



URBAN CHARTER SCHOOLS COLLECTIVE
JANUARY 9, 2023
REGULAR BOARD AGENDA

BOARD MEMBERS

Miles E. Myles, President (Term Expires June 2023)
Bao Xiong, Vice President (Previously expired June 2025)
Guy Ollison, Board Treasurer (Term Expires June 2023)
Xai Lor, Secretary (Term Expires June 2024)
Vacant, Board Member (Term Expires June 2024)
Vacant, Board Member (Term Expires June 2022)
Vacant, SCUSD Representative (No expiration)

6:00 PM Convene
8:45 PM Closed Session
8:50 PM Reconvene Open Session
9:00 PM Adjourn

LISBON ELEMENTARY SCHOOL, STAFF LOUNGE
7555 S. Land Park Drive, Sacramento, CA 95831, Staff Lounge

1. **CALL TO ORDER- 6:00 PM**
2. **BOARD ROLL CALL- 6:01 PM**
3. **ADJUST AND APPROVE AGENDA AS NEEDED- 6:03 PM**
4. **PUBLIC COMMENT- Two Minutes Per Person and Ten Minutes Per Issue Listed in the Agenda 6:05 PM**
This portion of the meeting is set aside for members of the audience to address the Governing Board regarding matters on agenda and non-agenda items but within the Governing Board's subject matter jurisdiction. These presentations are limited to two (2) minutes per person and ten (10) minutes per issue. The Governing Board is not allowed to take action on any item which is not on the agenda, except as authorized by Government Code Section 54954.2. Public comments may be submitted before the board meeting to publiccomment@urbancsc.org.
5. **ACTION ITEM – Presentation of the 2021-2022 Annual Independent Audit Report 6:08 PM**
Board receives the independent audit for 2021-2022 presented by Gilbert CPAs, and accepts the auditor's report and letter to management.
6. **INFORMATIONAL ITEM- Academy Council Update to the Board 6:25 PM***
The Academy Council is the local level of governance and is responsible for implementing the program described in the charter. The Council makes decisions and adopts procedures that result in the effective day-to-day operation of the school, ensures the mission and goals of the school are accomplished, and engages in effective uses of the money in the school budget.
 - 6.1 Scholar Recruitment Plan
 - 6.2 Individualized Learning Plan (ILP)
 - 6.3 Staff Professional Development Plan/Training on LCAP
 - 6.4 End of Year Climate Survey Update on Next Steps
7. **CONSENT AGENDA- 6:40 PM**
Items listed on the Consent Agenda are considered by the Board to be routine and will be enacted by the Board in one motion. There will be no discussion on these items prior to the time the Board votes on the motions unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Agenda. Items pulled for discussion will require a separate vote. Approve board meeting minutes.
 - 7.1 Regular Board Meeting Minutes for December 12, 2022 *
8. **CONFERENCE TO ACTION ITEM- Expanded Learning Opportunities Program Plan 6:45 PM ***
Board receives and approves presentation of YPSA's Expanded Learning Opportunities plan.
9. **CONFERENCE TO ACTION ITEM- Revision of SPED Aide Job Description 7:00 PM**
Board receives request to revised the current SPED Aide job descriptions and approves recommended changes.

NOTE: If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact Lee Yang (916) 752-8791 at least 48 hours before the scheduled Board meeting so we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)]

Regularly Scheduled UCSC Board meetings are held on the second Monday of each month, except as noted.

- All meetings start at 6:00 PM and are conducted in the Lisbon Elementary staff lounge or school library

- Regular board meetings for 2022 – 2023 have been scheduled for Aug. 08, Sept. 12, Oct. 10, Nov. 14, Dec. 12, Jan. 09, Feb. 14, Mar. 13, Apr 10, May 08, June 12, June 26

10. **BREAK- 7:15 PM**

11. **BOARD STRATEGIC PLANNING SESSION- 7:25 PM***

Board planning session to discuss standing items and board priorities. This month's topic includes a committee update from the finance subcommittee.

11.1 Board Workshop

11.1.1 Annual Board Self Evaluation & Setting Goals for 2022-23

11.1.2 Student Recruitment

11.2 Board Report(s)

12. **INFORMATIONAL ITEM- Monthly Administrative Reports 8:00 PM***

Monthly administrative reports on operations, curriculum, and instruction on the current state of the school and organization.

12.1 Chief Financial Officer Report

12.1.1 Financials Through December 2022

12.1.2 2022-23 P-1

12.1.3 Mid-Year Budget

12.2 Principal Report Curriculum and Instruction/Achievement Data Update

12.2.1 Foundational Literacy and Numeracy Skills Data

12.2.2 Lottery Procedure

12.3 Superintendent Report

12.3.1 Special Education Program Update

13. **CLOSED SESSION 8:30 PM**

C-1. Personnel (hiring, dismissal, release, reassignment, compensation, evaluation, etc.) (Cal. Gov't. Code § 54957.1 (a)(5))

C-1.1 Hiring

C-1.1.1 Head Teacher

C-1.2 Resignation

C-1.3 Mid-Year Superintendent Evaluation

Closed session intended for:

- 1) considering appointment, employment, evaluation of performance, discipline or dismissal of an employee (employee may request hearing of discipline or complaint be done in opens session);*
- 2) meeting with law enforcement or security personnel concerning the security of public buildings and services;*
- 3) receiving advice from legal counsel concerning existing litigation, initiating litigation, or situations involving significant expose to litigation;*
- 4) considering labor negotiations, although final decisions concerning salaries must be made in public;*
- 5) considering price and term in connection to purchase, sale, exchange or lease of realproperty.*

14. **REPORT OUT OF CLOSED SESSION 8:50 PM**

Report out on closed session actions and the vote(s) taken on those actions.

