 1) whose resume indicates she has no previous board experience. Additionally, one Board member who joined the Board in February 2014 has attended only one meeting. (NOV Exhibit 13 and NIR Exhibit AA)

- WAYS does not refute NOV evidence showing a pattern of Board member resignations and terminations resulting from their efforts to make changes responsive to audit findings. (NOV Exhibit 38) Therefore, the findings stated in the NOV stand.

- WAYS' response that the Board receives training does not override the evidence that the Board has not provided effective oversight. In fact, documentation of training was prior to the NOV, which indicates the training has been ineffective based on documented evidence of continued findings since the NOV was issued. Although the response states (NIR Exhibit B, p. 2) that a full day of Board training would take place in August 2014, WAYS stated that no evidence training was provided.

- WAYS denies that staff did not fulfill their responsibilities but provides insufficient evidence to support the claim as described throughout this NIR. Additionally, WAYS fails to disprove that the Board demonstrated a lack of accountability on its part and failed to required accountability from its administrators. It proposes remedy by contracting with Celerity; however, this remedy is insufficient as described through this NIR.

- WAYS proposes remedy to engage the support of Celerity; however, that remedy has not been implemented. No contract was been approved by the Board; to the contrary, at the July 30, 2014 Board Meeting, WAYS Board tabled making a decision on the contract. Until such

time as a contract is approved and the details specified, LACOE cannot determine whether such a contract could result in remedy. Furthermore, the fully executed Monitoring and Oversight Memorandum of Understanding between WAYS and LACOE has specific requirements to be fulfilled prior to entering into a contract with a management company. (NIR Exhibit BB, p. 8 and 14)

Response to Claims of Unfair Treatment and Retaliation

WAYS' response contains several allegations of unfair treatment and purported retaliation by LACOE staff. These allegations are baseless and an attempt to distract from the fact that WAYS' response fails to cure or propose remedy to cure the significant violations identified in the NOV.

WAYS allegation that the FCMAT audit was initiated by the LACOE Superintendent to "target and persecute the school's founder Kendra Okonkwo and family" is false and offensive. EC § 1241.5(b) specifically gives the Superintendent authority to initiate an audit when there is reason to believe that "fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination." The Extraordinary Audit AB139 Intake Form (WAYS Exhibit 13) states substantial grounds for such an audit. The results of the FCMAT Audit and WAYS' Independent Audits prove that such a review was necessary. LACOE has repeatedly attempted to help WAYS remedy its fiscal deficiencies and WAYS has not been receptive to such assistance.

LACOE has produced all public documents concerning the investigative report of the Vice Principal of WAYS. The production and correspondence between counsel is included as NIR Exhibit C. As counsel for LACOE repeatedly stated, the video records are not in the possession, custody, or control of LACOE. LACOE has produced the written report to WAYS as requested.

WAYS' allegation that LACOE Charter School Office staff has been accompanied by "armed bodyguards…each and every time" they made a site visit during school hours "over the past three years" is false. LACOE Charter School Office staff has never been accompanied by a bodyguard while making a site visit during school hours.

At the October 24, 2013 WAYS Board Meeting, the WAYS Director of Operations displayed threatening and erratic behavior including shouting "get out and do not come back," and turning off the room lights creating a safety hazard for Board members attempting to leave the room. (NIR Exhibit EE, p. 785; NOV Exhibit 25, p. 946)

After the October 24, 2103 Board Meeting, the WAYS Board President filed a restraining order against the Director of Operations (NIR Exhibit FF, p. 792) and, for safety reasons, made arrangements to hold subsequent meetings at a local police station community center. (NOV Exhibit 2, p. 38)

The next Board Meeting was held on January 29, 2014 at the police station community room. LACOE staff attended the meeting and witnessed the Director of Operations' loud and threatening behavior toward WAYS Board members. The police officers overseeing the meeting ordered the Director of Operations to "stand back" from the table where Board members were seated. At the conclusion of the meeting, these same police officers instructed LACOE staff to wait for the police to escort them to their cars due to the volatile nature of the meeting.

The April 25, 2014 Board Meeting was held at WAYS' Manchester site, after school hours. LACOE staff attended the meeting to present the FCMAT Audit to the WAYS Board. Due to safety concerns prompted by the Director of Operations' behavior at the prior meeting, LACOE staff was accompanied by an off-duty police officer who properly displayed his identification.

The allegation that a LACOE staff member stated that WAYS should hire a Latino administrator because Latino parents want to see the face of the community is false. On June 5, 2013, LACOE's Director of Accountability, Support and Monitoring sent correspondence to WAYS stating that LACOE staff did not make this statement and clarifying what was said during the meeting at issue. At the meeting, when WAYS' recruitment of Latino students was discussed, LACOE staff commented that other charter school administrators have reported that it can be helpful for the school's leadership team to reflect the ethnic and racial composition the school is striving to achieve. (NIR Exhibit CC) WAYS did not refute the June 5, 2013 correspondence.

Academic Analysis[2] Pursuant to EC § 47607(c)(2)

Pursuant to EC § 47607(c)(2), the authorizing entity shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. Based on the data presented below, WAYS has not demonstrated consistent increases in pupil achievement since the charter school began operation. Upon consideration of this information, good cause exists to issue this Notice of Intent to Revoke.

