

2022-2023 Independent Auditor's Annual Audit Report

Every year, CSCE must undergo an independent audit and submit the findings of the audit to the Alameda County Office of Education. The audit reviews CSCE's financial data, its internal control processes, as well as compliance requirements per all issued guidelines. The audit is due on December 15th and was completed by Wilkinson Hadley King & Co. LLP.

The statement of findings of the audit per our audit firm are as follows:

2022-2023 Independent Auditor's Annual Audit Report - Financial Statements

Accounting Activities, Financial Schedules, CALSTRS, Cash Position, Accounts Receivables, Prepaid Expenses, Property & Equipment, Restricted Assets

“We have audited the accompanying financial statements of Community School for Creative Education (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community School for Creative Education as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

Community School for Creative Education

Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 1,614,691	\$ -	\$ 1,614,691
Education protection account state aid	133,583	-	133,583
Transfers in lieu of property taxes	594,501	-	594,501
Total LCFF sources	<u>2,342,775</u>	<u>-</u>	<u>2,342,775</u>
Federal contracts and grants	-	620,841	620,841
State contracts and grants	1,754,450	361,383	2,115,833
Local contracts and grants	82,805	-	82,805
Donations and fundraising	88,000	-	88,000
Interest income	3,070	-	3,070
Net assets released from restriction -			
Grant restrictions satisfied	907,625	(907,625)	-
Total revenue, support, and gains	<u>5,178,725</u>	<u>74,599</u>	<u>5,253,324</u>
Expenses and Losses			
Program services expense	3,896,364	-	3,896,364
Supporting services expense	1,076,497	-	1,076,497
Total expenses and losses	<u>4,972,861</u>	<u>-</u>	<u>4,972,861</u>
Change in Net Assets	205,864	74,599	280,463
Net Assets, Beginning of Year	1,765,074	49,400	1,814,474
Net Assets, End of Year	<u>\$ 1,970,938</u>	<u>\$ 123,999</u>	<u>\$ 2,094,937</u>

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Attendance:

All grade levels showed that CSCE met or exceeded attendance requirements for 2022-23 set forth by the CDE.

“There were no audit findings which resulted in revisions to the second period or annual reports of attendance.”

Schedule of Financial Trends & Analysis (2021-2024 projections):

“The School's ending net assets has increased by \$104,488 (5.25%) over the past two fiscal years. The significant increase is in large due to additional funding received as a result of the COVID-19 pandemic. Restricted ending net assets include multi-year grants that will be expended over the next two to three years.”

“Average daily attendance (ADA) has decreased by 79 over the past two years. As a result of the COVID-19 pandemic there was no reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.”

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Report on Compliance for Applicable State Programs:

“We have audited Community School for Creative Education’s compliance with the requirements specified in the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, Section 19810 applicable to the Charter School’s statutory requirements identified below for the year ended June 30, 2023.

In our opinion, Community School for Creative Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its applicable state programs for the year ended June 30, 2023.”

School Districts, County Offices of Education, and Charter Schools

	Procedures Performed
T. California Clean Energy Jobs Act.....	N/A
U. After/Before School Education and Safety Program.....	Yes
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X. Local Control and Accountability Plan.....	Yes
Y. Independent Study - Course Based.....	N/A
Z. Immunizations.....	Yes
AZ. Educator Effectiveness.....	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ. Career Technical Education Incentive Grant.....	N/A
EZ. Transitional Kindergarten.....	Yes

Charter Schools

AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom-Based Instruction/Independent Study.....	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction.....	N/A
EE. Annual Instructional Minutes - Classroom Based.....	Yes
FF. Charter School Facility Grant Program.....	N/A

N/A - The Charter School did not offer the program during the current fiscal year or the program applies to a different type of Local Education Agency.

Auditor's Results, Findings & Recommendations 2022-2023

Community School for Creative Education

Schedule of Auditor's Results
Year Ended June 30, 2023

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)? Yes X No

Noncompliance material to financial statements noted? Yes X No

STATE AWARDS

Type of auditor's report issued on compliance for state programs: Unmodified

Internal control over applicable state programs:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)? Yes X No

Any audit findings disclosed that are required to be reported in accordance with *2022-23 Guide for Annual Audits of California K-12 Local Education Agencies?*

 Yes X No

Community School for Creative Education

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, or the *2022-23 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting* (the Audit Guide). Finding codes as identified in the Audit Guide are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

None

B. State Award Findings

None