15. **NEW BUSINESS 8:52 PM**

New business proposes an issue that is new to this meeting. It may be something not discussed before or something that was defeated at a past meeting (or even at the last meeting).

16. **BOARD MEMBERS IDENTIFY ITEMS FOR NEXT BOARD MEETING 8:55 PM**

Members bring forward additional items they wish to see included in the September meeting agenda.

17. **ADJOURN 9:00 PM**

The Board is requested to approve the adjournment of the January 9, 2023, regular meeting.

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CALENDAR OF REGULAR BOARD MEETINGS
APPROVED AND ADOPTED ON - April 11, 2022

AUGUST 08, 2022	SEPTEMBER 12, 2022	OCTOBER 10, 2022	NOVEMBER 14, 2022
<ul style="list-style-type: none"> Annual Board Organizational Meeting Review work of board nominating committee Preparing for annual board self-evaluation Appoint nominating committee for vacant board position(s) Update Board priorities Review actual enrollment and attendance and compare to projected 	<ul style="list-style-type: none"> Annual Board self-evaluation Set goals for next 12 months Review annual program audit before submission to SCUSD by the principal Approve prior year unaudited actuals – due to SCOE 9/15 Discuss Academy Council and Board relationship; See governance section of charter Update Board priorities 	<ul style="list-style-type: none"> Update Board priorities Staff evaluation process Approve 2022-23 45-Day Budget Update 	<ul style="list-style-type: none"> Update Board priorities Receive & review prior year fiscal audit conducted by Gilbert Associates –due to district, county, CDE, and state controller by 12/15
December 12, 2022	JANUARY 9, 2023	FEBRUARY 14, 2023	MARCH 13, 2023
<ul style="list-style-type: none"> Approve 1st Interim Financial Report for July 1-Oct. 31' due to SCUSD and SCOE by Dec. 15 Approve Budget Development Calendar for creating next year's budget Update Board priorities 	<ul style="list-style-type: none"> Review P-1 Attendance report submitted to CDE to compare project & actual attendance. P-1 ended on Dec. 31 Approve mid-year budget revisions to 2022-23 budget Review random drawing (lottery procedure) when applicants outnumber available seats Plan for board member and academy council training Update Board priorities 	<ul style="list-style-type: none"> Review preliminary budget for next fiscal year based on governor's proposal Discuss staff release procedures Update Board priorities 	<ul style="list-style-type: none"> Approve 2nd Interim Financial Report for July 1 - Jan. 31st and due to SCUSD and SCOE by Mar. 15 Review parent involvement policy Approve instructional calendar for the next school year Update Board priorities Review 2023-2024 UCSC Board Meeting Calendar Approve 2022-23 audit firm contract Review enrollment and staffing projections in preparation for next year's staffing
APRIL 10, 2023	MAY 8, 2023	JUNE 12, 2023	JUNE 26, 2023
<ul style="list-style-type: none"> Board reviews and gives feedback to Academy Council on their budget recommendations for next year Approve 2nd budget revisions to 2023-24 budget Salary Schedule Review Update Board priorities Approval of 2023-24 UCSC Board Meeting Calendar Review and Conference on proposed 2023-24 budget draft 4 and LCAP from Academy Council 	<ul style="list-style-type: none"> If released, review governor's May revisions to next year's proposed budget. Might not be released until the 15th Review P-2 Attendance report submitted to CDE to compare project and actual attendance. P-1 ended on April 15th Review all staff evaluations Update Board priorities Review and approve admin, teacher, and other staff compensation and appointment 	<ul style="list-style-type: none"> Public hearing on the updated-LCAP and 2023-24 budget. Update Board priorities 	<ul style="list-style-type: none"> Approve next year's budget and submit to SCUSD and SCOE by July 1st Annual review and affirmation of Title I Parent Involvement Policy ConApp Part 1 due June 30 for Title I, II, & III funding Approve new hires Approve updated-LCAP and 2021-2023 Budget Update Board priorities

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URBAN CHARTER SCHOOLS COLLECTIVE

Communications With Those Charged With Governance

Submitted by

Gilbert CPAs

We have audited the financial statements of the Urban Charter Schools Collective (UCSC). Professional standards require that we provide you with information related to our audit. We are providing UCSC's Board of Directors with information regarding the scope and results of the audit to assist the Board of Directors in overseeing management's financial reporting and disclosure process. This information is intended solely for the use of the Board of Directors, and management of UCSC and is not intended to be, and should not be, used by anyone other than these specified parties. The following pages summarize these required communications.

December 14, 2022

MANAGEMENT AND AUDITOR RESPONSIBILITIES

Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards*, issued by the Comptroller General of the United States and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the Education Audit Appeals Panel.

The financial statements are the responsibility of management. As stated in our engagement contract, our responsibility is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the UCSC. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the UCSC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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.

