



BOARD OF EDUCATION REGULAR MEETING AGENDA

January 14, 2025
6:30 p.m.

Board of Education Board Room
1300 17th Street, City CENTRE – Bakersfield, CA 93301

Any materials required by law to be made available to the public prior to a meeting of the Kern County Board of Education can be inspected during normal business hours at the Kern County Superintendent of Schools Office, located at 1300 17th Street, Seventh Floor, Bakersfield, California 93301.

An individual who requires disability related accommodations or modifications, including auxiliary aids and service, in order to participate in the board meeting should contact the Superintendent's Office at (661) 636-4617 (Government Code 54954.2).

This meeting is being held in an in-person format. Members of the public wishing to provide comments to the Board can attend the meeting in person. Correspondence sent by mail or email to kcboe@kern.org before noon on the date of the board meeting on subjects within the Board's jurisdiction will be provided to the Board at the meeting and made available for public inspection. Members of the public may also observe the meeting via livestream at the following link: [\(1\) Kern County Board of Education – YouTube](#).

1.0 GENERAL FUNCTIONS

1.1 Call to order time _____ p.m.

1.2 Pledge of Allegiance

1.3 Roll Call Present Absent

Julie A. Beechinor, <i>Area 1</i>	_____	_____
Joe L. Marcano, <i>Area 2</i>	_____	_____
Mary M. Little, <i>Area 3</i>	_____	_____
Jose E. Gonzalez, Jr., <i>Area 4</i>	_____	_____
Lori Eskew, <i>Area 5</i>	_____	_____
James V. Robinson, <i>Area 6</i>	_____	_____
Lori J. Cisneros, <i>Area 7</i>	_____	_____
Violetamarysol Morales, <i>Student Representative</i>	_____	_____
Anai Valencia, <i>Student Representative</i>	_____	_____
Dr. John G. Mendiburu, <i>Superintendent</i>	_____	_____

1.4 Adoption of the Agenda

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

1.5 Approval of the Minutes from December 17, 2024.

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

2.0 PUBLIC COMMENTS

The Board of Education appreciates comments from members of the public who have the opportunity to address the Board on agenda items (before the Board's consideration of the item) and on other matters within the Board's jurisdiction.

To move the meeting business along efficiently, individual speakers are allotted up to three minutes each, and the total time for comment on each agenda or other topic within the Board's jurisdiction will be limited to 20 minutes. All requests for public comment must be submitted prior to the start of the meeting. In exceptional circumstances, the Board President may, with Board consent, reduce or increase the amount of time allowed for public input and/or the time allotted for each speaker, when such adjustment is necessary to ensure full opportunity for public input within the time allotted. Any such adjustments shall be done in an equitable manner, so as to allow a diversity of viewpoints. The President may also ask members of the public with the same viewpoint to select a few individuals to address the Board regarding that viewpoint.

To allow the Board to organize the public comments, persons wishing to speak will need to complete a form before the board meeting begins, providing their name, contact information, and the agenda item or other topic on the Board's jurisdiction on which they wish to speak. Items not appearing on the agenda cannot, by law, be the subject of board action.

3.0 INFORMATIONAL ITEMS – NO ACTION TAKEN

3.1 JobsPlus! Program Presentation.

3.2 Discussion regarding the Ten Commandments.
Presentation by ACLU Chief Counsel Peter Eliasberg and Professor Nancy Meyer.

4.0 ACTION ITEMS

All consent agenda items for the Kern County Board of Education are considered to be routine and will be enacted by one motion unless a board member requests separate action on a specific item. Approval is recommended on all items listed.

4.1 Consent Agenda

4.1.1 Approval of Graduation Diplomas.

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

4.2 General Business

4.2.1 Accept and File Williams Quarterly Report.

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

4.2.2 Accept and File the 2023-24 Audit Report for GROW Charter.

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

4.2.3 Accept and File the 2023-24 Audit Report for Wonderful College Prep Academy.

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

4.2.4 Approval of the Resolution to the Kern County Bar Association for 2024-25 Mock Trial Competitions.

Motion _____ Second _____ Ayes _____ Nays _____ Abstain _____

5.0 REPORT OF COUNTY BOARD OF TRUSTEES MEMBERS

5.1 Members of the Board will report on various topics.

6.0 REPORT OF COUNTY SUPERINTENDENT

6.1 The County Superintendent will report on various topics.

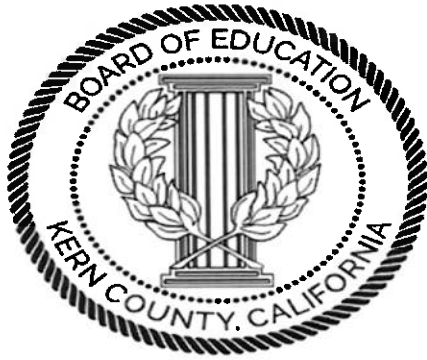
7.0 AGENDA ITEMS FOR THE NEXT MEETING

7.1 Items to be considered for the next agenda.

8.0 ADJOURNMENT

8.1 Unless otherwise posted, the next regularly scheduled meeting will be held on February 11, 2025.

8.2 Time of adjournment _____ p.m.



BOARD OF EDUCATION REGULAR MEETING MINUTES

1.5

December 17, 2024
6:30 p.m.

Board of Education Board Room
1300 17th Street, City CENTRE – Bakersfield, CA 93301

1.0 GENERAL FUNCTIONS

- 1.1 The meeting was called to order at 6:30 p.m.
- 1.2 Pledge of Allegiance
- 1.3 Roll Call

Board Members Present

Julie A. Beechinor
Lori J. Cisneros
Lori Eskew
Jose E. Gonzalez, Jr.
Mary M. Little
Joe L. Marcano
James V. Robinson
Violetamarysol Morales

KCSOS Employees Present

Dr. John G. Mendiburu, *Superintendent*
Christian Shannon, *Deputy Superintendent*
Steve Sanders, *Chief of Staff*
Merril Clanton, *Senior Executive Administrative Assistant to the Superintendent*

- 1.4 Oath of Office
 - Julie A. Beechinor – Area 1
 - Jose E. Gonzalez, Jr. – Area 4
 - Lori Eskew – Area 5
 - James V. Robinson – Area 6
- 1.5 Moment of Silence Observed for the passing of Dr. Kelly F. Blanton.
- 1.6 It was moved by Ms. Beechinor, seconded by Ms. Cisneros to approve the agenda.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little,
Mr. Marcano, and Mr. Robinson
Nays: None
Abstain: None
Absent: None

1.7 It was moved by Ms. Beechinor, seconded by Ms. Cisneros to approve the following appointments for the Organizational Meeting:

- 1.7.1 Board President – Mary M. Little
- 1.7.2 Board Vice President – Joe L. Marcano
- 1.7.3 Board of Trustees Representative – Lori Cisneros

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little,
Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

2.0 PUBLIC COMMENTS

2.1 Public Comments were heard from the following:

- Jess Sanders
- Dennis McLean
- Jason Rojas

3.0 INFORMATIONAL ITEMS – NO ACTION TAKEN

3.1 Thanksgiving at the Blanton Education Center.

Public Comments were heard from the following relating to Informational Item 3.2

- Allan Krawter
- Jess Sanders
- Paula Bray
- Tom Johnson
- Dawn Wilder
- Michael Pollack
- Sydney O'Connor
- Carolyn Bevers
- Jeanine Adams
- Ashley De La Rosa
- Kale Dumler
- Edgar Ortega
- Nicholas Billing
- Sarah Frost
- Yvette Benton
- Jeannie Parent
- Rosa Lopez
- Charles Showver
- Linda Fiddler
- J. Broder
- Victoria Masini
- Paul Linfesty
- Nadine Escalante
- Robert Davis
- Virginia Goodman
- Faith Darling
- Precious Henley
- Daniel Rodela
- Julie Means

- 3.2 Presentation on the Ten Commandments – Dr. Angelo Frazier and Senior Counsel Michael Peffer.
- 3.3 2024-2025 Williams Legislation Annual Report.