The metrics used for this analysis were:

- Academic Performance Index (API) Data
- Adequate Year Progress (AYP) Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

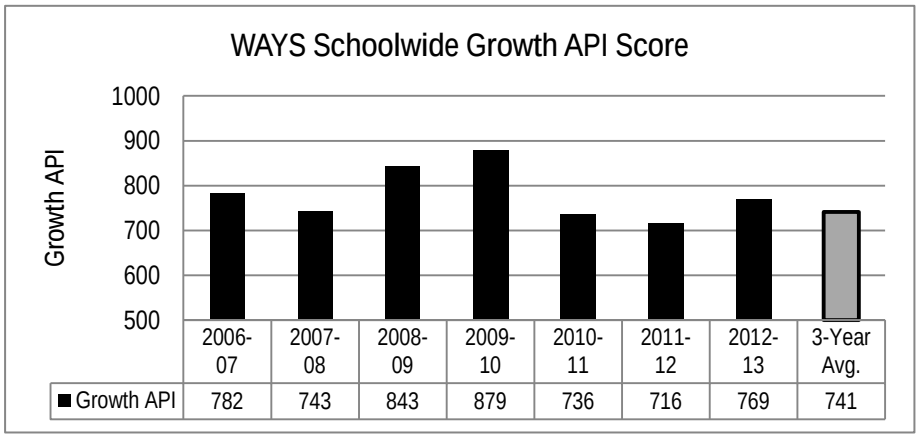
API Data

WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
2006-07	782	N/A	N/A	6	**
2007-08	743	No	--	5	**
2008-09	843	Yes	Yes	8	**
2009-10	879	Yes	Yes	9	**
2010-11	736	No	No	2	1
2011-12	716	No	No	1	1
2012-13	769	Yes	Yes	3	7
3-year average[3]	741	No Growth Targets Established	No Growth Targets Established	No Ranks issued by CDE	No Ranks issued by CDE

[2] The source for all data reported in this section is from the California Department of Education, DataQuest (Retrieved 7-21-14 from: http://dq.cde.ca.gov/dataquest/) unless otherwise indicated.

[3] 2013-14 API calculations were suspended. The California Department of Education (CDE) issued a three-year average (years 2011, 2012 and 2013) in place of a 2014 API. The weighted average was used for all schools in this report.

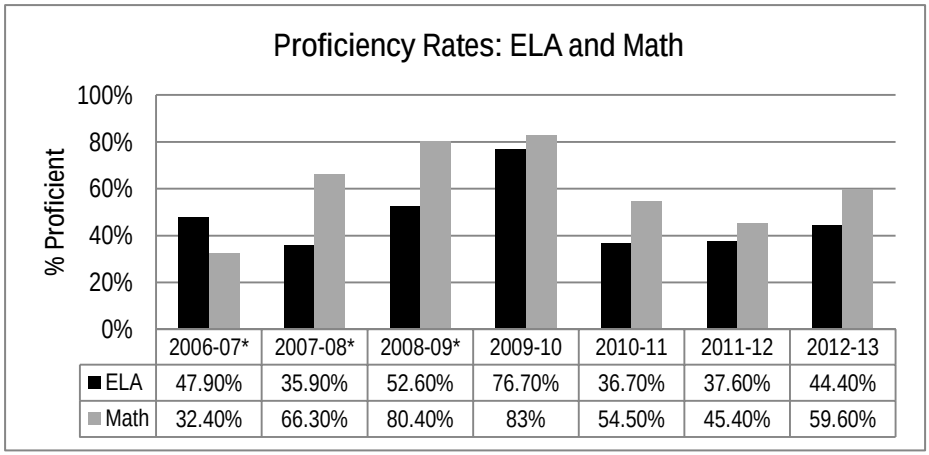
WAYS Growth API, Growth Target Data, and Statewide and Similar Schools Ranks					
Year	Growth API Score	Met target schoolwide?	Met target for all student groups*?	Statewide Rank	Similar Schools Rank
*WAYS has 5 numerically significant student groups: Black/African American; Hispanic/Latino; Socioeconomically disadvantaged; English Learners; and Students with Disabilities.					
N/A=2006-07 was WAYS first year of operation. No growth targets established.					
**= Less than 100 students tested. Similar schools ranks are not calculated for small schools.					
-- = Student groups not numerically significant due to size of school. No growth targets established.					



Analysis: A review of WAYS Growth API scores, Growth Target data, and Statewide and Similar Schools Ranks from 2006-07 to 2012-13 shows:

- The school's Growth API peaked in 2009-10 (879), declined in 2010-11 and 2011-12, and despite an increase in 2012-13, is 110 points below its 2009-10 level.
- The school's 3-year weighted average API is 741, below its initial API of 782.
- The school met its Growth Targets schoolwide and for all numerically significant student groups in 3 of 6 years.

Proficiency Rates in English-Language Arts and Math



Analysis: Proficiency rates in English-Language Arts (ELA) and math as measured by the California Standards Test (CST) is determined by the number of students testing proficient or above on the CST and is reported in the Adequate Yearly Progress (AYP) report for each school.

The AYP report shows WAYS has not increased pupil academic achievement in ELA or math. The proficiency rate for ELA decreased from 76.7% in 2009-10 to 44.4% in 2012-13. The math proficiency rate decreased from 83% in 2009-10 to 59.6% in 2012-13. The CST was not administered in 2013-14.

