



Great Oaks Charter School - Bridgeport

GOBPT December Finance Committee Meeting

Published on December 11, 2023 at 9:52 AM EST

Date and Time

Monday December 11, 2023 at 1:00 PM EST

Location

This meeting will be held virtually.

Topic: GOBPT Governance and Finance Committee Meeting

Time: Dec 11, 2023 12:30 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/85422097014?pwd=Y0M2WkZRTI3enRIMElyVG9jb1pSdz09>

Meeting ID: 854 2209 7014

Passcode: GOBPT

One tap mobile

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Meeting ID: 854 2209 7014

Passcode: 477131

Find your local number: <https://us02web.zoom.us/j/85422097014>

Agenda

| | Purpose | Presenter | Time |
|--|---------|---------------|----------------|
| I. Opening Items | | | 1:00 PM |
| A. Record Attendance | | Corey Sneed | 1 m |
| B. Call the Meeting to Order | | Corey Sneed | 2 m |
| II. Financial Overview/Administrative | | | 1:03 PM |
| A. Current Cash Position | FYI | Benjamin Chan | 10 m |

- Checking: \$916,487
- Food Service: \$27,523
- Reserve: \$13,992

Total: 958,002

SpEd receivable: \$238,958

Accrued Title Revenue: \$240,310

| | Purpose | Presenter | Time |
|--|---------|----------------|----------------|
| Credit card balance: \$3,460 | | | |
| III. Financial Review | | | 1:13 PM |
| A. October Dashboard & Financials | FYI | Benjamin Chan | 5 m |
| B. Future Budget Update | Discuss | | 5 m |
| IV. Additional Items | | | 1:23 PM |
| A. New Grants | | | 1 m |
| B. New Vendors | FYI | Latoya Hubbard | 5 m |
| V. Closing Items | | | 1:29 PM |
| A. Adjourn Meeting | Vote | Corey Sneed | 1 m |

Coversheet

Current Cash Position

Section: II. Financial Overview/Administrative
Item: A. Current Cash Position
Purpose: FYI
Submitted by:
Related Material: 2023-11 GOBPT Dashboard.pdf
2023-12-11 Finance Comm Agenda.pdf

Great Oaks Charter School - Bridgeport Financial Dashboard November 30, 2023

| Cash | | | |
|--|-----------------|-----------------------------------|------------------|
| | 11/30/23 | 10/31/23 | 9/30/23 |
| Cash Balance - Chase Operating Account | 951,927 | 1,951,086 | 2,710,917 |
| Cash Burn/Month | 999,159 | 759,831 | 1,965,100 |
| Cash Balance to Burn Rate (months) | 0.95 | 2.57 | 1.38 |
| Cash Balance - Chase Food Account | 27,523 | 2,523 | 8,178 |
| Cash Balance - Chase Reserve Account | 14,268 | 14,268 | 14,268 |
| Total Cash Position: | 993,718 | 1,967,877 | 2,733,363 |
| Key: | | Greater than 2 months in reserve | |
| | | Between 1 and 2 months in reserve | |
| | | Less than 1 month in reserve | |

| Balance Sheet | | | |
|---|-----------------|-----------------|----------------|
| | 11/30/23 | 10/31/23 | 9/30/23 |
| Current Ratio (current assets to current liabilities) | 1.99 | 1.15 | 1.30 |
| Debt to Assets Ratio | - | - | - |

| Fundraising | | | |
|--------------------|--|----------------|----------------|
| | FY 24 Target | Support | Balance |
| Capital/Building | | | |
| Operating Support | Barr grant + \$100,000 fund raising target | 266,750 | 166,750 |
| | | | 100,000 |

| Summary of Material Expense Variances | | | | |
|--|------------------|------------------|---------------------|------------------|
| | Budget | Actual | Delta | % All Rev |
| Enrollment | 661 | 661 | (red = unfavorable) | |
| Description | | | | |
| State/Local Funding | 3,456,736 | 3,614,450 | 157,714 | 89% |
| Title Funding | 219,041 | 240,310 | 21,269 | 6% |
| ESSER Funding | 477,644 | | (477,644) | 0% |
| USDA School Lunch Program | 128,547 | 112,605 | (15,942) | 3% |
| Other Funding | 136,146 | 95,570 | (40,576) | 2% |
| | 4,418,114 | 4,062,935 | (355,179) | |
| % All Exp. | | | | |
| Personnel - Salaries | 2,188,629 | 2,031,079 | 157,550 | 47% |
| Personnel - Payroll Taxes | 191,505 | 104,363 | 87,142 | 2% |
| Personnel - Benefits | 282,333 | 302,081 | (19,748) | 7% |
| Professional/Contracted | 245,498 | 301,490 | (55,992) | 7% |
| School Ops | 344,923 | 378,572 | (33,649) | 9% |
| Facilities | 1,076,375 | 1,078,214 | (1,839) | 25% |
| Tutor NP | 131,090 | 97,489 | 33,601 | 2% |
| Sum of All Known Material Variances | 4,460,353 | 4,293,288 | 167,065 | |



Great Oaks Charter School - Bridgeport Finance Committee Meeting

December 11, 2023

1:00 PM – 1:30 PM

I. Financial Overview/Administrative

- *Current Cash Position*

| | |
|----------------------|------------------|
| <i>Checking:</i> | \$ 916,487 |
| <i>Food Service:</i> | \$ 27,523 |
| <i>Reserve:</i> | <u>\$ 13,992</u> |
| <i>Total:</i> | 958,002 |

- *SpEd receivable: \$238,958*
- *Accrued Title revenue: \$240,310*
- *Credit card balance: \$3,460*

II. Financial Review

- *November dashboard & financials*

III. Additional Items

- Audited statements for Wednesday's board approval
- Completed or WIP projects:
 - TRB & Payroll
 - Healthcare insurance
 - Purchase requisition & A/P
- Projects to complete:
 - EFS upload
 - Updating of Fiscal Policy, including approval workflow
 - Grant & dept. tracking
 - Budget reforecast/update
- Energy bills & conservation efforts: \$3,000 usage
- Grants: Trinet plans to submit ERC before end-of-year

IV. New Vendor Approvals

-

Coversheet

October Dashboard & Financials

Section: III. Financial Review
Item: A. October Dashboard & Financials
Purpose: FYI
Submitted by:
Related Material: GO-BPT FY24 23-11 Income Stmt.pdf
GO-BPT FY24 23-11 BalanceSheet.pdf
Great Oaks Bridgeport 2023 Draft Financial Statements.pdf

