

Connect Community Charter School #1498

Financial Statements and
Supplementary Information

June 30, 2025

Connect Community Charter School

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Independent Auditors' Report

To the Board of Directors of
Connect Community Charter School

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Connect Community Charter School (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Average Daily Attendance, Schedule of Instructional Time, Reconciliation of Charter School Unaudited Actuals Financial Report - Alternative Form With Audited Financial Statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

San Diego, California
January 29, 2026

Connect Community Charter School

Statement of Financial Position

June 30, 2025

Assets

Current Assets

Cash and cash equivalents	\$	411,408
Investments		304,485
Accounts receivable		403,652
Prepaid expenses		9,024

Total current assets 1,128,569

Total assets \$ 1,128,569

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	165,426
Deferred revenue		20,000

Total current liabilities 185,426

Total liabilities 185,426

Net Assets

Net assets without donor restrictions, undesignated 943,143

Total net assets 943,143

Total liabilities and net assets \$ 1,128,569

See notes to financial statements

Connect Community Charter School

Statement of Activities

Year Ended June 30, 2025

	Net Assets Without Donor Restrictions
Revenues	
Revenue limit sources:	
State apportionments	\$ 313,526
Education protection account	27,536
In-lieu of property taxes	1,453,544
Federal revenues	298,517
State revenues	645,610
Local revenues:	
Contributions	25,348
Interest	44,212
Other local revenue	78,088
	<hr/>
Total revenues	2,886,381
	<hr/>
Expenses	
Program services:	
Education	3,171,096
Support services:	
Management and general	327,856
	<hr/>
Total expenses	3,498,952
	<hr/>
Change in net assets	(612,571)
Net Assets, Beginning	1,555,714
	<hr/>
Net Assets, Ending	\$ 943,143
	<hr/> <hr/>

See notes to financial statements

Connect Community Charter School

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services Education	Support Services Management and General	Total
Certificated salaries	\$ 1,293,308	\$ 46,265	\$ 1,339,573
Classified salaries	635,361	-	635,361
Employee benefits	480,445	19,041	499,486
Books and supplies	84,365	36,387	120,752
Travel and conferences	3,357	-	3,357
Dues and memberships	3,072	-	3,072
Insurance	-	28,291	28,291
Operation and housekeeping services	35,077	10,262	45,339
Rental, leases, repairs and noncapitalized improvements	35,697	3,123	38,820
Direct support/indirect cost charges	-	17,848	17,848
Professional/consulting services and other operating expenditures	592,281	164,606	756,887
Communications	8,133	2,033	10,166
	<u>8,133</u>	<u>2,033</u>	<u>10,166</u>
Total expenses	<u>\$ 3,171,096</u>	<u>\$ 327,856</u>	<u>\$ 3,498,952</u>

See notes to financial statements

Connect Community Charter School

Statement of Cash Flows

Year Ended June 30, 2025

Cash Flows From Operating Activities

Change in net assets	\$ (612,571)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	77,221
Prepaid expenses	7,422
Right-of-use assets, net	5,314
Operating lease liabilities	(5,314)
Accounts payable and accrued expenses	(44,807)
Deferred revenue	(136,050)
	<hr/>
Net cash flows used in operating activities	(708,785)

Cash Flows From Investing Activities

Purchases of investments	(104,485)
	<hr/>
Net cash flows used in investing activities	(104,485)
	<hr/>
Net decrease in cash and cash equivalents	(813,270)

Cash and Cash Equivalents, Beginning

1,224,678

Cash and Cash Equivalents, Ending

\$ 411,408

See notes to financial statements

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

1. Organization and Mission

Connect Community Charter School (the Organization) was incorporated in the State of California in 2012 as a nonprofit public benefit corporation that is organized under the Nonprofit Public Benefit Corporation Law. The Organization was formed as a charter school pursuant to California Education Code §47600 under a charter agreement with Redwood City Elementary School District. The Organization commenced operations on August 26, 2013 and was granted a charter renewal that expires on June 30, 2030.

The Organization is a tuition free, Transitional Kindergarten through grade 8 charter school. The mission of the Organization is to foster a diverse, inclusive, and intellectually stimulating learning environment. The organization emphasizes both cognitive and social-emotional development to inspire students to become intellectually and emotionally intelligent problem-solvers.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports 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.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As of June 30, 2025, there are no net assets without donor restrictions that have been designated by the Board of Directors for operating reserves or future program development.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both. There were no net assets with donor restrictions as of June 30, 2025.

Accounting Method, Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services based on employees' time incurred and management's estimates of the usage of resources.

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code (IRC) Sections 501(a) and 501(c)(3). The Organization is also exempt from California franchise or income tax under Section 2370 of the California Revenue and Taxation Code. The Organization may be subject to tax on income this is not related to its exempt purpose. For the year ended June 30, 2025, no such unrelated business income was reported and, therefore, no provision for income taxes has been made. The Organization uses the same accounting methods for tax and financial reporting.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Cash and Cash Equivalents

Cash and cash equivalents is, from time to time, variously composed of cash on hand and in banks. Cash in County Treasury is recorded at the amortized book value. The Organization considers all highly liquid investments with original maturities of three months or less at the time of acquisition to be cash equivalents. As of June 30, 2025, the value of cash held in County Treasury is \$327,171 which is considered as cash and cash equivalents.

