

**KENOSHA SCHOOLS OF TECHNOLOGY  
ENHANCED CURRICULUM, INC.**

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**Financial Statements  
& Supplementary Information**

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

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

## Table of Contents

June 30, 2023

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	<u>Page</u>
<b>Independent Auditors' Report</b>	1 – 3
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 11
<b>Additional Reports</b>	
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 <i>Government Auditing Standards</i>	12 – 13
Independent Auditors' Report on Compliance for the Major State Program and on Internal Control over Compliance Required by the <i>Wisconsin Department     of Public Instruction</i>	14 – 16
<b>Federal and State Awards Section</b>	
Schedule of Expenditures of Federal Awards	17
Schedule of State Financial Assistance	18
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	19
Schedule of Findings and Responses	20 – 22
Summary Schedule of Prior Audit Findings	23
Corrective Action Plan	24

## Independent Auditors' Report

To the Board of Directors  
Kenosha Schools of Technology Enhanced Curriculum, Inc.  
Kenosha , Wisconsin

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, 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 14, 2023, on our consideration of Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, 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 Kenosha Schools of Technology Enhanced Curriculum, Inc.'s internal control over financial reporting and compliance.

KerberRose SC

**KerberRose SC**  
**Certified Public Accountants**  
Appleton, Wisconsin  
December 14, 2023

## **Financial Statements**

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**

Statement of Financial Position

As of June 30, 2023

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**ASSETS**

Cash	\$	324,677
Prepaid Expenses		100,836
Equipment, Net		30,648
Right of Use Asset, Net		<u>296,135</u>

**TOTAL ASSETS** \$ 752,296

**LIABILITIES**

Accounts Payable	\$	471,423
Lease Liability		<u>296,135</u>

**TOTAL LIABILITIES** 767,558

**NET DEFICIT**

Without Donor Restrictions		<u>(15,262)</u>
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**TOTAL LIABILITIES AND NET DEFICIT** \$ 752,296

See Accompanying Notes

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**

Statement of Activities

For the Year Ended June 30, 2023

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	<b>Without Donor Restrictions</b>
<b>REVENUES AND SUPPORT</b>	
Contributions	\$ 253,549
Co-Curricular Fees	5,807
Government Grants	723,027
E-Rate Rebates	34,115
<b>Total Revenues and Support</b>	<u>1,016,498</u>
<b>EXPENSES</b>	
Program Services	1,120,796
Management and General	224,061
<b>Total Expenses</b>	<u>1,344,857</u>
<b>CHANGE IN NET ASSETS</b>	(328,359)
<b>NET ASSETS - BEGINNING</b>	<u>313,097</u>
<b>NET DEFICIT - ENDING</b>	<u><u>\$ (15,262)</u></u>

See Accompanying Notes



**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2023

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	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Contracted Wages and Benefits	\$ 437,010	\$ 77,119	\$ 514,129
Administration Fees	-	68,152	68,152
Depreciation	5,210	920	6,130
Training and Development	41,276	-	41,276
Information Technology	141,077	24,896	165,973
Insurance	18,085	3,191	21,276
Instruction	136,243	-	136,243
Advertising	53,916	-	53,916
Dues and Subscriptions	1,015	338	1,353
Repairs and Maintenance	6,517	1,150	7,667
Telephone	2,132	376	2,508
Travel and Transportation	1,241	669	1,910
Miscellaneous Expense	9,324	-	9,324
<b>Total Expenses</b>	<u>\$ 1,120,796</u>	<u>\$ 224,061</u>	<u>\$ 1,344,857</u>

See Accompanying Notes

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

Statement of Cash Flows  
For the Year Ended June 30, 2023

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## CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (328,359)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	6,130
Amortization of Right-of-Use Assets	287,852
Changes in Certain Assets and Liabilities:	
Grant Receivable	61,940
Prepaid Expenses	(20,839)
Accounts Payable	377,272
Operating Lease Liability	(287,852)
<b>Net Cash Flows From Operating Activities</b>	<u>96,144</u>

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	<u>(36,778)</u>
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## NET CHANGE IN CASH

59,366

## CASH - BEGINNING

265,311

## CASH - ENDING

\$ 324,677

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Lease Assets Obtained in Exchange for Lease Obligations	
Operating Lease	<u>\$ 583,987</u>

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

Notes to Financial Statements

June 30, 2023

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## Note 1 - Summary of Significant Accounting Policies

### Nature of Activities

Kenosha Schools of Technology Enhanced Curriculum, Inc. (School) provides students the opportunities to develop real world technical and professional skills through hands on work experience. The School serves students in grades 9-12 in the Kenosha, 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.

### 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.

### 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.

Kenosha Schools of Technology Enhanced Curriculum, 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.

Kenosha Schools of Technology Enhanced Curriculum, 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, Kenosha Schools of Technology Enhanced Curriculum, 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.

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

Notes to Financial Statements

June 30, 2023

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### 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.

### 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.

### 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.

E-rate rebate revenue is recognized when received. The School applies for discounts on eligible telecommunications and information service purchases.

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

Notes to Financial Statements

June 30, 2023

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## 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 functions. 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 14, 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, comprised of cash of \$328,676 as of June 30, 2023.