Great Oaks Charter School - Bridgeport Inc.
Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L
July - November, 2023

| | Total Actual | Budget | Delta |
|--|------------------|------------------|------------------|
| Income | | | |
| 40000 REVENUES FROM STATE SOURCES | | | |
| 40100 REVENUES FROM STATE SOURCES-Per Pupil Revenue | 3,374,130 | 3,207,503 | 166,628 |
| 40200 REVENUES FROM STATE SOURCES-Special Education Rev | 229,667 | 245,417 | (15,750) |
| 40330 REVENUES FROM STATE SOURCES-Grants-Other State Grants | 0 | 3,817 | (3,817) |
| 40400 REVENUES FROM STATE SOURCES-Other State Sources | 10,653 | 0 | 10,653 |
| Total 40000 REVENUES FROM STATE SOURCES | 3,614,450 | 3,456,736 | 157,713 |
| | | | |
| 41000 REVENUES FROM FEDERAL SOURCES | | | |
| 41200 REVENUES FROM FEDERAL SOURCES-Title I | 202,215 | 191,428 | 10,788 |
| 41300 REVENUES FROM FEDERAL SOURCES-Title Funding - Other | 38,095 | 27,613 | 10,482 |
| 41400 REVENUES FROM FEDERAL SOURCES-School Food Service (Free Lunch | 112,605 | 128,547 | (15,942) |
| 41500 REVENUES FROM FEDERAL SOURCES-Federal Grants | 0 | 477,644 | (477,644) |
| Total 41000 REVENUES FROM FEDERAL SOURCES | 352,915 | 825,232 | (472,316) |
| | | | |
| 42100 LOCAL & OTHER REVENUE-Contributions and Donations | 70,142 | 41,667 | 28,476 |
| 42110 LOCAL & OTHER REVENUE-Contributions and Donations-Foundations | 0 | 69,479 | (69,479) |
| 42130 LOCAL & OTHER REVENUE-Contributions and Donations-Individuals | 5,000 | 0 | 5,000 |
| 42500 LOCAL & OTHER REVENUE-Interest Income | 1 | 0 | 1 |
| 42600 LOCAL & OTHER REVENUE-Food Service -Income from meals | 4,331 | 0 | 4,331 |
| 42800 LOCAL & OTHER REVENUE-Other Local & Misc Revenue | 4,497 | 0 | 4,497 |
| 42840 Tutor Housing Fees | 6,600 | 25,000 | (18,400) |
| Sales | 5,000 | 0 | 5,000 |
| Total Income | 4,062,936 | 4,418,114 | (355,178) |
| Gross Profit | 4,062,936 | 4,418,114 | (355,178) |
| | | | |
| Expenses | | | |
| 50000 PERSONNEL SERVICE COSTS | 960 | 0 | (960) |
| 51000 PERSONNEL SERVICE COSTS-ADMINISTRATIVE STAFF PERSONNE | | | |
| 51100 Executive Management | 450,458 | 549,108 | 98,650 |
| 51300 Pupil Support | 77,477 | 196,958 | 119,481 |
| 51600 Operations/Admin Staff | 245,751 | 366,835 | 121,084 |
| Total 51000 PERSONNEL SERVICE COSTS-ADMINISTRATIVE STAFF PERSONNE | 774,646 | 1,112,900 | 338,254 |
| | | | |
| 53000 PERSONNEL SERVICE COSTS-INSTRUCTIONAL PERSONNEL COSTS | | | |
| 53100 Gen Ed Teachers | 760,426 | 668,528 | (91,898) |
| 53200 Specialty Teachers | 135,051 | 140,117 | 5,066 |

Great Oaks Charter School - Bridgeport Inc.
Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L
July - November, 2023

| | Total | | |
|--|------------------|------------------|-----------------|
| | Actual | Budget | Delta |
| 53500 SpED Teacher | 144,581 | 178,750 | 34,169 |
| 53520 Specialty Teachers-ESL Teacher | 0 | 88,333 | 88,333 |
| 53570 Summer School Teacher | 6,120 | 0 | (6,120) |
| 55600 Guidance & Social Work | 120,284 | 0 | (120,284) |
| Total 53000 PERSONNEL SERVICE COSTS-INSTRUCTIONAL PERSONNEL COSTS | 1,166,463 | 1,075,729 | (90,734) |
| 55000 PERSONNEL SERVICE COSTS-NON-INSTRUCTIONAL PERSONNEL COS | | | |
| 55100 Staff Nurse | 9,795 | 0 | (9,795) |
| 55900 Other Non Instructional Staff | 80,176 | 0 | (80,176) |
| Total 55000 PERSONNEL SERVICE COSTS-NON-INSTRUCTIONAL PERSONNEL COS | 89,970 | 0 | (89,970) |
| 57000 PERSONNEL SERVICE COSTS-PAYROLL TAXES AND BENEFITS | | | |
| 57100 Payroll Taxes | 104,363 | 191,505 | 87,142 |
| 57200 Fringe / Employee Benefits | 298,087 | 282,333 | (15,754) |
| 57300 Retirement / Pension | 3,994 | 0 | (3,994) |
| Total 57000 PERSONNEL SERVICE COSTS-PAYROLL TAXES AND BENEFITS | 406,443 | 473,838 | 67,395 |
| Total 50000 PERSONNEL SERVICE COSTS | 2,437,523 | 2,662,467 | 224,944 |
| 60000 CONTRACTED SERVICES | | | |
| 61000 CONTRACTED SERVICES-Accounting / Audit | 966 | 11,667 | 10,701 |
| 62000 CONTRACTED SERVICES-Legal | 5,306 | 2,083 | (3,222) |
| 63000 CONTRACTED SERVICES-Support Organization Fees | | | |
| 63005 Management Fees | 79,667 | 79,667 | 0 |
| 63010 Tutor Fees | 97,374 | 98,311 | 937 |
| Total 63000 CONTRACTED SERVICES-Support Organization Fees | 177,040 | 177,978 | 937 |
| 64000 CONTRACTED SERVICES-Nurse/Summer School | 5,495 | 0 | (5,495) |
| 66000 CONTRACTED SERVICES-Payroll Services | 5,965 | 6,250 | 285 |
| 67100 CONTRACTED SERVICES-Tech Support | 100,470 | 47,520 | (52,950) |
| 67200 CONTRACTED SERVICES-Ops Consultants | 4,841 | 0 | (4,841) |
| 67300 CONTRACTED SERVICES-Staff Appreciation | 1,210 | 0 | (1,210) |
| 67400 CONTRACTED SERVICES-Administrative Fees | 198 | 0 | (198) |
| Total 60000 CONTRACTED SERVICES | 301,490 | 245,498 | (55,992) |
| 70000 SCHOOL OPERATIONS | | | |
| 71000 SCHOOL OPERATIONS-Board Expenses | 434 | 0 | (434) |
| 71500 SCHOOL OPERATIONS-Classroom / Teaching Supplies & | 28,270 | 7,500 | (20,770) |

