



CHARACTER • EQUALITY • EXCELLENCE
RESPONSIBILITY • TEACHABILITY

BOARD MEETING AGENDA

March 14, 2024 5:30pm

Meeting ID:

<https://ucihealth.zoom.us/j/98982141920?pwd=dG9QdEJlUmx1RTA5bmJ2UnQ0TmFIUT09&from=addon>

6103 Crenshaw Boulevard, Los Angeles, CA

1775 Ximeno Avenue, Long Beach, CA

18111 Elaine Avenue, Artesia, CA

385 Charles E Young Dr. E, Los Angeles, CA

444 South Flower Street, 1800, Los Angeles, CA

Welcome

1. Roll Call

- 1. Yusef Alexander present_____ absent_____
- 2. Dr. Reginald Austin present_____ absent_____
- 3. Joss Tillard Gates present_____ absent_____
- 4. Bryan Gonzalez present_____ absent_____
- 5. Marina Samson present_____ absent_____
- 6. Lataysia Starks present_____ absent_____
- 7. Ursula Worsham present_____ absent_____

2. Public Comment info@creteacademy.org (323-791-1600)

3. Review and Approval of Meeting Minutes

BOARD VOTE

February 29, 2024 Special Board Meeting

- 1. Yusef Alexander yay _____ nay_____
- 2. Dr. Reginald Austin yay _____ nay_____
- 3. Joss Tillard Gates yay _____ nay_____
- 4. Bryan Gonzalez yay _____ nay_____
- 5. Marina Samson yay _____ nay_____
- 6. Lataysia Starks yay _____ nay_____
- 7. Ursula Worsham yay _____ nay_____

4. Consent Items:

- 1. **Annual Audit**-The Crete Academy Board of Directors is being asked to review, discuss and approve the annual audit that was conducted by the outside firm Christy White.
- 2. **Board Member Yusef Alexander, and Marina Sampson** board terms– The Crete Academy Board of Directors is being asked to extend and approve the Board Member contract end date for the current Board members listed above, the current Board Term date ends 2/29/2024.

Public Comment: the meeting location is wheelchair accessible. Speakers needing any disability related or language accommodation should notify the board Secretary a minimum of 24 hours in advance of the meeting to arrange for accommodations, and inform the staff upon arrival.

Consent Items (continued)

3. File a Form 700 - Statement of Economic Interests (SEI):

The Crete Academy Board of Directors per the Political Reform Act enacted in 1974, which was passed by California voters to promote integrity in state and local government by helping agency decision makers avoid conflicts between their personal interests and official duties. are required to file Statements of Economic Interest form 700 by the April 1.

4. Fiscal Policies and Procedures – The Crete Academy Board of Directors will vote on an update to the Fiscal Policies and Procedures to reflect that when necessary and to avoid any further issues Crete Academy may issue a financial severance to any former employee that seems appropriate.

BOARD VOTE

- 1. Yusef Alexander yay ____ nay ____
- 2. Dr. Reginald Austin yay ____ nay ____
- 3. Joss Tillard Gates yay ____ nay ____
- 4. Bryan Gonzalez yay ____ nay ____
- 5. Marina Samson yay ____ nay ____
- 6. Lataysia Starks yay ____ nay ____
- 7. Ursula Worsham yay ____ nay ____

5. Updates from Leadership

BOARD REVIEW

Crete Academy Leadership is providing updates to the Board of Directors on the current status of attendance and enrollment, academics and internal data assessments as well as staff hiring.

6. Review of Monthly Financials

BOARD REVIEW

- 1. Financial Summary
 - ADA Analysis
 - Income Statement (YTD Budget vs. YTD Actuals and Budget vs. Forecast)
 - Balance Sheet
- 2. Cash Flow Forecast
- 3. Financial Narrative
- 4. Check Register

7. Adjourn

Public Comment: the meeting location is wheelchair accessible. Speakers needing any disability related or language accommodation should notify the board Secretary a minimum of 24 hours in advance of the meeting to arrange for accommodations, and inform the staff upon arrival.



CHARACTER • EQUALITY • EXCELLENCE
RESPONSIBILITY • TEACHABILITY

SPECIAL BOARD MEETING AGENDA

February 29, 2024 5:15pm

Meeting ID:

<https://ucihealth.zoom.us/j/98662748283?pwd=NnlisR2UvWEVXSUdBS3VrNXJYaG5HQT09&from=addon>

6103 Crenshaw Boulevard, Los Angeles, CA
1775 Ximeno Avenue, Long Beach, CA
18111 Elaine Avenue, Artesia, CA
385 Charles E Young Dr. E, Los Angeles, CA
444 South Flower Street, 1800, Los Angeles, CA

Welcome

The Crete board meeting was called to order at 5:15 p.m. with a welcome from the board president.

1. Roll Call

- 1. Yusef Alexander present _____ absent _____ x
- 2. Dr. Reginald Austin present _____ x absent _____
- 3. Joss Tillard Gates present _____ x absent _____
- 4. Bryan Gonzalez present _____ x absent _____
- 5. Marina Samson present _____ absent _____ x
- 6. Lataysia Starks present _____ x absent _____
- 7. Ursula Worsham present _____ x absent _____

2. Public Comment info@creteacademy.org (323-791-1600)

No public comment for this meeting.

3. Review and Approval of Meeting Minutes

BOARD VOTE

February 15, 2024, Regular Board Meeting Minutes

- 1. Yusef Alexander yay _____ nay _____
- 2. Dr. Reginald Austin yay _____ x nay _____
- 3. Joss Tillard Gates yay _____ x nay _____
- 4. Bryan Gonzalez yay _____ x nay _____
- 5. Marina Samson yay _____ nay _____
- 6. Lataysia Starks yay _____ x nay _____
- 7. Ursula Worsham yay _____ x nay _____

The Regular Board Meeting Minutes for February 15, 2024 were reviewed, motioned by Ursula Worsham, seconded by Lataysia Starks and unanimously approved by board vote.

Consent Items:

- 1. **Notice to Cure** – The Crete Academy Board of Directors is being asked to vote on a plan of action to Public Comment: the meeting location is wheelchair accessible. Speakers needing any disability related or language accommodation should notify the board Secretary a minimum of 24 hours in advance of the meeting to arrange for accommodations, and inform the staff upon arrival.

address Crete Academy’s designated contact for the UCP policy. Our current policy list Mr. Martus as the contact, and in the response to the October Notice to Cure regarding pupil fees Hattie Mitchell name was used as the UCP contact, this has created an incongruity and Board of Directors action is required.

The Notice to Cure was discussed with the Crete Board and was noted that the UCP contact will be updated to reflect Hattie Mitchell as primary contact. As part of the discussion, the board was briefed on investigation regarding late fees for student pick-up and noted that UCP was presented by Hattie Mitchell and impacted parents were reimbursed as part of the ongoing investigation.

- 2. **ELOP** – The Crete Academy Board of Directors is being asked to review and approve the updated Expanded Learning Opportunity Plan, in the area of supplemental instruction and support to students, as well as in the area of Diversity, Equity and Access.

The board engaged in discussion following an update from Hattie Mitchell regarding the utilization of funds to support extra programming, fellows-in support of students performing below standards and global travel opportunity to Japan. The board was in full support of this request.

3. Hop Skip transportation

Crete Academy is requesting the Board approve transportation expenses via Hop Skip for students experiencing homelessness, families with transportation issues that make it difficult or impossible for students to get to school.

The Crete Board was briefed on the needed funding to cover expenditures for the Hop Skip transportation resource. The school is seeking to pay multiple invoices at one time and seeking board approval.

BOARD VOTE

- 1. Yusef Alexander yay _____ nay_____
- 2. Dr. Reginald Austin yay _____x nay_____
- 3. Joss Tillard Gates yay _____x nay_____
- 4. Bryan Gonzalez yay _____x nay_____
- 5. Marina Samson yay _____ nay_____
- 6. Lataysia Starks yay _____x nay_____
- 7. Ursula Worsham yay _____x nay_____

The consent items as referenced above were reviewed, motioned by Dr. Reginald Austin, seconded by Ursula Worsham and unanimously approved by board vote.

Public Comment: the meeting location is wheelchair accessible. Speakers needing any disability related or language accommodation should notify the board Secretary a minimum of 24 hours in advance of the meeting to arrange for accommodations, and inform the staff upon arrival.

Crete Academy

Monthly Financial Presentation – February 2024

February Highlights

- Cash preservations is a top priority for Crete Academy until cash stabilizes.
- Revenues are steady but Expenses are trending higher due to various costs.
- Crete's Enrollment stands at 338, with ADA projecting at a steady 332.87 ADA.
- \$200K in Field Trip costs occurred for the Japan Trip with Lakeland Tours LCC.
- The Deferred Revenues total \$1.34M and added \$63K in ELOP funding.
- Revenues are projecting at \$6.98M with a \$21K decrease from 2nd Interim.
- Expenses have increased by \$179K this month and are forecasting at \$6.83M.
- The projected surplus has decreased by \$201K and is forecasting at \$146K.

Attendance Data and Metrics

Enrollment and Per Pupil Data

<i>Enrollment & Per Pupil Data</i>			
	<i><u>Actual</u></i>	<i><u>Forecast</u></i>	<i><u>Budget</u></i>
<i>Average Enrollment</i>	345	338	355
<i>ADA</i>	333	333	330
<i>Attendance Rate</i>	96.7%	94.4%	93.0%
<i>Unduplicated %</i>	90.3%	90.3%	90.3%
<i>Revenue per ADA</i>		\$20,975	\$19,335
<i>Expenses per ADA</i>		\$20,537	\$18,916

ADA is projected at 332.87.

Enrollment projection has been updated to 338.

Revenue

- Revenues are projecting at \$6.98M and lower by \$21K this month.
- State Aid Revenue had no change and continues forecasting at \$4.98M.
- Federal Revenue is projecting at \$441K with \$21K less in Fed SNP revenues.
- Other State Revenue is projecting at \$1.32M with \$3K less in State SNP funds.
- Other Local Revenue increased by \$3K and is forecasting at \$246K with donations and Merch Fee deposits responsible for the increase.
- Overall, revenues are trending close to prior projections.

