

**CENTRAL SANDS COMMUNITY
HIGH SCHOOL, INC.**

**Financial Statements
& Supplementary Information**

**For the Year Ended
June 30, 2023**

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

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June 30, 2023

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Independent Auditors' Report

To the Board of Directors
Central Sands Community High School, Inc.
Amherst, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Central Sands Community High 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 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 Central Sands Community High School, Inc. as of June 30, 2023, and the changes in its net deficit 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 Central Sands Community High 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Sands Community High 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Sands Community High 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 Central Sands Community High 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 conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance as required by the *Wisconsin Department of Public Instruction*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of Central Sands Community High School, Inc.'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 Central Sands Community High School, Inc.'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 Central Sands Community High School, Inc.'s internal control over financial reporting and compliance.

KerberRose SC

KerberRose SC
Certified Public Accountants
Appleton, Wisconsin
December 12, 2023

Financial Statements

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Statement of Financial Position

As of June 30, 2023

ASSETS

Cash	\$	112,556
Grants Receivable		10,279
Prepaid Expenses		1,925
Property and Equipment, Net		23,762
Right of Use Asset, Net		<u>139,461</u>

TOTAL ASSETS

\$ 287,983

LIABILITIES

Accounts Payable	\$	210,939
Operating Lease Liability		<u>139,461</u>

TOTAL LIABILITIES

350,400

NET DEFICIT

Without Donor Restrictions		<u>(62,417)</u>
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TOTAL LIABILITIES AND NET DEFICIT

\$ 287,983

See Accompanying Notes

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Statement of Activities

For the Year Ended June 30, 2023

	Without Donor Restrictions
REVENUES AND SUPPORT	
Contributions	\$ 59,333
Co-Curricular Fees	4,946
Grants	316,457
Total Revenues and Support	<u>380,736</u>
EXPENSES	
Program Services	383,624
Management and General	57,333
Total Expenses	<u>440,957</u>
CHANGE IN NET DEFICIT	(60,221)
NET DEFICIT - BEGINNING	<u>(2,196)</u>
NET DEFICIT - ENDING	<u><u>\$ (62,417)</u></u>

See Accompanying Notes

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Contracted Wages and Benefits	\$ 168,131	\$ 29,670	\$ 197,801
Professional Fees	26,598	4,694	31,292
Depreciation	2,156	381	2,537
Training and Development	17,379	3,067	20,446
Direct Student Costs	12,158	2,145	14,303
Information Technology	12,087	2,133	14,220
Insurance	2,411	425	2,836
Instruction	56,090	-	56,090
Food Service	2,575	-	2,575
Advertising	1,737	306	2,043
Supplies and Materials	43,443	7,666	51,109
Postage and Printing	333	59	392
Repairs and Maintenance	60	-	60
Occupancy	33,838	5,971	39,809
Telephone	1,063	187	1,250
Travel and Transportation	2,580	455	3,035
Miscellaneous Expense	985	174	1,159
Total Expenses	<u>\$ 383,624</u>	<u>\$ 57,333</u>	<u>\$ 440,957</u>

See Accompanying Notes

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Statement of Cash Flows

For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Deficit	\$	(60,221)
Adjustments to Reconcile Change in Net Deficit to Net Cash Flows From Operating Activities:		
Depreciation		2,537
Amortization of Right-of-Use Assets		29,282
Changes in Certain Assets and Liabilities:		
Accounts Receivable		53,748
Prepaid Expenses		(1,925)
Accounts Payable		77,440
Operating Lease Liability		(29,282)
Net Cash Flows From Operating Activities		<u>71,579</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment		<u>(26,299)</u>
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NET CHANGE IN CASH

45,280

CASH - BEGINNING

67,276

CASH - ENDING

\$ 112,556

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Lease Assets Obtained in Exchange for Lease Obligations		
Operating Lease	\$	<u>168,742</u>

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Notes to Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Central Sands Community High School, Inc. (School) is a collaborative, sustainable high school working out of the core principles of Public Waldorf Education. The School's learning community utilizes integrated curriculum to cultivate mindful leaders in an ever-changing world. The School serves children in the Amherst, Wisconsin area.