Great Oaks Charter School - Bridgeport Inc.
Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L
July - November, 2023

| | Total | | |
|--|----------------|----------------|-----------------|
| | Actual | Budget | Delta |
| 72500 SCHOOL OPERATIONS-Textbooks / Workbooks | 15,194 | 0 | (15,194) |
| 72510 SCHOOL OPERATIONS-Textbooks/Workbooks | 28,546 | 0 | (28,546) |
| 73000 SCHOOL OPERATIONS-Tech Materials | 8,917 | 0 | (8,917) |
| 73500 SCHOOL OPERATIONS-Equipment / Furniture | 2,789 | 8,333 | 5,544 |
| 73600 SCHOOL OPERATIONS-Copier Maintenance/Lease | 28,206 | 20,505 | (7,701) |
| 74500 SCHOOL OPERATIONS-Digital Platform/Licenses | 22,442 | 77,038 | 54,596 |
| 75000 SCHOOL OPERATIONS-Student Testing & Assessment | 0 | 833 | 833 |
| 75500 SCHOOL OPERATIONS-Field Trips | 5,168 | 0 | (5,168) |
| 76000 SCHOOL OPERATIONS-Transportation (student) | 3,456 | 10,000 | 6,544 |
| 77000 SCHOOL OPERATIONS-Office Expense | 23,090 | 34,250 | 11,160 |
| 77100 SCHOOL OPERATIONS-Personal Protective Equipment (PPE) | 8,396 | 0 | (8,396) |
| 77500 SCHOOL OPERATIONS-Staff & Curr Development | 29,661 | 10,417 | (19,245) |
| 77550 Fellows - Professional Development | 250 | 1,667 | 1,417 |
| 77600 SCHOOL OPERATIONS-Staff Development - Food | 7,018 | 6,250 | (768) |
| 77700 Memberships/Subscriptions/Cooperatives | 9,595 | 0 | (9,595) |
| 78000 SCHOOL OPERATIONS-Staff Recruitment | 10,650 | 4,167 | (6,483) |
| 78500 SCHOOL OPERATIONS-Student Recruitment / Marketing | 1,977 | 4,167 | 2,190 |
| 78600 SCHOOL OPERATIONS-Student/Staff Uniforms | 4,689 | 4,167 | (522) |
| 78700 SCHOOL OPERATIONS-Student Activities | 4,058 | 0 | (4,058) |
| 78800 Student Athletics | 905 | 0 | (905) |
| 79000 SCHOOL OPERATIONS-School Meals / Lunch | 134,344 | 138,964 | 4,620 |
| 79100 Travel Related - Staff | 544 | 0 | (544) |
| 79300 SCHOOL OPERATIONS-Other School Operations | (28) | 16,667 | 16,695 |
| Total 70000 SCHOOL OPERATIONS | 378,572 | 344,923 | (33,649) |
| | | | |
| 80000 FACILITY OPERATION & MAINTENANC | 148 | 0 | (148) |
| 80100 FACILITY OPERATION & MAINTENANC-Rent | 514,388 | 503,324 | (11,065) |
| 80160 Utilities | 81,987 | 106,500 | 24,513 |
| 81000 FACILITY OPERATION & MAINTENANC-Insurance | 67,276 | 58,766 | (8,510) |
| 82000 FACILITY OPERATION & MAINTENANC-Janitorial | 119,266 | 127,375 | 8,109 |
| 82500 FACILITY OPERATION & MAINTENANC-Maintenance Supplies | 17,293 | 35,000 | 17,707 |
| 83900 FACILITY OPERATION & MAINTENANC-Other Building Related | 22,445 | 0 | (22,445) |
| 84000 FACILITY OPERATION & MAINTENANC-Repairs & Maintenance | 47,661 | 43,080 | (4,581) |
| 85000 FACILITY OPERATION & MAINTENANC-Equipment / Furniture | 987 | 0 | (987) |
| 86000 FACILITY OPERATION & MAINTENANC-Security | 28,829 | 40,038 | 11,209 |
| 86100 FACILITY OPERATION & MAINTENANC-Telephone | 16,100 | 6,875 | (9,225) |
| 86150 FACILITY OPERATION & MAINTENANC-Internet | 4,118 | 9,583 | 5,465 |
| 86200 FACILITY OPERATION & MAINTENANC-Depreciation | 152,898 | 0 | (152,898) |

Great Oaks Charter School - Bridgeport Inc.
 Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L
 July - November, 2023

| | Total Actual | Budget | Delta |
|---|------------------|------------------|------------------|
| 86255 FACILITY OPERATION & MAINTENANCE- Kitchen Supplies | 4,817 | 0 | (4,817) |
| 88000 FACILITY OPERATION & MAINTENANC-Depreciation Expense | 0 | 145,833 | 145,833 |
| Total 80000 FACILITY OPERATION & MAINTENANC | 1,078,214 | 1,076,375 | (1,839) |
| 89006 Credit Card Suspense Account | 907 | 0 | (907) |
| 90000 TUTOR EXPENSES | | | |
| 91500 Tutor Expenses-Rent - Tutor House | 76,407 | 106,500 | 30,093 |
| 97000 Tutor Expenses-Utilities - Tutor House | 18,630 | 22,506 | 3,877 |
| 97230 Tutor Expenses-Maintenance Expense/Supplies for Tutor House | 326 | 2,083 | 1,757 |
| 97250 Tutor Expenses-Other Tutor Related | 2,126 | 0 | (2,126) |
| Total 90000 TUTOR EXPENSES | 97,489 | 131,090 | 33,600 |
| Total Expenses | 4,294,195 | 4,460,352 | 166,158 |
| Net Operating Income | (231,259) | (42,239) | (189,020) |

Great Oaks Charter School - Bridgeport Inc.

Balance Sheet

As of November 30, 2023

| | TOTAL |
|---|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 10000 Cash And Cash Equivalents | 298.19 |
| 10100 Cash And Cash Equivalents-Chase Bank Operating Account | 947,492.50 |
| 10200 Chase Bank - Reserve Account | 14,268.50 |
| 1072 Bill.com Money Out Clearing | 17,770.54 |
| Food Service Account | 27,523.03 |
| Reserve Acct | 0.00 |
| Total Bank Accounts | \$1,007,352.76 |
| Accounts Receivable | |
| 11000 Accounts Receivable | 395,952.60 |
| 11200 Accounts Receivable - Federal Funding | 268,143.69 |
| 11210 Accounts Receivable - Federal CSP | 0.00 |
| 11300 Accounts Receivable - Special Education | 0.03 |
| 11400 Accounts Receivable - Food Service | 0.00 |
| 11500 Accounts Receivable - Grants/Contributions | 0.00 |
| 11900 Accounts Receivable - Other | 0.00 |
| Total Accounts Receivable | \$664,096.32 |
| Other Current Assets | |
| 12150 Due from GOF | 0.00 |
| 13000 Accrued Revenue | 86,291.67 |
| 14000 Prepaid Expenses | 0.00 |
| 12200 Prepaid Expenses-Prepaid Insurance | 28,757.06 |
| 14100 Prepaid Expenses-Prepaid Rent | 118,896.74 |
| 14200 Prepaid Expenses | 49,160.59 |
| Total 14000 Prepaid Expenses | 196,814.39 |
| 16500 Security Deposit | 380,303.48 |
| Inventory Asset-1 | 0.00 |
| Uncategorized Asset | 0.00 |
| Total Other Current Assets | \$663,409.54 |
| Total Current Assets | \$2,334,858.62 |
| Fixed Assets | |
| 15100 Furniture and Equipment-Classroom Furniture/Fixtures | 508,245.77 |
| 15101 Furniture and Equipment-Accumulated Depreciation - Classroom Furniture/Fixtures | -442,240.05 |
| 15200 Furniture and Equipment-Office Equipment | 19,586.62 |
| 15201 Furniture and Equipment-Accumulated Depreciation - Office Equipment | -25,572.62 |
| 15300 Furniture and Equipment-Computer Equipment | 1,190,707.06 |
| 15301 Furniture and Equipment-Accumulated Depreciation - Computer Equipment | -1,031,394.51 |
| 15400 Furniture and Equipment-Telephone Equipment | 84,686.46 |
| 15401 Furniture and Equipment-Accumulated Depreciation - Telephone Equipment | -84,221.08 |