English Learner (EL) Redesignation Rates

WAYS English Learner Redesignation Rates				
Year	# ELs	% EL	# Redesignated	% Redesignated*
2006-07	1	0.7%	N/A: 1st year of operation; therefore, no prior year count.	
2007-08	11	7.5%	0	0%
2008-09	31	17.5%	8	72.7%
2009-10	14	5.9%	10	32.3%
2010-11	52	19.5%	12	85.7%
2011-12	73	15%	0	0%
2012-13	85	16.3%	35	47.9%
2013-14	166	30.9%	1	0.9%
*This percent is calculated by dividing the number of redesignated students by the prior year's EL count then multiplying by 100.				

Analysis: There has not been an increase in the redesignation rates of ELs attending WAYS. Redesignation rates are inconsistent, and in 2011-12 and 2013-14, the rate was less than 1%.

Additionally, DataQuest shows WAYS failed to report California English Language Development Test (CELDT) Annual Assessment data for 2009-10, 2010-11 and 2011-12. EC § 313 mandates that ELs be tested with the CELDT annually. State law and WAYS' charter require CELDT scores to be used as a criterion for redesignation. In the absence of CELDT scores for these three years, the school failed to follow its charter and the law regarding redesignation of ELs.

Conclusion: A review of the Growth API score, proficiency rates in ELA and math and EL Redesignation rates indicates that WAYS has not had increases in pupil academic achievement for all groups of pupils.

Resident and Comparison School Data

In addition to reviewing WAYS pupil academic achievement data over time, LACOE also analyzed the school's performance against that that of its resident schools (those WAYS students would otherwise be required to attend) and its comparison schools. (elementary schools located within LAUSD that were on the school's 2012 Similar Schools List and are, therefore, demographically similar)

The metrics used for this comparison were:

- 3-Year Average Weighted API Scores
- Proficiency Rates-Annual Measureable Objectives
- English Learner Redesignation Rates

The charts below compare WAYS academic performance to that of its resident and comparison schools.

3-Year Average API

3-Year Average API (weighted): WAYS and Resident Schools							
School	% of WAYS' Enrollment*	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
McNair (CUSD)	2.56%	814	823	806	814	806	698
96th Street	3.49%	809	747	827	810	801	525
Russell	10.70%	754	673	763	754	738	572
South Park	17.91%	743	644	759	745	734	558
Parmelee Ave	7.21%	743	682	746	743	691	532
WAYS	--	741	732	767	739	753	548
Wisdom Elem.	9.30%	738	682	742	738	702	532
93rd Street	7.2%	720	661	736	720	720	531
McKinley Ave	8.14%	720	672	731	720	711	464
Dr. Owen Knox	3.49%	708	639	726	709	704	477
Miramonte	2.56%	693	--	693	694	662	486
107th Street	3.26%	685	623	704	678	690	518
Judith F. Baca	2.56%	661	557	676	661	662	524
*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014 All schools are located within LAUSD except McNair. (Compton USD)							

Analysis: WAYS has a 3-year weighted average schoolwide API of 741. It ranks 6th in relation to its 12 resident schools. Based on February 2014 enrollment data provided by the school, about 41.8% of its students would otherwise attend a school with a higher 3-year weighted average schoolwide API.

For numerically significant student groups, WAYS ranks 3rd (of 11 schools) for Black/African American students; 3rd (of 12 schools) for Hispanic/Latino students; 6th (of 12 schools) for Socioeconomically Disadvantaged students; 3rd (of 12 schools) for English Learner students; and 4th (of 12 schools) for Students with Disabilities.

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Maywood	871	--	873	870	847	755
Brooklyn Ave.	822	--	824	823	781	613
Yorkdale	803	--	795	800	773	709
Miles Ave	786	--	786	786	757	548
Grand View Blvd.	783	844	769	778	759	643
Cienega	779	714	790	780	774	641
Bassett St.	777	784	773	777	753	552
Lassen	774	--	766	771	749	654
Haddon Ave.	772	--	772	771	738	680

3-Year Average API (weighted): WAYS and Comparison Schools*						
	School-wide	Black/ African Amer.	Hispanic/ Latino	Socio-economically disadv.	English Learners	Students with Disabilities
Rosemont	770	--	753	770	747	608
Santa Monica Blvd. Community Charter^	761	--	756	764	742	561
Union Ave.	760	--	760	760	739	502
Vinedale	756	--	764	756	757	598
Limerick Ave	755	717	741	753	724	493
Lenicia B. Weemes	753	--	769	755	740	642
Frederick Douglass Academy^	748	--	713	754	--	633
WAYS^	741	732	767	739	753	548
Jaime Escalante	741	--	742	744	700	607
Camellia Ave.	733	--	732	733	707	662
Harrison St.	708	--	710	709	675	591
*LAUSD comparison schools based on WAYS' 2012 Similar School Report ^=Charter school						

Analysis: WAYS has a 3-year weighted schoolwide API average of 741. It is outperformed by 15 of its 19 comparison schools.

For numerically significant student groups, WAYS ranks 3rd (of 5 schools) for Black/African American students; 11th (of 19 schools) for Hispanic/Latino students; 17th (of 19 schools) for Socioeconomically Disadvantaged students; 8th (of 18 schools) for English Learner students; and 16th (of 19 schools) for Students with Disabilities.