Revenue	Year-to-Date			Annual/Full Year		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
State Aid-Rev Limit	\$ 2,532,237	\$ 2,435,639	\$ 96,598	\$ 4,978,002	\$ 4,972,006	\$ 5,996
Federal Revenue	210,192	229,917	(19,725)	440,813	369,163	71,650
Other State Revenue	102,058	500,570	(398,512)	1,316,831	1,042,347	274,484
Other Local Revenue	246,456	-	246,456	246,456	-	246,456
Total Revenue	\$ 3,090,944	\$ 3,166,126	\$ (75,182)	\$ 6,982,103	\$ 6,383,516	\$ 598,587

Expenses

- Expenses have increased by \$179K since 2nd Interim and is forecasting at \$6.83M.
- Salary and Benefits are forecasted to be \$112K more with \$60K in Severance payments making up the larger increase and \$24K more in Other Classified Salaries.
- Operational expenses have also increased by \$67K due primarily to the following:
 - \$42K more in Office Expenses via the Wells Fargo Credit Card.
 - \$91K more in Field Trip costs for the Japan Trip using Lakeland Tours LCC.
 - \$56K less with \$33K fewer Food Services & \$23K fewer Pro Development costs.
- There was also \$96K in expected Prop39/LAUSD costs for 6 months at Budlong.

Expenses	Year-to-Date			Annual/Full Year		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
Certificated Salaries	\$ 1,205,068	\$ 1,327,249	\$ 122,182	\$ 1,796,258	\$ 1,872,155	\$ 75,897
Classified Salaries	770,554	711,498	(59,056)	1,109,713	978,310	(131,403)
Benefits	365,231	278,913	(86,318)	506,426	395,772	(110,654)
Books and Supplies	516,386	454,744	(61,641)	823,259	628,170	(195,089)
Subagreement Services	112,369	156,967	44,598	294,369	260,300	(34,069)
Operations	220,346	219,299	(1,046)	350,616	331,700	(18,916)
Facilities	339,760	397,667	57,907	608,917	596,500	(12,417)
Professional Services	802,967	813,664	10,697	1,333,082	1,167,832	(165,250)
Depreciation	8,555	9,667	1,112	13,455	14,500	1,045
Interest	-	-	-	-	-	-
Total Expenses	\$ 4,341,234	\$ 4,369,668	\$ 28,434	\$ 6,836,094	\$ 6,245,238	\$ (590,856)

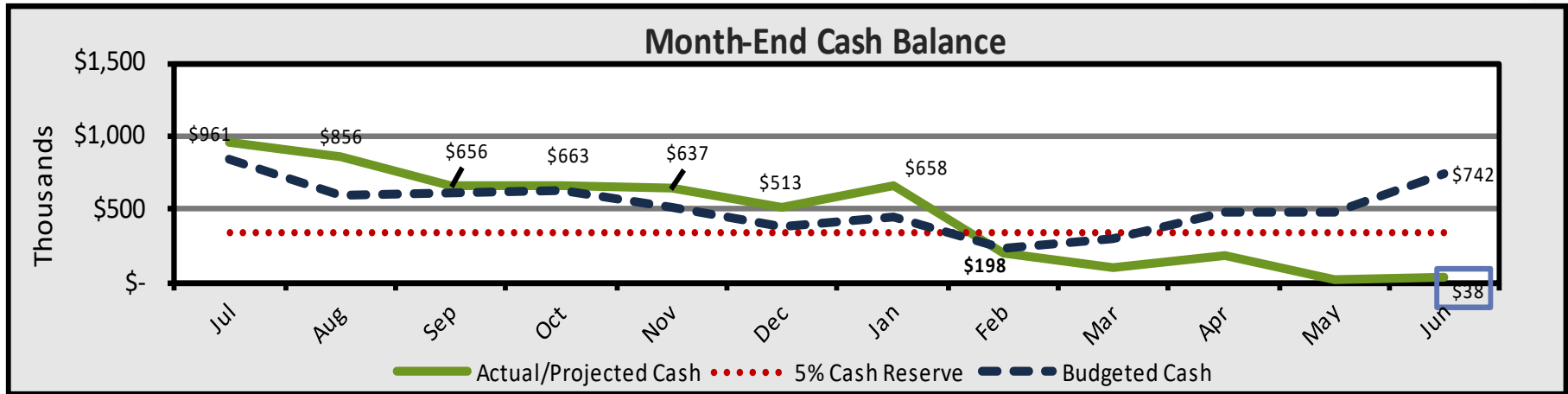
Fund Balance

- Crete has a year-end forecasted surplus of \$146K that decreased by \$201K this month.
- The Ending Fund Balance is projected at \$552K and is 8.1% of Annualized Expenses.

	Year-to-Date			Annual/Full Year		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
Total Surplus(Deficit)	\$ (1,250,290)	\$ (1,203,542)	\$ (46,748)	\$ 146,009	\$ 138,278	\$ 7,731
Beginning Fund Balance	<u>406,499</u>	<u>406,499</u>		<u>406,499</u>	<u>406,499</u>	
Ending Fund Balance	<u>\$ (843,791)</u>	<u>\$ (797,043)</u>		<u>\$ 552,508</u>	<u>\$ 544,777</u>	
<i>As a % of Annual Expenses</i>	-12.3%	-12.8%		8.1%	8.7%	

Cash Balance


- Crete's month-ending cash balance is at \$198K.
- The Days Cash on Hand metric is calculating right at 2 days.
- Cash preservation is a high priority for Crete Academy.



Questions & Discussion



Appendix for the month follows:

- Monthly Cash Flow / Forecast
 - Budget vs. Actual
 - Statement of Financial Position
 - Monthly Check Register
 - AP Aging
 - 60-Day Compliance Calendar
- 

Crete FY23-24 Budget
Monthly Cash Flow/Forecast FY23-24
 Revised 03/11/24



ADA = 332.87

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Year-End Accruals	Annual Budget	Original Budget Total	Favorable / (Unfav.)
ADA = 330.15																
Revenues																
State Aid - Revenue Limit																
8011 LCFF State Aid	-	160,852	160,852	289,534	289,534	289,534	289,534	289,534	404,530	404,530	404,530	404,530	356,348	3,743,843	3,849,168	(105,325)
8012 Education Protection Account	-	-	-	14,528	-	-	14,528	-	16,810	-	-	-	20,708	66,574	66,030	544
8096 In Lieu of Property Taxes	61,151	122,301	81,534	81,534	81,534	81,534	81,534	142,685	148,486	74,243	74,243	74,243	62,563	1,167,585	1,056,808	110,777
	61,151	283,153	242,386	385,596	371,068	371,068	385,596	432,219	569,826	478,773	478,773	478,773	439,619	4,978,002	4,972,006	5,996
Federal Revenue																
8220 Federal Child Nutrition	-	-	-	-	64,512	40,107	49,451	-	21,356	21,356	42,712	21,356	42,712	303,560	228,173	75,387
8290 Title I, Part A - Basic Low Income	-	-	-	-	-	6,972	39,109	-	-	41,208	-	-	22,599	109,888	122,401	(12,513)
8291 Title II, Part A - Teacher Quality	-	-	-	-	-	-	-	3,275	-	-	-	-	9,823	13,098	9,402	3,696
8296 Other Federal Revenue	-	-	-	-	-	-	6,767	-	-	-	-	-	7,500	14,267	9,187	5,080
	-	-	-	-	64,512	47,079	95,327	3,275	21,356	62,564	42,712	21,356	82,634	440,813	369,163	71,650
Other State Revenue																
8520 Child Nutrition	-	-	-	-	17,370	10,624	12,478	-	2,021	2,021	2,021	2,021	4,043	52,600	21,597	31,003
8545 School Facilities (SB740)	-	-	-	-	-	-	-	-	30,063	45,063	-	45,063	45,063	165,251	131,315	33,937
8550 Mandated Cost	-	-	-	-	-	5,740	-	-	-	-	-	-	-	5,740	5,631	109
8560 State Lottery	-	-	-	-	-	-	27,034	-	-	17,216	-	-	34,640	78,890	78,246	645
8598 Prior Year Revenue	-	-	-	-	-	-	15,759	121	-	-	-	-	-	15,880	-	15,880
8599 Other State Revenue	-	1,176	1,176	2,116	2,116	2,116	2,116	2,116	-	249,618	-	249,618	486,303	998,470	805,559	192,911
	-	1,176	1,176	2,116	19,486	18,480	57,387	2,237	32,084	313,917	2,021	296,702	570,049	1,316,831	1,042,347	274,484
Other Local Revenue																
8660 Interest Revenue	1,663	1,541	1,081	1,020	983	353	409	277	-	-	-	-	-	7,326	-	7,326
8689 Other Fees and Contracts	-	-	-	-	-	-	-	200	-	-	-	-	-	200	-	200
8699 School Fundraising	22,687	9,848	1,183	36,353	11,948	91,625	62,835	2,452	-	-	-	-	-	238,930	-	238,930
	24,350	11,389	2,264	37,372	12,931	91,977	63,244	2,929	-	-	-	-	-	246,456	-	246,456
Total Revenue	85,501	295,718	245,826	425,084	467,996	528,604	601,554	440,660	623,266	855,255	523,506	796,831	1,092,301	6,982,103	6,383,516	598,587
Expenses																
Certificated Salaries																
1100 Teachers' Salaries	24,602	119,066	99,976	99,641	101,938	119,617	125,782	148,730	113,402	113,402	113,402	22,727	-	1,202,285	1,237,656	35,371
1175 Teachers' Extra Duty/Stipends	-	-	-	-	-	-	-	-	400	400	400	400	-	1,600	4,000	2,400
1200 Pupil Support Salaries	-	-	-	-	-	-	-	-	625	625	625	625	-	2,500	7,500	5,000
1300 Administrators' Salaries	44,083	46,164	44,824	43,343	48,685	47,259	29,200	62,160	76,515	51,515	51,515	44,611	-	589,873	622,999	33,126
	68,685	165,230	144,800	142,985	150,622	166,875	154,982	210,889	190,942	165,942	165,942	68,363	-	1,796,258	1,872,155	75,897
Classified Salaries																
2100 Instructional Salaries	7,714	23,214	21,314	20,107	27,280	20,979	18,153	27,138	33,052	33,052	33,052	5,214	-	270,269	256,241	(14,028)
2200 Support Salaries	5,835	10,252	8,562	8,858	9,036	9,187	10,769	14,368	13,463	13,463	13,463	5,897	-	123,152	157,629	34,477
2300 Classified Administrators'	10,873	11,736	11,006	10,741	11,144	10,873	13,147	11,862	11,724	11,724	11,724	1,280	-	127,834	128,960	1,126
2400 Clerical and Office Staff Salaries	11,423	23,575	20,748	17,931	32,558	21,773	27,260	34,443	25,154	25,154	25,154	15,000	-	280,173	235,310	(44,863)
2900 Other Classified Salaries	5,886	27,265	31,130	36,227	36,769	28,802	38,852	41,764	18,197	18,197	18,197	7,000	-	308,286	200,170	(108,116)
	41,731	96,042	92,761	93,863	116,787	91,615	108,180	129,575	101,590	101,590	101,590	34,391	-	1,109,713	978,310	(131,403)
Benefits																
3301 OASDI	9,781	15,458	13,918	13,388	12,924	13,064	16,541	16,115	17,731	16,216	16,216	12,728	-	174,080	176,729	2,649
3311 Medicare	2,288	3,615	3,255	3,238	3,761	3,589	3,621	3,769	4,147	3,792	3,792	1,957	-	40,823	41,332	509
3401 Health and Welfare	(4,031)	(4,021)	81,277	25,007	(1,411)	41,071	20,528	27,859	9,333	9,333	9,333	9,333	-	223,612	91,000	(132,612)
3501 State Unemployment	-	(5,976)	5,804	-	-	-	(5,933)	-	811	406	406	406	-	(4,077)	7,566	11,643
3601 Workers' Compensation	-	-	19,633	3,562	-	3,561	1,780	-	4,004	3,662	3,662	906	-	40,770	39,907	(863)
3901 Other Benefits	1,259	1,980	2,127	2,723	2,519	2,533	2,574	2,481	3,937	3,600	3,600	1,883	-	31,217	39,239	8,022
	9,298	11,056	126,014	47,918	17,793	63,818	39,112	50,223	39,963	37,009	37,009	27,213	-	506,426	395,772	(110,654)