Great Oaks Charter School - Bridgeport Inc.

Balance Sheet

As of November 30, 2023

| | TOTAL |
|---|------------------------|
| 15500 Furniture and Equipment-Leasehold Improvements | 356,225.33 |
| 15501 Furniture and Equipment-Accumulated Depreciation - Leasehold Improvements | -75,609.75 |
| 15600 Furniture and Equipment-Construction in Progress | 0.00 |
| 15700 School Building | 2,500,000.00 |
| 15701 Accumulated Depreciation - School Building | -614,823.93 |
| 15800 Furniture and Equipment-Software | 157,116.40 |
| 15801 Furniture and Equipment-Accumulated Depreciation - Software | -129,200.53 |
| Total Fixed Assets | \$2,413,505.17 |
| Other Assets | |
| 18500 ROU Asset | 17,679,570.00 |
| 18600 Other Assets | 0.00 |
| 18700 Security Deposits Asset | 0.00 |
| Total Other Assets | \$17,679,570.00 |
| TOTAL ASSETS | \$22,427,933.79 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 Accounts Payable | 394,307.67 |
| Total Accounts Payable | \$394,307.67 |
| Credit Cards | |
| 23000 Chase- 6104 | 2,255.01 |
| Total Credit Cards | \$2,255.01 |
| Other Current Liabilities | |
| 20100 Accrued Expenses | 32,250.00 |
| 21100 Payroll Liabilities-Net Salary Due | 23,689.75 |
| 21105 Retirement Contributions Payable | 30,551.72 |
| 21110 Payroll Liability - FSA | 10,264.55 |
| 21115 Payroll Liabilities- Other Insurance | 4,291.80 |
| 21200 Payroll Liabilities-Payroll Tax Liability | 0.00 |
| 21300 Payroll Liabilities - Accrued Payroll | 0.00 |
| 22100 Refundable Advance-CSP Grant Refundable Advance | 0.00 |
| 22200 Refundable Advance-Deferred Revenue | 674,826.00 |
| 22250 Deferred Rent | 0.32 |
| 28000 Short Term Loans | 0.00 |
| 28100 Short Term Loans-Loan from Great Oaks Foundation | -0.49 |
| 28500 ROU Liability | 18,536,145.00 |
| 29000 Due to Great Oaks Foundation | -154.16 |
| 29010 Due to Related Party | 0.00 |
| Total Other Current Liabilities | \$19,311,864.49 |
| Total Current Liabilities | \$19,708,427.17 |

Great Oaks Charter School - Bridgeport Inc.

Balance Sheet

As of November 30, 2023

| | TOTAL |
|-------------------------------------|------------------------|
| Long-Term Liabilities | |
| 29100 Loan Payable to Blue Hub | 0.00 |
| 29150 PPP Loan | 0.00 |
| Total Long-Term Liabilities | \$0.00 |
| Total Liabilities | \$19,708,427.17 |
| Equity | |
| 30000 Opening Balance Equity | 0.00 |
| 31000 Unrestricted Net Assets | 3,019,187.99 |
| Net Income | -299,681.37 |
| Total Equity | \$2,719,506.62 |
| TOTAL LIABILITIES AND EQUITY | \$22,427,933.79 |



Financial Statements, Uniform Guidance
Schedules, and State
Single Audit Together with
Independent Auditors' Reports

June 30, 2023 and 2022

DRAFT

Great Oaks Charter School – Bridgeport, Inc.

Financial Statements, Uniform Guidance Schedules, and State Single Audit Together with Independent Auditors' Reports June 30, 2023 and 2022

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Independent Auditors' Report

Board of Trustees

Great Oaks Charter School – Bridgeport, Inc.

Opinion

We have audited the accompanying financial statements of Great Oaks Charter School - Bridgeport, Inc. ("GOCS-B"), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GOCS-B as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GOCS-B and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, GOS-B adopted the Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, which resulted in the recognition of a right to use asset and related lease liability effective July 1, 2022. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GOCS-B's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.
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Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GOCS-B’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GOCS-B’s ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.

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Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and schedule of expenditures of state financial assistance as required by the Connecticut State Single Audit Act, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December xx, 2023, on our consideration of GOCS-B's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GOCS-B's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GOCS-B's internal control over financial reporting and compliance.

Shelton, Connecticut
December xx, 2023

Great Oaks Charter School – Bridgeport, Inc.

Statements of Financial Position

| | June 30, | |
|--|----------------------|---------------------|
| | <u>2023</u> | <u>2022</u> |
| ASSETS | | |
| Cash | \$ 462,888 | \$ 375,096 |
| Government grants and contracts receivable | 1,158,593 | 966,348 |
| Prepaid expenses and other | 45,418 | 130,565 |
| Security deposits | 380,303 | 380,303 |
| Property and equipment | 2,514,448 | 2,798,728 |
| Operating lease right-of-use asset | 17,679,570 | - |
| | <u>\$ 22,241,220</u> | <u>\$ 4,651,040</u> |
| LIABILITIES & NET ASSETS | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | 287,533 | 471,229 |
| Accrued payroll and taxes | 398,354 | 278,368 |
| Loan payable, affiliate | - | 113,715 |
| Deferred rent | - | 765,869 |
| Operating lease liability | 18,536,145 | - |
| Total Liabilities: | <u>19,222,032</u> | <u>1,629,181</u> |
| Net Assets | | |
| Without donor restrictions | 3,019,188 | 3,021,859 |
| | <u>\$ 22,241,220</u> | <u>\$ 4,651,040</u> |

See notes to financial statements

Great Oaks Charter School – Bridgeport, Inc.