4.0 ACTION ITEMS

4.1 Consent Agenda

- 4.1.1 It was moved by Ms. Beechinor, seconded by Mr. Marcano to approve the Graduation Diplomas.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little, Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

- 4.1.2 It was moved by Mr. Marcano, seconded by Ms. Cisneros to approve the Kern County Superintendent of Schools District English Learners Advisory Committee (DELAC) Minutes.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little, Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

4.2 General Business

- 4.2.1 It was moved by Ms. Beechinor, seconded by Mr. Marcano to accept and file the First Interim Report.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little, Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

- 4.2.2 It was moved by Mr. Marcano, seconded by Ms. Beechinor to approve the Resolution of the Kern County Board of Education Declaring Surplus Land to be Offered for Sale to Public Entities and Nonprofits before Sale to the General Public.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little, Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

4.2.3 It was moved by Mr. Marcano, seconded by Mr. Gonzalez to approve the Resolution before the Kern County Board of Education and the Kern County Superintendent of Schools in the Matter of Impoundment of Local Tax Revenues to Anticipate Pending Claims and/or Litigation.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little, Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

4.2.4 It was moved by Ms. Beechinor, seconded by Ms. Eskew to approve the 2025 Regular Board Meeting Schedule.

Ayes: Ms. Beechinor, Ms. Cisneros, Ms. Eskew, Mr. Gonzalez, Jr., Ms. Little, Mr. Marcano, and Mr. Robinson

Nayes: None

Abstain: None

Absent: None

5.0 REPORT OF COUNTY BOARD OF TRUSTEES MEMBERS

5.1 Mr. Gonzalez acknowledged the Arvin High School, We the People Team, for placing 1st in the 22nd Congressional District.

5.2 Ms. Cisneros posed a question to Dr. Mendiburu regarding the next steps in the pursuit of posting the Ten Commandments in classrooms. Dr Mendiburu clarified that the next step would be for the board to agree to bring the item back as an action item. Additionally, Dr. Mendiburu reviewed California Education Code 51511, which allows religious materials to be displayed during the course of study. Ms. Cisneros asked Dr. Mendiburu if the board would need to write a policy or if agreeing as a board would be sufficient to post or not post the Ten Commandments. Dr. Mendiburu stated that the decision to post religious materials would be at the board's discretion. Ms. Cisneros noted that she feels it is more of a historical document, even though it is a religious document, stating that she feels this is where most of the controversy stems from. Ms. Cisneros stated that it is part of the foundation of our nation and that she wants to understand that if this is something that the board wants, then the schools that the board has jurisdiction over have to post the Ten Commandments. Dr. Mendiburu reiterated that according to California Education Law, the materials can be displayed during the course of religious study. Ms. Cisneros congratulated Julie Beechinor and Jose Gonzalez, Jr. for winning their seats again and Lori Eskew and Jim Robinson for joining the board. She said that she was happy to welcome you to the family.

5.3 Mr. Robinson stated that his question was asked and answered.

5.4 Mr. Marcano congratulated Lori, James, Julie, and Jose.

5.5 Ms. Eskew stated that she and her husband are Santa and Mrs. Claus and that they are very busy, but she was able to rearrange their schedule to be sworn in. She stated that she is happy to be here, that she thinks this will be a fun four years, and that she is glad she's here.

- 5.6 Ms. Beechinor congratulated everyone who was elected or re-elected to the board. Additionally, she congratulated the Frontier High School Varsity Football Team on their CIF Championship. She wished everyone a happy holiday season and a Merry Christmas. She stated she is looking forward to January and hopes that the board will look at issues that truly reflect the needs and education of our students.
- 5.7 Ms. Morales stated that she had additional comments regarding the Ten Commandments but would return her thoughts to the next board meeting. Ms. Morales said seeing Dr. Mendiburu and Merrill Clanton at the 85th Annual Kern Tax meeting was nice. She stated that she was there with her fantastic group of peers from CTEC, recording and producing a video for the event. She wishes all Kern County students to do well during their final exams and put their finals in the hands of God, hopefully resulting in good grades. Additionally, Ms. Morales said she knows there are a lot of seniors trying to get into colleges and that she hopes every student trying to get into their dream college gets accepted and that they go where they belong. She congratulated the new board members and stated she wished more time to work with them.
- 5.8 Ms. Little stated that the Ten Commandments has been implemented in three states, not to say that we will implement it, but just so everyone is aware. Some people commented that the Supreme Court have repeatedly rejected the idea, Ms. Little stated that it wasn't completely true and that the Court has gone back and forth on the issue. Currently, the Supreme Courts seems to be leaning towards granting religious freedom, which is a plus on our side if we were to implement this. Everyone is here to support children and just because we may support the Ten Commandments doesn't mean we aren't supporting children. Ms. Little stated that she learned from the Ten Commandments when she was in public schools. Ms. Little stated that she attended the CSBA conference in Anaheim, California with Dr. Mendiburu and Merrill Clanton and had a nice time. She said that she felt the conference was informative and that the topics were relevant. In conclusion, she wished everyone a Merry Christmas.

6.0 REPORT OF COUNTY SUPERINTENDENT

- 6.1 Dr. Mendiburu announced that CSBA recognized Mary Little as a part of the planning committee and that she did a phenomenal job bringing topics about County Boards of Education. Dr. Mendiburu welcomed Lori and Jim to the board and said that he is looking forward to working with them for the next four years. Additionally, he congratulated Julie and Jose on their re-election. Dr. Mendiburu acknowledged the wonderful performance of the Nutcracker that over 4,000 county students were able to attend and expressed his appreciation for the partnership between KCSOS and the Nutcracker. Dr. Mendiburu thanked Ms. Morales for her role at the Kern Tax meeting, stating that she and her CTEC team did a great job. GROW Academy has invited the Kern County Board of Education to visit their Shafter, CA campus, and we are working to coordinate an afternoon timeslot to meet the needs of our trustees. In conclusion, Dr. Mendiburu wished everyone a Merry Christmas.

7.0 AGENDA ITEMS FOR THE NEXT MEETING

- 7.1 A recommendation was made to further discuss the Ten Commandments and next steps at the January 14, 2025, board meeting.

8.0 ADJOURNMENT

- 8.1 Unless otherwise posted, the next regularly scheduled meeting will be held on January 14, 2025, at 6:30 p.m.
- 8.2 The meeting was adjourned at 9:38 p.m.

John G. Mendiburu, Ed.D., Superintendent

4.2.1

Quarterly Report on Williams Uniform Complaints
[Education Code § 35186]

District / Program KCSOS / Alternative Education

Person completing this form: Molly Mier Title: Director

Quarterly Report Submission Date: Oct 1, 2024 (for period Jul 1 – Sep 30)
(check one) Jan 1, 2025 (for period Oct 1 – Dec 31)
 April 1, 2025 (for period Jan 1 – Mar 31)
 July 1, 2025 (for period Apr 1 – Jun 30)

Date for information to be reported publicly at governing board meeting: Tuesday, January 14, 2025

Please check the box that applies:

- No complaints were filed with any school in the district during the quarter indicated above
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	0	0
Teacher Vacancy or Mis-assignment	0	0	0
Facilities Conditions	0	0	0
TOTALS	0	0	0

Dr. John G. Mendiburu / Molly Mier
Print Name of District Superintendent / Program Administrator


Signature of District Superintendent / Program Administrator

Once completed, send copy to District Advisory Services, KCSOS, 1300 17th Street, 6th Floor, Bakersfield (Fax# 661-636-4121)

H.2.2

**GROW PUBLIC SCHOOLS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

CHARTER SCHOOLS:

**GROW PUBLIC SCHOOLS – ARVIN (#1292)
GROW PUBLIC SCHOOLS – SHAFTER (#1847)
GROW PUBLIC SCHOOLS (#2149)**



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**GROW PUBLIC SCHOOLS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Grow Public Schools
Bakersfield, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Grow Public Schools (the Schools), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2024, 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 the Schools as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schools' 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 Schools' financial statements as a whole. The Arvin Campus, Shafter Campus, CMO, Grow Public Schools and Eliminations columns in the statements of financial position, activities, functional expenses, and cash flows as well as the supplementary information (as identified in the table of contents) accompanying supplementary schedules, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements.

