SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
Charter School Number: 0337

FINANCIAL STATEMENTS
June 30, 2023

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
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FINANCIAL SECTION

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Governing Council of
Santa Ynez Valley Charter School, Inc.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Santa Ynez Valley Charter School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to financial statements.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting,* prescribed by Title 5, *California Code of Regulations,* Section 19810. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Santa Ynez Valley Charter School, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Santa Ynez Valley Charter School, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Santa Ynez Valley Charter School, Inc.'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 performed for the purpose of forming an opinion on the financial statements that collectively comprise the Santa Ynez Valley Charter School, Inc.'s basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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 a report dated November 28, 2023, on our consideration of Santa Ynez Valley Charter School, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Moss, Levy & Hartzheim LLP

Santa Maria, California
November 28, 2023

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:			
Cash with County Treasury	$ 258,491	$ 324,423	$ 582,914
Cash in bank	422,428		422,428
Accounts receivable	37,289	4,770	42,059
Total current assets	718,208	329,193	1,047,401
Fixed Assets:			
Equipment	6,701		6,701
Improvements	80,003		80,003
Fixtures	12,915		12,915
Less: accumulated depreciation	(58,091)		(58,091)
Net fixed assets	41,528		41,528
Total assets	$ 759,736	$ 329,193	$ 1,088,929
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	$ 388,040	$ -	$ 388,040
Total current liabilities	388,040		388,040
Net Assets:			
Without donor restrictions			
Designated for student council	10,140		10,140
Undesignated	361,556		361,556
With donor restrictions			
Programs		329,193	329,193
Total net assets	371,696	329,193	700,889
Total liabilities and net assets	$ 759,736	$ 329,193	$ 1,088,929

The accompanying notes are an integral part of these financial statements

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
LCFF sources	$ 1,627,345	$ -	$ 1,627,345
State sources	134,836	168,264	303,100
Local sources	136,353		136,353
Federal sources	9,435		9,435
Student council	8,650		8,650
Investment loss	(16,614)		(16,614)
Fundraising	108,935		108,935
Donor restricted net assets released from restrictions:			
Satisfaction of purpose restrictions	106,704	(106,704)	
Total revenues, gains, and other support	2,115,644	61,560	2,177,204
Expenses and Losses:			
Program Services:			
Education	1,946,519		1,946,519
Student council	15,619		15,619
General and administrative	144,482		144,482
Fundraising	26,625		26,625
Total expenses and losses	2,133,245		2,133,245
Increase (decrease) in net assets	(17,601)	61,560	43,959
Net assets, beginning of fiscal year	389,297	267,633	656,930
Net assets, end of fiscal year	$ 371,696	$ 329,193	$ 700,889

The accompanying notes are an integral part of these financial statements

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Program Services		General and		
	Education	Student Council	Administrative	Fundraising	Total
Teachers' salaries	$ 849,013	$ -	$ -	$ -	$ 849,013
Instruction aides	183,755				183,755
Clerical salaries			36,197		36,197
Benefits	376,309				376,309
Materials and supplies	122,248		10,835		133,083
Travel and conferences			13,104		13,104
Insurance			12,714		12,714
Operating and housekeeping			18,395		18,395
Rent/leases/maintenance	6,035		44,989		51,024
Fundraising		15,619		26,625	42,244
Professional/consulting services	406,973		8,248		415,221
Depreciation	2,186				2,186
Total expenses	$ 1,946,519	$ 15,619	$ 144,482	$ 26,625	$ 2,133,245

The accompanying notes are an integral part of these financial statements

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:			
Increase (decrease) in net assets	$ (17,601)	$ 61,560	$ 43,959
Adjustments to Reconcile Increase (decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Depreciation	2,186		2,186
(Increase) Decrease in Operating Assets:			
Accounts receivable	1,358	5,629	6,987
Increase (Decrease) in Operating Liabilities:			
Accounts payable	318,615		318,615
Net cash provided (used) by operating activities	304,558	67,189	371,747
Cash flows from Investing Activities:			
Purchases of fixed assets	(43,714)		(43,714)
Net cash (used) by financing activities	(43,714)		(43,714)
Net increase in cash and cash equivalents	260,844	67,189	328,033
Cash and cash equivalents at July 1	420,075	257,234	677,309
Cash and cash equivalents at June 30	$ 680,919	$ 324,423	$ 1,005,342
Reconciliation to Statement of Financial Position:			
Cash in bank	$ 422,428	$ -	$ 422,428
Cash with County Treasury	258,491	324,423	582,914
	$ 680,919	$ 324,423	$ 1,005,342