We issued an unmodified opinion on the financial statements of UCSC for the year ended June 30, 2022.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement contract, we advised management about the appropriateness of accounting policies and their application.

The significant accounting policies used by UCSC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022.

We noted no transactions entered into by UCSC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The most sensitive estimates and disclosures affecting UCSC's financial statements were:

- Management's assessment of the collectability of accounts receivable is based on the likelihood of payment.
- Management's basis for allocating between program and supporting service expenses is based on estimates of employees' time incurred and on usage of resources.
- Management's estimate of the useful lives of property and equipment is based on historical experience and industry standards.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. In addition, the related financial statement disclosures are neutral, consistent, and clear.

INTERACTIONS WITH MANAGEMENT

Planned Scope and Timing of the Audit	The completion of our audit was delayed as a result of additional time needed by Management to complete the closing process and provide requested support.
Management Consultations with Other Independent Accountants In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to UCSC’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.	To our knowledge, there were no such consultations with other accountants.
Disagreements with Management For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report.	We are pleased to report that no such disagreements arose during the course of our audit.
Management Representations	We requested certain representations from management in a letter to us.
Difficulties Encountered in Performing the Audit	Management and staff very cooperative, however, there were delays in the completion of the audit as a result turnover in various positions at the organization that impacted Management’s ability to close the financial statements and provide audit requests in a timely manner.

OTHER MATTERS

<p>Other Audit Findings or Issues</p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as UCSC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p> <p>Findings related to the financial close process and state compliance are discussed in detail in the Findings and Questioned Costs section of the audited financial statements.</p>
<p>Significant Risks Identified by the Auditor</p> <p>In order to design appropriate audit procedures in accordance with GAAS, the engagement team is required to perform a risk assessment during its audit planning process.</p>	<p>The following significant risks of material misstatement presumed by the auditing standards were incorporated into our audit plan:</p> <ul style="list-style-type: none">• Improper revenue recognition due to fraud.• Management override of controls.
<p>Corrected and Uncorrected Misstatements</p> <p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p>	<p>The following adjustment was identified during the audit process and was corrected by Management: Increase to deferred revenue and decrease to revenue of \$301,295 related to revenue recognition for categorical programs.</p>

SUPPLEMENTARY INFORMATION

Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The supplementary information section, as listed in the table of contents of the financial statements of UCSC for the year ended June 30, 2022, is presented for purposes of additional analysis and is required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and in our opinion is fairly stated in all material respects in relation to the financial statements as a whole.

**URBAN CHARTER
SCHOOLS COLLECTIVE**

**YAV PEM SUAB ACADEMY
CHARTER SCHOOL # 1186**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED
JUNE 30, 2022 AND 2021**



URBAN CHARTER SCHOOLS COLLECTIVE

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Urban Charter Schools Collective
Sacramento, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Urban Charter Schools Collective (UCSC), a California non-profit public benefit corporation, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 UCSC as of June 30, 2022 and 2021, 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; and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UCSC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 UCSC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel 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, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 UCSC'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 UCSC's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Information, as listed in the Table of Contents, as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of UCSC'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 UCSC'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 UCSC's internal control over financial reporting and compliance.



GILBERT CPAs
Sacramento, California

December 14, 2022

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 3,554,745	\$ 3,428,951
Due from state and local governments	685,622	946,906
Prepaid expenses	<u>30,921</u>	<u>56,229</u>
Total current assets	4,271,288	4,432,086
PROPERTY AND EQUIPMENT - Net	<u>146,349</u>	<u>196,796</u>
TOTAL ASSETS	<u>\$ 4,417,637</u>	<u>\$ 4,628,882</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 119,004	\$ 694,396
Accrued expenses	136,068	110,390
Due to state and local governments	304,359	270,370
Funds held for others	2,253	2,013
Deferred revenue	<u>301,295</u>	<u>114,589</u>
Total liabilities	<u>862,979</u>	<u>1,191,758</u>
NET ASSETS:		
Without donor restrictions	3,132,419	3,184,732
With donor restrictions	<u>422,239</u>	<u>252,392</u>
Total net assets	<u>3,554,658</u>	<u>3,437,124</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,417,637</u>	<u>\$ 4,628,882</u>

The accompanying notes are an integral part of these financial statements.

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES:		
Federal revenue	\$ 296,773	\$ 508,731
State revenue:		
State aid portion of general purpose funding	1,705,245	2,052,859
Lottery revenue	68,465	78,358
All other	223,969	7,784
Local revenue:		
Cash in-lieu of property taxes	959,235	1,074,196
Contributions and other local revenues	775	771
Net assets released from restrictions	<u>1,671,322</u>	<u>1,371,372</u>
Total revenues	<u>4,925,784</u>	<u>5,094,071</u>
EXPENSES:		
Program services:		
Educational programs	4,578,108	4,420,049
Supporting services:		
Management and general	<u>399,989</u>	<u>391,719</u>
Total expenses	<u>4,978,097</u>	<u>4,811,768</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(52,313)	282,303
NET ASSETS WITH DONOR RESTRICTIONS:		
EPA revenue	1,479,955	1,298,023
Other state revenue	329,508	208,978
Lottery revenue	31,706	33,994
Return of grant funds		(16,874)
Net assets released from restrictions	<u>(1,671,322)</u>	<u>(1,371,372)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>169,847</u>	<u>152,749</u>
INCREASE IN NET ASSETS	117,534	435,052
NET ASSETS, Beginning of year	<u>3,437,124</u>	<u>3,002,072</u>
NET ASSETS, End of year	<u>\$ 3,554,658</u>	<u>\$ 3,437,124</u>

The accompanying notes are an integral part of these financial statements.