Crete FY23-24 Budget

Monthly Cash Flow/Forecast FY23-24

Revised 03/11/24



ADA = 332.87

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Year-End Accruals	Annual Budget	Original Budget Total	Favorable / (Unfav.)
Books and Supplies																
4100 Textbooks and Core Materials	-	-	-	-	-	-	-	-	3,133	3,133	3,133	3,133	-	12,533	22,700	10,167
4200 Books and Reference Materials	-	-	-	-	-	-	-	-	3,440	3,440	3,440	-	-	10,320	17,000	6,680
4302 School Supplies	5,427	11,609	16,291	571	859	2,011	170	16,631	10,592	10,592	10,592	8,092	-	93,438	96,300	2,862
4305 Software	15,952	22,215	2,117	14,672	859	1,399	12,726	10,833	1,000	500	500	500	-	83,272	-	(83,272)
4310 Office Expense	-	3,881	9,270	9,129	11,321	10,988	16,975	71,568	12,233	12,233	6,367	6,367	-	170,332	151,500	(18,832)
4311 Business Meals	-	-	-	-	-	-	-	16,689	-	-	-	-	-	16,689	-	(16,689)
4400 Noncapitalized Equipment	-	-	-	84	77	36,686	4,947	27,753	6,080	5,080	-	-	-	80,707	90,900	10,193
4700 Food Services	-	-	-	27,463	81,020	1,244	50,743	2,204	54,573	49,573	49,573	39,573	-	355,967	249,770	(106,198)
	21,379	37,706	27,678	51,920	94,136	52,328	85,561	145,678	91,052	84,552	73,605	57,665	-	823,259	628,170	(195,089)
Subagreement Services																
5101 Nursing	-	-	-	457	-	-	-	-	1,983	1,983	1,983	1,983	-	8,390	11,800	3,410
5103 Substitute Teacher	-	-	2,147	-	-	514	308	3,286	-	-	-	-	-	6,255	-	(6,255)
5104 Transportation	-	-	9,781	9,781	12,072	19,678	-	-	3,000	3,000	500	500	-	58,312	-	(58,312)
5105 Security	-	150	-	-	-	3,356	-	226	-	-	-	-	-	3,732	-	(3,732)
5106 Other Educational Consultants	(78,830)	23,629	3,325	37,786	22,923	22,944	2,496	16,340	41,767	41,767	41,767	41,767	-	217,680	248,500	30,820
	(78,830)	23,779	15,253	48,024	34,995	46,492	2,804	19,852	46,750	46,750	44,250	44,250	-	294,369	260,300	(34,069)
Operations and Housekeeping																
5201 Auto and Travel	-	-	-	35	24	1,951	157	29,208	2,416	2,416	2,416	2,416	-	41,039	15,200	(25,839)
5300 Dues & Memberships	60	60	65	738	65	-	35	70	650	650	650	650	-	3,693	6,600	2,907
5400 Insurance	-	-	27,132	11,854	-	16,297	8,153	2,928	1,967	1,967	1,967	1,967	-	74,231	65,000	(9,231)
5501 Utilities	-	516	471	3,567	-	513	8,263	1,432	8,150	8,150	8,150	8,150	-	47,362	37,500	(9,862)
5502 Janitorial Services	1,015	7,145	21,822	12,985	-	24,728	14,840	2,360	11,717	13,217	13,217	13,217	-	136,261	157,300	21,039
5516 Miscellaneous Expense	-	-	-	-	-	-	-	-	3,960	3,960	3,960	3,960	-	15,840	19,600	3,760
5900 Communications	699	2,097	1,399	1,731	-	3,497	2,098	10,165	2,483	2,483	2,483	2,483	-	31,620	29,500	(2,120)
5901 Postage and Shipping	-	-	-	-	26	-	54	92	100	100	100	100	-	572	1,000	428
	1,774	9,819	50,889	30,910	115	46,986	33,600	46,254	31,443	32,943	32,943	32,943	-	350,616	331,700	(18,916)
Facilities, Repairs and Other Leases																
5601 Rent	17,650	-	35,300	49,800	17,650	17,650	19,215	115,786	17,650	17,650	17,650	17,650	-	343,651	180,000	(163,651)
5602 Additional Rent	-	-	-	-	-	124	1,056	1,056	32,922	32,922	32,922	32,922	-	133,925	252,300	118,375
5603 Equipment Leases	2,056	1,294	3,797	3,552	4,517	4,264	2,652	3,606	3,883	3,883	3,883	3,883	-	41,272	46,200	4,928
5604 Other Leases	-	-	-	-	-	-	425	-	-	-	-	-	-	425	-	(425)
5610 Repairs and Maintenance	1,852	8,600	2,243	10,108	575	2,422	11,109	1,400	14,917	16,411	13,217	6,792	-	89,644	118,000	28,356
	21,558	9,894	41,340	63,460	22,742	24,461	34,457	121,848	69,372	70,866	67,672	61,247	-	608,917	596,500	(12,417)
Professional/Consulting Services																
5801 IT	3,725	3,725	-	-	-	14,900	9,117	(7,930)	6,433	6,433	7,833	7,833	-	52,071	58,800	6,729
5802 Audit & Taxes	900	4,212	-	-	-	-	-	-	5,333	5,333	-	-	-	15,779	15,800	21
5803 Legal	-	-	-	-	3,872	256	7,727	30,000	(29,290)	2,020	1,910	1,910	-	18,405	7,100	(11,305)
5804 Professional Development	-	-	-	-	2,873	1,000	344	800	19,956	19,956	19,956	15,856	-	80,739	105,900	25,161
5805 General Consulting	4,500	23,568	14,975	30,606	32,285	11,539	40,143	51,987	67,736	62,736	62,736	62,736	-	465,549	533,000	67,451
5806 Special Activities/Field Trips	-	624	1,500	16,443	15,963	23,161	4,949	205,694	15,975	15,975	15,975	11,975	-	328,234	249,700	(78,534)
5807 Bank Charges	-	-	-	-	-	-	-	175	-	-	-	-	-	175	-	(175)
5809 Other taxes and fees	197	197	4,197	13	220	48	310	3,575	300	300	300	300	-	9,958	-	(9,958)
5810 Payroll Service Fee	500	515	510	510	510	515	15	10	500	500	500	500	-	5,085	6,000	915
5811 Management Fee	9,309	9,309	9,309	9,309	9,459	9,395	1,885	3,478	10,182	10,182	17,041	10,182	-	109,040	111,712	2,671
5812 District Oversight Fee	2,381	4,762	3,175	3,175	3,175	3,173	3,175	5,555	5,698	4,788	4,788	4,788	1,148	49,780	49,720	(60)
5813 County Fees	-	-	-	-	750	-	-	750	-	-	-	-	-	1,500	-	(1,500)
5814 SPED Encroachment	11,645	23,291	15,527	15,527	15,527	15,527	15,527	27,172	12,700	12,700	12,700	12,700	-	190,543	-	(190,543)
5815 Public Relations/Recruitment	-	-	-	-	-	-	313	2,911	-	-	-	-	-	3,225	30,100	26,875
5820 Scholarship Expense	-	-	-	-	-	-	-	3,000	-	-	-	-	-	3,000	-	(3,000)
	33,157	70,203	49,193	75,583	84,634	79,515	83,504	327,177	115,524	140,924	143,739	128,780	1,148	1,333,082	1,167,832	(165,250)
Depreciation																
6900 Depreciation Expense	-	-	-	110	4,329	1,307	1,089	1,720	1,225	1,225	1,225	1,225	-	13,455	14,500	1,045
	-	-	-	110	4,329	1,307	1,089	1,720	1,225	1,225	1,225	1,225	-	13,455	14,500	1,045
Interest																
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	118,752	423,728	547,928	554,771	526,153	573,396	543,290	1,053,216	687,861	681,800	667,975	456,077	1,148	6,836,094	6,245,238	(590,856)

