

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL**

CHARTER SCHOOL PROGRAM AUDIT

YEAR ENDED JUNE 30, 2021



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**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Community Center, Inc. -
Acosta Middle School
Milwaukee, Wisconsin

Report on the Financial Schedule

We have audited the accompanying Schedule of Charter School Revenues and Expenses of United Community Center, Inc. - Acosta Middle School for the year ended June 30, 2021 and the related notes to the financial schedule.

Management's Responsibility for the Financial Schedule

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

Auditors' Responsibility

Our responsibility is to express an opinion on the accompanying financial schedule based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial schedule 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying Schedule of Charter School Revenues and Expenses referred to above presents fairly, in all material respects, the program revenues and expenses of United Community Center, Inc. - Acosta Middle School for the year ended June 30, 2021, pursuant to the Charter School contract, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the accompanying financial schedule. The Schedule of Financial Results – Charter School Contract, the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards are presented for purposes of additional analysis and are not a required part of the financial schedule. The 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 schedule. The information has been subjected to the auditing procedures applied in the audit of the financial schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial schedule 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 schedule as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021 on our consideration of United Community Center, Inc. - Acosta Middle School'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 United Community Center, Inc. – Acosta Middle School's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering United Community Center, Inc. - Acosta Middle School's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Racine, Wisconsin
October 29, 2021

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
SCHEDULE OF CHARTER SCHOOL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2021**

	Actual	Per Pupil
Revenues:		
Miscellaneous income	\$ 22,565	\$ 106.43
Support:		
Government grants		
Charter school - State	2,005,179	9,458
Charter school - Federal	140,040	661
Title I - A	77,860	367
Title II - A	7,661	36
Title IV - A	11,000	52
Special education / IDEA	35,690	168
ESSER	63,818	301
GEER	19,348	91
Total government grants	<u>2,360,596</u>	<u>11,135</u>
Contributions		
Other contributions	20,000	94
Total support	<u>2,380,596</u>	<u>11,229</u>
Total revenues and support	2,403,036	11,335
Expenses:		
Salaries	1,169,693	5,517
Payroll taxes	95,536	451
Other benefits	302,960	1,429
Professional fees	88,321	417
Field trips	6,791	32
Staff development/conferences	6,794	32
Travel	6	-
Printing	2,822	13
Postage	389	2
Depreciation	85,475	403
Program supplies	85,582	404
Classroom equipment	17,963	85
Equipment rental	-	-
Occupancy	128,798	608
Fundraising	1,753	8
Overhead allocated	210,765	994
Total expenses	<u>2,203,648</u>	<u>10,395</u>
Change in net assets	<u>\$ 199,388</u>	

See accompanying Notes to Financial Schedule – Charter School Program Audit

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
NOTES TO THE FINANCIAL SCHEDULE – CHARTER SCHOOL PROGRAM AUDIT
JUNE 30, 2021**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Community Center, Inc. (the Organization) provides avenues of growth to the Latino community in Milwaukee by providing direct services and by serving as a liaison between various institutions and the Hispanic community. The mission of the Organization is providing programs to Hispanics and near south side residents of all ages in the areas of education, cultural arts, recreation, community development, and health and human services. The Organization assists individuals to achieve their potential by focusing on cultural heritage as a means of strengthening personal development and by promoting high academic standards in all of its educational programs.

Through a partnership with the University of Wisconsin – Milwaukee, the Organization operates Acosta Middle School (the School), a grade 6 - 8 charter school. The Acosta Middle School's enrollment for the year ended June 30, 2021 was 211 on the third Friday in September and 213 on the second Friday in January. The cost per student is based on a full-time equivalency of 212 students for the year ended June 30, 2021.

The Organization operates on a calendar year ended December 31st while the School operates on a fiscal year ended June 30th to coincide with the school year; therefore, the financial schedules contain only the revenues and expenses of the School for the year ended June 30, 2021. Separate audited financial statements of the Organization are available for the year ended December 31, 2020.

Basis of Accounting

The financial schedules of the School have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities with revenues and expenses reflected in the period earned or incurred.

Use of Estimates

The preparation of financial schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported revenues and expenses. Actual results could differ from those estimates.

Property and Equipment

All acquisitions and improvements of property and 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 property and 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 estimated lives of the assets.

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
NOTES TO THE FINANCIAL SCHEDULE – CHARTER SCHOOL PROGRAM AUDIT
JUNE 30, 2021**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions are recognized as revenue when they are received or unconditionally promised. All contributions are considered available for the School's general programs unless restricted by the donor to support specific programs. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the School. Contributions of donated property are recorded at their fair market value at the date of the donation. A substantial number of unpaid volunteers have made significant contributions of their time to the operations of the School. The value of these donated services and time is not recognized in the accompanying financial schedules because they do not meet the criteria for recognition.