Statements of Activities

| | Year Ended June 30, | |
|---|----------------------------|----------------------------|
| | 2023 | 2022 |
| | Without Donor Restrictions | Without Donor Restrictions |
| OPERATING REVENUES AND OTHER SUPPORT | | |
| State grants and contracts | \$ 7,976,871 | \$ 7,570,341 |
| Federal grants and contracts | 3,538,892 | 2,095,623 |
| Private donations and other funding | 746,441 | 859,011 |
| In-kind revenues | 689,440 | 836,397 |
| Total Public Support and Revenue | <u>12,951,644</u> | <u>11,361,372</u> |
| EXPENSES | | |
| Program Services | | |
| Education | 9,503,223 | 8,302,423 |
| Special education | 3,020,441 | 2,261,023 |
| Total Program Services | <u>12,523,665</u> | <u>10,563,446</u> |
| Supporting services | | |
| Management and general | 430,650 | 423,142 |
| Total Expenses | <u>12,954,315</u> | <u>10,986,588</u> |
| Change in Net Assets | (2,671) | 374,784 |
| NET ASSETS | | |
| Beginning of Year | <u>3,021,859</u> | <u>2,647,075</u> |
| End of Year | <u>\$ 3,019,188</u> | <u>\$ 3,021,859</u> |

See notes to financial statements

Great Oaks Charter School – Bridgeport, Inc.

Statements of Functional Expenses

Year Ended June 30, 2023

| EXPENSES | Program Services | | | Supporting Services | Total |
|---|------------------|-------------------|---------------|------------------------|---------------|
| | Education | Special Education | Total | Management and General | |
| Salaries | \$ 4,233,304 | \$ 1,358,527 | \$ 5,591,831 | \$ 203,309 | \$ 5,795,140 |
| Payroll taxes and employee benefits | 763,592 | 283,620 | 1,047,212 | 43,634 | 1,090,846 |
| In-kind tutor services | 228,362 | 58,066 | 286,428 | - | 286,428 |
| Professional development | 118,362 | 37,580 | 155,942 | 5,394 | 161,336 |
| Professional fees | 572,419 | 179,711 | 752,130 | 72,460 | 824,590 |
| Student and staff recruitment | 12,589 | 3,474 | 16,063 | 197 | 16,260 |
| Curriculum and classroom | 293,711 | 119,599 | 413,310 | 708 | 414,018 |
| Supplies and materials | 150,680 | 41,937 | 192,617 | 2,612 | 195,229 |
| Food service | 297,805 | 75,723 | 373,528 | - | 373,528 |
| In-kind transportation | 310,814 | 79,031 | 389,845 | - | 389,845 |
| Insurance | 110,710 | 35,151 | 145,861 | 5,045 | 150,906 |
| Information technology | 243,466 | 77,301 | 320,767 | 11,094 | 331,861 |
| Occupancy and facility costs | 1,722,712 | 531,247 | 2,253,960 | 67,173 | 2,321,133 |
| Non-capitalized equipment and furnishings | 16,979 | 5,391 | 22,370 | 773 | 23,143 |
| Repairs and maintenance | 81,016 | 25,530 | 106,546 | 3,552 | 110,098 |
| Depreciation and amortization | 302,444 | 96,027 | 398,471 | 13,782 | 412,253 |
| Other | 44,258 | 12,526 | 56,784 | 917 | 57,701 |
| Total Expenses | \$ 9,503,223 | \$ 3,020,441 | \$ 12,523,665 | \$ 430,650 | \$ 12,954,315 |

See notes to financial statements

Great Oaks Charter School – Bridgeport, Inc.

Statements of Functional Expenses

Year Ended June 30, 2022

| EXPENSES | Program Services | | | Supporting | Total |
|--|---------------------|---------------------|----------------------|-------------------|----------------------|
| | Education | Special | Total | Services | |
| | | Education | | Management | |
| | Education | Education | Total | and General | |
| Salaries | \$ 3,368,929 | \$ 916,749 | \$ 4,285,678 | \$ 172,104 | \$ 4,457,782 |
| Payroll taxes and employee benefits | 546,081 | 202,830 | 748,911 | 31,205 | 780,116 |
| In-kind tutor services | 355,376 | 78,009 | 433,385 | - | 433,385 |
| Professional development | 91,668 | 24,484 | 116,152 | 4,236 | 120,388 |
| Professional fees | 558,197 | 148,871 | 707,068 | 114,662 | 821,730 |
| Student and staff recruitment | 23,083 | 5,669 | 28,752 | 585 | 29,337 |
| Curriculum and classroom | 260,139 | 101,549 | 361,688 | 1,014 | 362,702 |
| Supplies and materials | 128,268 | 32,067 | 160,335 | 3,496 | 163,831 |
| Food service | 298,244 | 65,468 | 363,712 | - | 363,712 |
| In-kind transportation | 294,881 | 64,730 | 359,611 | - | 359,611 |
| Insurance | 105,409 | 28,155 | 133,564 | 4,871 | 138,435 |
| Information technology | 156,580 | 41,822 | 198,402 | 7,236 | 205,638 |
| Occupancy and facility costs | 1,616,392 | 417,810 | 2,034,202 | 61,171 | 2,095,373 |
| Non-capitalized equipment and furnishings | 15,563 | 4,157 | 19,720 | 719 | 20,439 |
| Repairs and maintenance | 69,975 | 18,169 | 88,144 | 2,728 | 90,872 |
| Interest | 18,015 | 4,812 | 22,827 | 832 | 23,659 |
| Depreciation and amortization | 394,086 | 105,260 | 499,346 | 18,211 | 517,557 |
| Other | 1,540 | 411 | 1,951 | 71 | 2,022 |
| Total Expenses | \$ 8,302,423 | \$ 2,261,023 | \$ 10,563,448 | \$ 423,142 | \$ 10,986,589 |

See notes to financial statements

Great Oaks Charter School – Bridgeport, Inc.