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Santa Ynez Valley Charter School, Inc. (the Organization) was incorporated on June 30, 2000, as the Santa Ynez Valley Charter School, Inc. This Organization is organized and operated exclusively for charitable, literary, or educational purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986. The Santa Ynez Valley Charter School, Inc. (hereafter called SYVCS) was founded to work collaboratively to create a supportive, innovative, and academically challenging education environment that nurtures its students and prepares them for high school through close curricular articulation. The SYVCS will also emphasize preparation of its students for a successful and rewarding future by developing both academic and nonacademic skills, including community involvement and social skills. It is the vision of SYVCS to create a public school of choice, in which participants can enjoy the benefits of a small learning community that is enhanced by the educational, administrative, and budgetary flexibility afforded by the Charter School Law.

B. Basis of Presentation

The accounts of the Organization are maintained and these financial statements are presented on the accrual basis of accounting.

C. Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

D. Financial Statements Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

E. Contributions

Contributions received are recorded as without donor restriction or with donor restrictions, depending on the existence and/or nature of any donor restriction. Such contributions are required to be reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the restriction.

F. Use of Estimates

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

G. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the SYVCS considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board of Directors for investment.

H. Investment Securities

Investments in marketable securities with readily determinable fair values are valued at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of $5,000. Lesser amounts are expensed. Furniture and equipment are being depreciated over estimated useful lives of three to ten years using a straight-line method. Leasehold improvements are being amortized over the shorter of the lease term or useful life.

J. Tax Status

Santa Ynez Valley Charter School, Inc. is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code. Santa Ynez Valley Charter School, Inc. qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a) (2). With exceptions, the Santa Ynez Valley Charter School, Inc. is no longer subject to U.S. federal and state income tax examinations by tax authorities for the fiscal year before June 30, 2019.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 are:

Financial Assets:	
Cash with County Treasury	$ 582,914
Cash in bank	422,428
Accounts receivable	42,059
Total financial assets	1,047,401
Less financial assets held to meet donor imposed restrictions:	
Educator Effectiveness	(30,838)
Lottery: Instructional Materials	(94,069)
Classified School Employee Professional Development Block Grant	(1,063)
State Learning Loss Mitigation Funds	(12,159)
GEER	(5,120)
In Person Instruction Grant	(54,702)
Universal Pre-K Planning	(46,792)
Expanded Learning Opportunities Program	(45,500)
Learning Recovery Emergency Block Grant	(34,348)
Low-Performing Students Block Grant	(4,602)
Amount available for general expenditures within one year	$ 718,208

The table above reflects donor imposed restricted funds as unavailable because the funds can be only spent by the Organization for a specific purpose. See Note 8 – Net Assets with Donor Restrictions for activity of the fiscal year.

NOTE 3 – CASH AND INVESTMENTS

Cash with County Treasury

The Organization maintains cash in Santa Barbara County Treasury as part of the common investment pool ($582,914 as of June 30, 2023). The fair value of this pool as of that date, as provided by the pool sponsor, was $582,914.

The Organization categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Organization did not have investments measured under Level 1, Level 2, or Level 3.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash in bank

For the fiscal year ended June 30, 2023, the Organization's deposits with financial institutions were in excess of $176,794 of federal depository insurance limits in uncollateralized accounts.

NOTE 4- SCHEDULE OF FIXED ASSETS

A schedule of changes in fixed assets and depreciation for the fiscal year ended June 30, 2023, is shown below:

	Balance July, 1 2022	Additions	Deletions	Balance June 30, 2023
Machinery and equipment	$ 6,701	$ -	$ -	$ 6,701
Improvements	36,289	43,714		80,003
Fixtures	12,915			12,915
	55,905	43,714		99,619
Less accumulated depreciation	55,905	2,186		58,091
Totals	$ -	$ 41,528	$ -	$ 41,528

NOTE 5 – DONATED SERVICES

The Organization receives donated services from a variety of unpaid volunteers assisting in the operation of the school. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under ASU 2020-07 have not been satisfied.