Subsequent Events

The School has evaluated events and transactions for potential recognition or disclosure in the financial schedules through October 29, 2021, the date on which the financial schedules were available to be issued.

NOTE 2 GOVERNMENT GRANTS AND STATE AID

The School receives a significant portion of its funding in the form of government grants from various state agencies, primarily the Wisconsin Department of Public Instruction (DPI).

NOTE 3 RELATED PARTY TRANSACTIONS

The School is operated by United Community Center, Inc. Accordingly, the School is allocated general administrative costs of the Organization through the Organization's indirect cost allocation plan. For the year ended June 30, 2021, the School's expenses include indirect costs of \$210,765.

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
SCHEDULE OF CHARTER SCHOOL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2020**

	Actual	Per Pupil
Revenues:		
Miscellaneous income	\$ 7,687.00	\$ 42.70
Support:		
Government grants		
Charter school - State	1,652,390	9,180
Charter school - Federal	148,965	828
Title I - A	57,767	321
Title II - A	8,894	49
Title IV - A	9,000	50
Educator effectiveness	640	4
Special education / IDEA	49,922	277
Total government grants	<u>1,927,578</u>	<u>10,709</u>
Contributions		
Other contributions	16,000	89
Total support	<u>1,943,578</u>	<u>10,798</u>
Total revenues and support	1,951,265	10,840
Expenses:		
Salaries	1,008,176	5,601
Payroll taxes	76,858	427
Other benefits	239,762	1,332
Professional fees	66,595	370
Field trips	7,529	42
Staff development/conferences	14,580	81
Travel	209	1
Printing	4,538	25
Postage	260	1
Depreciation	230,373	1,280
Program supplies	158,438	880
Classroom equipment	51,287	285
Equipment rental	-	-
Occupancy	143,106	795
Fundraising	3,342	19
Overhead allocated	152,627	848
Total expenses	<u>2,157,680</u>	<u>11,987</u>
Change in net assets	<u>\$ (206,415)</u>	

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
SCHEDULE OF FINANCIAL RESULTS – CHARTER SCHOOL CONTRACT
YEAR ENDED JUNE 30, 2021**

The School is operated through a partnership with the University of Wisconsin – Milwaukee. A Charter School Contract establishes the roles and responsibilities of each party to the agreement. The Charter School contract requires the following financial results by FTE to be included in the audit:

Schedule 9.1 Total Revenue

Category	Total Revenue	Per Pupil
State per Pupil Aid	\$ 2,005,179	\$ 9,458.39
Federal Funds	355,417	1,676.50
Other Donations	20,000	94.34
Other Revenue	22,440	105.84
	\$ 2,403,036	\$ 11,335.07

Schedule 9.2 Federal Revenue

Category	Total Federal Revenue	Per Pupil
Title I	\$ 77,860	\$ 367.26
Title II	7,661	36.14
Title IV	11,000	51.89
Other Federal Funds		
Charter Schools	140,040	660.57
IDEA	35,690	168.35
ESSER	63,818	301.03
GEER	19,348	91.26
	\$ 355,417	\$ 1,676.50

Schedule 9.3 Total Expenditures

Category	Total Expenditures	Per Pupil
Instruction	\$ 1,266,937	\$ 5,976.12
Instructional Support	221,607	1,045.32
Pupil Services	226,659	1,069.15
Administration	236,921	1,117.55
Facilities	177,440	836.98
Contract Services	72,331	341.16
Other Expenditures	1,753	8.27
	\$ 2,203,648	\$ 10,394.55

Schedule 9.4 Fund Balance

	July 1	June 30	Difference	Cumulative Fund Balance
June 30, 2020	\$ -	\$ -	\$ -	\$ -
June 30, 2021		-	-	-

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
SCHEDULE OF FINANCIAL RESULTS – CHARTER SCHOOL CONTRACT (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Schedule 9.5 Revenue Per Pupil

Year	State/Pupil	Special Education	Federal	Grants	Sponsor Donations	Other Donations	Other	Total
2019-20	\$ 9,179.94	\$ 113.74	\$ 1,411.53	\$ 3.55	\$ -	\$ 88.89	\$ 42.70	\$ 10,840.35
2020-21	9,458.39	-	1,676.50	-	-	94.34	105.84	11,335.07

Schedule 9.6 Breakout of Federal Revenue

Year	Title I	Title II	Title IV	Charter Schools	IDEA	ESSER	GEER	Total
2019-20	\$ 57,767.00	\$ 8,894.00	\$ 9,000.00	\$ 148,965.00	\$ 29,449.00	\$ -	\$ -	\$ 254,075.00
2020-21	77,860.00	7,661.00	11,000.00	140,040.00	35,690.00	63,818.00	19,348.00	355,417.00