Crete FY23-24 Budget
Monthly Cash Flow/Forecast FY23-24
 Revised 03/11/24



ADA = 332.87

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Year-End Accruals	Annual Budget	Original Budget Total	Favorable / (Unfav.)
Monthly Surplus (Deficit)	(33,251)	(128,010)	(302,102)	(129,687)	(58,157)	(44,792)	58,264	(612,557)	(64,594)	173,454	(144,469)	340,754	1,091,153	146,009	138,278	7,731
Cash Flow Adjustments																
Monthly Surplus (Deficit)	(33,251)	(128,010)	(302,102)	(129,687)	(58,157)	(44,792)	58,264	(612,557)	(64,594)	173,454	(144,469)	340,754	1,091,153	146,009		
Cash flows from operating activities																
Depreciation/Amortization	-	-	-	110	4,329	1,307	1,089	1,720	1,225	1,225	1,225	1,225	-	13,455		
Public Funding Receivables	361,357	56,975	-	-	-	-	-	-	-	-	-	-	(1,092,301)	(673,969)		
Grants and Contributions Rec.	-	76,652	-	17,356	-	-	16,309	-	(40,000)	(85,000)	(20,000)	(325,000)	-	(359,682)		
Due To/From Related Parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Prepaid Expenses	(45,601)	(58,772)	107,784	62,950	(7,342)	9,054	(27,535)	26,500	-	-	-	-	-	67,038		
Other Assets	-	-	-	(33,948)	-	-	-	-	-	-	-	-	-	(33,948)		
Accounts Payable	(169,615)	(85,400)	(74,832)	(24,824)	(33,244)	(64,233)	(11,299)	164,802	-	-	-	-	1,148	(297,498)		
Accrued Expenses	(137,641)	16,412	(24,650)	15,143	4,473	(56,510)	46,590	(18,627)	-	-	-	-	-	(154,809)		
Other Liabilities	44,706	35,260	93,675	127,136	63,468	63,468	62,173	63,347	-	-	-	-	-	553,233		
Cash flows from investing activities																
Purchases of Prop. And Equip.	(14,000)	(18,967)	-	(26,300)	-	(32,573)	-	(85,841)	-	-	-	-	-	(177,681)		
Notes Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Change in Cash	5,956	(105,851)	(200,125)	7,936	(26,472)	(124,280)	145,592	(460,655)	(103,369)	89,679	(163,244)	16,979				
Cash, Beginning of Month	955,543	961,499	855,648	655,523	663,459	636,987	512,707	658,299	197,644	94,274	183,954	20,710				
Cash, End of Month	961,499	855,648	655,523	663,459	636,987	512,707	658,299	197,644	94,274	183,954	20,710	37,689				

Crete Academy

Budget vs Actual

For the period ended February 29, 2024

	Current Period Actual	Current Period Budget	Current Period Variance	Current Year Actual	YTD Budget	YTD Budget Variance	Total Budget
Revenues							
State Aid - Revenue Limit							
LCFF State Aid	\$ 289,534	\$ 304,884	\$ (15,350)	\$1,769,374	\$1,863,177	\$ (93,803)	\$3,849,168
Education Protection Account	-	-	-	29,056	33,015	(3,959)	66,030
In Lieu of Property Taxes	142,685	74,406	68,279	733,807	539,447	194,360	1,056,808
Total State Aid - Revenue Limit	432,219	379,290	52,929	2,532,237	2,435,639	96,598	4,972,006
Federal Revenue							
Federal Child Nutrition	-	21,676	(21,676)	154,069	98,114	55,955	228,173
Title I, Part A - Basic Low Income	-	-	-	46,081	122,401	(76,320)	122,401
Title II, Part A - Teacher Quality	3,275	-	3,275	3,275	9,402	(6,127)	9,402
Other Federal Revenue	-	-	-	6,767	-	6,767	9,187
Total Federal Revenue	3,275	21,676	(18,401)	210,192	229,917	(19,725)	369,163
Other State Revenue							
State Child Nutrition	-	2,052	(2,052)	40,472	9,287	31,185	21,597
School Facilities (SB740)	-	-	-	-	65,657	(65,657)	131,315
Mandated Cost	-	-	-	5,740	5,631	109	5,631
State Lottery	-	-	-	27,034	17,216	9,819	78,246
Prior Year Revenue	121	-	121	15,880	-	15,880	-
Other State Revenue	2,116	-	2,116	12,932	402,780	(389,848)	805,559
Total Other State Revenue	2,237	2,052	185	102,058	500,570	(398,512)	1,042,347
Other Local Revenue							
Interest Revenue	277	-	277	7,326	-	7,326	-
Other Fees and Contracts	200	-	200	200	-	200	-
School Fundraising	2,452	-	2,452	238,930	-	238,930	-
Total Other Local Revenue	2,929	-	2,929	246,456	-	246,456	-
Total Revenues	440,660	403,018	37,641	3,090,944	3,166,126	(75,182)	6,383,516
Expenses							
Certificated Salaries							
Teachers' Salaries	148,730	123,766	(24,964)	839,351	866,359	27,008	1,237,656
Teachers' Extra Duty/Stipends	-	400	400	-	2,800	2,800	4,000
Pupil Support Salaries	-	625	625	-	5,000	5,000	7,500
Administrators' Salaries	62,160	56,636	(5,523)	365,717	453,090	87,373	622,999
Total Certificated Salaries	210,889	181,427	(29,462)	1,205,068	1,327,249	122,182	1,872,155
Classified Salaries							
Instructional Salaries	27,138	23,295	(3,843)	165,899	186,357	20,459	256,241
Support Salaries	14,368	14,330	(38)	76,867	114,639	37,772	157,629
Supervisors' and Administrators' Salaries	11,862	11,724	(138)	91,383	93,789	2,406	128,960
Clerical and Office Staff Salaries	34,443	21,392	(13,051)	189,711	171,134	(18,577)	235,310
Other Classified Salaries	41,764	18,197	(23,567)	246,694	145,578	(101,116)	200,170
Total Classified Salaries	129,575	88,937	(40,638)	770,554	711,498	(59,056)	978,310
Benefits							
OASDI/Medicare/Alternative, certificated positions	16,115	16,763	648	111,189	126,402	15,213	176,729
Medicare/Alternative, certificated positions	3,769	3,920	152	27,135	29,562	2,427	41,332
Health and Welfare Benefits, certificated positions	27,859	7,583	(20,276)	186,279	60,667	(125,613)	91,000
State Unemployment Insurance, certificated positions	-	1,513	1,513	(6,105)	5,675	11,779	7,566
Workers' Compensation Insurance, certificated positions	-	3,785	3,785	28,536	28,542	6	39,907
Other Benefits, certificated positions	2,481	3,722	1,241	18,197	28,065	9,869	39,239
Total Benefits	50,223	37,286	(12,937)	365,231	278,913	(86,318)	395,772
Books & Supplies							
Textbooks and Core Materials	-	-	-	-	22,700	22,700	22,700
Books and Reference Materials	-	-	-	-	17,000	17,000	17,000
School Supplies	16,631	8,025	(8,606)	53,571	64,200	10,629	96,300
Software	10,833	-	(10,833)	80,772	-	(80,772)	-
Office Expense	71,568	12,625	(58,943)	133,132	101,000	(32,132)	151,500
Business Meals	16,689	-	(16,689)	16,766	-	(16,766)	-
Noncapitalized Equipment	27,753	-	(27,753)	69,470	90,900	21,430	90,900
Food Services	2,204	22,706	20,502	162,674	158,944	(3,730)	249,770
Total Books & Supplies	145,678	43,356	(102,321)	516,386	454,744	(61,641)	628,170