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


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the local education agency organization structure but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated December 3, 2024 on our consideration of the Schools' 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 on the Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Schools' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 3, 2024

GROW PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

	Arvin Campus	Shafter Campus	CMO	Grow Public Schools	Eliminations	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 11,770,141	\$ 2,855,420	\$ -	\$ 1,507,323	\$ -	\$ 16,132,884
Accounts Receivable	1,644,735	1,485,298	-	-	-	3,130,033
Prepaid Expenses and Other Assets	92,860	54,102	-	59,457	-	206,419
Total Current Assets	13,507,736	4,394,820	-	1,566,780	-	19,469,336
LONG-TERM ASSETS						
Property, Plant, and Equipment, Net	3,344,842	2,421,267	-	162,936	-	5,929,045
Operating Right-Of-Use Asset	13,521,820	10,120,410	-	4,597,320	-	28,239,550
Total Long-Term Assets	16,866,662	12,541,677	-	4,760,256	-	34,168,595
Total Assets	\$ 30,374,398	\$ 16,936,497	\$ -	\$ 6,327,036	\$ -	\$ 53,637,931
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 1,782,304	\$ 1,468,202	\$ -	\$ 176,438	\$ -	\$ 3,426,944
Deferred Revenue	130,141	4,507	-	-	-	134,648
Operating Lease Liability, Current	110,661	-	-	-	-	110,661
Total Current Liabilities	2,023,106	1,472,709	-	176,438	-	3,672,253
LONG-TERM LIABILITIES						
Operating Lease Liability, Net	13,414,358	10,121,650	-	4,739,219	-	28,275,227
Total Long-Term Liabilities	13,414,358	10,121,650	-	4,739,219	-	28,275,227
Total Liabilities	15,437,464	11,594,359	-	4,915,657	-	31,947,480
NET ASSETS						
Without Donor Restrictions	14,404,649	5,026,722	-	1,411,379	-	20,842,750
With Donor Restrictions	532,285	315,416	-	-	-	847,701
Total Net Assets	14,936,934	5,342,138	-	1,411,379	-	21,690,451
Total Liabilities and Net Assets	\$ 30,374,398	\$ 16,936,497	\$ -	\$ 6,327,036	\$ -	\$ 53,637,931

See accompanying Notes to Financial Statements.

**GROW PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Arvin Campus	Shafter Campus	CMO	Grow Public Schools	Eliminations	Total
REVENUES, WITHOUT DONOR RESTRICTIONS						
State Revenue:						
State Aid	\$ 10,458,469	\$ 9,614,160	\$ -	\$ -	\$ -	\$ 20,072,629
Other State Revenue	5,536,709	5,301,923	-	-	-	10,838,632
Federal Revenue:						
Grants and Entitlements	2,279,850	1,189,374	244,062	-	-	3,713,286
Local Revenue:						
In-Lieu Property Tax Revenue	816,211	967,621	-	-	-	1,783,832
Contributions	108,605	103,426	77,005	-	-	289,036
Interest Income	514,867	311,783	11,532	-	-	838,182
Other Revenue	45,753	152,717	4,127,636	-	(4,093,672)	232,434
Total Revenues	19,760,464	17,641,004	4,460,235	-	(4,093,672)	37,768,031
EXPENSES						
Program Services	14,548,319	13,810,521	4,115,272	-	(188,847)	32,285,265
Management and General	4,114,463	3,355,085	1,039,629	-	(3,904,825)	4,604,352
Total Expenses	18,662,782	17,165,606	5,154,901	-	(4,093,672)	36,889,617
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,097,682	475,398	(694,666)	-	-	878,414
NET ASSETS WITH DONOR RESTRICTIONS						
State Revenue:						
Other State Revenue	532,285	315,416	-	-	-	847,701
CHANGE IN NET ASSETS	1,629,967	790,814	(694,666)	-	-	1,726,115
TRANSFER OF NET ASSETS						
Net Assets - Beginning of Year	13,306,967	4,551,324	2,106,045	-	-	19,964,336
NET ASSETS - END OF YEAR	\$ 14,936,934	\$ 5,342,138	\$ -	\$ 1,411,379	\$ -	\$ 21,690,451

See accompanying Notes to Financial Statements.

**GROW PUBLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Eliminations</u>	<u>Total</u>
Salaries and Wages	\$ 18,168,868	\$ 561,923	\$ -	\$ 18,730,791
Pension Expense	1,779,418	74,142	-	1,853,560
Other Employee Benefits	1,619,578	67,483	-	1,687,061
Payroll Taxes	767,863	15,671	-	783,534
Legal Expenses	28,797	77,860	-	106,657
Accounting Expenses	20,852	56,378	-	77,230
Instructional Materials	1,867,714	207,523	-	2,075,237
Other Fees for Services	1,524,502	4,121,804	(4,093,672)	1,552,634
Advertising and Promotion Expenses	119,318	29,830	-	149,148
Office Expenses	27,289	73,783	-	101,072
Information Technology Expenses	173,410	468,850	-	642,260
Occupancy Expenses	2,243,783	1,624,808	-	3,868,591
Travel Expenses	379,715	-	-	379,715
Depreciation Expense	182,494	60,832	-	243,326
Insurance Expense	-	175,663	-	175,663
Other Expenses	3,570,511	892,627	-	4,463,138
Eliminations	<u>(188,847)</u>	<u>(3,904,825)</u>	<u>4,093,672</u>	<u>-</u>
Total Expenses by Function	<u>\$ 32,285,265</u>	<u>\$ 4,604,352</u>	<u>\$ -</u>	<u>\$ 36,889,617</u>

See accompanying Notes to Financial Statements.

**GROW PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	Arvin Campus	Shafter Campus	CMO	Grow Public Schools	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in Net Assets	\$ 1,629,967	\$ 790,814	\$ (694,666)	\$ -	\$ -	\$ 1,726,115
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:						
Depreciation	144,339	82,384	16,603	-	-	243,326
Noncash Lease Expense	2,887	1,004	-	141,899	-	145,790
Noncash Transfer of Net Assets	-	-	(1,369,919)	1,369,919	-	-
(Increase) Decrease in Assets:						
Accounts Receivable	(539,565)	(318,324)	-	-	-	(857,889)
Intercompany Receivables	-	-	-	-	-	-
Prepaid Expenses and Other Assets	2,752	(5,790)	114,692	(59,457)	-	52,197
Increase (Decrease) in Liabilities:						
Accounts Payable and Accrued Liabilities	1,047,989	1,008,139	(259,806)	176,438	-	1,972,760
Intercompany Payables	-	-	-	-	-	-
Deferred Revenue	(2,098,901)	(1,955,457)	-	-	-	(4,054,358)
Net Cash Provided (Used) by Operating Activities	189,468	(397,230)	(2,193,096)	1,628,799	-	(772,059)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Property, Plant, and Equipment	(2,201,793)	(1,873,207)	-	(121,476)	-	(4,196,476)
Net Cash Used by Investing Activities	(2,201,793)	(1,873,207)	-	(121,476)	-	(4,196,476)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,012,325)	(2,270,437)	(2,193,096)	1,507,323	-	(4,968,535)
Cash and Cash Equivalents - Beginning of Year	13,782,466	5,125,857	2,193,096	-	-	21,101,419
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 11,770,141	\$ 2,855,420	\$ -	\$ 1,507,323	\$ -	\$ 16,132,884

See accompanying Notes to Financial Statements.