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED JUNE 30, 2022 AND 2021

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Educational programs</u>	<u>Management and general</u>	<u>Total expenses</u>
<u>2022</u>			
Certificated salaries	\$ 1,897,716	\$ 157,466	\$ 2,055,182
Classified salaries	790,143	165,571	955,714
Employee benefits	828,350	63,371	891,721
District oversight and special education encroachment	40,030		40,030
Non-capitalized capital outlay	3,942		3,942
Professional services and consulting	579,838		579,838
Facilities, rental, and repairs	153,650		153,650
Communications	84,479		84,479
Books and supplies	110,076	1,496	111,572
Depreciation	54,916		54,916
Conferences and staff development	4,700	12,085	16,785
Other operating	30,268		30,268
	<u>30,268</u>	<u> </u>	<u>30,268</u>
Total expenses	<u>\$ 4,578,108</u>	<u>\$ 399,989</u>	<u>\$ 4,978,097</u>
<u>2021</u>			
Certificated salaries	\$ 1,632,679	\$ 155,920	\$ 1,788,599
Classified salaries	657,330	148,881	806,211
Employee benefits	655,861	70,520	726,381
District oversight and special education encroachment	587,632		587,632
Non-capitalized capital outlay	236,555	2,027	238,582
Professional services and consulting	206,476	8,752	215,228
Facilities, rental, and repairs	151,582		151,582
Communications	63,311	372	63,683
Books and supplies	61,239	528	61,767
Depreciation	50,611		50,611
Conferences and staff development	180	4,719	4,899
Other operating	116,593		116,593
	<u>116,593</u>	<u> </u>	<u>116,593</u>
Total expenses	<u>\$ 4,420,049</u>	<u>\$ 391,719</u>	<u>\$ 4,811,768</u>

The accompanying notes are an integral part of these financial statements.

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 117,534	\$ 435,052
Reconciliation to net cash provided by operating activities:		
Depreciation	54,916	50,611
Changes in:		
Due from state and local governments	261,284	(274,251)
Prepaid expenses	25,308	11,906
Accounts payable	(575,392)	431,810
Accrued expenses	25,678	24,503
Due to state and local governments	33,989	270,370
Funds held for others	240	
Deferred revenue	186,706	82,040
Net cash provided by operating activities	<u>130,263</u>	<u>1,032,041</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(4,469)</u>	<u>(60,224)</u>
NET INCREASE IN CASH	125,794	971,817
CASH, Beginning of year	<u>3,428,951</u>	<u>2,457,134</u>
CASH, End of year	<u>\$ 3,554,745</u>	<u>\$ 3,428,951</u>

The accompanying notes are an integral part of these financial statements.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Urban Charter Schools Collective (UCSC) was incorporated October 29, 2009 and is organized to manage, operate, guide, direct, and promote the public charter school, Yav Pem Suab Academy – Preparing for the Future Charter (YPSA). The charter school number is 1186.

UCSC is funded principally through State of California public education monies received through the California Department of Education and the Sacramento City Unified School District (SCUSD), the Sponsoring District. A Board of Directors, consisting of seven members governs UCSC. As of June 30, 2022, there were two vacant board seats, one of which is for the sponsoring district seat.

SCUSD approved the charter for YPSA for a five-year term through June 30, 2025. Along with the approval of the Charter, UCSC signed a Memorandum of Understanding (MOU) with SCUSD through June 30, 2025.

The charter may be revoked by SCUSD for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of accounting and financial statement presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. UCSC reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Property and equipment purchases greater than or equal to \$1,000 are capitalized at cost and depreciated using the straight-line method over an estimated useful life of one and a half to three years.

Funds held for others – UCSC has an Associated Student Body (ASB) which consists of various clubs and student groups. Funds raised by the various student groups are held in a separate bank account by UCSC. UCSC provides oversight and monitors the activities in these groups. The cash balance on the statements of financial position includes \$2,253 and \$2,013 at June 30, 2022 and 2021, respectively, that was held on behalf of the ASB. Revenues and expenses of the ASB are generated separately from UCSC and therefore are not included on UCSC's statements of activities.

Income taxes – UCSC is publicly supported and has received tax-exempt status under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. There is no unrelated taxable income and, accordingly, there is no provision for income taxes in these financial statements.

Revenue recognition – Revenue is recognized when earned. Payments under cost-reimbursable or federal or state grants received in advance are deferred to the applicable period in which the qualifying expenditures are incurred. UCSC received cost-reimbursable grants of \$1,428,694 that have not been recognized at June 30, 2022 because qualifying expenditures have not yet been incurred, with advance payments of \$301,295 and \$114,589 recognized in the June 30, 2022 and 2021 statements of financial position as deferred revenue.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. 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. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes.

Donor-restricted contributions are reported as increases in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Restricted contributions that were initially classified as conditional due to a qualifying expense barrier are recognized as net assets without donor restrictions since the restriction is met simultaneously when the condition is released and the revenue is recognized.