Proficiency Rates-Annual Measureable Objectives

Proficiency rates are based on a school's California Standards Test (CST) results in English-Language Arts (ELA) and Math and reported on the Adequate Yearly Progress (AYP) report as Percent Proficient-Annual Measureable Objectives. The 2013 proficiency goals were 89.2% for ELA and 89.5% for math. WAYS proficiency rate was 44.4% in ELA and 59.6% in math.

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	% Proficient ELA	School (% of WAYS' Enrollment)	% Proficient Math
NCLB Goal	89.2%	NCLB Goal	89.5%
96th Street (3.49%)	54.7	McNair (2.56%)	70.1
McNair (2.56%)	53.9	96th Street (3.49%)	69.8
Russell (10.70%)	45.8	WAYS	59.6%
WAYS	44.4%	Russell (10.70%)	56.9
Parmelee Ave (7.21%)	40.9	Parmelee Ave (7.21%)	54.0
McKinley Ave (8.14%)	39.5	Wisdom Elem. (9.30%)	52.2
South Park (17.91%)	39.1	Dr. Owen Knox (3.49%)	49.8
Wisdom Elem. (9.30%)	36.6	McKinley Ave (8.14%)	48.6
Dr. Owen Knox (3.49%)	35.6	South Park (17.91%)	46.6
Miramonte (2.56%)	34.4	Miramonte (2.56%)	41.9

2013 Proficiency Rates: WAYS and Resident Schools*			
School (% of WAYS' Enrollment)	% Proficient ELA	School (% of WAYS' Enrollment)	% Proficient Math
93rd Street (7.2%)	31.0	Judith F. Baca (2.56%)	41.9
107th Street (3.26%)	29.3	93rd Street (7.2%)	40.2
Judith F. Baca (2.56%)	27.0	107th Street (3.26%)	35.1
*Based on WAYS' 2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all resident schools are within LAUSD except McNair (Compton USD)			

Analysis: In relation to its resident schools, WAYS ranks 4th in ELA and 3rd in math.

2012-13 Proficiency Rates: WAYS and Comparison Schools*			
School	% Proficient ELA	School	% Proficient Math
NCLB Goal	89.2%	NCLB Goal	89.5%
Maywood	64.4%	Brooklyn Ave.	73.6%
Frederick Douglass Academy^	59.1%	Maywood	76.4%
Brooklyn Ave.	58.1%	Santa Monica Blvd. Com. Charter^	66.2%
Cienega	53.8%	Lassen	64.7%
Yorkdale	52.3%	Grand View Blvd.	64.5%
Santa Monica Blvd. Com. Charter^	49.9%	Cienega	62.7%
Grand View Blvd.	48.4%	Limerick Ave	60.6%
Lassen	47.4%	WAYS^	59.6%
Jaime Escalante	46.6%	Union Ave.	59.5%
Vinedale	46.5%	Yorkdale	59.1%
Miles Ave	45.4%	Vinedale	57.7%
Bassett St.	44.6%	Haddon Ave.	57.5%
WAYS^	44.4%	Bassett St.	57.4%
Union Ave.	44.2%	Miles Ave	57.3%
Limerick Ave	44.0%	Camellia Ave.	53.8%
Lenicia B. Weemes	43.9%	Lenicia B. Weemes	53.4%
Haddon Ave.	43.8%	Jaime Escalante	53.1%
Rosemont	42.7%	Rosemont	50.5%
Camellia Ave.	37.7%	Frederick Douglass Academy^	50.1%
Harrison St.	30.2%	Harrison St.	43.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report ^=Charter school			

Analysis: In relation to its comparison schools, WAYS ranks 13th in ELA and 8th in math.

English Learner Redesignation Rates

For school-year 2013-14, WAYS redesignated 0.9% of its EL population to Redesignated-Fluent English Proficient (R-FEP) status.

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	% Redesignated	% English Learners
Dr. Owen Knox (3.49%)	17.4%	42.6%
107th Street (3.26%)	16.7%	47.1%

2013-14 EL Redesignation Rates: WAYS and Resident Schools*		
School (% WAYS' Enrollment)	% Redesignated	% English Learners
Judith F. Baca (2.56%)	16.1%	47.4%
96th Street (3.49%)	15.8%	38.4%
Russell (10.70%)	15.0%	51.5%
McNair (2.56%)	12.4%	29.6%
Parmelee Ave (7.21%)	11.0%	45.5%
Miramonte (2.56%)	12.2%	57.5%
93rd Street (7.2%)	11.6%	49.5%
Wisdom Elem. (9.30%)	10.8%	50.3%
McKinley Ave (8.14%)	10.8%	49.7%
South Park (17.91%)	9.9%	47.3%
WAYS	0.9%	30.9%
LAUSD (93.4%)	13.9%	27.4%
LA County (100%)	13.3%	23.8%
State (100%)	12.0%	22.7%
*Based on WAYS'2013-14 enrollment lists submitted to the LACOE Charter School Office in February 2014; all schools with LAUSD except McNair (Compton USD)		

Analysis: In relation to its resident schools, WAYS ranks below all 12 schools. WAYS also ranks below the State, County, and District in which it is located. (LAUSD)