NOTE 6 – CONTINGENCIES

The Organization has received 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 will not be material.

According to the Organization's staff, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

NOTE 7 – UNCERTAINTY IN INCOME TAXES

Effective July 1, 2012, Santa Ynez Valley Charter School, Inc. implemented the new accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely- than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of June 30, 2023, Santa Ynez Valley Charter School, Inc. had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of grants received during the fiscal year, and restricted for a specific purpose. Activity for Net assets with donor restrictions for the fiscal year ended June 30, 2023, are as follows:

	Beginning Balance	Funds Received	Funds Released	Ending Balance
Educator Effectiveness	$ 29,506	$ 1,332	$ -	$ 30,838
Lottery: instructional materials	78,451	15,618		94,069
Classified School Employee Professional Development Block Grant	1,063			1,063
State Learning Loss Mitigation Funds	12,159			12,159
Expanded Learning Grant	9,089		(9,089)	
GEER	5,120			5,120
In Person Instruction Grant	54,702			54,702
Universal Pre-K Planning	27,441	32,618	(13,267)	46,792
Expanded Learning Opportunities Program	45,500	50,000	(50,000)	45,500
Learning Recovery Emergency Block Grant		68,696	(34,348)	34,348
Low-Performing Students Block Grant	4,602			4,602
Total	$ 267,633	$ 168,264	$ (106,704)	$ 329,193

NOTE 9 – RETIREMENT PLANS

State Teachers' Retirement System (STRS)

Plan Description

The Santa Ynez Valley Charter School, Inc. contributes to the State Teachers' Retirement System (STRS), a cost –sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The Plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS' annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active classic plan members are required to contribute 10.25% of their salary, for PEPRA plan members are required to contribute 10.205% of their salary and the Santa Ynez Valley Charter School, Inc. is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2022 – 2023, was 19.10% of annual payroll. The contribution requirements of the plan members are established by State statutes. The Santa Ynez Valley Charter School, Inc. contributions to STRS for the fiscal years ending June 30, 2023, 2022, 2021 were $160,480, $133,019, and $118,125, respectively, and equal 100% of the required contributions for each fiscal year. Santa Ynez Valley Charter School, Inc.'s contributions do not represent more than five percent of total contributions to the plan. As of June 30, 2023, the plan was 81.20% funded.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through November 28, 2023, which was the date the financial statements were available to be issued. No significant events were noted.

SUPPLEMENTARY INFORMATION SECTION

Charter School Name: Santa Ynez Valley Charter School, Inc.
Charter Number Authorized by the State: 0337
Date of Granted Charter: June 21, 2000
Granting Authority: College School District

Governing Board

Name	Title	Term Expires
Kelly O'Connor	President	June 2024
Matt Stockton	Vice President	June 2025
Bryanie Thomas	Secretary	June 2024
Katy Castillo-Dunlap	Member	June 2026
Nicole Brians	Member	June 2023
Christina Trujillo	Member	June 2024
Eugenia Pappas	Teacher Representative	June 2024
Roxanne Usher	Teacher Representative	June 2024

Administration

Name	Title
Maurene Donner	Superintendent
Dr. John Dewey	Director

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Second Period Report	Annual Period Report
Classroom-Based Elementary		
Kindergarten through third	78.22	78.89
Fourth through sixth	42.57	42.41
Seventh and eighth	28.68	28.69
Elementary totals	149.47	149.99

Average daily attendance is a measurement of the number of pupils attending classes of the Organization. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school organizations. This schedule provides information regarding the attendance of students at various grade levels and in different programs. All of the average daily attendance reported above is classroom-based.

There were no audit findings which resulted in necessary revisions to attendance.