Functional allocation of expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The financial statements report certain categories of expenses that are attributed to both program and supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits, district oversight and special education encroachment, professional and consulting services, books and supplies, communications, conferences and staff development, and non-capitalized capital outlay, which are allocated based on estimated usage of resources.

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

Recent accounting pronouncements – In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The new accounting standard requires lessees to recognize a lease liability measured on a discounted basis and a right-of-use asset for all leases with terms longer than 12 months. Application of this statement is effective for the year ending June 30, 2023. UCSC is currently evaluating the impact this pronouncement will have on the financial statements.

Subsequent events have been reviewed through December 14, 2022, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2022 that require recognition or disclosure in such financial statements.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

UCSC's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30:

	<u>2022</u>	<u>2021</u>
Cash	\$ 3,554,745	\$ 3,428,951
Due from state and local governments	<u>685,622</u>	<u>946,906</u>
Total financial assets	4,240,367	4,375,857
Less:		
Amounts unavailable for general expenditure within one year due to:		
Amounts restricted by donors for purpose (see Note 7)	(422,239)	(252,392)
Funds held for others (see Note 1)	<u>(2,253)</u>	<u>(2,013)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 3,815,875</u>	<u>\$ 4,121,452</u>

UCSC structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 241,273	\$ 241,273
Equipment	165,481	161,012
Less accumulated depreciation	<u>(260,405)</u>	<u>(205,489)</u>
Property and equipment, net	<u>\$ 146,349</u>	<u>\$ 196,796</u>

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 was \$54,916 and \$50,611, respectively.

4. AGREEMENTS

UCSC has a Facility Use Agreement through June 30, 2023. To assist UCSC in meeting its goals and objectives, SCUSD agreed to provide shared use of the existing Lisbon Elementary facilities and on-site equipment to UCSC for an annual pro-rata cost of the facility. UCSC uses approximately 46,175 square feet and the agreement estimates the cost to be \$2.56 per square foot. SCUSD adjusts this cost each year according to Prop 39 regulations and reflects the actual prior year district-wide square foots cost per ADA. UCSC paid \$2.41 per square foot at a cost of \$111,282 and \$2.56 per square foot at a cost of \$118,208 for the years ended June 30, 2022 and 2021, respectively.

UCSC has a MOU with SCUSD through June 30, 2025. As stated in the Education Code 47613, up to 1% of all local control funding formula can be paid to the Sponsoring District for the actual expenses incurred in monitoring and overseeing UCSC. Fees of \$40,030 and \$44,223 were accrued as of June 30, 2022 and 2021, respectively, in accordance with this agreement.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

On November 9, 2020, UCSC executed an Agreement for Participation in the El Dorado Charter SELPA with the El Dorado County Office of Education, which was effective beginning July 1, 2021. Prior to this agreement, SCUSD served as the LEA for special education purposes for UCSC, therefore SCUSD retained all state and federal special education funding allocated for UCSC's students through the SELPA. In addition, UCSC paid SCUSD a pro-rata share of unfunded special education costs, or encroachment during 2021. UCSC was charged \$543,409 in special education encroachment costs for the year ended June 30, 2021.

5. OPERATING LEASE COMMITMENT

UCSC leases equipment under a non-cancelable operating lease through July 2023. Rental expense for each of the years ended June 30, 2022 and 2021 was \$1,956.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 1,956
2024	<u>163</u>
Total	<u>\$ 2,119</u>

6. EMPLOYEE RETIREMENT PLANS

California State Teachers' Retirement System (CalSTRS)

Qualified certificated employees are covered under the following defined benefit pension plan maintained by the State of California.

Plan name:	California State Teachers' Retirement System (CalSTRS)
Plan's EIN:	94-6291617
Actuarial value of assets:	\$242,363
Actuarial accrued liability:	\$332,082
Funded status:	65 - 80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2021, the most recent actuarial valuation date.

Plan Description

UCSC participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 19.10% of covered payroll over the seven-year period. Active plan members are required to contribute between 10.205% or 10.25% of their salary. The required employer contribution rate for fiscal years 2022 and 2021 were 16.92% and 16.15% of annual payroll, respectively. UCSC's contributions to CalSTRS for the years ended June 30, 2022 and 2021, were \$342,258 and \$278,091, respectively, and equaled 100% of the required contributions for the periods. For the fiscal year 2023, UCSC is required to contribute 25.37% of annual payroll.

Defined Contribution Plan

UCSC has a defined contribution retirement plan under Internal Revenue Code Section 403(b) offered to all employees who meet eligibility criteria. UCSC contributes amounts to the Plan on a discretionary basis, as allowed by the Plan. No contributions were made during the years ended June 30, 2022 and 2021.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Expanded Learning Opportunities After School/Summer	\$ 195,238	
Educator Effectiveness	121,569	
California Lottery	105,432	\$ 79,728
Expanded Learning Opportunities		171,172
Classified School Block Grant		1,492
	<hr/>	<hr/>
Total	<u>\$ 422,239</u>	<u>\$ 252,392</u>

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

8. CONTINGENCIES

UCSC has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

UCSC is currently under audit by CalSTRS. Preliminary results of the audit have determined from evaluation of selected employees during the 2017-18 school year that compensation was reported incorrectly, which resulted in incorrect contributions to the plan. UCSC is in the process of determining the amount of incorrectly reported compensation and the related contributions. The total financial impact of this evaluation and any amounts owed to or due from CalSTRS is not determinable at this time.