Basis of Accounting

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

Cash is defined as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The School maintains its bank accounts at one financial institution. Aggregate accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The School did not have uninsured cash at June 30, 2023.

Grant Receivable

The grant receivable consists of an amount due from the Wisconsin Department of Public Instruction.

Equipment

All acquisitions of equipment in excess of \$5,000 are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets estimated useful lives. Estimated useful lives range from 5-7 years.

Net Assets

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

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations. Some donor stipulations are temporary in nature; those stipulations will be met by actions of the School and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Tax-Exempt Status

The School is a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. Gifts, grants and bequests are deductible by donors within limitations of the Internal Revenue Code.

The School evaluates its tax positions based on whether or not the position is more likely than not to be sustained upon examination by taxing authorities. This evaluation includes monitoring changes in tax law and new authoritative rulings for potential implications of its tax status. The School is not aware of any tax positions that would require disclosures. The School has not identified any income it would consider to be unrelated business income.

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Notes to Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash arising from leases.

Central Sands Community High School, Inc. adopted the standard effective July 1, 2022 and recognized and measured leases existing at July 1, 2022 (the beginning of the period adoption) with certain practical expedients available.

Central Sands Community High School, Inc. elected the available practical expedients to account for an existing operating lease as an operating lease under the new guidance without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, Central Sands Community High School, Inc. elected the discount rate practical expedient that allows for the use of a risk-free rate as the discount rate for all leases by asset class. Leases with an initial term of twelve months or less are considered to be short-term leases. As allowed under the standard, the School elects not to apply the recognition requirements to short-term leases.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when conditions on which they depend are substantially met.

The School reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

School grant revenue is from the Wisconsin Department of Public Instruction, Wisconsin Charter Schools Program, and others to support the growth of high-quality charter schools in Wisconsin, especially those focused on improving academic outcomes for educationally disadvantaged secondary students. It is recognized when received and is recorded as revenue without donor restrictions.

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Notes to Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

Expenses have been allocated among program services and management and general classifications on the basis of time records and estimates made by management.

The financial statements report certain categories of expenses that are attributed to more than one supporting facilities. Therefore expenses require allocation on a reasonable basis that is consistently applied. Insurance, occupancy, repairs and maintenance are allocated on a square footage basis; the remaining expense categories are allocated on the basis of estimates of time and effort.

Subsequent Events

The School has evaluated subsequent events through December 12, 2023, the date which the financial statements were available to be issued.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2023:

Cash	\$ 112,556
Accounts Receivable	<u>10,279</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u><u>\$ 122,835</u></u>

Note 3 – Equipment

Equipment consists of the following at June 30, 2023:

Vehicles	\$ 26,299
Less: Accumulated Depreciation	<u>(2,537)</u>
Equipment, Net	<u><u>\$ 23,762</u></u>

Note 4 – Lease Arrangement

The School leases its current location under an operating lease that commenced on August 1, 2022 and expires in July 2027. Current monthly lease payments are \$3,000. The School assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The economic substance of the leases is that the Schools is financing the acquisition of the assets through the leases, and accordingly, they are recorded in the School's assets and liabilities. This resulted in a right of use asset and related lease liability of \$168,742. The lease does not contain any material residual value guarantees.

Accumulated amortization is \$29,282 for the year ended June 30, 2023.