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grow Public Schools (the Schools) is a California nonprofit public benefit corporation and is organized to manage and operate two public charter schools, Grow Public Schools - Arvin and Grow Public Schools - Shafter. The Schools began serving students in August 2011 and August 2017, respectively. Grow Public Schools - Arvin and Grow Public Schools - Shafter are sponsored by the Kern County Office of Education and Richland Union Elementary School District, respectively (the Sponsors).

In May 2024, a new public charter school, Grow Public Schools, was created, where the assets of the Charter Management Organization (CMO) were transferred as of June 30, 2024. Grow Public Schools will begin operations as of July 1, 2024 and will be a countywide charter authorized under the Kern County Office of Education. The 2024-2025 plan is to enroll Transitional Kindergarten/Kindergarten through Grade 7 students into the new charter school, Grow Public Schools, with limited Grade 8 enrollment in Grow Public Schools - Arvin and Grow Public Schools -Shafter. The 2025-2026 plan is to wind down operations of Grow Public Schools - Arvin and Grow Public Schools -Shafter and have only the existing new charter school, Grow Public Schools.

The Schools is funded principally through state of California public education monies received through the California Department of Education and the Sponsors.

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

Basis of Accounting

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

Basis of Presentation

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

Use of Estimates

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

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

Costs of providing the Schools' programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, office expenses, information technology, and other expenses, which are allocated on the basis of estimates of time and effort. Occupancy expenses are allocated on a square footage basis.

Cash and Cash Equivalents

The Schools defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Net Asset Classes

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

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

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

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2024. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased, or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The estimated useful lives range from 1.25 to 40 years.

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Assets and Services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair values in the period received. There was no contributed assets or services in June 30, 2024.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agencies of the Schools are required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Compensated Absences

The Schools does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2024.

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the Schools has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2024, the Schools have conditional grants of \$134,648 of which \$134,648 is recognized as deferred revenue in the statement of financial position.

Other Revenue

Other revenue consist primarily of food services and other services. The performance obligation for providing these services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year.

Income Taxes

The Schools are a nonprofit entities exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Schools is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Schools files an exempt return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Leases

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

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

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Schools has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Schools' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

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

Evaluation of Subsequent Events

The Schools has evaluated subsequent events through December 3, 2024, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise of the following:

Cash and Cash Equivalents	\$ 16,132,884
Accounts Receivable	3,130,033
Less: Net Assets With Donor Restrictions	<u>(847,701)</u>
Total	<u><u>\$ 18,415,216</u></u>

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

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 CONCENTRATION OF CREDIT RISK

The Schools maintain cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The Schools have not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Schools invest excess cash in various types of investments. Balances in the Schools investment accounts exceed the Securities Investors Protection Corporation insured limit. The Schools have established guidelines relative to diversification and maturities that maximize safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates. The Schools have not experienced any losses in these accounts.

The Schools maintain a portion of its cash in the Kern County Treasury (the County). The County pools these funds with those of other educational organizations in the county and invests the cash. These pooled funds are carried at costs which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or collateralized. The fair value of the Schools' deposits in this pool as of June 30, 2024, as provided by the pool sponsor was approximately \$3,164,752.

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements are presented net of accumulated depreciation. The Schools capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000. Depreciation expense was \$243,326 as of June 30, 2024.

The components of property, plant, and equipment as of June 30, 2024 are as follows:

Furniture , Fixtures, and Equipment	\$ 2,191,686
Leasehold Improvements	1,277,925
Construction in Progress	4,475,598
Less: Accumulated Depreciation and Amortization	<u>(2,016,164)</u>
Total Property, Plant, and Equipment	<u>\$ 5,929,045</u>

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes.

	<u>Arvin Campus</u>	<u>Shafter Campus</u>	<u>Total</u>
Subject to Specific Purpose National School Lunch Program	<u>\$ 532,285</u>	<u>\$ 315,416</u>	<u>\$ 847,701</u>

NOTE 6 FACILITIES LEASES

The Schools leases facilities with unrelated third parties and the lease terms are month to month from July through October 2023. Lease expense under these lease agreements for the year ended June 30, 2024 was \$38,681.

NOTE 7 OPERATING LEASES – ASC 842

The Schools leases equipment as well as certain operating and facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through June 2051. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. The following table provides quantitative information concerning the Schools' lease for the year ended June 30, 2024:

	<u>Related Party</u>	<u>External</u>	<u>2024 Total</u>
Operating Lease Cost	<u>\$ 1,577,998</u>	<u>\$ 344,448</u>	<u>\$ 1,922,446</u>

Other Information:

Cash Paid for Amounts Included in
the Measurement of Lease Liabilities:

Operating Cash Flows from Operating Leases	\$ 1,575,663	\$ 202,904	\$ 1,778,567
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	-	4,777,042	4,777,042
Weighted-Average Remaining Lease Term - Operating Leases	27.9 years	19.6 Years	25.7 Years
Weighted-Average Discount Rate - Operating Leases	4.89%	4.48%	4.89%

The Schools classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OPERATING LEASES – ASC 842 (CONTINUED)

<u>Year Ending June 30,</u>	<u>Related Party</u>	<u>External</u>	<u>2024 Total</u>
2025	\$ 1,578,238	\$ 361,337	\$ 1,939,575
2026	1,579,963	361,432	1,941,395
2027	1,575,837	342,843	1,918,680
2028	1,576,075	329,640	1,905,715
2029	1,575,462	346,174	1,921,636
Thereafter	<u>34,723,250</u>	<u>5,716,471</u>	<u>40,439,721</u>
Total Lease Payments	42,608,825	7,457,897	50,066,722
Less: Interest	<u>(19,104,863)</u>	<u>(2,575,971)</u>	<u>(21,680,834)</u>
Present Value of Lease Liabilities	<u>\$ 23,503,962</u>	<u>\$ 4,881,926</u>	<u>\$ 28,385,888</u>

NOTE 8 RELATED PARTY TRANSACTIONS

Grimm Family Education Foundation

Barbara Grimm Marshall, Barry Goldner, and Sean McNally, Jim Camp, and Catherine Grimm Gardiner are the Directors of the Grimm Family Education Foundation.

The Foundation provides school administrative support for the Edible Schoolyard Program at no cost to Grow Public Schools (pursuant to the operating agreement between the Grimm Family Education Foundation and Grow Public Schools).

RLG Land Foundation

RLG Land Foundation is a separate California nonprofit public benefit corporation, of which Melissa Grimm, Catherine Card, and William Phillimore are the Directors. RLG Land Foundation acquired and developed both the Arvin and Shafter locations which is leased to Grow Public Schools for the charter school. RLG Land Foundation leases are include in the right-of-use asset and lease liability on the statement of financial position (see Note 7).

NOTE 9 EMPLOYEE RETIREMENT

Multiemployer Defined Benefit Pension Plans

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

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

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS)

Plan Description

The Schools contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers'

Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2023, total STRS plan net assets are \$316.9 billion, the total actuarial present value of accumulated plan benefits is \$455 billion, contributions from all employers totaled \$7.738 billion, and the plan is 75.9% funded. The Schools did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The Schools is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

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

<u>Year Ending June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2022	\$ 1,121,547	100%
2023	\$ 1,647,801	100%
2024	\$ 1,853,778	100%

NOTE 10 CONTINGENCIES, RISKS AND UNCERTAINTIES

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

**GROW PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 TRANSFER OF ASSETS AND SUBSEQUENT EVENTS

In May 2024, a new public charter school, Grow Public Schools, was created, where the assets of the Charter Management Organization (CMO) were transferred as of June 30, 2024.

Grow Public Schools will begin operations as of July 1, 2024 and will be a countywide charter authorized under the Kern County Office of Education. The 2024-2025 plan is to enroll Transitional Kindergarten/Kindergarten through Grade 7 students into the new charter school, Grow Public Schools, with limited Grade 8 enrollment in Grow Public Schools - Arvin and Grow Public Schools -Shafter. The 2025-2026 plan is to wind down operations of Grow Public Schools - Arvin and Grow Public Schools -Shafter and have only the existing new charter school, Grow Public Schools.