Investments

The Organization presents its investments in accordance with the FASB ASC No. 958-320, *Not-For-Profit Entities - Investments Debt & Equity Securities*. Under ASC No. 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. The fair values of these investments are subject to change based on the fluctuations of market values. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized (see Note 4).

Fair Value Measurements

ASC No. 820, *Fair Value Measurements and Disclosures (ASC No. 820)* establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the 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 and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC No. 820 are described as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs that are unobservable inputs for the asset or liability.

Accounts Receivable

Accounts receivable are recorded based on the amount expected to be collected from the federal and state government agencies. The amount recorded is based on apportionment schedules issued by the California Department of Education (CDE) throughout the fiscal year. Management believes that collections of accounts receivable are reasonably assured based on the nature of the receivable coming from government agencies. As such, no allowance for doubtful accounts has been recorded.

Revenue Sources and Recognition

The Organization primarily receives funds from the CDE. Revenue limit sources and state revenues received from the CDE are determined based on the Organization's average daily attendance (ADA) of students and recognized in the period the ADA occurs.

Contributions and Grants

The Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Revenue from contributions and grant income is evaluated under ASU No. 2018-08 and is accounted for as nonreciprocal transactions. Unconditional contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restrictions ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Leases

At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancelable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method.

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

The Organization does not separate lease and nonlease components for all asset classes. In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses a risk-free rate based on U.S. Treasury notes for similar terms for the initial and subsequent measurement of lease liabilities for all asset classes. The Organization does not apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

3. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2025, consisted of the following:

Cash in County Treasury	\$	327,171
Cash in Bank		<u>84,237</u>
Total cash and cash equivalents	\$	<u>411,408</u>

Cash in County Treasury

The Organization maintains its cash in the San Mateo Treasury (County) as part of the common investment pool. Cash may be added or withdrawn from the investment pool without limitation.

The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. Government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit and repurchase or reverse repurchase agreements.

The County Treasurer's investments consist of 3.32% Certificate of Deposits, 7.49% CAMP/CalTRUST, 30.33% US Treasury Notes/Strips, 32.86% Federal Agency Securities, 12.86% US Instrumentalities, 11.56% Corporate Bonds, 1.49% Money Market Funds, 0.01% Asset Backed Securities and 0.07% in Municipal Bonds. The credit ratings for these investments included Standard & Poor BBB- to AAA.

4. Investments

Investments income is comprised of the following for the year ended June 30, 2025:

Interest	\$	<u>8,627</u>
Total	\$	<u>8,627</u>

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

As of June 30, 2025, the investments consist of certificates of deposit and are classified as Level 2 in the fair value hierarchy as shown in the table below and are based on quoted prices in active markets (see Note 2).

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of deposit	\$ 304,485	\$ -	\$ 304,485	\$ -
Total	<u>\$ 304,485</u>	<u>\$ -</u>	<u>\$ 304,485</u>	<u>\$ -</u>

5. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of the following:

State revenues	\$ 78,431
In-lieu of property taxes	70,690
Federal revenues	165,413
Local revenues, miscellaneous	<u>89,118</u>
Total accounts receivable	<u>\$ 403,652</u>

6. Liquidity and Availability of Financial Assets

As part of its liquidity management, the Organization monitors liquidity required and cash flows to meet operating needs on a monthly basis. The Organization's goal is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization does not have a line of credit available to assist with liquidity management.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and investments	\$ 715,893
Accounts receivable	<u>403,652</u>
Total financial assets available within one year	<u>\$ 1,119,545</u>

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2025, consisted of the following:

Accounts payable	\$ 33,825
Accrued wages and retirement contributions	80,954
District oversight	17,848
Other accrued expenses	<u>32,799</u>
Total accounts payable and accrued expenses	<u>\$ 165,426</u>

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

8. Employee Retirement Systems

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

Plan Description and Funding Policy

STRS

Plan Description

The Organization contributes to 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. According to the most recently available actuarial valuation report as of June 30, 2024, total plan net assets are \$341.0 billion, the total actuarial present value of projected plan benefits is \$482.3 billion, contributions from all employers totaled \$8.6 billion and the plan is 76.7% funded. The Organization did not contribute more than 5% of the total contributions to the plan.

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

Funding Policy

Active plan members are required to contribute between 10.205% and 10.25% of their salary and the Organization 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 2024-2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions to STRS for the fiscal year ending June 30, 2025, were \$257,206 and equal 100% of the required contributions for the fiscal year.