Statements of Cash Flows

| | Year Ended June 30, | |
|--|---------------------|-------------------|
| | 2023 | 2022 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Change in net assets | \$ (2,671) | \$ 374,784 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Amortization of operating lease right-of-use asset | 90,706 | - |
| Depreciation | 412,253 | 517,557 |
| Change in operating assets and liabilities | | |
| Government grants and contracts receivable | (192,245) | (619,845) |
| Prepaid expenses | 85,147 | 167,647 |
| Accounts payable and accrued expenses | (183,696) | 325,251 |
| Accrued payroll and taxes | 119,986 | 64,721 |
| Deferred rent | - | 69,478 |
| Reserve Fund | - | 400,000 |
| Net Cash from Operating Activities | <u>329,480</u> | <u>1,299,593</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (127,973) | (243,332) |
| Net Cash from Investing Activities | <u>(127,973)</u> | <u>(243,332)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of loan affiliate | (113,715) | (110,000) |
| Repayment of long-term debt | - | (833,588) |
| Net Cash from Financing Activities | <u>(113,715)</u> | <u>(943,588)</u> |
| Net Change in Cash | 87,792 | 112,673 |
| CASH | | |
| Beginning of Year | <u>375,096</u> | <u>262,423</u> |
| End of Year | <u>\$ 462,888</u> | <u>\$ 375,096</u> |

See notes to financial statements

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements June 30, 2023 and 2022

1. Description of the School

Great Oaks Charter School – Bridgeport, Inc. (“GOCS-B”), a not-for-profit organization is recognized by the State of Connecticut as a charter school under Public Act No. 96-214, as amended by Sections 56 and 57 of Public Act 96-244. The Board of Education of the State of Connecticut has granted GOCS-B’s charter to operate grades 6 – 12 through June 2024. GOCS-B was organized to create a rigorous, supportive middle, and high school program that ensures its graduates have the requisite knowledge and habits of mind to earn a degree from a competitive four-year college or university. During fiscal years 2023 and 2022 GOCS-B operated classes for 661 students in grades 6 through 12. GOCS-B is primarily funded by governmental grants and contracts.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash

From time to time GOCS-B has cash in the bank in excess of the federal deposit insurance amount of \$250,000. As of June 30, 2023, GOCS-B exceeded federally insured limits by \$94,204. GOCS-B did not exceed federally insured limits as of June 30, 2022.

Government Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances.

GOCS-B continuously monitors the creditworthiness of grantors and establishes an allowance for amounts that may become uncollectible in the future based on current economic trends, historical payment, bad debt write-off experience and any specific grantor related collection issues. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. As of June 30, 2023 and 2022, no allowance for doubtful accounts has been deemed necessary.

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)***Property and Equipment***

Property and equipment is carried at cost and includes expenditures which substantially increase their useful lives. The cost of property and equipment purchased in excess of \$2,500 is capitalized. Depreciation is being provided by use of the straight-line method over the estimated useful lives of the related asset ranging from three to twenty years. Expenditures for repairs and maintenance are charged to expense as incurred.

Refundable Advances

GOCS-B records certain grants and contracts as refundable advances until related services are performed, at which time they are recognized as revenue.

Leases and Change in Accounting Principle

GOCS-B adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 842, Leases, effective July 1, 2022, using the effective date method with July 1, 2022 as the initial date of application. GOCS-B elected to use all available practical expedients provided in the transition guidance. These allowed GOCS-B to not reassess the identification, classification, and initial direct costs of lessor agreements and to use hindsight for determining lease term and right of use (“ROU”) asset impairment.

GOCS-B’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As a result of the adoption of the new lease accounting guidance, on July 1, 2022, GOCS-B recognized a lease liability of \$19,393,273 that represents the present value of the remaining operating lease payments of \$20,008,040 discounted using GOCS-B’s risk-free interest rate using the treasury note rates at the commencement date and an operating lease right-of-use asset of \$18,627,407 adjusted for the existing deferred rent liability of \$765,866, recognized under the previous lease guidance.

GOCS-B has noncancellable operating leases for office space and equipment and determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and operating lease liabilities on the accompanying balance sheets.

GOCS-B assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies *(continued)*

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. GOCS-B elects to treat any non-lease components of lease agreements as a lease component.

As most of the leases do not provide an implicit borrowing rate, GOCS-B generally uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend or terminate the lease when it is reasonably certain that GOCS-B will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The following disclosures are required under FASB ASC 840, Leases, and are presented as of and for the year ended June 30, 2022, as management of GOCS-B elected to adopt FASB ASC 842 as of July 1, 2022, using the effective date method. GOCS-B leases the school building, tutor housing, and equipment, under noncancellable operating lease expiring through August 2038. Rent expense was \$1,493,363 in 2022.

Net Assets

Net assets without donor restrictions – net assets without donor restrictions are available for use at the discretion of the Board of Directors (“Board”) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion. As of June 30, 2023, the Board has not designated any funds for specific purposes.

Net assets with donor restrictions – net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

No gifts of cash or other assets with donor restrictions were received in 2023 and 2022.

Grants and Contracts

Revenue from the state and local government resulting from the GOCS-B’s charter status is based on the number of students enrolled and is recorded when services are performed in accordance with the charter agreement.

GOCS-B receives a substantial portion of its operating support and revenue from the Connecticut State Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, GOCS-B’s finances could be materially affected.

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

Contributions

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Refundable government grants consists of government grants received for which performance requirements or incurrence of allowable qualifying expenses have not yet been met or incurred. Contributions are reported as revenue without donor restrictions or revenues with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified in the statement of activities to net assets without donor restriction. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Conditional promises to give are recognized when conditions on which they depend are substantially met.

GOCS-B reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent donor stipulations about how long those assets must be maintained, GOCS-B reports expirations of donor restrictions when the assets are placed in service.

Contributed Goods and Services

GOCS-B's policy related to gifts-in-kind is to utilize the assets given to carry out its mission. If an asset is provided that does not allow the GOCS-B to utilize it in its normal course of business, the asset will be sold. Contributions of donated non-cash assets are recorded at their fair value in the period received.

Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills, and typically would need to be purchased, if not provided by donation. In-kind contributions are reflected in the accompanying statement of activities at their fair value at the time the services are rendered.

Functional Expenses

The costs of providing programs and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated based on job function and time allocation for office, occupancy, professional fees and depreciation expense and student enrollment type ratio for payroll and instructional related expenses.

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies *(continued)*

Income Taxes

GOCS-B is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code, however, GOCS-B is subject to federal income tax on any unrelated business taxable income.

GOCS-B recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that GOC-B had no uncertain tax positions that would require financial statement recognition or disclosure. GOCS-B is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2020.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December xx, 2023, the date the financial statements were available for issue.

3. Government Grants Receivable

Grants receivable of \$1,158,593 at June 30, 2023 are all due in less than one year.

4. Property and Equipment

| | June 30, | | Estimated |
|--------------------------|--------------|--------------|-------------|
| | 2023 | 2022 | Useful Life |
| Leasehold improvements | \$ 356,225 | \$ 330,075 | 3-20 years |
| Furniture and fixtures | 508,246 | 490,347 | 7 years |
| Equipment | 1,400,140 | 1,316,217 | 3 years |
| Building improvements | 2,500,000 | 2,500,000 | 20 years |
| | 4,764,611 | 4,636,639 | |
| Accumulated depreciation | (2,250,163) | (1,837,911) | |
| | \$ 2,514,448 | \$ 2,798,728 | |

5. Loan Payable, Affiliate

GOCS-B is managed by Great Oaks Foundation, Inc. ("GOF"). GOF is a not-for-profit charter management organization. GOCS-B borrows funds from GOF. These funds are non-interest bearing and are due on demand. There are no outstanding borrowings at June 30, 2023.