SUPPLEMENTARY INFORMATION

**GROW PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2024**

	<u>Instructional Minutes</u>		<u>Traditional Calendar Days</u>	<u>Status</u>
	<u>Requirement</u>	<u>Actual</u>		
Arvin Campus:				
Transitional Kindergarten	36,000	61,995	180	In compliance
Kindergarten	36,000	61,995	180	In compliance
Grade 1	50,400	64,735	180	In compliance
Grade 2	50,400	64,735	180	In compliance
Grade 3	50,400	65,460	180	In compliance
Grade 4	54,000	65,460	180	In compliance
Grade 5	54,000	65,460	180	In compliance
Grade 6	54,000	65,460	180	In compliance
Grade 7	54,000	59,940	180	In compliance
Grade 8	54,000	59,940	180	In compliance
Shafter Campus:				
Transitional Kindergarten	36,000	61,785	179	In compliance
Kindergarten	36,000	61,785	179	In compliance
Grade 1	50,400	64,545	179	In compliance
Grade 2	50,400	64,545	179	In compliance
Grade 3	50,400	65,265	179	In compliance
Grade 4	54,000	65,265	179	In compliance
Grade 5	54,000	65,265	179	In compliance
Grade 6	54,000	65,265	179	In compliance
Grade 7	54,000	59,730	179	In compliance
Grade 8	54,000	59,730	179	In compliance

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

**GROW PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2024**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
Arvin Campus:				
Grades TK/K-3	341.60	342.37	342.38	343.11
Grades 4-6	235.79	236.17	236.56	236.84
Grades 7-8	168.65	169.18	168.29	168.78
ADA Totals	<u>746.04</u>	<u>747.72</u>	<u>747.23</u>	<u>748.73</u>
Shafter Campus:				
Grades TK/K-3	354.76	354.76	354.49	354.49
Grades 4-6	246.46	246.46	245.69	245.69
Grades 7-8	152.74	152.74	152.76	152.76
ADA Totals	<u>753.96</u>	<u>753.96</u>	<u>752.94</u>	<u>752.94</u>

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

**GROW PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

	<u>Arvin Campus</u>	<u>Shafter Campus</u>
June 30, 2024 Annual Financial Report Fund Balances (Net Assets)	\$ 14,938,491	\$ 5,342,138
Adjustments and Reclassifications:		
Increase (Decrease) of Fund Balance (Net Assets):		
Prepaid Expenses and Other Assets	23,604	14,206
Operating Right-of-Use Asset	109,106	-
Accounts Payable	(23,606)	(25,640)
Deferred Revenue	-	11,434
Lease Liability	(110,661)	-
Net Adjustments and Reclassifications	<u>(1,557)</u>	<u>-</u>
June 30, 2024 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 14,936,934</u>	<u>\$ 5,342,138</u>

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

GROW PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Identification	Federal Expenditures
U.S. Department of Education				
Pass-Through Program From California Department of Education:				
Every Student Succeeds Act:				
Title I, Part A, Basic Grants: Low-Income and Neglected	84.010	14329		\$ 607,717
Title II, Part A, Improving Teacher Quality	84.367	14341		67,046
Title III, Limited English Proficiency	84.365	14346		69,141
Title IV, Part A, Student Support & Academic Enrichment	84.424	N/A		
Special Education - IDEA Cluster	84.027	13379		350,117
Total Special Education Cluster				<u>350,117</u>
Charter School Replication Grant (CSPG)	84.282M	N/A		244,062
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):				
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	COVID-19	894,645
Total Coronavirus Aid, Relief, and Economic Security Act (CARES Act)				<u>894,645</u>
<i>Total U.S. Department of Education</i>				
				2,232,728
U.S. Department of Agriculture				
Pass-Through Program From California Department of Education:				
Child Nutrition Programs Cluster	10.555	N/A		1,480,558
<i>Total U.S. Department of Agriculture</i>				
Total Federal Expenditures				<u>\$ 3,713,286</u>

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

**GROW PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the Schools and whether the Schools complied with the provisions of California Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the Schools. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Schools, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Schools.

NOTE 5 INDIRECT COST RATE

The Schools has elected to use a rate other than the 10 percent de minimus indirect cost rate allowed under Uniform Guidance.

OTHER INFORMATION

**GROW PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2024**

Grow Public Schools (the Schools) is a California nonprofit public benefit corporation and is organized to manage and operate a public charter school. The Schools began serving students in 2011 and are sponsored by the Kern County Office of Education (the Sponsor) for the Arvin Campus and the Richland Union Elementary School District (the Sponsor) for the Shafter Campus.

The charter school number for the Arvin Campus is: 1292.
The charter school number for the Shafter Campus is: 1847.

In May 2024, a new public charter school, Grow Public Schools, was created. Grow Public Schools will begin operations as of July 1, 2024 and will be a countywide charter authorized under the Kern County Office of Education. The charter school number for the Grow Public Schools is: 2149.

The board of directors and the administrators as of the year ended June 30, 2024 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Tom Mestmaker	Chair	May 26, 2026
Manuel Pantoja	Secretary & Arvin Community Rep	March 27, 2025
Matt Look	Schools Parent Rep	October 23, 2024
Ernie Unruh	Member	August 2024
Kristen Watson	Member	September 27, 2024

ADMINISTRATORS

Doc Ervin	Chief Executive Officer, Grow Public Schools
Steve McClain	Chief Business Officer
Jenny Bard	Principal, Grow Public Schools – Arvin
Lacie Harris	Principal, Grow Public Schools – Shafter



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

Board of Directors
Grow Public Schools
Bakersfield, 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 Grow Public Schools (the Schools), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Schools' 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 Schools financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schools' 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 Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 3, 2024



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

Board of Directors
Grow Public Schools
Bakersfield, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grow Public Schools' (the Schools) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Schools' major federal programs for the year ended June 30, 2024. The Schools major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Schools compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Schools internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Schools 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 Directors
Grow Public Schools

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

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

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



CliftonLarsonAllen LLP

Glendora, California
December 3, 2024



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

Board of Directors
Grow Public Schools
Bakersfield, California

Report on Compliance

Opinion on State Compliance

We have audited Grow Public Schools (the Schools) compliance with the types of compliance requirements applicable to the Schools described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2024. The Schools' applicable State compliance requirements are identified in the table below.

In our opinion, the Schools complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2023-2024 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 and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Schools' compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 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 Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Schools' 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the Schools' compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
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 ¹
Immunizations	Not Applicable ²
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable ³
Career Technical Education Incentive Grant (CTEIG)	Not Applicable ⁴
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable ⁵
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable¹: The School did not report ADA pursuant to Education Code section 51749.5.

Not Applicable²: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable³: The School did not receive a CTEIG allocation for the audit year.

Not Applicable⁴: The School did not receive Expanded Learning Opportunities Grant funds for the audit year.

Not Applicable⁵: The School did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 3, 2024

**GROW PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assisting Listing Number(s)

84.425U

Name of Federal Program or Cluster

Elementary and Secondary School Emergency Relief III

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

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**GROW PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

All audit findings must be identified as one or more of the following categories:

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

Section IV – Findings and Questioned Costs – State Compliance

There were no findings or questioned costs related to state awards for June 30, 2024.

**GROW PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Financial Statements:

There were no findings and questioned costs related to the basic financial statements in the prior year.

Federal Awards:

There were no findings and questioned costs related to the federal awards in the prior year.

State Awards:

2023-001 Unduplicated Local Control Funding Formula Pupil Counts 40000

Criteria: Education code section 42238.02 (b)(2) requires a charter school to submit its enrolled free and reduced-price meal eligibility, foster youth and English learner pupil-level records for enrolled pupils using the California Longitudinal Pupil Achievement Data System (CalPADS). The CalPADS 1.17 and 1.18 reports should accurately report the number of students eligible for free and reduced-price meals and those identified as "English Learners."