2013-14 English Learner Redesignation Rates: WAYS and Comparison Schools*		
School	% Reclassified	% English Learners
Brooklyn Ave.	78.1%	33.3%
Yorkdale	19.8%	24.6%
Rosemont	19.1%	40.2%
Maywood	18.7%	41.5%
Lenicia B. Weemes	17.1%	38.3%
Cienega	15.4%	49.9%
Haddon Ave.	15.0%	45.1%
Vinedale	14.5%	43.0%
Harrison St.	14.4%	46.8%
Camellia Ave.	13.8%	48.4%
Union Ave.	12.8%	65.7%
Grand View Blvd.	12.4%	48.3%
Limerick Ave	11.3%	49.3%
Lassen	10.9%	44.0%
Bassett St.	10.8%	51.2%
Jaime Escalante	10.0%	52.7%
Miles Ave	9.2%	57.5%
WAYS^	0.9%	15.0%
Frederick Douglass Academy^	0%	7.0%
Santa Monica Blvd. Com. Charter^	0%	63.8%
*LAUSD comparison schools based on WAYS' 2012 Similar School Report	^=Charter school	

Analysis: In relation to the 20 schools in this comparison group, WAYS redesignation rate ranks 18th.

Conclusion

The County Board has determined that WAYS has failed to cure the violations set forth in the June 3, 2014 NOV. WAYS' assertion that its recently adopted Fiscal Policies remedy the fiscal concerns set forth in the NOV fails because the policies are inadequate as detailed above. WAYS' proposed remedies of evaluating the Executive Director, adding new Board members, and proposing to contract with Celerity also do not resolve the concerns detailed in the NOV and this NIR. Substantial evidence exists to support the identified grounds

Accordingly, the County Board hereby issues this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to the governing board of WAYS. If the County Board revokes the WAYS' charter, following the public revocation hearing, based on violations of law and fiscal mismanagement, WAYS will not continue to qualify as a charter school for funding and for all other purposes during the pendency of an appeal. EC § 47607(i).

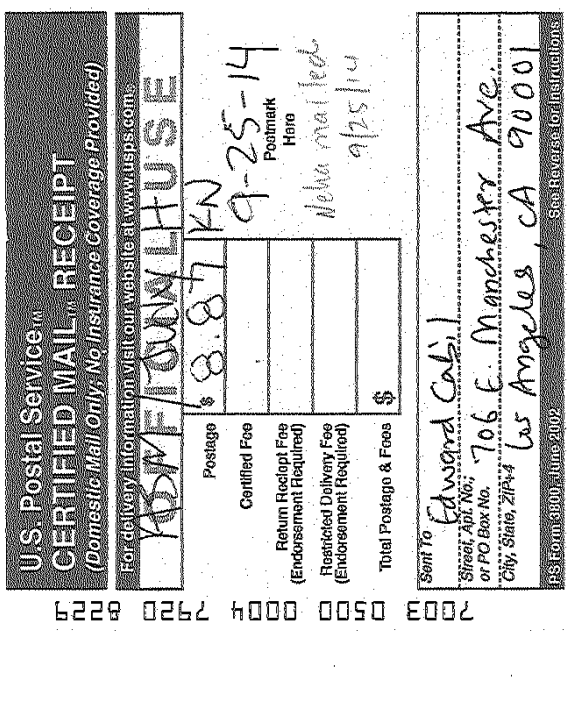
The date and time specified for a public hearing concerning revocation is as follows:

DATE:	**October 21, 2014**
TIME:	**3:00 p.m. unless otherwise posted**
LOCATION:	**Los Angeles County Office of Education** **Conference Center** **12830 Columbia Way** **Downey, CA 90242**

Service

Upon the County Board's approval of issuance of the Notice of Intent to Revoke and Notice of Facts in Support of Revocation at the regularly scheduled board meeting, to be held in open session in accordance with the Brown Act, on September 23, 2014, the County Superintendent of Schools shall issue this Notice of Intent to Revoke and Notice of Facts in Support of Revocation to:

Armando Espinoza, Board Chair
Edward Cabil, Executive Director
Wisdom Academy for Young Scientists
706 East Manchester Blvd.
Los Angeles, California 90001
Email: Armando.espinoza.10@my.csun.edu and edcabil@sbcglobal.net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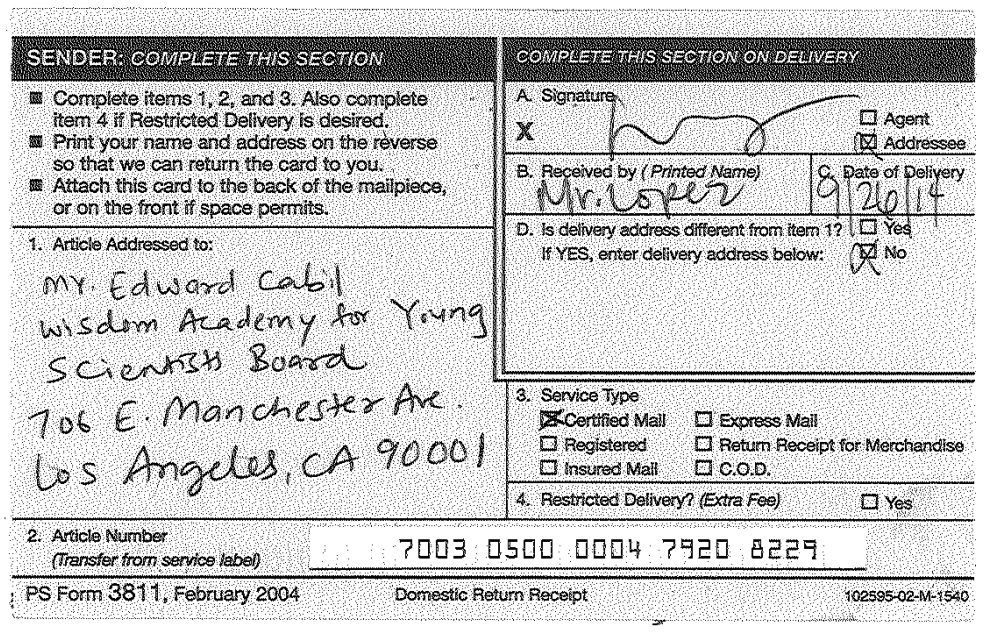
KN
9-25-14
Never mailed
9/25/14
Sent To Edward Cabil
Street, Apt. No.; or PO Box No. 706 E. Manchester Ave.
City, State, ZIP+4 Los Angeles, CA 90001
PS Form 3800, June 2002
See Reverse for Instructions
7003 0500 0004 7920 8229