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements June 30, 2023 and 2022

6. Commitments

GOCS-B leases operating facilities and equipment under noncancellable operating leases expiring at various dates through 2038.

The following summarizes the weighted average remaining lease term and discount rate:

| | |
|---------------------------------------|----------------------|
| | <u>June 30, 2023</u> |
| Weighted Average Remaining Lease Term | 15.16 years |
| Weighted Average Discount Rate | 3.17% |

The maturities of lease liabilities as of June 30, 2023 are as follows:

| | |
|------------------------|----------------------|
| Year ending June 30 | |
| 2024 | \$ 1,432,141 |
| 2025 | 1,440,791 |
| 2026 | 1,457,475 |
| 2027 | 1,474,577 |
| 2028 | 1,491,624 |
| Thereafter | <u>16,171,276</u> |
| | 23,467,884 |
| Less: imputed interest | <u>(4,931,739)</u> |
| | <u>\$ 18,536,145</u> |

The following summarizes the line items in the statements of operations which include the components of lease expense for the year ended June 30:

| | |
|---|-------------|
| | <u>2023</u> |
| Operating lease expense included in administrative and general | \$1,546,301 |

The following summarizes cash flow information related to leases for the year ended June 30:

| | |
|--|-------------|
| | <u>2023</u> |
| Operating cash flows from operating leases | |
| Operating lease payments | \$1,455,592 |

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements June 30, 2023 and 2022

7. Net Assets

Net assets without donor restrictions is comprised of undesignated amounts at June 30:

| | 2023 | 2022 |
|---|--------------|--------------|
| Property and equipment, net of related debt | \$ 2,514,448 | \$ 2,798,728 |
| General | 504,740 | 223,131 |
| | \$ 3,019,188 | \$ 3,021,859 |

8. Contributed Services and Goods

In 2023 and 2022, GOCS-B received the services of tutors paid for by GOF. These services include both tutors and tutor leaders. These services were valued at the amount of salaries and benefits paid by GOF to the tutors and leaders. The value of these services was \$286,428 and \$433,385 for the years ended June 30, 2023 and 2022, respectively.

In addition, the City of Bridgeport provided transportation and special education services to the students of GOCS-B valued at \$359,611 and \$43,401 for the year ended June 30, 2023 and 2022. The contributed assistance is valued at fair value based on current rates for these services.

9. Major Contributors

GOCS-B received approximately 81% of its support from two granting agencies in 2023 and 67% of its support from one granting agency in 2022. As of June 30, 2023, GOCS-B has outstanding receivables in the amount of \$864,593 from one granting agency. At June 30, 2022, no granting agency represented 10% or more of outstanding receivables.

10. Academic and Business Services Agreement

GOCS-B entered into an academic, tutor and business service agreement with GOF. The agreement provides academic, tutor, financial and operational services to GOCS-B. Pursuant to the terms of the agreement, GOCS-B shall pay 6% of the non-competitive public revenues of GOCS-B, exclusive of special education services, as set forth in the budget adopted by the Board of Trustees prior to the commencement of the fiscal year. In addition, GOCS-B shall pay GOF a tutor fee ranging from \$6,715 to \$12,850 per year for each tutors and tutor leaders. Service and tutor fees are included in professional fees expense.

The Academic, Tutor and Business Service Agreement is co-terminus with the expiration of GOCS-B's charter.

Great Oaks Charter School – Bridgeport, Inc.

Notes to Financial Statements June 30, 2023 and 2022

10. Academic and Business Services Agreement *(continued)*

Included in professional fees on the statement of functional expenses, GOCS-B incurred GOF fees of:

| | 2023 | 2022 |
|-------------|------------|------------|
| Service Fee | \$ 477,387 | \$ 453,855 |
| Tutor Fee | 196,730 | 240,299 |
| | \$ 674,117 | \$ 694,154 |

11. Connecticut Teachers' Retirement Plan

All certified administrators and teachers participate in the Connecticut Teachers' Retirement System that is administered by the State of Connecticut (the "State"). The Plan requires mandatory contributions by employees of 8.25% of their eligible annual compensation. The State provides the remaining funding of retirement benefits and is required to contribute at an actuarially determined rate, which may be reduced by an act of State Legislature. Administrative costs of the plan are funded by the State. The GOCS-B has no obligation under this plan.

12. Liquidity and Availability of Resources

GOCS-B's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

| | 2023 | 2022 |
|--|--------------|--------------|
| Cash | \$ 462,888 | \$ 375,096 |
| Government grants and contracts receivable | 1,158,593 | 966,348 |
| Total Financial Assets Available to Management for General Expenditures Within One Year | \$ 1,621,481 | \$ 1,341,444 |

As part of GOCS-B's liquidity management, GOCS-B has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Great Oaks Charter School – Bridgeport, Inc.

Uniform Guidance Schedules and State Single Audit Reports

June 30, 2023

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| Federal Grantor/Pass-through Grantor/ Program Title or Cluster Title | Federal Assistance Listing Number | Pass- Through Identifying Number | Provided Through to Subrecipients | Total Federal Expenditures |
|--|--|---|---|----------------------------------|
| U.S. Department of Agriculture | | | | |
| Pass through program from the State of Connecticut | | | | |
| Education Department | | | | |
| Child Nutrition Cluster | | | | |
| National School Lunch Program (NSLP) | 10.555 | 00294 | \$ - | \$ 289,113 |
| COVID-19 Allocation of Supply Chain Assistance Funds | 10.555A | 00294 | - | 25,642 |
| School Breakfast Program (SBP) | 10.553 | 00294 | - | 82,412 |
| Total Child Nutrition Cluster | | | - | 397,167 |
| COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Cost Grant | | | | |
| | 10.649 | 00294 | - | 628 |
| Total U.S. Department of Agriculture | | | - | 397,795 |
| U.S. Department of Education | | | | |
| Pass through program from the State of Connecticut | | | | |
| Education Department | | | | |
| Title I Grants to Local Education Agencies (LEAs) | 84.010 | 00294 | - | 459,426 |
| Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants) | 84.367 | 00294 | - | 50,594 |
| English Language Acquisition State Grants | 84.365 | 00294 | - | 10,274 |
| Student Support and Academic Enrichment Program | 84.424 | 00294 | - | 32,922 |
| Total Non-COVID-19 American Rescue Plan - Elementary Relief Funds | | | - | 553,216 |
| COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Funds | | | | |
| American Rescue Plan - Elementary and Secondary School Emergency Relief Funds | 84.425U | 00294 | - | 2,246,345 |
| Free Application for Federal Student Aid Challenge | 84.425U | 00294 | - | 5,000 |
| Elementary and Secondary School Emergency Relief Funds | 84.425D | 00294 | - | 259,595 |
| Total COVID-19 American Rescue Plan - Elementary Relief Funds | | | - | 2,510,940 |
| Total U.S. Department of Education | | | - | 3,064,156 |
| U.S. Department of Homeland Security | | | | |
| Pass through program from the State of Connecticut | | | | |
| Department of Emergency Services and Public Protection | | | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | 00294 | - | 76,941 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 3,538,892 |

Great Oaks Charter School – Bridgeport, Inc.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

1. Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Great Oaks Charter School – Bridgeport, Inc. (‘GOCS-B’) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of GOCS-B, it is not intended to and does not present the financial position, changes in net assets, or cash flows of GOCS-B.