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grade Level	Ed. Code 46207 Minutes Requirement	2022-23 Actual Minutes	Number of days Traditional Calendar	Status
Kindergarten	36,000	50,250	177	In compliance
Grade 1	50,400	51,285	177	In compliance
Grade 2	50,400	59,400	177	In compliance
Grade 3	50,400	59,400	177	In compliance
Grade 4	54,000	59,400	177	In compliance
Grade 5	54,000	60,285	177	In compliance
Grade 6	54,000	60,285	177	In compliance
Grade 7	54,000	60,285	177	In compliance
Grade 8	54,000	60,285	177	In compliance

School organizations must maintain their instructional minutes as defined by Education Code Section 46207.

The Organization has not received incentive funding for increasing instructional time as provided by the Incentive for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the Organization and whether the Organization complied with the provisions of Education Code Sections 46201 through 46206. The Organization met or exceeded its targeted funding.

Moss, Levy & Hartzheim LLP
Certified Public Accountants

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

To the Board of Directors
Santa Ynez Valley Charter School, Inc.
Santa Ynez, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Santa Ynez Valley Charter School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Ynez Valley Charter School, Inc.'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 Santa Ynez Valley Charter School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Ynez Valley Charter School, Inc.'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.

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Santa Ynez Valley Charter School Inc.'s Response to Findings

Santa Ynez Valley Charter School Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Santa Ynez Valley Charter School Inc.'s response was 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim LLP

Santa Maria, California
November 28, 2023

Moss, Levy & Hartzheim LLP
Certified Public Accountants

To the Board of Directors
Santa Ynez Valley Charter School, Inc.
Santa Ynez, California

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Report on State Compliance

Opinion

We have audited the Santa Ynez Valley Charter School, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations,* Section 19810 that could have a direct and material effect on each of Santa Ynez Valley Charter School, Inc.'s state programs identified below for the fiscal year ended June 30, 2023.

In our opinion, the Santa Ynez Valley Charter School, Inc. complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule below for the fiscal year ended June 30, 2023.

Basis for Opinion

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 *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations,* Section 19810. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting* 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 controls. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the state programs as a whole.

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In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District'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 *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting,* but not for the purpose of expressing an opinion on the effectiveness of the Santa Ynez Valley Charter School, Inc.'s internal control. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

Compliance Requirements	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance accounting:	
Attendance reporting	Not applicable
Teacher certification and misassignments	Not applicable
Kindergarten continuance	Not applicable
Independent study	Not applicable
Continuation education	Not applicable
Instructional Time	Not applicable
Instructional Materials	Not applicable
Ratios of Administrative Employees to Teachers	Not applicable
Classroom Teacher Salaries	Not applicable
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Not applicable
School Accountability Report Card	Not applicable
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Not applicable
Transportation Maintenance of Effort	Not applicable
Apprenticeship, Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Not applicable
District of Choice	Not applicable
Home to School Transportation Reimbursement	Not applicable
Independent Study Certification for ADA Loss Mitigation	Not applicable
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study- Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Transitional Kindergarten	Yes

Compliance Requirements	Procedures Performed
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 Instruction Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not applicable

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

Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

Moss, Levy & Hartzheim LLP

Santa Maria, California
November 28, 2023

The term "not applicable" is used above to mean either the School did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

FINDINGS AND RECOMMENDATIONS SECTION

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
Material weaknesses identified?	_____	Yes	X	No
Significant deficiencies identified not considered to be material weaknesses?	X	Yes	_____	None reported
Noncompliance material to financial statements noted?	_____	Yes	X	No

State Awards

Any audit findings disclosed that are required to be Reported in accordance with Standards and Procedures for Audits of California K-12 Local Education Agencies?	_____	Yes	X	No
Type of auditors' report issued on compliance for state programs:	Unmodified			

Section II – Financial Statements Findings

Finding 2023-001
Cash Receipts
30000

Criteria:
Appropriate supporting documentation should be required and documented when the school collects monies from fundraisers, sporting events, field trips, or other school-related events in order to substantiate the amount of monies collected.

Condition:
During testing of 10 ASB receipts, it was noted that 1 of the 10 receipts of ASB funds did not contain supporting documentation to substantiate the amount sold at a bake sale. During our testing of 25 operating receipts, 1 did not have any supporting documentation to substantiate the amount of tickets sold at a school basketball game.