Schedule 9.7 Expenditures per Pupil

Year	Instruction	Instruction Support	Pupil Service	Administration/Board	Facilities	Contracted Services	Debt Service	Other	Total
2019-20	\$ 6,058.98	\$ 1,607.75	\$ 1,392.99	\$ 954.89	\$ 1,493.94	\$ 286.97	\$ -	\$ 191.56	\$ 11,987.08
2020-21	5,976.12	1,045.32	1,069.15	1,117.55	836.98	341.16	-	8.27	10,394.55

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Grantor Agency/Cluster or Grant Title	Pass-through Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/20	Cash Received	Accrued (Deferred) Revenue 6/30/21	Total Revenue	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF EDUCATION									
Title I Grants to Local Educational Agencies									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.010	2021-408137-DPI-TIA-141	\$ -	\$ 70,716	\$ 7,144	\$ 77,860	\$ 77,860	\$ -
July 1, 2019 - June 30, 2020	WI Department of Public Instruction		2020-408137-DPI-TIA-141	(6,419)	6,419	-	-	-	-
Special Education - Grants to States									
Special Education Flow-Through									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.027	2021-408137-DPI-IDEA-FT-341	-	32,449	3,241	35,690	35,690	-
July 1, 2019 - June 30, 2020	WI Department of Public Instruction		2020-408137-DPI-IDEA-F-341	(3,272)	3,272	-	-	-	-
Charter Schools									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.282	2021-408137-DPI-WCSP1-360	-	55,213	84,827	140,040	140,040	-
July 1, 2019 - June 30, 2020	WI Department of Public Instruction		2020-408137-DPI-WCSP1-360	(97,171)	97,171	-	-	-	-
Improving Teacher Quality State Grants									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.367	2021-408137-DPI-TIIA-365	-	6,994	667	7,661	7,661	-
July 1, 2019 - June 30, 2020	WI Department of Public Instruction		2020-408137-DPI-TIIA-365	(988)	988	-	-	-	-
Student Support and Academic Enrichment									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.424	2021-408137-DPI-TIV-A-381	-	10,000	1,000	11,000	11,000	-
July 1, 2019 - June 30, 2020	WI Department of Public Instruction		2020-408137-DPI-TIVA-DPI-381	(1,000)	1,000	-	-	-	-
Elementary and Secondary School Emergency Relief									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.425	2021-408137-DPI-ESSERF-160	-	57,369	6,449	63,818	63,818	-
Governors Emergency Education Relief Fund									
July 1, 2020 - June 30, 2021	WI Department of Public Instruction	84.425	2021-408137-DPI-GEERF-162	-	19,348	-	19,348	19,348	-
Total U.S. Department of Education				(108,850)	360,939	103,328	355,417	355,417	-
TOTAL FEDERAL AWARDS				\$ (108,850)	\$ 360,939	\$ 103,328	\$ 355,417	\$ 355,417	\$ -

See accompanying Notes to Schedules of Expenditures of Federal and State Awards

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2021**

Grantor Agency/State Program Title	Pass-through Agency	State ID Number	State Identifying Number	(Accrued) Deferred Revenue 7/1/20	Cash Received	Accrued (Deferred Revenue) 6/30/21	Revenues	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION State Charter Schools Aids	Direct Program	255.109	408137-115	\$ -	\$ 2,005,179	\$ -	\$ 2,005,179	\$ 2,005,179	\$ -
TOTAL STATE AWARDS				\$ -	\$ 2,005,179	\$ -	\$ 2,005,179	\$ 2,005,179	\$ -

See accompanying Notes to Schedules of Expenditures of Federal and State Awards

**UNITED COMMUNITY CENTER, INC.
ACOSTA MIDDLE SCHOOL
NOTE TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of Acosta Middle School (the School), a department of United Community Center, Inc. (the Operating Organization). The information in these schedules is presented in accordance with the requirements of the Operating Organization's contract with University of Wisconsin – Milwaukee (the Authorizer) and is presented on the accrual basis of accounting.

The Operating Organization operates on a calendar year, which differs from the School's fiscal year ended June 30, 2021. As a result, the Operating Organization's audit in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the *State Single Audit Guidelines*, includes federal and state programs of the School, and is completed as of December 31st. The Operating Organization's most recent audit in accordance with Uniform Guidance and the *State Single Audit Guidelines* was completed for the year ended December 31, 2020.



**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**

Board of Directors
United Community Center, Inc. -
Acosta Middle School
Milwaukee, 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 United Community Center, Inc. - Acosta Middle School, which comprise the Schedule of Charter School Revenues and Expenses for the year ended June 30, 2021 and the related notes to the financial statements, and have issued our report thereon dated October 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Community Center, Inc. - Acosta Middle 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 United Community Center, Inc. - Acosta Middle School's internal control. Accordingly, we do not express an opinion on the effectiveness of United Community Center, Inc. - Acosta Middle 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. 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 may exist that have not been identified.

Board of Directors
United Community Center, Inc. –
Acosta Middle School

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Community Center, Inc. - Acosta Middle 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. 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Racine, Wisconsin
October 29, 2021