SENDER: COMPLETE THIS SECTION
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.
1. Article Addressed to:
Mr. Edward Cabil
Wisdom Academy for Young Scientists Board
706 E. Manchester Ave.
Los Angeles, CA 90001
COMPLETE THIS SECTION ON DELIVERY
A. Signature
X
Agent
Addressee
B. Received by (Printed Name) Mr. Lopez
C. Date of Delivery 9/26/14
D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No
3. Service Type
Certified Mail
Express Mail
Registered
Return Receipt for Merchandise
Insured Mail
C.O.D.
4. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from service label) 7003 0500 0004 7920 8229
PS Form 3811, February 2004
Domestic Return Receipt
102595-02-M-1540

APPROVED
NO. 9:2014-15

MINUTES
LOS ANGELES COUNTY BOARD OF EDUCATION
12830 Columbia Way
Downey, California 90242-2890
Tuesday, September 23, 2014

A Board meeting of the Los Angeles County Board of Education was held on Tuesday, September 23, 2014, in the Los Angeles County Office of Education, LACOE Conference Center, (ECW 606), 12830 Columbia Way, Downey, CA 90242-2890.

PRESENT: Mr. Douglas Boyd, Dr. Ray Reisler, Mr. Thomas A. Saenz, Dr. Jose Zapata Calderon, Mr. Alex Johnson, Dr. Rebecca Turrentine and Ms. Katie Braude

OTHERS PRESENT: Superintendent Dr. Arturo Delgado; Administrative staff; Ms. Beatrice Robles, Senior Executive Assistant

PRELIMINARY ACTIVITIES

CALL TO ORDER
Ms. Braude called the meeting to order at 3:11 p.m.

PLEDGE OF ALLEGIANCE
Dr. Reisler led the Pledge of Allegiance to the Flag.

ORDERING OF THE AGENDA
Dr. Delgado indicated that there were no changes to the Board agenda.

It was **MOVED** by Mr. Saenz, **SECONDED** by Mr. Boyd, and **CARRIED** to approve the Board agenda as presented. There were 7 ayes.

APPROVAL OF MINUTES
- **August 12, 2014** – The minutes were approved with noted changes.

COMMUNICATIONS: BOARD / SUPERINTENDENT

Dr. Calderon
- Dr. Calderon indicated that on Saturday, September 20, 2014, he was the keynote speaker at the Los Angeles United Teachers of Los Angeles Conference, which was attended by hundreds of teachers.

- Dr. Calderon indicated that he is continuing his work with Youth Build in the City of Pomona, which is similar to the LACOE AfterCare program. He said that there are a number of youth from camps that are in the program, who go to school for half a day and

go to a job site for the second half of their day. Dr. Calderon mentioned that a recycling program site just opened where it will serve as a job placement location for students.

- Dr. Calderon indicated that he is working with the City of Pomona to look at ways to open up a park in the city and to develop mentor programs with Cal Poly, Mount Sac and Claremont College students after school to direct students in the philosophies of Cesar Chavez: Resolving conflict and not taking it out on yourself or others and organizing efforts to change your community.

Dr. Reisler
Dr. Reisler indicated that he attended the State Superintendents Forum on September 17, 2014. He commended Dr. Delgado for the introduction of candidates and said it was an interesting debate.

Dr. Turrentine
Dr. Turrentine indicated that she, along with Ms. Braude and Mr. Johnson, attended the State Superintendents Forum on September 17. She said she was heartened by the young civic students who happened to be from Bellflower High School.

Ms. Braude
Ms. Braude indicated that she attended the Superintendents Forum, where excellent questions were asked. She hopes that LACOE will find more opportunities to participate in these types of events.

Dr. Delgado
Dr. Delgado said he appreciated the kind words and that the credit for the Superintendents Forum goes to Mr. Frank Kwan, Director of Communications and his staff who did a lot of work behind the scenes. He mentioned that sponsors included the PTA and League of Women Voters.

Dr. Delgado mentioned that the Teacher of the Year Award event was held on Friday, September 19, and that it was a successful, well-attended event, where 77 teachers were recognized. He indicated that Mr. Kwan and staff also worked hard on organizing and executing the event.