Crete Academy

Budget vs Actual

For the period ended February 29, 2024

	Current Period Actual	Current Period Budget	Current Period Variance	Current Year Actual	YTD Budget	YTD Budget Variance	Total Budget
Subagreement Services							
Nursing	-	983	983	457	7,867	7,410	11,800
Substitute Teacher	3,286	-	(3,286)	6,255	-	(6,255)	-
Transportation	-	-	-	51,312	-	(51,312)	-
Security	226	-	(226)	3,732	-	(3,732)	-
Other Educational Consultants	16,340	24,850	8,510	50,613	149,100	98,487	248,500
Total Subagreement Services	19,852	25,833	5,981	112,369	156,967	44,598	260,300
Operations & Housekeeping							
Auto and Travel	29,208	1,382	(27,826)	31,375	9,673	(21,702)	15,200
Dues & Memberships	70	550	480	1,093	4,400	3,307	6,600
Insurance	2,928	5,417	2,488	66,364	43,333	(23,031)	65,000
Utilities	1,432	3,125	1,693	14,762	25,000	10,238	37,500
Janitorial Services	2,360	13,108	10,748	84,894	104,867	19,972	157,300
Miscellaneous Expense	-	1,960	1,960	-	11,760	11,760	19,600
Communications	10,165	2,458	(7,706)	21,686	19,667	(2,020)	29,500
Postage and Shipping	92	100	8	172	600	428	1,000
Total Operations & Housekeeping	46,254	28,100	(18,154)	220,346	219,299	(1,046)	331,700
Facilities, Repairs & Other Leases							
Rent	115,786	15,000	(100,786)	273,051	120,000	(153,051)	180,000
Additional Rent	1,056	21,025	19,969	2,237	168,200	165,963	252,300
Equipment Leases	3,606	3,850	244	25,738	30,800	5,062	46,200
Other Leases	-	-	-	425	-	(425)	-
Repairs and Maintenance	1,400	9,833	8,434	38,308	78,667	40,358	118,000
Total Facilities, Repairs & Other Leases	121,848	49,708	(72,140)	339,760	397,667	57,907	596,500
Professional/Consulting Services							
IT	(7,930)	4,900	12,830	23,537	39,200	15,663	58,800
Audit & Taxes	-	-	-	5,112	15,800	10,688	15,800
Legal	30,000	592	(29,408)	41,855	4,733	(37,121)	7,100
Professional Development	800	10,590	9,790	5,017	63,540	58,523	105,900
General Consulting	51,987	53,300	1,313	209,603	319,800	110,197	533,000
Special Activities/Field Trips	205,694	83,233	(122,461)	268,334	249,700	(18,634)	249,700
Bank Charges	175	-	(175)	175	-	(175)	-
Other Taxes and Fees	3,575	-	(3,575)	8,758	-	(8,758)	-
Payroll Service Fee	10	500	490	3,085	4,000	915	6,000
Management Fee	3,478	9,309	5,832	61,453	74,474	13,022	111,711
District Oversight Fee	5,555	3,793	(1,762)	28,571	24,356	(4,215)	49,720
County Fees	750	-	(750)	1,500	-	(1,500)	-
SPED Encroachment	27,172	-	(27,172)	139,743	-	(139,743)	-
Public Relations/Recruitment	2,911	3,010	99	3,225	18,060	14,835	30,100
Scholarships	3,000	-	(3,000)	3,000	-	(3,000)	-
Total Professional/Consulting Services	327,177	169,227	(157,950)	802,967	813,664	10,697	1,167,832
Depreciation							
Depreciation Expense	1,720	1,208	(512)	8,555	9,667	1,112	14,500
Total Depreciation	1,720	1,208	(512)	8,555	9,667	1,112	14,500
Total Expenses	1,053,216	625,084	(428,132)	4,341,234	4,369,668	28,434	6,245,238
Change in Net Assets	(612,557)	(222,066)	(390,491)	(1,250,290)	(1,203,542)	(46,748)	138,278
Net Assets, Beginning of Period	(231,235)			406,499			
Net Assets, End of Period	\$ (843,791)			\$ (843,791)			

Crete Academy

Statement of Financial Position

February 29, 2024

	Current Balance	Beginning Year Balance	YTD Change	YTD % Change
Assets				
Current Assets				
Cash & Cash Equivalents	\$ 197,644	\$ 955,543	\$ (757,899)	-79%
Accounts Receivable	134,566	606,241	(471,675)	-78%
Public Funding Receivables	-	56,975	(56,975)	-100%
Prepaid Expenses	19,850	86,888	(67,038)	-77%
Total Current Assets	352,060	1,705,646	(1,353,586)	-79%
Long-Term Assets				
Property & Equipment, Net	811,098	641,971	169,127	26%
Deposits	33,806	(142)	33,948	-23985%
Total Long Term Assets	844,905	641,830	203,075	32%
Total Assets	\$ 1,196,964	\$ 2,347,475	\$ (1,150,511)	-49%
Liabilities				
Current Liabilities				
Accounts Payable	\$ (153,295)	\$ 145,351	\$ (298,645)	-205%
Accrued Liabilities	223,039	377,848	(154,809)	-41%
Deferred Revenue	1,345,249	792,016	553,233	70%
Other Current Liabilities	205,657	205,657	-	0%
Total Current Liabilities	1,620,650	1,520,872	99,779	7%
Long-Term Liabilities				
Other Long-Term Liabilities	420,105	420,105	-	0%
Total Long-Term Liabilities	420,105	420,105	-	0%
Total Liabilities	2,040,756	1,940,977	99,779	5%
Total Net Assets	(843,791)	406,499	(1,250,290)	-308%
Total Liabilities and Net Assets	\$ 1,196,964	\$ 2,347,475	\$ (1,150,511)	-49%

Crete Academy

Statement of Cash Flows

For the period ended February 29, 2024

	Month Ended 02/29/24	YTD Ended 02/29/24
Cash Flows from Operating Activities		
Change in Net Assets	\$ (612,557)	\$ (1,250,290)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,720	8,555
Decrease/(Increase) in Operating Assets:		
Public Funding Receivables	-	56,975
Grants, Contributions & Pledges Receivable	-	471,675
Prepaid Expenses	26,500	67,038
Other Assets	-	(33,948)
Accounts Payable	164,802	(298,645)
Accrued Expenses	(18,627)	(154,809)
Deferred Revenue	63,347	553,233
Purchase of Property & Equipment	(85,841)	(177,681)
Cash & Cash Equivalents, Beginning of Period	658,299	955,543
Cash and Cash Equivalents, End of Period	\$ 197,644	\$ 197,644

Crete Academy

Check Register

For the period ended February 29, 2024

Check Number	Vendor Name	Transaction Description	Check Date	Check Amount
10376	Action Creative, LLC	Headshots (make-up) Staff	2/2/2024	\$ 459.00
10377	Classroom 88	Enrichment Svcs - 01/24	2/2/2024	\$ 300.00
10378	DataMatrix	Copier Usage	2/2/2024	734.67
10379	David's Lock & Key	Maintenance and Repairs	2/2/2024	91.72
10380	First-Citizens Bank & Trust CO	Copier Lease	2/2/2024	321.03
10381	Kuoching Ngu	Consulting Svcs - 01/24	2/2/2024	1,500.00
10382	New Bethel Apotolic Church of God in Christ	Rent - 02/24	2/2/2024	1,300.00
10383	SoCalGas	Utilities - 12/14/23 - 01/16/24	2/2/2024	450.86
10384	Charter Impact LLC	Student Data Svcs - 08/23	2/9/2024	1,982.50
10385	Cintas Corp	Office Supplies	2/9/2024	1,725.68
10386	Garza Industries, Inc	Office Supplies	2/9/2024	429.27
10387	Playworks Education Energized	Enrichment Svcs	2/9/2024	9,500.00
10388	Powerschool Group LLC	License (165)	2/9/2024	7,481.75
10389	Republic Services #902	Trash Svcs - 02/01/24 - 02/29/24	2/9/2024	1,065.85
10390	The Fruitguys LLC	Food Svcs - 01/24	2/9/2024	2,204.00
10391	Wells Fargo Vendor Financial Services, LLC	Copier Lease - 01/13/24 - 02/12/24	2/9/2024	283.34
10392	Bobbie Hudgins	Enrichment Svcs - 02/24	2/16/2024	2,250.00
10393	Charter Impact LLC	Student Data Svcs - 09/23	2/16/2024	1,495.00
10394	Garza Industries, Inc	Office Supplies	2/16/2024	287.39
10395	Kuoching Ngu	Consulting Svcs - 01/24 - 02/24	2/16/2024	1,750.00
10396	Pa'Cjon Smith LCSW PPSC	Supervision with MSW intern - 10/23 - 01/24	2/16/2024	2,000.00
10397	Scoot Education Inc	Client Analysis Fee	2/16/2024	1,684.31
10398	Worthy Beyond Purpose Inc.	Enrichment Svcs	2/16/2024	1,600.00
10399	Classroom 88	Enrichment Svcs - 01/24 - 02/24	2/29/2024	500.00
10400	Marlin Leasing Corporation	Copier Lease	2/29/2024	103.09
10401	Charter Communications	Communication Svcs - 02/01/24 - 02/29/24	2/29/2024	699.00
10402	Maria De Los Angeles Hernandez	Face Painting 10/21/23	2/29/2024	150.00
193	St. Pius X - St. Matthias Academy	Academic Scholarship	2/29/2024	3,000.00
198	Confidential	Confidential	2/29/2024	1,234.51
199	Confidential	Confidential	2/29/2024	3,000.00
201	Confidential	Confidential	2/29/2024	4,040.31
202	Confidential	Confidential	2/29/2024	3,485.16
203	Confidential	Confidential	2/29/2024	20,000.00
204	Confidential	Confidential	2/29/2024	2,559.38
205	Confidential	Confidential	2/29/2024	20,000.00
211	Confidential	Confidential	2/29/2024	100.00
212	Confidential	Confidential	2/29/2024	100.00
213	Confidential	Confidential	2/29/2024	100.00
ACH	Rippling Payments Inc	Rippling - 01/14/2024 - 02/13/2024	2/29/2024	30,000.00
ACH	Teqlease, Inc	Security Equipment	2/1/2024	158.56
ACH	Merch	Merch Fee	2/1/2024	164.99
ACH	TASC	Health and Dependent Care	2/12/2024	62.50
ACH	Wellls Fargo	Well Fargo CC	2/12/2024	15,000.00
ACH	Wellls Fargo	Wells Fargo CC	2/13/2024	26,511.20
ACH	Home Depot Commercial Revolve Card	Home Depot CC	2/15/2024	5,651.71
ACH	Rippling Payments Inc	Rippling - 01/14/2024 - 02/13/2024	2/15/2024	47,656.10
ACH	City National Online	Bank Analysis Fees	2/16/2024	5.00
ACH	Lakeland Tours LLC	World Stride - Japan Trip	2/16/2024	119,338.00
ACH	City National Online	Bank Fees	2/16/2024	35.00
ACH	LADWP	Utilities	2/21/2024	755.94
ACH	City National Online	Overdraft fees	2/23/2024	25.00
ACH	City National Online	Overdraft fees #10389	2/23/2024	25.00
ACH	City National Online	Overdraft fees #10395	2/23/2024	25.00
ACH	City National Online	Overdraft fees #10397	2/23/2024	25.00
ACH	TASC	Participant Fee	2/26/2024	35.00
ACH	American Express	AMEX CC - 02/24	2/26/2024	9,819.66
ACH	TASC	Health and Dependent Care	2/27/2024	62.50
ACH	City National Online	Bank Fees	2/29/2024	35.00
ACH	TASC	Participant Fee	2/29/2024	35.00