9. CONCENTRATION

UCSC minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. Balances in excess of the federally insured limits at June 30, 2022 and 2021 were \$3,367,411 and \$3,197,997, respectively. UCSC has not experienced any losses in such accounts and management believes UCSC is not exposed to any significant credit risk related to cash.

SUPPLEMENTARY INFORMATION

URBAN CHARTER SCHOOLS COLLECTIVE

ORGANIZATION, GOVERNING BOARD, AND ADMINISTRATION YEAR ENDED JUNE 30, 2022

ORGANIZATION

Urban Charter Schools Collective (UCSC) was incorporated October 29, 2009, and is organized to manage, operate, guide, direct, and promote Yav Pem Suab Academy - Preparing for the Future Charter, a California public charter school. Yav Pem Suab Academy was granted a charter by Sacramento City Unified School District through June 30, 2025.

UCSC supervises the activities and financial affairs of the charter school to ensure the requirements of the California Education Code are met.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Miles Myles	President	2023
Yong Lor	Vice President	2022
Bao Xiong	Board Treasurer	2023
Xai Lor	Board Member	2022
Guy Ollison	Board Member	2024

ADMINISTRATION

Lee Yang
Superintendent

Megan Lao
Chief Financial Officer

URBAN CHARTER SCHOOLS COLLECTIVE

SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2022

Classroom-based ADA:	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
Yav Pem Suab Academy				
Grades K through 3	233.42	233.42	232.33	232.33
Grades 4 through 6	155.20	155.20	154.61	154.61
ADA Totals	<u>388.62</u>	<u>388.62</u>	<u>386.94</u>	<u>386.94</u>

URBAN CHARTER SCHOOLS COLLECTIVE

SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2022

<u>Grade Level</u>	<u>Required Minutes</u>	<u>2021-22 Minutes Offered</u>	<u>Number of Instructional Days Offered</u>	<u>Required Number of Instructional Days</u>	<u>Status</u>
Kindergarten	36,000	54,250	175	175	In Compliance
Grades 1-3	50,400	81,375	175	175	In Compliance
Grades 4-6	54,000	81,375	175	175	In Compliance

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Board of Directors
Urban Charter Schools Collective
Sacramento, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Urban Charter School Collective (UCSC), a California non-profit public benefit corporation, which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated December 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UCSC'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 UCSC's internal control. Accordingly, we do not express an opinion on the effectiveness of UCSC'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether UCSC'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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

UCSC's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on UCSC's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. UCSC's responses were not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 UCSC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UCSC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**GILBERT CPAs
Sacramento, California**

December 14, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
APPLICABLE REQUIREMENTS IN ACCORDANCE WITH 2021-22
GUIDE FOR ANNUAL AUDITS OF K-12 LOCAL EDUCATION
AGENCIES AND STATE COMPLIANCE REPORTING**

**Board of Directors
Urban Charter Schools Collective
Sacramento, California**

Report on Compliance with Applicable Requirements

Qualified Opinion on State Compliance

We have audited Urban Charter School Collective's (UCSC) compliance with the types of compliance requirements identified as subject to audit in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel identified in the schedule below for the year ended June 30, 2022.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, UCSC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each applicable state program for the year ended June 30, 2022.

Basis for Qualified Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of UCSC 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 qualified opinion on compliance for each applicable state program. Our audit does not provide a legal determination of UCSC's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on State Compliance

As described in the accompanying schedule of findings and questioned costs, UCSC did not comply with requirements regarding Unduplicated Local Control Funding Formula Pupil Counts, as described in finding number 2022-002.

Compliance with such requirements is necessary, in our opinion, for UCSC to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on UCSC’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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about UCSC’s compliance with the requirements of State Compliance as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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 over compliance that we identified during the audit.

In connection with the requirements referred to above, we selected and tested transactions and records to determine UCSC’s compliance with the applicable programs identified below:

Compliance Requirements	Procedures Performed
SCHOOL DISTRICTS, COUNTY OFFICE OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable

Compliance Requirements	Procedures Performed
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunity Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In Person Instruction Grant	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non-Classroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Non-Classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

Other Matter

Government Auditing Standards requires the auditor to perform limited procedures on UCSC’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. UCSC’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.



**GILBERT CPAs
Sacramento, California**

December 14, 2022

FINDINGS AND QUESTIONED COSTS

URBAN CHARTER SCHOOLS COLLECTIVE
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
• Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

State Compliance:

Internal control over state programs:		
• Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
• Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with Audits of K-12 Local Education Agencies?	<u> X </u> Yes	<u> </u> No
Type of auditor's report issued on compliance for state programs:	Modified	

FINANCIAL STATEMENT FINDINGS

2022-001 FINANCIAL CLOSE – CDDC #30000

Finding:

One element of an entity’s internal control over financial reporting is the ability to detect misstatement in the financial statements independent of the audit process and produce financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjustments arising from the audit of an organization’s financial statements are generally an indication that internal controls over financial reporting are not functioning properly. Adjustments were required related to categorical revenue recognition as a result of identified errors during audit procedures. These adjustments resulted in an increase to deferred revenue and a decrease to revenue of \$301,295.