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Notes to Financial Statements

June 30, 2023

Note 4 – Lease Arrangement (Continued)

Additional information about the School's lease for the year ended June 30, 2023 is as follows:

Other Information:

Operating Cash Flows from Lease	33,000
Right of Use Assets Obtained in Exchange for Lease Obligation	168,742
Remaining Lease Term	4.01 years
Risk-Free Discount Rate	2.66%

Assuming no changes in lease terms, the future minimum lease payments under this lease will be as follows:

2024	\$ 36,000
2025	36,000
2026	36,000
2027	36,000
2028	3,000
Total Lease Payments	<u>147,000</u>
Less: Interest	<u>(7,539)</u>
Present Value of Lease Liability	<u><u>139,461</u></u>

Note 5 – Line of Credit

The School has a \$50,000 line of credit with Pineries Bank. The line of credit carries an interest rate of 8.5% at June 30, 2023. The line of credit matures May 25, 2024. No withdrawals were taken from the line of credit during the year ended June 30, 2023.

Note 6 – Significant Concentrations

The School received approximately 83% of its revenues from the Wisconsin Department of Public Instruction for the year ended June 30, 2023.

Additional Reports



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
Central Sands Community High School, Inc.
Amherst, Wisconsin

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 Central Sands Community High School, Inc. (School), 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, and have issued our report thereon dated December 12, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 responses as item 2023-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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.

To the Board of Directors
Central Sands Community High School, Inc.

Central Sands Community High School's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KerberRose SC

KerberRose SC
Certified Public Accountants
Appleton, Wisconsin
December 12, 2023



**Independent Auditors' Report on Compliance for the Major State
Program and on Internal Control Over Compliance Required by the
*Wisconsin Department of Public Instruction***

To the Board of Directors
Central Sands Community High School, Inc.
Amherst, Wisconsin

Report on Compliance for the Major State Program

Opinion on the Major State Program

We have audited the Central Sands Community High School, Inc.'s (School) compliance with the types of compliance requirements identified as subject to audit in the *Wisconsin School Academy Audit Manual*, that could have a direct and material effect on the School's major state program for the year ended June 30, 2023. The School's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

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

Basis for Opinion on the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Wisconsin Public School Academy Audit Manual*. Our responsibilities under those standards and the *Wisconsin Public School Academy Audit Manual* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

To the Board of Directors
Central Sands Community High School, Inc.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School'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 *Wisconsin Department of Public Instruction Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Wisconsin Department of Public Instruction Audit Manual*, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School'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 *Wisconsin Department of Public Instruction Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

To the Board of Directors
Central Sands Community High School, Inc.

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 *Wisconsin Department of Public Instruction Audit Manual*. Accordingly, this report is not suitable for any other purpose.

KerberRose SC

KerberRose SC
Certified Public Accountants

Appleton, Wisconsin

December 12, 2023

Federal and State Awards Section

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Awarding Agency/ Pass-Through Agency Award Description	ALN	Pass Through I.D. Number	Accrued Receivable 7/1/22	Grantor Reimbursements	Expenditures	Accrued Receivable 6/30/23
U.S. DEPARTMENT OF EDUCATION						
Passed through the Wisconsin Department of Public Instruction:						
Wisconsin Charter Schools Program	84.282	2023-498028-DPI-WCSP1-360	\$ -	\$ 97,737	\$ 97,737	\$ -
Wisconsin Charter Schools Program	84.282	2022-498028-DPI-WCSP1-360	64,028	64,028	-	-
Total U.S. Department of Education			<u>\$ 64,028</u>	<u>\$ 161,765</u>	<u>\$ 97,737</u>	<u>\$ -</u>
Reconciliation to the basic financial statements:						
Government Grants						
Grants						
Less: State Sources						
Less: Federal Sources not Considered Federal Financial Assistance						
Total Expenditures of Federal Awards						
					\$ 316,457	
					(208,440)	
					(10,280)	
					<u>\$ 97,737</u>	

The accompanying notes are an integral part of this schedule.
(These notes are on page 19)

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.
 Schedule of State Financial Assistance
 For the Year Ended June 30, 2023