Total Disbursements Issued in February \$ 355,358.98

Crete Academy

Accounts Payable Aging

February 29, 2024

Vendor Name	Invoice/Credit Number	Invoice Date	Date Due	Current	1 - 30 Days Past Due	31 - 60 Days Past Due	61 - 90 Days Past Due	Over 90 Days Past Due	Total
4717 Crenshaw Blvd LLC	CREN030124	3/1/2024	3/1/2024	\$ 2,650	\$ -	\$ -	\$ -	\$ -	\$ 2,650
Archdiocese of Los Angeles	ARCH030124	3/1/2024	3/1/2024	15,000	-	-	-	-	15,000
DataMatrix	72685	2/15/2024	3/16/2024	2,005	-	-	-	-	2,005
David Tokofsky Consulting	1750	2/11/2024	3/12/2024	1,300	-	-	-	-	1,300
David Tokofsky Consulting	1751	2/11/2024	3/12/2024	1,300	-	-	-	-	1,300
David Tokofsky Consulting	1752	2/11/2024	3/12/2024	1,300	-	-	-	-	1,300
Kuoching Ngu	18	2/6/2024	3/7/2024	1,750	-	-	-	-	1,750
New Bethel Apotolic Church of God in Christi	BETH030124	3/1/2024	3/1/2024	1,300	-	-	-	-	1,300
Regional Employee Benefits Council	180-012024D	12/5/2023	1/1/2024	-	-	2,895	-	-	2,895
Regional Employee Benefits Council	180-022024D	1/5/2024	2/1/2024	-	2,140	-	-	-	2,140
Scoot Education Inc	66758	2/14/2024	2/21/2024	-	3,080	-	-	-	3,080
Scoot Education Inc	67740	2/14/2024	2/21/2024	-	206	-	-	-	206
Total Outstanding Invoices				\$ 26,605	\$ 5,426	\$ 2,895	\$ -	\$ -	\$ 34,926

Crete Academy
60-Day Compliance Calendar
February 29, 2024

Area	Due Date	Description	Completed By	Board Must Approve	Signature Required	Additional Information
FINANCE	Mar-01	Every Student Succeeds Act Per-Pupil Expenditure Application -The Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act (ESSA), requires state educational agencies (SEAs) and their local educational agencies (LEAs) to prepare and publish annual report cards that contain specified data elements, including LEA and school-level per-pupil expenditures (PPE).	Charter Impact	No	No	https://www3.cde.ca.gov/essars
FINANCE	Mar-01	Prop 39 (facilities) - Deadline for a charter school to respond to a district's preliminary Proposition 39 proposal.	Crete	No	Yes	https://www.cde.ca.gov/sp/cs/as/proposition39.asp
FINANCE	Mar-15	2nd Interim Financial Report - Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second is due March 15 for the period ending January 31	Charter Impact	Yes	Yes	https://www.cde.ca.gov/fg/fi/ir/interimstatus.asp
DATA	Mar-15	CALPADS - Fall 2 deadline - Please be mindful that Level-2 certification within CALPADS means that these data have been reviewed and approved by your superintendent or IRC administrator. Failure to properly review and amend these data in CALPADS within the allotted amendment window will result in the improper certification of official Fall 2 data within CALPADS, which can impact a number of things, including LCFF funding, student course enrollments, staff assignments and English learner education services. Students' course enrollments, teacher course assignments, staff job assignments, FTE count and English Learner education services are reported datasets.	Charter Impact submits with data provided by Crete	No	No	https://www.cde.ca.gov/ds/sp/cl/rptcalendar.asp
FINANCE	Mar-17	Audit Firm Selection - In accordance with Education Code (EC) Section 41020 (b) (3), if the governing board of a Local Educational Agency (LEA) does not have an audit contract in place by April 1, the County Superintendent of Schools, having jurisdiction over the LEA, shall provide for the audit and charge the LEA's fund for the cost incurred.	Crete	Yes	No	https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=41020.&lawCode=EDC
DATA	Mar-18	CRDC - 2023-24 Submission Window (Dec 11, 2023-Mar 18, 2024) - The CRDC collects key information on civil rights indicators, including student enrollment and educational programs and services, most of which is disaggregated by race and ethnicity, sex, limited English proficiency, and disability status.	Crete	No	No	https://crdc.communities.ed.gov/#program
FINANCE	Mar-27	E-Rate FCC Form 471 Due date (FY2024) - To apply for program discounts, applicants file an FCC Form 471 in EPC to provide USAC with information about the services they are requesting and the discount(s) for which they are eligible.	Crete	No	No	https://www.usac.org/sl/tools/forms/
FINANCE	Apr-01	File a Form 700 - Statement of Economic Interests (SEI) : The requirement is part of the Political Reform Act enacted in 1974, which was passed by California voters to promote integrity in state and local government by helping agency decision makers avoid conflicts between their personal interests and official duties. Depending on your local authorizer's conflict of interest policies, certain charter school officers and employees may be required to file Statements of Economic Interest with a filing officer by the April 1 deadline.	Crete	Yes	Yes	https://www.fppc.ca.gov/Form700.html
FINANCE	Apr-05	Year 4 ESSER and GEER Annual Reporting - The Year 4 ESSER and GEER Annual Reports are applicable to activities and expenditures that occurred July 1, 2022 – June 30, 2023. Local educational agencies (LEAs) are required to report to the California Department of Education (CDE) on funds received through the CARES Act, the CRRSA Act, and the ARP. (ESSER I, GEER, ESSER II, ESSER III). Year 4 Annual Reporting is scheduled to open March 6, 2024, and close April 5, 2024.	Crete with Charter Impact support	No	No	https://www.cde.ca.gov/fg/cr/anreporhelp.asp
FINANCE	Apr-12	Federal Stimulus Reporting - Local educational agencies (LEAs) are required to report to the California Department of Education (CDE) on funds received through the CARES Act, the CRRSA Act, and the ARP. (ESSER I, GEER, ESSER II, ESSER III). LEAs are required to report status of funds for the period January 1, 2024- March 31, 2024.	Charter Impact with Crete support	No	No	https://www.cde.ca.gov/fg/cr/reporting.asp
FINANCE	Apr-30	Federal Cash Management - Period 4 - The Title I, Part A; Title I, Part D, Subpart 2; Title II, Part A; Title III LEP; Title III Immigrant; and Title IV programs under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the ESSA, will utilize the Federal Cash Management program. Charter schools that are awarded a grant under any of these programs must submit the CMDC report for a particular quarter in order to receive an apportionment for that quarter; CDE will apportion funds to LEAs whose cash balance is below a certain threshold.	Charter Impact	No	No	https://www.cde.ca.gov/fg/aa/cm/



CRETE ACADEMY

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2023**

**A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOL**

Crete Academy (Charter No. 1854)

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Crete Academy
Los Angeles, California

Report on the Financial Statements**Opinion**

We have audited the accompanying financial statements of Crete Academy which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 1N to the financial statements, in 2022-23 Crete Academy adopted new accounting guidance, ASU No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

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; this includes 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 Crete Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

- Exercise professional judgement 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 Crete Academy'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crete Academy'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 supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024, on our consideration of Crete Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crete Academy'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 Crete Academy's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
February 15, 2024

CRETE ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

Current assets	
Cash and cash equivalents	\$ 955,542
Accounts receivable	631,228
Prepaid expenses	50,257
Total current assets	<u>1,637,027</u>

Noncurrent assets	
Right-of-use asset	610,268
Capital assets, net	45,203
Total noncurrent assets	<u>655,471</u>
Total Assets	<u>\$ 2,292,498</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 482,635
Operating lease liability	604,623
Deferred revenue	860,552
Loans payable	31,220
Total liabilities	<u>1,979,030</u>

Net assets	
Without donor restrictions	313,468
Total net assets	<u>313,468</u>
Total Liabilities and Net Assets	<u>\$ 2,292,498</u>

The notes to the financial statements are an integral part of this statement.

**CRETE ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUES	
Federal and state support and revenues	
Local control funding formula, state aid	\$ 2,954,634
Federal revenues	422,877
Other state revenues	747,029
Total federal and state support and revenues	<u>4,124,540</u>
Local support and revenues	
Payments in lieu of property taxes	1,019,177
Grants and donations	180,500
Investment income, net	2,339
Other local revenues	54,630
Total local support and revenues	<u>1,256,646</u>
Total Support and Revenues	<u>5,381,186</u>
EXPENSES	
Program services	5,704,296
Management and general	597,139
Total Expenses	<u>6,301,435</u>
CHANGE IN NET ASSETS	(920,249)
Net Assets - Beginning	<u>1,233,717</u>
Net Assets - Ending	<u>\$ 313,468</u>

The notes to the financial statements are an integral part of this statement.

CRETE ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

EXPENSES	Program Services	Management and General	Total
Personnel expenses			
Certificated salaries	\$ 1,692,130	\$ 168,376	\$ 1,860,506
Non-certificated salaries	732,611	110,003	842,614
Payroll taxes	194,696	22,352	217,048
Other employee benefits	208,645	21,315	229,960
Total personnel expenses	<u>2,828,082</u>	<u>322,046</u>	<u>3,150,128</u>
Non-personnel expenses			
Books and supplies	678,456	19,476	697,932
Insurance	41,386	4,751	46,137
Facilities	626,539	71,030	697,569
Professional services	1,289,439	130,414	1,419,853
Depreciation	-	10,655	10,655
Fees to authorizing agency	229,683	4,087	233,770
Other operating expenses	10,711	34,680	45,391
Total non-personnel expenses	<u>2,876,214</u>	<u>275,093</u>	<u>3,151,307</u>
Total Expenses	<u>\$ 5,704,296</u>	<u>\$ 597,139</u>	<u>\$ 6,301,435</u>

The notes to the financial statements are an integral part of this statement.