## Note 3 - Equipment

Equipment consists of the following at June 30, 2023:

Equipment	\$	36,778
Less: Accumulated Depreciation		(6,130)
Equipment, Net	\$	<u>30,648</u>

## Note 4 - Lease Arrangement

The School leases its current location under an operating lease that commenced on July 1, 2022 and expires in June 2023 with a one year renewal period. The lease was renewed until June 30, 2024. The lease requires monthly lease payments are \$25,000. The School is also required to pay annual utility costs of \$15,000 which was increased to \$20,000 effective July 1, 2023.

Accumulated amortization of the right to use asset is \$287,852 for the year ended June 30, 2023.

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

Other Information:		
Operating Cash Flows from Lease	\$	300,000
Right of Use Assets Obtained in Exchange for Lease Obligation		583,987
Remaining Lease Term		0.92
Risk-Free Discount Rate		2.84%

Assuming no changes in lease terms, the future minimum lease payments under this lease will be \$300,000 for the year ended June 30, 2024 with a present value discount of \$3,865.

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

Notes to Financial Statements

June 30, 2023

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## **Note 5 - Significant Concentrations**

The School received approximately 94% of its revenues from the Wisconsin Department of Public Instruction for the year ended June 30, 2023.

## **Note 6 – Conditional Grant**

The School received a \$725,000 grant in a prior period of which \$275,000 was received. The grant requires various conditions to be met before payments will be made. During the year ended June 30, 2023, the School received \$250,000. There is a remaining \$200,000 which will be received upon meeting certain requirements. The amount is expected to be received during the year end June 30, 2024.

## **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  
Kenosha Schools of Technology Enhanced Curriculum, Inc.  
Kenosha, 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 Kenosha Schools of Technology Enhanced Curriculum, Inc. (the 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 14, 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 a deficiency 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  
Kenosha Schools of Technology Enhanced Curriculum, Inc.

### **Kenosha Schools of Technology Enhanced Curriculum, Inc.'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 14, 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  
Kenosha Schools of Technology Enhanced Curriculum, Inc.  
Kenosha, Wisconsin

**Report on Compliance for the Major State Program**

***Opinion on the Major State Program***

We have audited the Kenosha Schools of Technology Enhanced Curriculum, Inc.'s (School) compliance with the types of compliance requirements identified as subject to audit in the *Wisconsin Department of Public Instruction 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 the *Wisconsin Department of Public Instruction Audit Manual*. Our responsibilities under those standards and *Wisconsin Department of Public Instruction 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.

### ***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 School'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  
Kenosha Schools of Technology Enhanced Curriculum, 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 14, 2023

**Federal and State Awards Section**

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, 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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>CHILD NUTRITION CLUSTER</i>						
School Breakfast Program	10.553	2023-308029-DPI-SB-546	\$ -	\$ 1,060	\$ 1,060	\$ -
National School Lunch Program	10.555	2023-308029-DPI-NSL-547	-	16,313	16,313	-
<i>Total Child Nutrition Cluster</i>			<u>-</u>	<u>17,373</u>	<u>17,373</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>SPECIAL EDUCATION CLUSTER</i>						
Special Education Preschol Grants	84.027	2023-308029-DPI-FLOW-341	-	9,503	9,503	-
Wisconsin Charter Schools Program	84.282	2023-308029-DPI-WCSP1-360	-	277,990	277,990	-
Wisconsin Charter Schools Program	84.282	2022-308029-DPI-WCSP1-360	61,940	61,940	-	-
<b>Total U.S. Department of Education</b>			<u>61,940</u>	<u>349,433</u>	<u>287,493</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 61,940</u>	<u>\$ 366,806</u>	<u>\$ 304,866</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Government Grants

Grants

\$ 723,027

Less: State Sources

(407,616)

Less: Federal Sources not Considered Federal Financial Assistance

(10,545)

Total Expenditures of Federal Awards

\$ 304,866

The accompanying notes are an integral part of this schedule.

(These notes are on page 19)

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**  
 Schedule of State Financial Assistance  
 For the Year Ended June 30, 2023

<u>Awarding Agency/ Award Description/ Pass-Through Agency</u>	<u>State I.D. Number</u>	<u>State Pass Through I.D. Number</u>	<u>Accrued Receivable 7/1/22</u>	<u>State Reimbursements</u>	<u>Expenditures</u>	<u>Accrued Receivable 6/30/23</u>
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>						
<b>ENTITLEMENT PROGRAMS</b>						
<i>MAJOR STATE PROGRAM:</i>						
Charter Schools State Aid - 2x	255.289	308029	<u>\$ -</u>	<u>\$ 407,616</u>	<u>\$ 407,616</u>	<u>\$ -</u>

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

# KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.

Notes to the Schedule of Federal Awards and State Financial Assistance

June 30, 2023

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## **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 Kenosha Schools of Technology Enhanced Curriculum, 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**

Kenosha Schools of Technology Enhanced Curriculum, Inc.'s federal oversight agency is the U.S. Department of Education. The School's state cognizant agency is the Wisconsin Department of Instruction.



**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, 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:

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

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**

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

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**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.

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**

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

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**Section III – State Award Findings and Responses**

None Noted

**Section IV – Other Issues**

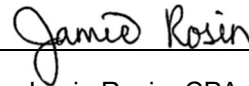
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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 14, 2023

**KENOSHA SCHOOLS OF TECHNOLOGY ENHANCED CURRICULUM, INC.**

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

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**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 to 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**

Stacey Duchrow

#### **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.