Dr. Delgado mentioned that next month, he will be convening a dinner meeting with Board members. He said that in combination with a Los Angeles County School Trustees Association event, he will bring together an annual forum with Board members from local and other district to discuss topics and issues important to districts. He said he will arrange for a presentation by Rachel's Challenge, which is a "national non-profit organization dedicated to creating safe, connected school environments where learning and teaching is maximized. Rachel's challenge was created based on the life and writing of Rachel Scott, the first victim of the Columbine tragedy in 1999." He invited the County Board to attend and said he would send out information about the event to the County Board.

COMMUNICATIONS: PUBLIC (none)

PRESENTATIONS (none)
HEARINGS (none)

REPORTS / STUDY TOPICS

REPORT ON THE WISDOM ACADEMY FOR YOUNG SCIENTISTS: NOTICE OF INTENT TO REVOKE AND NOTICE OF FACTS IN SUPPORT OF REVOCATION TO WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS) PURSUANT TO EDUCATION CODE SECTION 47607(e)

Ms. Yolanda Benitez, Chief Academic Officer, introduced a report to the County Board regarding WAYS: notice of intent to revoke and Notice of Facts in Support of Revocation to WAYS.

The Superintendent reported that WAYS failed to successfully remedy violations identified in the Notice of Violation issued by the County Board to the charter school on June 3, 2014. Pursuant to EC 47607(d), WAYS was provided an opportunity to remedy which concluded on July 31, 2014. WAYS submitted a written response and supporting evidence addressing some of the violations in the Notice of Violation. The County Board was provided with the charter school's response and supporting evidence.

LACOE reviewed WAYS' response and supporting evidence and found that it did not address, refute or remedy each identified violation. Remedial action taken or proposed did not successfully remedy all of the violations. While some violations were remedied, material violations remain and, in fact, there have been new instances of violations, demonstrating that proposed remedies are ineffective.

As a result, the Superintendent finds that there is substantial evidence to support issuing a Notice of Intent to revoke and Notice of Facts in Support of Revocation to WAYS as follows:

- WAYS failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement. EC 47607(c)(1)(C)
- WAYS committed a material violation of . . . the conditions, standards, or procedures set forth in the charter. EC 47607(c)(1)(A)

There were several speakers that were present and spoke in favor of WAYS: Mr. Leonard Delpit, Mr. Daymond Johnson, Mr. John Lemmo, Mr. Armando Espinoza, Mr. Juan Montalvo, Ms. Olivia Hsu, Mr. James Alamillo, Dr. Rasheeda Hawk, Mr. Michael Raymundo, Ms. Tiffany Garcia, and Ms. Elizabeth Ruvalcaba.

Ms. Courtney Brady, Deputy General Counsel, provided an overview of laws and regulations governing the charter revocation. She explained the rules, legal authority grounds, standards, and implementing the charter revocation. Ms. Brady also presented the revocation process (step one, step two, and step three), to the County Board. She indicated that if the County Board approved the Superintendent's recommendation to issue a Notice of Intent to revoke and Notice of Facts in support of revocation to WAYS, that WAYS would have 30 days to return to the

County Board for a Public Hearing concerning revocation of the WAYS charter (October 21, 2014).

Ms. Marlene Dunn, Director of Business Advisory Services, presented information on WAYS Academic Analysis, including growth API / 3-year Average; CST Proficiency rate decline in ELA and Math; CST grade 5 Science Performance decline; and EL Re-designation Rate for 2013-14: less than 1%. She reported that there is a high turnover for board members and that training was not provided in August 2014, as WAYS had proposed. Ms. Dunn said that it was a concern that board members are resigning or being removed.

The County Board had a discussion on this item.

The County Board recessed from 5:25-5:37 p.m.

CONSENT CALENDAR RECOMMENDATIONS

Dr. Reisler requested that Item B. Approval for the Opening of a non-conforming County Community school be pulled for discussion.

Mr. Saenz requested that Item A. Adoption of Board Resolution No. 4: 2014-15, Authority to Render Zoning Ordinance Inapplicable, be pulled for discussion.

ACCEPTANCE OF PROJECT FUNDS NO. 3
The Superintendent recommended that the County Board accept the funds for Achieving Comprehensive Excellence for the amount awarded of $50,000 for the funding period of August 25, 2014 through June 30, 2015.

It was **MOVED** by Mr. Saenz, **SECONDED** by Mr. Johnson, and **CARRIED** to approve the remaining item on the Consent Calendar Recommendations. There were 6 ayes. *(Mr. Boyd was away from the dais.)*

ADOPTION OF BOARD RESOLUTION NO. 4: 2014-15, AUTHORITY TO RENDER ZONING ORDINANCE APPLICABLE
The Superintendent recommended that the County Board approve Board Resolution No. 4, which will allow LACOE to open a County Community School at 440 West Anaheim Street, Long Beach, CA 90813.

The County Board had a discussion on this item.

It was **MOVED** by Mr. Saenz, **SECONDED** by Mr. Boyd, and **CARRIED** to approve the Consent Calendar Recommendation, Adopting of Board Resolution No. 4: 2014-15, authority to Render Zoning Ordinance Applicable. There were 7 ayes.

APPROVAL FOR THE OPENING OF A NON-CONFORMING COUNTY COMMUNITY SCHOOL
The Superintendent recommended that the County Board approve the opening of a non-conforming County Community School at 440 West Anaheim Street, Long Beach, CA 90813

The County Board had a discussion on this item.

It was **MOVED** by Dr. Reisler, **SECONDED** by Mr. Boyd, and **CARRIED** to approve the Consent Calendar Recommendation, Approval for the Opening of a non-conforming County Community School. There were 7 ayes.