CRETE ACADEMY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (920,249)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	10,655
Lease expense - amortization of right-of-use asset	(5,645)
(Increase) decrease in operating assets	
Accounts receivable	60,204
Prepaid expenses	(17,912)
Security deposits	2,000
Increase (decrease) in operating liabilities	
Accounts payable	386,324
Deferred revenue	568,495
Net cash provided by (used in) operating activities	<u>83,872</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	<u>(33,536)</u>
Net cash provided by (used in) investing activities	<u>(33,536)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net activity on line of credit	<u>10,080</u>
Net cash provided by (used in) financing activities	<u>10,080</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,416
Cash and cash equivalents - Beginning	<u>895,126</u>
Cash and cash equivalents - Ending	<u>\$ 955,542</u>
SUPPLEMENTAL DISCLOSURE	
Cash paid for interest	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**CRETE ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Crete Academy (the “Charter”) was formed as a nonprofit public benefit corporation on April 28, 2016 for the purpose of operating as a California public school located in Los Angeles, California. The Charter was numbered by the State Board of Education in March 2017 as California Charter No. 1854. Crete Academy’s mission is to deliver an educational program to students who are homeless, living in poverty, that will meet their physical, mental and emotional needs, while developing strong character and critical thinking skills so that each child is prepared for college and beyond. Classes began in August 2017 for students in grades transitional kindergarten through sixth.

Crete Academy is authorized to operate as a charter school through the Los Angeles Unified School District (the “authorizing agency” or “LAUSD”). On November 15, 2016, the Board of Directors of LAUSD approved a charter petition for the Charter for a five-year term beginning July 1, 2017 and expiring on June 30, 2022. Due to AB 130 and SB 114, the current charter petition end date is extended to June 30, 2025. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

B. Basis of Accounting

The Charter’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

C. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective July 1, 2018. Under the Guide, Crete Academy is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As a public charter school, Crete Academy also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is not used in the Charter’s financial statement presentation.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management’s estimates.

F. Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

G. In Lieu of Property Tax Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes payments to Crete Academy. Revenues are recognized by the Charter when earned.

H. Cash and Investments

Crete Academy considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents. The Charter’s method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

I. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management’s judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Charter establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2023, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

Crete Academy has adopted a policy to capitalize asset purchases over \$2,500. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

K. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

L. Income Taxes

Crete Academy is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Charter is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a school, the Charter is not required to register with the California Attorney General as a charity.

The Charter's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Charter's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

M. Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

N. Change in Accounting Principle

ASC 842 Leases

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The objective of the ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. The new FASB ASU topic on leases consists of five subtopics: overall, lessee, lessor, sale and leaseback transactions, and leveraged lease arrangements. ASU No. 2016-02 is applicable to any entity that enters into a lease. The new lease standard is effective for private nonprofits with fiscal years beginning after December 15, 2021.

CRETE ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Change in Accounting Principle (continued)

ASC 842 Leases (continued)

Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee’s right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

The Charter has determined the impact and has reflected the significant change from this accounting principle within its financial statements for the 2022-23 fiscal year. Refer to Note 6 for additional information regarding the operating leases and the related right-of-use asset and operating lease liability held by the Charter.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023, consists of the following:

Cash in banks, interest bearing	\$ 553,453
Cash in banks, non-interest bearing	402,089
Total Cash and Cash Equivalents	<u>\$ 955,542</u>

Cash in Banks

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, an organization’s deposits may not be returned to it. Crete Academy does not have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank. As of June 30, 2023, \$923,041 of Crete Academy’s bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts at City National Bank.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2023, consists of the following:

Local control funding sources, state aid	\$ 358,732
Federal sources	53,418
Other state sources	151,811
In lieu property tax payments	64,145
Other local sources	3,122
Total Accounts Receivable	<u>\$ 631,228</u>

CRETE ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023

NOTE 4 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2023 consists of the following:

	July 1, 2022	Additions	Disposals	June 30, 2023
Property and equipment				
Leasehold improvements	\$ 39,991	\$ 15,487	\$ -	\$ 55,478
Furniture and fixtures	32,420	13,414	-	45,834
Computer equipment	15,370	4,635	-	20,005
Transportation equipment	84,248	-	-	84,248
Total property and equipment	172,029	33,536	-	205,565
Less accumulated depreciation	(149,707)	(10,655)	-	(160,362)
Capital Assets, net	\$ 22,322	\$ 22,881	\$ -	\$ 45,203

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2023, consists of the following:

Salaries and benefits	\$ 281,230
Vendor payables	137,564
Due to grantor government	63,841
Total Accounts Payable	\$ 482,635

NOTE 6 – OPERATING LEASES

On July 12, 2018, Crete Academy entered into a lease agreement to occupy space located at 6103 Crenshaw Boulevard in Los Angeles, California. The facility is utilized by the Charter for instructional services in order to meet the educational goals established by the Charter. The Charter has entered into lease amendments to extend the term of the lease. The lease is currently expected to end on July 31, 2026. The Charter also holds lease agreements for use of equipment with terms ending in July and August 2027. At June 30, 2023, the right-of-use asset was \$610,268 and the operating lease liability was \$604,623. The associated asset and liability are amortized over the straight-line basis over the term of the lease as follows:

Fiscal Year Ending June 30,	Operating Lease Liability	Right-of-Use Asset
2024	\$ 186,215	\$ 192,571
2025	194,466	192,571
2026	203,879	192,571
2027	22,754	21,746
2028	767	767
Prepaid rent	-	13,500
Subtotal	608,081	613,726
NPV adjustment	(3,458)	(3,458)
Total	\$ 604,623	\$ 610,268

CRETE ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023

NOTE 7 – DEFERRED REVENUE

Deferred revenue as of June 30, 2023, consists of conditional contributions from the following:

Federal sources	\$ 1,408
State sources	784,144
Local sources	75,000
Total Deferred Revenue	<u>\$ 860,552</u>

NOTE 8 – LOANS PAYABLE

Line of Credit

In June 2019, the Charter was approved for a line of credit of \$75,000 with Wells Fargo financial institution. During the fiscal year ended June 30, 2023, the Charter had a net increase in the balance of \$10,080. As of June 30, 2023, the liability associated with the line of credit was \$31,220.

NOTE 9 – NET ASSETS

As of June 30, 2023, the Charter did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Charter. At June 30, 2023, the Charter’s net assets without donor restrictions consist of the following:

Net investment in capital assets	\$ 45,203
Undesignated	268,265
Total Net Assets without Donor Restrictions	<u>\$ 313,468</u>

In accordance with Crete Academy’s charter petition with the Los Angeles Unified School District, the Charter is required to maintain cash reserves equal to five percent of total expenditures.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Charter’s financial assets as of June 30, 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others, or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action. Crete Academy maintains a line of credit (as mentioned in Note 8) which has been drawn upon to ensure financial assets are available as general expenditures and other obligations become due.

Financial Assets	
Cash and cash equivalents	\$ 955,542
Accounts receivable	631,228
Prepaid expenses	50,257
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	<u>(860,552)</u>
Financial Assets available to meet cash needs for expenditures within one year	<u>\$ 776,475</u>

CRETE ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023

NOTE 11 – EMPLOYEE RETIREMENT PLANS

In accordance with *California Education Code* 47605, charter schools have the option of participating in certain multiple-employer defined benefit pension plans maintained by agencies of the State of California if an election to participate is specified within the charter petition. Within the current charter petition, the Charter has not made the election and therefore, does not participate in the California State Teachers' Retirement System (CalSTRS) or the California Public Employees' Retirement System (CalPERS) pension programs. The Charter retains the option to elect to participate in CalSTRS at a future date.

As established by federal law, all public-sector employees must be covered by social security or an alternative plan if an existing employer retirement plan such as CalSTRS and CalPERS is not available. The Charter offers both social security and a 403(b) employee funded plan. All employees are covered by Medicare and social security and all full-time employees are eligible to participate in the 403(b) plan. A participant of the 403(b) plan may make an election to defer compensation and have it contributed to this plan.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, Crete Academy is approved to operate as a public charter school through authorization by the Los Angeles Unified School District. As such, the Charter is subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

On July 9, 2021, the Governor of California approved Assembly Bill 130 (AB 130). Effective July 1, 2021, AB 130 added a provision within the California Education Code whereby all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years. As a result, the charter petition end date was extended to June 30, 2024. Refer to Note 15 regarding an additional one-year extension.

The Charter makes payments to the authorizing agency, LAUSD, to provide required services for special education and other purchased services in addition to fees for oversight. Total fees for oversight amounted to \$39,682 and total payments for special education and other services amounted to \$194,088 for the fiscal year ending June 30, 2023.

Governmental Funds

Crete Academy 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 expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

Pending or Threatened Litigation

The Charter could become involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Charter as of June 30, 2023.

NOTE 13 – INTERESTED PARTIES

The Executive Director and Founder, Hattie Arrington Mitchell, is married to the Chief Business Officer and Co-Founder, Brett Mitchell.

The Charter banks with City National Bank and board member, Bryan Gonzalez, was the AVP Relations Manager for City National Bank until October 2023.

CRETE ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023

NOTE 14 – DONATED GOODS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Crete Academy in an effort to advance the Charter’s programs and objectives. These services have not been recorded in the Charter’s financial statements because they do not meet the criteria required by generally accepted accounting principles. The Charter did not receive any donated items during the fiscal year ended June 30, 2023.

NOTE 15 – SUBSEQUENT EVENTS

Crete Academy has evaluated subsequent events for the period from June 30, 2023 through February 15, 2024 the date the financial statements were available to be issued.

On July 10, 2023, the Governor of California approved Senate Bill 114 (SB 114), which amended California Education Code (EC) 47607.4. The EC was amended to add “all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year.” As a result, the charter petition end date is extended to June 30, 2025.

Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

CRETE ACADEMY
LEA ORGANIZATION STRUCTURE
JUNE 30, 2023

Crete Academy, located in Los Angeles, California, was formed as a nonprofit public benefit corporation on April 28, 2016 and numbered by the State Board of Education in March 2017 as Charter No. 1854. The Charter is authorized by the Los Angeles Unified School District. Classes began in August 2017 for grades TK through 6. During 2022-23, the Charter served approximately 330 students in grades TK to 6.