2. Summary of significant accounting policies

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

3. Indirect Cost Rate

GOCS-B has elected not to use the 10-percent de minimis indirect cost rate allowed under the uniform guidance.

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
with Government Auditing Standards**

Independent Auditors' Report

**Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the Great Oaks Charter School - Bridgeport, Inc. ("GOCS-B") (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 ended, and the related notes to the financial statements, and have issued our report thereon dated **December --**, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.
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Report on Compliance and Other Matters

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

Purpose of this Report

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

Shelton, Connecticut
December --, 2023

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

Board of Trustees

Great Oaks Charter School – Bridgeport, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Great Oaks Charter School - Bridgeport, Inc. ("GOCS-B")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of GOCS-B's major federal programs for the year ended June 30, 2023. GOCS-B's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, GOCS-B complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.
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Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GOCS-B’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GOCS-B’s compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.
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Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Shelton, Connecticut
December --, 2022

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Great Oaks Charter School – Bridgeport, Inc.

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

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? yes no

Identification of major programs:

| <u>Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
|----------------------------------|---|
| 84.425D | COVID-19 Elementary and Secondary School Emergency Fund |
| 84.425U | COVID-19 Elementary and Secondary School Emergency Fund American Rescue Plan |

Dollar threshold used to distinguish between Type A and type B programs: \$750,000

Auditee qualified as a low risk auditee? yes no

Great Oaks Charter School – Bridgeport, Inc.

Schedule of Federal Findings and Questioned Costs *(continued)*

For the Year Ended June 30, 2023

Section II - Financial Statement Findings:

- During our audit, we noted no material findings for the year ended June 30, 2023.

Section III - Federal Award Findings and Questioned Costs:

- No findings or questioned costs are reported related to federal assistance programs.

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Great Oaks Charter School – Bridgeport, Inc.

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2023

| State Grantor/Pass-Through Grantor/Program Title | State Grant Program Core-CT Number | Passed Through to Subrecipients | Expenditures |
|---|---------------------------------------|------------------------------------|-----------------------------|
| Connecticut Department of Education | | | |
| Charter Schools | 11000-SDE64000-16119 | \$ - | \$ 7,956,457 |
| School Breakfast | 11000-SDE64000-17046 | - | 2,662 |
| Health Food Initiative | 11000-SDE64000-16212 | - | 4,274 |
| Bilingual Education English Learner Pilot Program | 11000-SDE64000-17042 | - | 9,161 |
| Children Nutrition State Match Grant | 11000-SDE64000-16211 | - | 2,248 |
| Talent Development - TEAM | 11000-SDE64000-12552 | - | 2,069 |
| | | <u> </u> | <u> </u> |
| Total State Financial Assistance | | <u>\$ -</u> | <u>\$ 7,976,871</u> |

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Great Oaks Charter School – Bridgeport, Inc.

Notes to Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of Great Oaks Charter School – Bridgeport, Inc. under programs of the State of Connecticut for the year ended June 30, 2023. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the general statutes of the State of Connecticut. Because the schedule presents only a selected portion of the operations of the GOCS-B, it is not intended and does not present the financial position, changes in fund balance, changes in net position, or cash flows of GOCS-B.

The accounting policies of Great Oaks Charter School – Bridgeport, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the Schedule is presented based on regulations established by the State of Connecticut Office of Policy and Management.

2. Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are presented on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

**Report on Compliance for Each Major State Program and
Report on Internal Control over Compliance
Required by the State Single Audit Act**

Independent Auditors' Report

Board of Trustees

Great Oaks Charter School – Bridgeport, Inc.

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Great Oaks Charter School - Bridgeport, Inc. ("GOCS-B")'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of GOCS-B's major state programs for the year ended June 30, 2023. GOCS-B's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, GOCS-B complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to GOCS-B's state programs.

Board of Trustees

Great Oaks Charter School – Bridgeport, Inc.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GOCS-B's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GOCS-B's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as items 2023-001. Our opinion on each major state program is not modified with respect to this matter.

Board of Trustees
Great Oaks Charter School – Bridgeport, Inc.
Page 3

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Shelton, Connecticut
December --, 2023

Great Oaks Charter School – Bridgeport, Inc.

Schedule of State Findings and Questioned Costs

Year Ended June 30, 2023

I. Summary of auditors’ results

Financial Statements

Type of auditors’ opinion issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes no
- Significant deficiency(ies) identified? Yes none reported
- Noncompliance material to financial statements noted? Yes no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes no
- Significant deficiency(ies) identified? Yes none reported

Type of auditors’ opinion issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the regulations to the State Single Audit Act? Yes no

The following schedule reflects the major programs included in the audit:

| <u>State Grantor and Program</u> | <u>State Core – CT Number</u> | <u>Expenditures</u> |
|----------------------------------|-------------------------------|---------------------|
| Department of Education | | |
| Charter Schools | 11000-SDE64000-16119 | \$7,956,457 |

- Dollar threshold used to distinguish between type A and type B programs: \$200,000

II. Financial Statement Findings

- During our audit, we noted no material findings for the year ended June 30, 2023.

Great Oaks Charter School – Bridgeport, Inc.

Schedule of State Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

III. State Financial Assistance Findings and Questioned Costs

2023-001 Non-Certified Personnel

Grantor: Connecticut Department of Education
State Program Name: Charter School
Pass-through Entity: None
State Grant Program
Core – CT Number: 11000-SDE64000-16119

Criteria: GOCS-B must be in compliance with certain provisions of laws, regulations, contracts, and grant agreements. Connecticut General Statutes 10-66dd requires that all teachers, supervisors, administrators, special staff members or school superintendent employed by GOCS-B must possess an appropriate state certificate prior to the first day of employment.

Condition: During fiscal 2023 GOCS-B had 10 employees without a proper certification credentials.

Context: 9 teachers out of 65 teachers and administrators tested were found to have exceptions to possessing the appropriate state certificate for employment.

Effect: GOCS-B funds these positions with non-governmental funds; however, the State Board of Education may still levy fines or withhold State funding.

Cause: While GOCS-B prioritizes hiring certified staff, there is a lack of diverse and certified teachers available for hire in Connecticut Charter Schools.

Repeat Finding: This is a repeat finding from the June 30, 2022 state single audit, finding 2022-001.

Recommendation: GOCS-B should ensure compliance with Connecticut General Statutes 10-66dd.

Planned Corrective Action: See response included in the current year Corrective Action