Cause:
District oversight.

Effect:
Potential for misappropriation of funds due to lack of proper receipting procedures.

Repeat Finding:
No.

Recommendation:
The School should enforce internal control procedures to ensure that the collection of funds contain sufficient and appropriate supporting documentation to be able to substantiate the amount of monies collected such as the use of prenumbered tickets or a tally sheet and the District should retain flyers or sales advertisements to verify that the price per item/ticket is correct.

District Corrective Action Plan:
The School will enforce internal control procedures to ensure that the collection of funds contain sufficient and appropriate documentation to substantiate the amount of monies collected.

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
SCHEDULE AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section III – State Award Findings and Questioned Costs

There were no state award findings and questioned costs.

SANTA YNEZ VALLEY CHARTER SCHOOL, INC.
SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section II – Financial Statements Findings

There were no prior year financial statement findings.

Section III – State Award Findings and Questioned Costs

Finding 2022-001
Attendance
10000

Criteria:
In accordance with Education Code Section 46000, attendance shall be recorded and kept according to regulations prescribed by the State Board of Education. The Second Principal and Annual reports of attendance submitted to the California Department of Education must reconcile to the supporting documents.

Condition:
The P-2 and P-Annual Reports submitted to the California Department of Education did not reconcile to the monthly attendance summary from the attendance system.

Cause:
The Charter School incorrectly calculated P-2 due to input error. The Charter School incorrectly calculated P-Annual due to input error.

Effect:
The Charter School under reported average daily attendance at P-2 by 5.06 and under reported P-Annual by 5.24.

	P-2			P-Annual		
	Submitted	Corrected	Difference	Submitted	Corrected	Difference
Grades TK-3	76.51	78.92	2.41	76.10	78.55	2.45
Grades 4-6	42.67	43.83	1.16	42.15	43.37	1.22
Grades 7-8	34.88	36.37	1.49	34.01	35.58	1.57
Total	154.06	159.12	5.06	152.26	157.50	5.24
Rounded whole number *	154	159	5	152	158	6

*According to provisions of Education Code Section 46303

Repeat Finding:
No.

Questioned Costs:
$17,870 for 2 ADA for the TK-3 grade span ($8,935 per ADA), $8,215 for 1 ADA for the 4-6 grade span ($8,215 per ADA), $8,458 for 1 ADA for the 7-8 grade span ($8,458 per ADA).

Recommendation:
The Charter School should review the supporting documentation used to complete the attendance to ensure the reports are accurate and revise and submit the corrected P-2 and P-Annual reports.

Corrective Action Plan:
The Charter School will review the attendance documentation to ensure the reports are accurate and will revise and submit the corrected P-2 and P-Annual reports.

Current Status:
Implemented.

FINDING 2022-002
Unduplicated Local Control Funding Formula Pupil County
40000

Criteria:
In accordance with Education Code Section 42238.02, Districts and Charter Schools should provide accurate California Longitudinal Pupil Achievement Data System (CALPADS) to report aggregate English learner, foster youth and free or reduce-price meal eligibility pupil data according to regulations prescribed by the State Board of Education.

Condition:
Tested all free and reduced pupils and it was noted that 1 pupil did not qualify for free and reduced meals.

Cause:
Charter School oversight.

Effect:
FRPM only is overstated by 1.

School Site	District's Enrollment Count	Certified Total Unduplicated Pupil Count	Unduplicated Count Adjustment Based On Eligibility for: FRPM	EL Funding	FRPM and EL	Adjusted Total Unduplicated Pupil Count	Adjusted District's Enrollment Count
Santa Ynez Valley Charter School	489	91	-1			90	489
Total	489	91	-1	0	0	90	489

Repeat Finding:
No.

Questioned Costs:
$557

Recommendation:
The Charter School should implement an internal control to review and cross reference CALPADs data in place for FPRM data.

Corrective Action Plan:
The Charter School will implement an internal control to review and cross reference CALPADs data in place for FPRM data.

Current Status:
Implemented.