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
Joss Tillard Gates	Interim Board President	February 2024
Ursula Worsham, Ed.D.	Secretary	January 2024
Lataysia Starks	Member	August 2023
Dr. Reginald Austin	Member	August 2023
Bryan Gonzalez	Member	August 2023
Marina Samson, JD	Member	February 2024
Yusef Alexander	Member	February 2024

ADMINISTRATION

Hattie Mitchell
Executive Director

Brett Mitchell
Chief Business Officer

**CRETE ACADEMY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	Second Period Report	Second Period Report After Audit Finding Adjustments**	Annual Report	Annual Report After Audit Finding Adjustments**
Classroom-Based				
Grade Span				
Regular				
Kindergarten* through third	160.41	176.36	174.81	179.27
Fourth through sixth	117.15	117.83	119.87	119.07
Total Average Daily Attendance - Classroom-Based	277.56	294.19	294.68	298.34
Nonclassroom-Based				
Grade Span				
Regular				
Kindergarten* through third	9.42	-	-	-
Fourth through sixth	3.58	-	-	-
Total Average Daily Attendance - Nonclassroom-Based	13.00	-	-	-
Total Average Daily Attendance	290.56	294.19	294.68	298.34

*Includes Transitional Kindergarten (TK)

**Refer to Finding 2023-002 regarding attendance reporting.

**CRETE ACADEMY
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2023**

Grade Level	Minutes Requirement	2022-23 Instructional Minutes	2022-23 Number of Days	Status
Kindergarten*	36,000	47,250	175	Complied
Grade 1	50,400	57,750	175	Complied
Grade 2	50,400	57,750	175	Complied
Grade 3	50,400	57,750	175	Complied
Grade 4	54,000	63,000	175	Complied
Grade 5	54,000	63,000	175	Complied
Grade 6	54,000	63,000	175	Complied

*Includes Transitional Kindergarten (TK)

CRETE ACADEMY
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

June 30, 2023, net position in the Charter Schools Enterprise Fund per Annual Financial and Budget Report (Unaudited Actuals)	<u>\$ 758,154</u>
Adjustments:	
Increase (decrease) in total net assets:	
Client closing adjustments after UA reporting	(343,801)
Reduction of state revenues and related receivables	(32,676)
Reduction of federal revenue and related receivable	(37,365)
Record current period expenses and reduce prepaid expenses	(22,989)
Record lease expense for implementation of FASB ASC 842	<u>(7,855)</u>
Net adjustments	<u>(444,686)</u>
June 30, 2023, net assets per audited financial statements	<u>\$ 313,468</u>

NOTE 1 – PURPOSE OF SCHEDULES

A. LEA Organization Structure

This schedule provides information about the local education agency (LEA or charter school), including the Charter's authorizing agency, grades served, members of the governing body, and members of the administration.

B. Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. 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 and in different programs.

C. Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the Crete Academy and whether the Charter complied with the provisions of *Education Code Section 47612.5*.

D. Reconciliation of Annual Financial and Budget Report (Unaudited Actuals) with Audited Financial Statements

This schedule provides the information necessary to reconcile net position for the Charter Schools Enterprise Fund reported on the Annual and Financial Budget Report (Unaudited Actuals) to net assets on the audited financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

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

To the Board of Directors of
Crete Academy
Los Angeles, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Crete Academy (the "Charter") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter's basic financial statements and have issued our report thereon dated February 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter'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 Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter'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*.

Crete Academy's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Crete Academy's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs as the corrective action plan. The Charter's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Charter'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 Charter's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 15, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

To the Board of Directors of
Crete Academy
Los Angeles, California

Report on State Compliance**Opinion on State Compliance**

We have audited Crete Academy's compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Crete Academy's state program requirements for the fiscal year ended June 30, 2023.

In our opinion, Crete Academy complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2023. as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Crete Academy and to meet certain 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 on state compliance. Our audit does not provide a legal determination of Crete Academy'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 internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Crete Academy's state programs.

Auditor's Responsibilities for the Audit for State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Crete Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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.

Auditor’s Responsibilities for the Audit for State Compliance (continued)

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the report on compliance about Crete Academy’s compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgement 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 Crete Academy’s compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Crete Academy’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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Crete Academy’s internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine Crete Academy’s compliance with the state laws and regulations to the following items:

Description	Procedures Performed
School Districts, County Offices of Education and Charter Schools	
California Clean Energy Jobs Act	Not applicable
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not applicable

“Not applicable” is used in the table above to indicate that the Charter either did not receive program funding or did not otherwise operate the program during the fiscal year.

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 or material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the K-12 Audit Guide and which are described in the accompanying schedule of findings and questioned costs as Finding 2023-002. Our opinion on state compliance is not modified with respect to these matters.

Other Matters (continued)

Government Auditing Standards requires the auditor to perform limited procedures on Crete Academy's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs as the corrective action plan. Crete Academy's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section 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. 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 15, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CRETE ACADEMY
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2023**

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

The Charter did not expend more than \$750,000 in federal awards; therefore, a Federal Single Audit under OMB Uniform Grant Guidance is not applicable.

State Awards

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2022-23 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

All audit year findings, if any, are assigned an appropriate finding code as follows:

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

**CRETE ACADEMY
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING 2023-001: YEAR-END FINANCIAL CLOSING PROCESS (30000)

Criteria: The year-end financial closing process should include timely review of financial information and supporting schedules to properly record all transactions in accordance with GAAP.

Condition: There was a delay in the year-end financial closing process that created the need for several adjustments recorded after reporting of the unaudited actuals for the 2022-23 fiscal year. The Charter worked with a consultant to evaluate and provide entries for proper implementation of the new lease standard (FASB ASC 842); however, no adjustments were made to the financial statements provided for audit. Other audit adjustments were needed to correct accounts for revenues, expenses, receivables, deferred revenues, and prepaid expenses.

Cause: There was a mid-year change in consultants for business services as well as a direct change in general ledger accounting software that created irregularities. Implementation of the new lease standard required additional time to work with a consultant.

Effect: Material misstatements in the financial statements could exist.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend ensuring a timely financial closing process that allows for adequate review of transactions to prevent any financial reporting misstatements.

Corrective Action Plan: With regards to the lease implementation, Crete Academy will work closely with the back office to ensure the lease implementation requirement is met at least 72 hours prior to the due date. Furthermore, upon receiving the monthly financial package from the back office and upon completion of the Lease Implementation, Crete Academy staff will communicate with the back office provider, the expectation to have the Lease Implementation included in the financial system and therefore, associated financial documents. Crete Academy staff will then verify that the back office has uploaded the Lease information to their financial system and that the auditors have this information to conduct their financial review.

Crete Academy will continue to rely on its internal documentation and reporting of financial transactions, so that in the event of a change in back office providers and/or should the need to rely on the school level documentation should arise, the staff have the proper documentation to use. The system used in electronic and the staff at Crete on how to submit their evidence properly for documentation.

**CRETE ACADEMY
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING 2023-002: ATTENDANCE REPORTING (10000)

Criteria: In accordance with Title 5, *California Code of Regulations*, Section 11960, regular average daily attendance (ADA) shall be computed by dividing a charter school’s total number of pupil-days of attendance by the number of calendar days on which school was actually taught in the charter school. The second period (P-2) and annual period attendance reports submitted to the California Department of Education (CDE) should reconcile to the supporting documents that support the charter school’s ADA in accordance with California Education Code Section 46000 et seq.

Condition: Based on procedures performed over attendance reporting, we noted that the ADA reported on the P-2 and Annual attendance reports did not agree to the underlying attendance data within the student information system utilized for attendance accounting. Per inquiry, no long-term independent study was offered yet nonclassroom-based instruction was reported on only the P-2 attendance report, which was done in error.

Effect: The Charter is not in compliance with reporting of accurate attendance data. ADA was inaccurately reported.

ADA Impact: The impact on ADA is noted below by reporting period:

Grade Span	P-2 ADA			Annual ADA		
	Original	Adjusted	Difference	Original	Adjusted	Difference
TK/K - 3	169.83	176.36	6.53	174.81	179.27	4.46
4 - 6	120.73	117.83	(2.90)	119.87	119.07	(0.80)
Total	290.56	294.19	3.63	294.68	298.34	3.66

Cause: Attendance data was updated in the student information system and was not communicated to personnel responsible for attendance reporting.

Questioned Cost: The fiscal impact is \$54,190 due to the Charter, as calculated based on P-2 ADA in the table below:

Grade Span	TK/K - 3	4 - 6
Difference in P-2 ADA	6.53	(2.90)
Derived value of ADA by grade span	\$ 14,025.79	\$ 12,896.13
LCFF penalty for ADA reduction	\$ 91,588	\$ (37,399)
Total fiscal impact		\$ 54,190

There is no questioned cost related to the reporting discrepancies noted for the Annual attendance report since the Charter is not funded on Annual ADA. The Charter’s P-2 and Annual attendance reports have not yet been revised to reflect the adjusted P-2 and adjusted Annual ADA listed on the Schedule of Average Daily Attendance.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that procedures be established to communicate any attendance changes to personnel responsible for attendance reporting to ensure that accurate data is reported to the CDE on the P-2 and Annual attendance reports or to determine if any corrected attendance reports are necessary based on the revised data.

Corrective Action Plan: Crete Academy will reconcile all quarterly ADA submission reports, before finalizing the Annual report for submission to the authorizer. Additionally, as a way to identify any discrepancies before the annual attendance reporting is due, Crete Academy will work with the auditors on the mid-year review, to specifically review prior attendance submissions for accuracy. Any discrepancies will be noted, reviewed, discussed and addressed to avoid incongruencies between the quarterly attendance submissions and our annual submission.

**CRETE ACADEMY
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

This schedule presents the status of actions taken by the Charter on each of the findings and recommendations reported in the prior year audit; however, there were no audit findings reported in the year ended June 30, 2022.