Condition: During our testing of Grow Public Schools - Arvin, we compared students' family income per Free and Reduced Price Meal (FRPM) eligibility applications to the Income Eligibility Scales for 2022-23. We found 1 student out of 51 students selected for review, that was inaccurately reported as eligible for free price meals. The error identified was extrapolated to the population of the free and reduced eligible pupils, resulting in 4 pupils.

Cause: Grow Public Schools - Arvin provided meal applications for the student that qualified the students as paid and did not support the free or reduced classification that was submitted to CalPADS. The error was identified due to lack of oversight for Grow Public Schools - Arvin in regards to verifying meal applications

Status: Implemented and remediated during the year ended June 30, 2024.



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4.2.3



Financial Statements

June 30, 2024

Wonderful College Prep Academy

(Wonderful College Prep Academy – Delano No. 1078

Wonderful College Prep Academy – Lost Hills No. 1851)

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Independent Auditor's Report

Governing Board
Wonderful College Prep Academy
Delano, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wonderful College Prep Academy (the Organization) (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Wonderful College Prep Academy as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Organization's ability to continue as a going concern for 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information on pages 18-26 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 other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

Eide Sully LLP

Rancho Cucamonga, California
December 12, 2024

Wonderful College Prep Academy
Statement of Financial Position
June 30, 2024

Assets	
Current assets	
Cash	\$ 6,772,501
Receivables	11,900,367
Prepaid expenses	<u>472,056</u>
Total current assets	<u>19,144,924</u>
Non-current assets	
Property and equipment	3,931,267
Operating lease right-of-use asset	<u>144,336</u>
Total non-current assets	<u>4,075,603</u>
Total assets	<u><u>\$ 23,220,527</u></u>
Liabilities	
Current liabilities	
Accounts payable	\$ 3,912,114
Accrued compensated absences	615,816
Refundable advance	6,549,063
Current portion of operating lease liability	<u>78,245</u>
Total current liabilities	<u>11,155,238</u>
Long-term liabilities	
Operating lease liability, less current portion	<u>66,090</u>
Total liabilities	<u>11,221,328</u>
Net Assets	
Without donor restrictions	<u>11,999,199</u>
Total liabilities and net assets	<u><u>\$ 23,220,527</u></u>

Wonderful College Prep Academy
Statement of Activities
Year Ended June 30, 2024

Support and Revenues	
Local Control Funding Formula	\$ 34,166,256
Federal revenue	8,256,856
Other state revenue	13,961,486
Local revenues	<u>4,228,611</u>
Total support and revenues	<u>60,613,209</u>
Expenses	
Program services	52,038,553
Management and general	<u>6,812,074</u>
Total expenses	<u>58,850,627</u>
Change in Net Assets	<u>1,762,582</u>
Net Assets, Beginning of Year	<u>10,236,617</u>
Net Assets, End of Year	<u><u>\$ 11,999,199</u></u>

Wonderful College Prep Academy
Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services	Management and General	Total Expenses
Salaries	\$ 26,238,439	\$ 3,570,118	\$ 29,808,557
Employee benefits	3,916,929	532,365	4,449,294
Payroll taxes	5,638,066	179,208	5,817,274
Fees for services	1,996,623	1,198,492	3,195,115
Office expenses	1,629,731	124,482	1,754,213
Information technology	1,285,301	11,938	1,297,239
Occupancy	3,335,919	518,473	3,854,392
Travel	336,026	55,477	391,503
Conferences and meeting	507,957	-	507,957
Depreciation and amortization	898,128	121,673	1,019,801
Insurance	398,332	54,189	452,521
Other expenses	811,931	161,929	973,860
Capital outlay	1,213,875	-	1,213,875
Special education	345,759	-	345,759
Instructional materials	628,515	-	628,515
Nutrition	2,247,736	-	2,247,736
District oversight fees	609,286	283,730	893,016
	<u>\$ 52,038,553</u>	<u>\$ 6,812,074</u>	<u>\$ 58,850,627</u>
Total functional expenses			

Wonderful College Prep Academy
Statement of Cash Flows
Year Ended June 30, 2024

Operating Activities	
Change in net assets	\$ 1,762,582
Adjustments to reconcile change in net assets to net cash from (used for) operating activities	
Depreciation and amortization expense	3,525,661
Changes in operating assets and liabilities	
Receivables	879,164
Prepaid expenses	(222,319)
Security deposits	8,789
Accounts payable	(2,963,060)
Accrued compensated absences	(392,570)
Refundable advance	(56,089)
	<u>2,542,158</u>
Net Cash from (used) Operating Activities	
Investing Activities	
Purchases of property and equipment	<u>(5,246,548)</u>
Net Change in Cash	(2,704,390)
Cash, Beginning of Year	<u>9,476,891</u>
Cash, End of Year	<u><u>\$ 6,772,501</u></u>

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Wonderful College Prep Academy (the Organization) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools. The Organization formed two charter schools, Wonderful College Prep Academy – Delano (WCPA Delano) and Wonderful College Prep Academy - Lost Hills (WCPA Lost Hills). The Charter Schools are funded principally through State of California public education monies received through the Department of Education. The Charter Schools may be revoked by the Sponsor 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.

The Organization seeks to provide students with a foundation for future pursuit of STEAAM (Science, Technology, Engineering, Agriculture, Arts, and Mathematics) education, preparing and inspiring generations of learners to meet the challenges of the global society through innovation, collaboration, and creative problem solving. Graduates of the Organization will be prepared to earn a college degree and have a career pathway in life.

The vision of the Organization is to offer students:

Wonderful College Prep Academy (WCPA) is a rigorous, inspiring and community-based learning environment that ensures all students are cared for and graduate with college-level academic knowledge, critical thinking skills, healthy habits and personal efficacy to thrive - and to be transformational leaders in the Central Valley and beyond.

Wonderful College Prep Academy offers all students:

- A strong Common Core-aligned academic program focused on science, technology, engineering, agriculture, arts, and mathematics.
- A richer inter-disciplinary approach to learning that provides students real-world application of their learning.
- Opportunities to enroll in college-level courses through the Early College Pathway program beginning their freshman year of high school through the dual enrollment partnership with Bakersfield College.
- Job shadow internship opportunities are available for all students in the pathway programs.

Wonderful College Preparatory Charter - Delano
Charter school number authorized by the State: 1078

WCPA Delano opened on August 3, 2009, and is located at 2070 Veneto Street, Delano, California 93215, petitioned through Kern County Office of Education and was approved on September 11, 2018 for an additional five-year period beginning on July 1, 2019 through June 30, 2024. The charter school currently services 1,857 students in grades transitional kindergarten through twelfth.

Wonderful College Preparatory Charter – Lost Hills
Charter school number authorized by the State: 1851

WCPA Lost Hills opened on August 15, 2017, and is located at 14848 Lamberson Avenue, Lost Hills, CA 93249, petitioned through Kern County Office of Education and was authorized for a five-year period ending 2022. The charter school currently services 538 students in grades transitional kindergarten through twelfth.

Pursuant to California Education Code (EC) Section 47607.4, which was amended by Senate Bill 114, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, have their term extended by one additional year. WCPA Delano's charter term will expire on June 30, 2027. WCPA Lost Hills' charter term will expire August 30, 2025. On November 12, 2024, WCPA Lost Hills was approved by the Kern County Office of Education for an additional five-year period beginning on July 1, 2025 through June 30, 2030.

The Organization provides services such as education, encompassing instruction, student and staff support activities, facilities maintenance and operations, and food services. Supporting services include management and general services which are the Organization's overall related administrative activities.

Basis of Accounting

The accompanying financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

Net Assets

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

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

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have net assets with donor restrictions for the year ended June 30, 2024.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024, the Organization had approximately \$7,029,399, in excess of FDIC-insured limits.