Criteria:

Accrual based accounting in accordance with GAAP for not-for-profit organizations.

URBAN CHARTER SCHOOLS COLLECTIVE

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

Cause:

Categorical revenue recognition was not sufficiently analyzed and reviewed to ensure proper accounting treatment.

Questioned Cost:

No questioned costs or misstatement of ADA were noted related to this finding and errors identified were corrected by management.

Recommendation:

We recommend that UCSC evaluate the financial policies and procedures for monthly and year-end closing processes to ensure the financial records and financial statements are maintained in accordance with GAAP.

UCSC’s Corrective Action Plan:

UCSC will implement the recommendation suggested by Gilbert CPAs by developing and implementing an improved fiscal year-end close calendar that will specify the timelines for specific tasks to be completed which will be used by staff to guide their work. In addition, UCSC will also work closely with its current CPA firm to establish monthly and quarterly reviews of financial transactions and perform soft closes each quarter to ensure revenues and expenses are recorded in accordance to GAAP for non-profits.

STATE COMPLIANCE FINDINGS

2022-002: STATE COMPLIANCE (UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS) – CDDC #40000

Criteria:

Education Code Section 2574(b)(3)(A) – UCSC shall annually report the enrollment of unduplicated pupils, including pupils classified as English Learners, pupils eligible for free and reduced meals, and foster youth in schools operated by UCSC using CalPADS. All support for these designations must be kept on file.

Condition:

The UCSC’s “1.18 – FRPM / English Learner / Foster Youth – Student List” incorrectly reported 7 students designated as English Learner (EL) at the following site. 100% of the population for students designated as English Learner (EL) was tested.

<u>School Site</u>	<u>Students Incorrectly Reported</u>	<u>Total Error</u>
Yav Pem Suab Academy – Preparing for the Future Charter	7	7

URBAN CHARTER SCHOOLS COLLECTIVE

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Cause:

Students classified as English Learner (EL) did not have documentation to support their designation as EL due to failure to reclassify the students based on ELPAC examinations given in previous years or ELPAC examinations not being conducted in the year under audit.

Effect:

Errors noted in the finding resulted in the following estimated questioned costs as calculated using the Charter School Unduplicated Pupil Percentage:

<u>School Site</u>	<u>Enrollment</u>	<u>Unduplicated Pupil Count</u>	<u>Adjustment based on Eligibility of EL and FRPM Students</u>	<u>Adjusted Unduplicated Pupil Count</u>	<u>Adjusted Unduplicated Pupil Count Percentage</u>	<u>Estimated Dollar Amount of Over-claimed Apportionment</u>
Yav Pem Suab Academy – Preparing for the Future Charter	1,384	855	(7)	848	61.27%	\$11,997

Recommendation:

We recommend that UCSC implement procedures to ensure when students meet the requirements for English Learner Reclassification that they are properly reclassified to ensure accurate unduplicated count designations, as well as procedures to ensure examinations are provided to all required students each year. We also recommend that any applicable reporting be revised or UCSC may be required to return funding.

UCSC’s Corrective Action Plan:

UCSC will continue to implement the recommendation suggested by Gilbert CPAs. It has added an extra layer of internal controls to address the timely identification, scheduling of testing and reclassification of students. School Administrators will continue to report the monthly progress of this process and the CFO will monitor the data that is being updated in the school’s information system. UCSC will establish additional internal deadlines for review of this data before Census Day of each year and will establish a clear plan and process to reach timelines. Furthermore, training for new and transitional administrators and staff will be provided in addition to ongoing monitoring and technical support from UCSC CALPADS support provider.

URBAN CHARTER SCHOOLS COLLECTIVE

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

STATUS OF PRIOR YEAR FINDINGS:

FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2021.

STATE COMPLIANCE

Finding & Recommendation	Current Status	Organization Explanation If Not Implemented
<p>2021-001: STATE COMPLIANCE (UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS) – CDDC #40000</p> <p>Condition: The UCSC’s “1.18 – FRPM / English Learner / Foster Youth – Student List” incorrectly reported a student designated as English Learner (EL) at the following site and was extrapolated as follows:</p>	<p>See repeat finding 2022-002</p>	<p>Due to the timing of the adoption of the corrective action plan for the prior year finding, UCSC was not able to fully implement the corrective action plan during the 2021-22 audit year. It has however, taking the necessary steps to ensure implementation of that plan at the start of the 2022-23 school year.</p>

School Site	Students Incorrectly Reports	Extrapolated Error
Yav Pem Suab Academy – Preparing for the Future Charter	1	7

Recommendation: We recommend that UCSC implement procedures to ensure when students meet the requirements for English Learner Reclassification that they are properly reclassified to ensure accurate unduplicated count designations. We also recommend that any applicable reporting be revised or UCSC may be required to return funding.



Special Education Aide (DRAFT)

Grades K-6

Job Description

Non-Exempt, 11 Months

BASIC FUNCTION

Under the direction of the assigned supervisor, assist a certificated teacher in reinforcing instruction to individual or small groups of students in a classroom or other learning environment; assist in the preparation of instructional materials and provide routine clerical support as assigned.