9. Facilities Use Agreement

The Organization has entered into a one-year facilities use agreement with Redwood City School District (RCSD) that expired as of June 30, 2025. Expenses for this agreement for the year ended June 30, 2025 were \$28,930. Effective July 1, 2025, the Organization renewed the facilities use agreement for five-years expiring on June 30, 2030. Rental payments for fiscal year ended June 30, 2026 and 2027 is expected to be \$44,439 and \$50,459, respectively. Rental payments for fiscal years June 30, 2028 through June 30, 2030 will be updated during the fiscal year June 30, 2027.

10. Commitments and Contingencies

State Allowances, Awards and Grants

The Organization has received state 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, management believes that any required reimbursement will not be material.

Connect Community Charter School

Notes to Financial Statements

June 30, 2025

Legal

In the normal course of business, the Organization may be involved from time to time in various other claims, lawsuits, or disputes with third parties, however, the Organization is currently not involved in any such litigation except as discussed below.

In July 2025, the Organization entered into a settlement agreement and release of all claims in regards to a legal complaint filed in December 2023 in the amount of \$87,500, which was paid in full by the Organization's insurance carrier. Accordingly, no liability was recorded as of June 30, 2025.

11. Subsequent Events

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the statement of financial position date through January 29, 2026, which is the date the financial statements were available to be issued. Except as disclosed in Notes 9 and 10, management believes there are no events or transactions which require adjustments to, or disclosures in the accompanying financial statements.

Connect Community Charter School

Schedule of Average Daily Attendance
June 30, 2025

	<u>Second Period Report</u>	<u>Annual Report</u>
Grades TK - 3	47.08	47.02
Grades 4 - 6	55.96	56.47
Grades 7 - 8	<u>34.64</u>	<u>35.31</u>
Total average daily attendance	<u>137.68</u>	<u>138.80</u>

The Organization is 100% classroom-based and generates no ADA from a full-time independent study program.

Connect Community Charter School

Schedule of Instructional Time
Year Ended June 30, 2025

Grade Level	2024-2025 Minutes Requirements	2024-2025 Actual Minutes	Number of Actual Days Traditional Calendar	Status
Transitional Kindergarten	36,000	54,030	179	In compliance
Kindergarten	36,000	54,030	179	In compliance
Grade 1	50,400	56,235	179	In compliance
Grade 2	50,400	56,235	179	In compliance
Grade 3	50,400	56,235	179	In compliance
Grade 4	54,000	56,235	179	In compliance
Grade 5	54,000	56,235	179	In compliance
Grade 6	54,000	56,235	179	In compliance
Grade 7	54,000	56,235	179	In compliance
Grade 8	54,000	56,235	179	In compliance

Connect Community Charter School

Reconciliation of Charter School Unaudited Actuals Financial Report - Alternative Form With
Audited Financial Statements
Year Ended June 30, 2025

There were no differences between the fund balances reported on the June 30, 2025 Charter School Unaudited Actuals Financial Report – Alternative Form and the Audited Financial Statement net assets.

Connect Community Charter School

Organization Structure
June 30, 2025

Connect Community Charter School is a Transitional Kindergarten through Grade 8 Charter School and was granted its charter renewal by Redwood City Elementary School District, expiring in June 30, 2030, pursuant to the terms of the Charter School Art of 1992, as amended.

The Board of Directors for the fiscal year ended June 30, 2025, was comprised of the following members:

Name	Office	Term	Term Expiration
Tommy O'Toole	President	2 years	December 15, 2026
Jay Dunlap	Treasurer	2 Years	June 26, 2027
Anabel Jensen	Member	2 Years	March 15, 2027
Earnest Cole	Member	2 Years	November 7, 2026
Dawn Simpkin	Member	2 Years	March 7, 2027

Administration	
Name	Position
Hayley Dupuy	Principal

**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
Connect Community Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Connect Community Charter School (the Organization), which comprise the Organization's statement of financial position as of June 30, 2025, 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 January 29, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Baker Tilly US, LLP

San Diego, California
January 29, 2026

Report on State Compliance and on Internal Control Over Compliance for State Programs

Independent Auditors' Report

To the Board of Directors of
Connect Community Charter School

Report on Compliance

Opinion

We have audited Connect Community Charter School (the Organization) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the Organization's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the Organization complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Not Applicable
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program (ELO-P)	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
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

The term "Not Applicable" is used above to mean either that the Organization did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
January 29, 2026

Connect Community Charter School

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor's report issued on compliance for major federal programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Auditee qualified as low-risk auditee? yes no

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

Identification of major federal programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

The Organization did not have over \$750,000 in Federal Expenditures.

State Awards

Internal control over state programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditors' report issues on compliance for state Programs: Unmodified

Connect Community Charter School

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - State Award Findings and Questioned Costs

None.

Connect Community Charter School

Schedule of Prior Audit Findings
Year Ended June 30, 2025

<u>Findings/Recommendations</u>	<u>Current Status</u>	<u>Explanation if not Implemented</u>
2024-001 - Mode of Instruction / It is recommended the Organization implement additional review processes for verifying and monitoring teacher certifications before they begin instruction.	Remediated	N/A
2024-002 - Instructional Time / It is recommended the Organization implement additional review processes for verifying and monitoring teacher certifications before they begin instruction.	Remediated	N/A