Awarding Agency/ Award Description/ Pass-Through Agency	State I.D. Number	State Pass Through I.D. Number	Accrued Receivable 7/1/22	State Reimbursements	Expenditures	Accrued Receivable 6/30/23
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
ENTITLEMENT PROGRAMS						
<i>MAJOR STATE PROGRAM:</i>						
Charter Schools State Aid - 2x	255.289	678148	\$ -	\$ 208,440	\$ 208,440	\$ -

The accompanying notes are an integral part of this schedule.
 (These notes are on page 19)

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.
Notes to the Schedule of Federal Awards and State Financial Assistance
June 30, 2023

Note 1 – Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance (the Schedules) includes the federal and state grant activity of Central Sands Community High School, Inc. under programs of the federal and state governments for the year ended June 30, 2023. The information in these Schedules is presented in accordance with the requirements of the Wisconsin Department of Public Instruction and *Wisconsin Public School District Audit Manual*. Because the Schedules present only a selected portion of the operations of the School, they are not intended to and do not present the financial position or changes in net position of the School.

Note 2 – Oversight Agencies

Central Sands Community High School, Inc.'s federal oversight agency is the U.S. Department of Education. The School's state cognizant agency is the Wisconsin Department of Instruction.

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Schedule of Findings and Responses
For the Year Ended June 30, 2023

Section I – Summary of Auditors’ Responses

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	Yes
Noncompliance material to the financial statements?	No

State Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency identified?	None Reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Wisconsin Public School District Audit Manual?	No

Identification of major state award:

State I.D. Number	Name of State Program
255.289	Charter Schools State Aid – 2x
Dollar threshold used to distinguish between Type A and Type B Programs	\$250,000

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Schedule of Findings and Responses - Continued
For the Year Ended June 30, 2023

Section II – Financial Statement Finding

2023-001 – Financial Reporting

Condition:	The School's management does not have the necessary training to record year end adjustments to the general ledger and to prepare the financial statements, including related notes and required supplementary information, in accordance with generally accepted accounting principles (GAAP).
Cause:	The School's management does not have the training to prepare the financial statements and related notes in accordance with GAAP.
Criteria:	One of the components of internal control over financial reporting is that personnel within the entity be sufficiently knowledgeable to record the entity's financial transactions in accordance with generally accepted accounting principles (GAAP) and to prepare the School's financial statements, including related notes and required supplemental information in accordance with those accounting principles.
Effect:	Consequently, during our audit we prepared the School's financial statements and management reviewed and accepted responsibility for the financial statements, including related notes and supplementary information.
Recommendation:	This matter is common in most small organizations since they do not have the resources to devote to this area of internal control. We recommend that the School continue to rely on the external auditors to prepare the financial statements and related notes and required supplementary information in accordance with generally accepted accounting principles.
Management's Response:	Management is in agreement with the recommendation.

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Schedule of Findings and Responses - Continued
For the Year Ended June 30, 2023

Section III – State Award Findings and Responses

None noted

Section IV – Other Issues

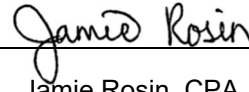
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the Wisconsin Public School District Audit Manual:

Department of Public Instruction Yes

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

Name and Signature of Partner



Jamie Rosin, CPA

Date of report

December 12, 2023

CENTRAL SANDS COMMUNITY HIGH SCHOOL, INC.

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Financial Statement Findings

There was not an audit conducted in the prior year.



Corrective Action Plan

Financial Statement Finding

2023-001 – Financial Accounting and Reporting

The School management believes that the cost of devoting resources for the preparation of financial statements in accordance with generally accepted accounting principles would outweigh the benefits to be received. The School will continue to use the services of their current audit firm for the necessary guidance to prepare financial statements in accordance with generally accepted accounting principles. The School management will continue to review, approve and accept responsibility for the draft financial statements prepared by the audit firm.

Responsible Official

Amy Boelk

Anticipated Completion Date

The finding will not completely resolve given the limited amount of financial staff and limited resources of the School. The School will continue to rely on board oversight and review of the financial records.