DUTIES AND RESPONSIBILITIES *(May include, but are not limited to the following)*

- Tutor individual or small groups of students, reinforcing instruction as directed by the teacher.
- Monitor and oversee student drills, practices remedial exercises and assignments in various subjects.
- Provide individual assistance to students as directed; explain errors and answer questions; assist students with a variety of instructional games and activities.
- Confer with teachers concerning programs and materials to meet individual student needs; utilize appropriate methods of instruction to achieve goals and objectives for students.
- Assist with monitoring behavior of students in the classroom and during outdoor activities including emergency drills according to approved procedures.
- Report progress regarding student performance and behavior as required.
- Systematically record and graph data specific to assigned students regarding overall instructional progress, achievement of IEP goals, behavioral incidents, baseline behavior and other information as required with the guidance of the assigned supervisor.
- Complete daily logs and submit accurate and complete logs on time to parent and RSP Teacher as required.
- Communicate measurable learning objectives and guide assigned students toward mastery of goals.
- Communicate with parents through a variety of platforms (in-person, phone call, emailing, classdojo) regarding scholar performance and behavior as required.
- Assist in the preparation of a variety of instructional materials, lessons, and learning aids; rephrase or enlarge materials, and explain instructions and words; review assignments to evaluate student comprehension of concepts presented; maintain records of achievement.
- Organize materials to assist student learning.
- Administer, proctor, and score tests; chart student progress and record grades as directed; maintain student records and files including confidential student records information.
- Understand the goals and objectives outlined in the assigned student's Individual Education Plan (IEP).
- Implement interventions as prescribed in the treatment plan.
- Complete incident and/or accident reports within specified time requirements, as needed.
- Maintain MobyMax activities for RSP scholars at the direction of Ed Specialist/RSP Teacher.
- Operate a variety of classroom and office equipment including a computer and copy machine.
- Assist students with building self-esteem by providing proper examples, emotional support, a friendly attitude and general guidance.

- Participate in staff meetings, in-service training programs, home visits, and parent conferences as assigned; perform moderate to heavy lifting of students.
- Keep student information confidential at all times.
- Work with school improvement initiatives that close student achievement gaps between racial, ethnic, and economic groups by working with all of the diverse communities.
- Perform related duties as assigned.

QUALIFICATIONS

Knowledge of:

1. Basic subjects taught in schools, including mathematics, grammar, spelling, language and reading.
2. Basic child guidance principles and practices, especially as they relate to special education students.
3. Problems and concerns of students with special needs.
4. Safe practices in classroom and playground activities.
5. Correct English usage, grammar, spelling, handwriting, punctuation and vocabulary.
6. Classroom procedures and appropriate student conduct.
7. Operation of standard office and classroom equipment.
8. Oral and written communication skills
9. Interpersonal skills using, tact, patience and courtesy.
10. Basic record keeping techniques.

Ability to:

1. Assist with instruction and related activities in an assigned special education program.
2. Reinforce instruction to individual or small groups of students and children as directed by the teacher.
3. Apply flexibility to work on modified RSP support schedules as necessary
4. Learn and apply appropriate methods, procedures and limitations in the assigned instructional environment.
5. Understand and follow oral and written directions.
6. Conform to and support the assigned teacher's style of classroom management.
7. Establish and maintain cooperative and effective working relationships with others.
8. Communicate effectively both orally and in writing.
9. Monitor, observe and report student behavior and progress according to approved policies and procedures.
10. Learn, explain and apply applicable rules, regulations, policies and procedures.
11. Organize instructional materials.
12. Operate standard office and classroom equipment.
13. Adapt to individual needs of teachers and students and work with interruption.
14. Work independently make minor decisions within the framework of established guidelines.
15. Read and understand instruction.
16. Maintain a clean, safe and orderly classroom learning environment.
17. Perform clerical duties related to classroom activities.
18. Maintain routine records.
19. Maintain consistent, punctual and regular attendance.
20. Sit or stand for extended periods of time.
21. Bend at the waist, kneel or crouch to assist students.
22. See to read a variety of materials and monitor student activities.
23. Hear and speak to exchange information.
24. Reach overhead, above the shoulders and horizontally.

MINIMUM REQUIREMENTS

1. Any combination equivalent to graduation from high school [and a minimum of 12 college credits](#).
2. One (1) year of experience working with children with learning disabilities or students in an organized setting.
3. Completion of one year of higher education study (30+ semester units) OR possession of an Associates or higher-level degree in Child Development, Early Education, or other related field may be substituted for required experience.
4. Pass a Paraprofessional test, or be No Child Left Behind (NCLB) Compliant.
5. Reliable means of transportation.
6. Basic first aid and CPR certification preferred but not required.
7. Successful clearance of both a DOJ and FBI background check.
8. Provide evidence of most recent TB clearance (within 1 year) upon hire.

WORKING ENVIRONMENT

Environment with constant interruptions. Classroom and playground environment.

PHYSICAL ABILITIES

Must be able to function indoors engaged in work of primarily a sedentary nature. Requires the ability to use near vision to write and read printed materials and computer screens. Requires the ability to use hearing and speech for ordinary and telephonic conversation and to hear sound prompts from equipment. Requires ambulatory ability to move about campus, to tutor, assist with presentations and to reach work materials. Requires the ability to use manual and finger dexterity to type, to point out important words/figures to students, and to operate personal computers and electronic devices. Requires the ability to lift, carry, push, and move supplies, fixtures of medium weight (under 50 lbs.).