Receivables and Credit Policies

Receivables consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the Organization deems all amounts to be fully collectable. Substantially all outstanding receivables as of June 30, 2024 are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2024.

Right-of-Use Leased Assets and Liabilities

Right-of-use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right-of-use an underlying asset and lease obligations for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Revenue and Revenue Recognition

Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2024.

Functional Allocation of Expenses

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities such as management and general activities and fundraising and development activities. The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. The expenses that are allocated include occupancy, as well as salaries and wages, benefits, payroll taxes, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$ 6,772,501
Receivables	<u>11,900,367</u>
Total	<u>\$ 18,672,868</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Note 3 - Property and Equipment

Property and equipment consist of the following at June 30, 2024:

Land improvements	\$	112,395
Building improvements		228,389
Building		24,580
Computer and equipment		7,662,825
		<u>8,028,189</u>
Less accumulated depreciation and amortization		<u>(4,096,922)</u>
Total	\$	<u><u>3,931,267</u></u>

Note 4 - Leases

The Organization leases equipment at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2027 and provide for renewal options ranging from 1 year to 3 years. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options reasonably certain to be exercised. The Organization’s operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the real property and equipment classes of assets.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization elected the practical expedient to not separate lease and non-lease components for equipment leases.

Total lease costs for the year ended June 30, 2024 were as follows:

Operating lease cost	\$ 87,603
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The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted-average remaining lease term Operating leases	1.38 Years
Weighted-average discount rate Operating leases	1.72%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

	June 30, 2024 Operating
2025	\$ 81,304
2026	64,320
2027	2,706
Total lease payments	148,330
Less interest	(3,995)
Present value of lease liabilities	\$ 144,335

Note 5 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS).

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The Organization contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. If a participating employer stops contribution to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers as all plan assets are held by the plan and all benefit obligations are borne by the STRP.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The Organization contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	19.10%	19.10%
Required employer contribution rate	10.828%	10.828%
Required state contribution rate		

Contributions

Required member, the Organization, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the Organization's total contributions were \$4,744,413.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of Wonderful College Prep Academy. These payments consist of State General Fund contributions to CalSTRS in the amount of \$1,557,186 (10.828% of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Social Security

Public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) are covered by social security or an alternative plan. The Organization has elected to use the social security as its alternative plan.

403(b) Tax Deferred Annuity Plan

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering substantially all full-time employees. The Plan provides that employees who have attained the age of 21 and completed one year of service may voluntarily contribute from 3% to 10% of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Governing Board each plan year. During the year ended June 30, 2024, the Organization matched employee voluntary contributions up to 6%, resulting in contributions to the Plan of \$501,872.

Note 6 - Contingencies, Risks, and Uncertainties

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

Note 7 - Subsequent Events

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through December 12, 2024, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.



Supplementary Information
June 30, 2024

Wonderful College Prep Academy

Wonderful College Prep Academy
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through Kern County of Education Special Education Local Plan Area			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement	84.027	13379	\$ 482,279
Total Special Education (IDEA) Cluster			<u>482,279</u>
Passed through California Department of Education (CDE)			
COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER) Fund	84.425D	15547	48,122
COVID-19 - Expanded Learning Opportunities (ELO) (ESSER III) Learning Loss	84.425U	10155	400,900
COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER II State Reserves	84.425D	15618	46,782
COVID-19 - Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	11,127
COVID-19 - Expanded Learning Opportunities (ELO) (ESSER III) State Reserve, Emergency Needs	84.425U	15620	30,336
COVID-19 - Expanded Learning Opportunities (ELO) (ESSER III) ESSER III State Reserve, Learning Loss	84.425U	15621	298,767
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	1,467,637
Subtotal			<u>2,303,671</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	858,374
Title II, Part A, Supporting Effective Instruction	84.367	14341	96,371
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	68,963
Title III, English Learner Student Program	84.365	14346	9,706
California State Gear Up Program	84.334A	10088	1,459,806
Total U.S. Department of Education			<u>5,279,170</u>
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
School Lunch - Section 4	10.555	13523	1,198,914
School Lunch - Section 11	10.555	13524	22,073
Local Food for Schools	10.555	15708	17,455
Supply Chain Assistance Funds	10.555	15655	72,194
Subtotal			<u>1,310,636</u>
Equipment Assistance Grant	10.579	14906	6,859
School Breakfast Program - Severe Need	10.553	13526	482,734
Total Child Nutrition Cluster			<u>1,800,229</u>
Passed Through California Department of Social Services			
Child and Adult Care Food Program	10.558	13529	1,175,023
Total U.S. Department of Agriculture			<u>2,975,252</u>
Total Federal Financial Assistance			<u>\$ 8,254,422</u>

Wonderful College Prep Academy
 Schedule of Average Daily Attendance
 Year Ended June 30, 2024

	Second Period Report	Annual Report
WCPA - Delano		
Regular ADA		
Transitional kindergarten through third	490.91	492.24
Fourth through sixth	413.88	414.05
Seventh and eighth	279.58	277.96
Ninth through twelfth	556.30	556.76
Total regular ADA	1,740.67	1,741.01
Classroom Based ADA		
Transitional kindergarten through third	489.70	490.59
Fourth through sixth	412.89	413.01
Seventh and eighth	278.75	277.13
Ninth through twelfth	555.40	555.40
Total classroom based ADA	1,736.74	1,736.13
	Second Period Report	Annual Report
WCPA - Lost Hills		
Regular ADA		
Transitional kindergarten through third	157.64	157.60
Fourth through sixth	135.08	135.06
Seventh and eighth	84.36	84.35
Ninth through twelfth	130.34	129.03
Total regular ADA	507.42	506.04
Classroom Based ADA		
Transitional kindergarten through third	156.99	156.92
Fourth through sixth	134.65	134.73
Seventh and eighth	84.36	84.06
Ninth through twelfth	130.18	128.91
Total classroom based ADA	506.18	504.62

Wonderful College Prep Academy
 Schedule of Instructional Time
 Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
					Traditional Calendar	Multitrack Calendar			
Kindergarten	36,000	60,975	-	60,975	180	N/A	-	180	Complied
Grades 1 - 3	50,400								
Grade 1		60,975	-	60,975	180	N/A	-	180	Complied
Grade 2		60,975	-	60,975	180	N/A	-	180	Complied
Grade 3		60,975	-	60,975	180	N/A	-	180	Complied
Grades 4 - 8	54,000								
Grade 4		60,975	-	60,975	180	N/A	-	180	Complied
Grade 5		60,975	-	60,975	180	N/A	-	180	Complied
Grade 6		65,115	-	65,115	180	N/A	-	180	Complied
Grade 7		65,115	-	65,115	180	N/A	-	180	Complied
Grade 8		65,115	-	65,115	180	N/A	-	180	Complied
Grades 9 - 12	64,800								
Grade 9		69,075	-	69,075	180	N/A	-	180	Complied
Grade 10		69,075	-	69,075	180	N/A	-	180	Complied
Grade 11		69,075	-	69,075	180	N/A	-	180	Complied
Grade 12		69,075	-	69,075	180	N/A	-	180	Complied

Wonderful College Prep Academy
 Schedule of Instructional Time
 Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
					Traditional Calendar	Multitrack Calendar			
Kindergarten	36,000	66,150	-	66,150	180	N/A	-	-	Complied
Grades 1 - 3	50,400								
Grade 1		66,150	-	66,150	180	N/A	-	-	Complied
Grade 2		66,150	-	66,150	180	N/A	-	-	Complied
Grade 3		66,150	-	66,150	180	N/A	-	-	Complied
Grades 4 - 8	54,000								
Grade 4		66,150	-	66,150	180	N/A	-	-	Complied
Grade 5		66,150	-	66,150	180	N/A	-	-	Complied
Grade 6		62,190	-	62,190	180	N/A	-	-	Complied
Grade 7		62,190	-	62,190	180	N/A	-	-	Complied
Grade 8		62,190	-	62,190	180	N/A	-	-	Complied
Grades 9 - 11	64,800								
Grade 9		69,075	-	69,075	180	N/A	-	-	Complied
Grade 10		69,075	-	69,075	180	N/A	-	-	Complied
Grade 11		69,075	-	69,075	180	N/A	-	-	Complied
Grade 12		69,075	-	69,075	180	N/A	-	-	Complied