RECOMMENDATIONS

APPROVAL OF HEAD START COMMUNITY ASSESSMENT
The Superintendent requested that the County Board agree with his recommendation to approve the Head Start-State Preschool Division's 2016-19 Comprehensive Community Assessment Report. The Policy Council and division staff presented a summary of key findings, implication, and program decisions based on the information included in the Community Assessment Report to the County Board on September 16, 2014.

It was **MOVED** by Mr. Saenz, **SECONDED** by Mr. Boyd, and **CARRIED** to approve the Consent Calendar Recommendation, Approval for the Opening of a non-conforming County Community School. There were 7 ayes.

APPROVE THE SUPERINTENDENT'S RECOMMENDATION TO ISSUE A NOTICE OF INTENT TO REVOKE AND NOTICE OF FACTS IN SUPPORT OF REVOCATION TO WISDOM ACADEMY FOR YOUNG SCIENTISTS (WAYS) PURSUANT TO EDUCATION CODE SECTION 47607(e)
The Superintendent recommended that the County Board adopt the written findings of facts based on the evidence provided and take action to issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation pursuant to Education Code 47607(e).

Mr. Leonard Delpit and Mr. Daymond Johnson spoke in support of WAYS.

It was **MOVED** by Mr. Boyd, **SECONDED** by Mr. Saenz to approve the Superintendent's recommendation to issue a Notice of Intent to Revoke and Notice of Facts in Support of Revocation to WAYS. A roll-call vote was taken. Voting yes were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Mr. Johnson, Dr. Turrentine and Ms. Braude. The motion **CARRIED**.

APPOINTMENT TO CALIFORNIA SCHOOL BOARDS ASSOCIATION (CSBA) DELEGATE ASSEMBLY AND CALIFORNIA COUNTY BOARDS OF EDUCATION (CCBE) BOARD OF DIRECTORS
The Superintendent recommended that the County Board take action to appoint a representative to the California School Boards Association (CSBA) Delegate Assembly and California County Boards of Education (CCBE) Board of Directors.

It was **MOVED** by Dr. Turrentine, **SECONDED** by Dr. Calderon, and **CARRIED** to appoint Mr. Thomas A. Saenz to the CSBA Delegate Assembly and Mr. Douglas Boyd to the CCBE Board of Directors. There were 7 ayes.

INFORMATIONAL ITEMS

GOVERNMENTAL RELATIONS

Dr. Delgado reported information regarding SB 1263 (Pavley), a bill which the County Board supports. The bill would delete the authority of a charter school to locate outside the jurisdiction of geographic boundaries of the chartering school district because the charter school has attempted to locate a single site or facility to house the entire program, but a site or facility is unavailable in the area in which the charter school chooses to locate. Dr. Delgado indicated that the Governor vetoed the bill. Dr. Delgado said he heard that the rationale is that the Governor would like to assemble a study team to study the issue and provide guidance and recommendations to the governor.

BOARD COMMITTEE/LIAISON REPORTS

Dr. Calderon indicated that the Board Curriculum, Instruction and Assessment Committee meeting was held today. He said a compelling presentation was made by Dr. Avila and his team regarding the newly formed Design Academy and an Update on Kilpatrick (SB 81).

LOS ANGELES COUNTY BOARD OF EDUCATION MEETING SCHEDULE, ESTABLISHMENT OF MEETING TIMES, FUTURE AGENDA ITEMS, FOLLOW-UP

Dr. Delgado reported on the Board calendar for the October 7, 2014, Board meeting.

(The County Board took a 10 minute recess 4:55-5:05 p.m.)

INTERDISTRICT AND EXPULSION APPEAL HEARINGS

Brianna C. v. Redondo Beach Unified School District

The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was present and represented by her parents, Mr. Troy Couch and Mrs. Denelle Couch. Ms. Robin Rau, Coordinator of Educational Services, represented Redondo Beach Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Mr. Boyd, Dr. Reisler, Mr. Saenz, Dr. Calderon, Mr. Johnson, Dr. Turrentine and Ms. Braude. The appeal was denied.

Stephanie P. v. Las Virgenes Unified School District
The proceedings were conducted in open session to reach a decision on the interdistrict attendance appeal. Ms. Vibiana Andrade, General Counsel, represented the Los Angeles County Board of Education; Dr. Victor Thompson, Director, Student Support Services, Los Angeles County Office of Education, was also present.

The appellant was not present, but was represented by her mother, Ms. Katie Deli. Ms. Karen Kimmel, Chief Business Official, represented Redondo Beach Unified School District.

Fact-finding was conducted by a designated hearing consultant. A copy of the record, a summary of findings and conclusions, and a recommendation by the hearing consultant were provided to all parties. The representatives addressed the Board and responded to questions from the Board.

Four affirmative votes of the Board are required for an interdistrict appeal to be granted. A roll-call vote was taken. Voting no were Mr. Boyd and Dr. Turrentine. Voting yes were Dr. Reisler, Mr. Saenz, Dr. Calderon, Mr. Johnson, and Ms. Braude. The appeal was granted.

ADJOURNMENT

Ms. Braude adjourned the meeting at 6:50 p.m.

It was **MOVED** by Mr. Saenz, **SECONDED** by Dr. Calderon, and **CARRIED** to adjourn the meeting. There were 7 ayes.