Wonderful College Prep Academy
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2024

Summarized below are the net asset reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	Delano	Lost Hills	Total
Net Assets			
Balance, June 30, 2024, Unaudited Actuals	\$ 8,214,719	\$ 2,342,241	\$ 10,556,960
Increase in			
Cash	1,140,189	-	1,140,189
Refundable advance	(365,604)	-	(365,604)
Decrease in			
Cash	-	(1,140,085)	(1,140,085)
Receivables	(2,685,415)	(358,732)	(3,044,147)
Security deposit	(8,789)	-	(8,789)
Property and equipment, net	(13,850)	(667)	(14,517)
Operating lease right-of-use asset	(30,017)	(52,404)	(82,421)
Accounts payable	3,072,914	1,533,049	4,605,963
Lease liability	30,016	52,404	82,420
Refundable advance	-	269,230	269,230
Balance, June 30, 2024, Audited Financial Statements	\$ 9,354,163	\$ 2,645,036	\$ 11,999,199

Wonderful College Prep Academy
Combining Statement of Financial Position
June 30, 2024

	<u>Delano</u>	<u>Lost Hills</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 4,994,780	\$ 1,777,721	\$ 6,772,501
Receivables	8,971,497	2,928,870	11,900,367
Prepaid expenses	374,613	97,443	472,056
Total current assets	<u>14,340,890</u>	<u>4,804,034</u>	<u>19,144,924</u>
Non-current assets			
Property and equipment	3,673,376	257,891	3,931,267
Operating lease right-of-use asset	44,032	100,304	144,336
Total non-current assets	<u>3,717,408</u>	<u>358,195</u>	<u>4,075,603</u>
Total assets	<u>\$ 18,058,298</u>	<u>\$ 5,162,229</u>	<u>\$ 23,220,527</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 3,138,856	\$ 773,258	\$ 3,912,114
Accrued compensated absences	550,184	65,632	615,816
Refundable advance	4,971,063	1,578,000	6,549,063
Current portion of operating lease liability	25,743	52,502	78,245
Total current liabilities	<u>8,685,846</u>	<u>2,469,392</u>	<u>11,155,238</u>
Long-term liabilities			
Operating lease liability, less current portion	18,289	47,801	66,090
Total liabilities	<u>8,704,135</u>	<u>2,517,193</u>	<u>11,221,328</u>
Net Assets			
Without donor restrictions	<u>9,354,163</u>	<u>2,645,036</u>	<u>11,999,199</u>
Total liabilities and net assets	<u>\$ 18,058,298</u>	<u>\$ 5,162,229</u>	<u>\$ 23,220,527</u>

Wonderful College Prep Academy
Combining Statement of Activities
Year Ended June 30, 2024

	<u>Delano</u>	<u>Lost Hills</u>	<u>Total</u>
Support and Revenues			
Local Control Funding Formula	\$ 26,480,974	\$ 7,685,282	\$ 34,166,256
Federal revenue	6,308,729	1,948,127	8,256,856
Other state revenue	11,032,922	2,928,564	13,961,486
Local revenues	<u>3,000,828</u>	<u>1,227,783</u>	<u>4,228,611</u>
Total support and revenues	<u>46,823,453</u>	<u>13,789,756</u>	<u>60,613,209</u>
Expenses			
Program services	40,415,653	11,622,900	52,038,553
Management and general	<u>5,249,317</u>	<u>1,562,757</u>	<u>6,812,074</u>
Total expenses	<u>45,664,970</u>	<u>13,185,657</u>	<u>58,850,627</u>
Change in Net Assets	<u>1,158,483</u>	<u>604,099</u>	<u>1,762,582</u>
Net Assets, Beginning of Year	<u>8,195,680</u>	<u>2,040,937</u>	<u>10,236,617</u>
Net Assets, End of Year	<u><u>\$ 9,354,163</u></u>	<u><u>\$ 2,645,036</u></u>	<u><u>\$ 11,999,199</u></u>

Note 1 - Purpose of Supplementary Schedules

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2024. The information 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, 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. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The Organization has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the Organization had no food commodities in inventory.

Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Organization. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students at the Organization.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization complied with the provisions of *Education Code* Sections 47612 and 47612.5, if applicable.

The Organization must maintain their instructional minutes at the 1986-87 requirements, as required by *California Education Code* Section 47612.5.

Reconciliation of Annual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the net assets reported on the unaudited actual financial report to the audited financial statements.

Combining Statement of Financial Position and Combining Statement of Activities

The combining statement of financial position and combining statement of activities are included to provide information regarding the individual programs of the charter schools within the Organization and are presented on the accrual basis of accounting. Eliminating entries in the combining statement of financial position and combining statement of activities are for activities between each charter school.



Other Information

June 30, 2024

Wonderful College Prep Academy

ORGANIZATION

Wonderful College Prep Academy (the Organization) operates two schools: Wonderful College Prep Academy – Delano (Charter Number 1078) grades transitional kindergarten through twelfth grade and Wonderful College Prep Academy – Lost Hills (Charter Number 1851) grades transitional kindergarten through twelfth.

GOVERNING BOARD

MEMBER		OFFICE TERM EXPIRES
Samer Mohamed	Board President	June 30, 2025
Ernie Unruh	Board Member	April 27, 2027
Kiyoshi Tomono	Board Member	January 31, 2025
Imelda Valdez	Board Member	August 23, 2026
Nanci Villasana	Board Member	July 23, 2024

ADMINISTRATION

Mike Romero	Chief Business Officer
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Independent Auditor's Reports
June 30, 2024

Wonderful College Prep Academy



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*

Governing Board
Wonderful College Prep Academy
Delano, 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 (*Government Auditing Standards*), the financial statements of Wonderful College Prep Academy (the Organization), which comprise the statement of financial position as of June 30, 2024, 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 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Rancho Cucamonga, California
December 12, 2024



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Governing Board
Wonderful College Prep Academy
Delano, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wonderful College Prep Academy’s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Organization’s major federal programs for the year ended June 30, 2024. The Organization’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, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Eide Bailly LLP

Rancho Cucamonga, California
December 12, 2024



Independent Auditor's Report on State Compliance and on Internal Control Over Compliance

Governing Board
Wonderful College Prep Academy
Delano, California

Report on Compliance

Opinion on State Compliance

We have audited Wonderful College Prep Academy's (the Organization) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the Organization's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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 the Organization’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 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 consider necessary in the circumstances.
- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Organization’s compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Not Applicable
Teacher Certification and Misassignments	Not Applicable
Kindergarten Continuance	Not Applicable
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Not Applicable
Instructional Materials	Not Applicable
Ratio of Administrative Employees to Teachers	Not Applicable
Classroom Teacher Salaries	Not Applicable

2023-2024 K-12 Audit Guide Procedures

Procedures Performed

Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Not Applicable
School Accountability Report Card	Not Applicable
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Not Applicable
District of Choice	Not Applicable
Home to School Transportation	Not Applicable
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the Organization did not offer the program during the current fiscal year, the Organization did not participate in the program during the current fiscal year, the program did not exceed the threshold for testing, or the program applies to a different type of local education agency.

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
December 12, 2024



Schedule of Findings and Questioned Costs
June 30, 2024

Wonderful College Prep Academy

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Title I, Part A - Basic Grants Low Income and Neglected COVID-19 Education Stabilization Fund	84.010 84.425C, 84.425D, 84.425U
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

Internal control over state compliance for programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

Wonderful College Prep Academy
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.