



Feather River  
Charter School  
Charter #1801

Audit Report

June 30, 2022



**Feather River Charter School**  
Financial Statements and Supplemental Information  
Year Ended June 30, 2022

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## **Independent Auditor's Report**

To the Board of Directors  
Feather River Charter School

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Feather River Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 present fairly, in all material respects, the financial position of Feather River Charter School as of June 30, 2022, 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 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 Feather River Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Feather River Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***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 Feather River Charter School'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 Feather River Charter School'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 supplementary information, as identified in the Table of Contents and as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, is presented for purposes of additional analysis and is 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 additional accompanying supplementary information, as identified in the Table of Contents, are 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 January 17, 2023, on our consideration of Feather River Charter 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 Feather River Charter School'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 Feather River Charter School's internal control over financial reporting and compliance.

*Wilkinson Hadley King + Co LLP*  
El Cajon, California  
January 17, 2023

## Financial Statements

# Feather River Charter School

## Statement of Financial Position

June 30, 2022

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### Assets

Cash and cash equivalents	\$ 642,888
Accounts receivable	3,188,030
Accounts receivable - related entities	24,413
Prepaid expenses	218,340
Property and equipment, net	12,203
Total Assets	<u>\$ 4,085,874</u>

### Liabilities and Net Assets

#### Liabilities

Accounts payable - vendors	\$ 785,851
Accounts payable - related entities	70,765
Accounts payable - grantor government	131,100
Accrued payroll liabilities	251,847
Unearned revenue	404,235
Notes payable	1,696,959
Short term loan payable	1,818,500
Total Liabilities	<u>5,159,257</u>

#### Net Assets

Without donor restrictions	
Undesignated	(1,085,586)
Invested in property and equipment, net of related debt	<u>12,203</u>
Total Net Assets	<u>(1,073,383)</u>
Total Liabilities and Net Assets	<u>\$ 4,085,874</u>

The accompanying notes are an integral part of this statement.

# Feather River Charter School

Statement of Activities  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 16,167,430	\$ -	\$ 16,167,430
Education protection account state aid	358,482	-	358,482
Transfers in lieu of property taxes	747,471	-	747,471
Total LCFF sources	17,273,383	-	17,273,383
Federal contracts and grants	-	575,500	575,500
State contracts and grants	493,530	1,750,537	2,244,067
Interest income	892	-	892
Net assets released from restriction -			
Grant restrictions satisfied	2,724,482	(2,724,482)	-
Total revenue, support, and gains	20,492,287	(398,445)	20,093,842
<b>Expenses and Losses</b>			
Program services expense	16,225,771	-	16,225,771
Supporting services expense	2,818,353	-	2,818,353
Total expenses and losses	19,044,124	-	19,044,124
<b>Change in Net Assets</b>	1,448,163	(398,445)	1,049,718
<b>Net Assets, Beginning of Year</b>	(2,521,546)	398,445	(2,123,101)
<b>Net Assets, End of Year</b>	\$ (1,073,383)	\$ -	\$ (1,073,383)

The accompanying notes are an integral part of this statement.

# Feather River Charter School

## Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services		Supporting Services	Total
	Educational Programs	Management and General		
Salaries and wages	\$ 6,514,603	\$ 737,485	\$	7,252,088
Pension expense	1,434,079	162,345		1,596,424
Other employee benefits	178,398	20,196		198,594
Payroll taxes	677,848	76,736		754,584
Fees for services:				
Management	-	769,310		769,310
Legal	-	110,508		110,508
Audit	-	9,450		9,450
Professional consulting	3,036,223	7,968		3,044,191
District oversight	-	518,763		518,763
Banking and service charges	-	24,517		24,517
Office expenses	76,593	-		76,593
Travel	1,829	-		1,829
Interest	-	230,777		230,777
Depreciation	2,873	-		2,873
Insurance	-	117,239		117,239
Other expenses:				
Books and supplies	2,230,140	-		2,230,140
Noncapitalized equipment	845,586	-		845,586
Equipment rental and repair	1,584	-		1,584
Special education encroachment	1,064,323	-		1,064,323
Student events	161,692	-		161,692
Miscellaneous	-	33,059		33,059
Total expenses by function	<u>\$ 16,225,771</u>	<u>\$ 2,818,353</u>	<u>\$</u>	<u>19,044,124</u>

The accompanying notes are an integral part of this statement.



# Feather River Charter School

Statement of Cash Flows

Year Ended June 30, 2022

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## Cash Flows from Operating Activities

Receipts from federal, state, and local contracts and grants	\$ 19,420,269
Receipts from property taxes	747,471
Other receipts	892
Payments for salaries and benefits	(9,743,768)
Payments to vendors	(9,020,175)
Interest paid	(230,777)

**Net Cash Provided By Operating Activities** 1,173,912

## Cash Flows from Financing Activities

Principal payments on short term loan payables	(944,747)
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**Net Cash Used For Financing Activities** (944,747)

**Net Change in Cash and Cash Equivalents** 229,165

**Cash and Cash Equivalents, Beginning of Year** 413,723

**Cash and Cash Equivalents, End of Year** \$ 642,888

## Reconciliation of Change in Net Assets to Net Cash

### Used For Operating Activities

Change in net assets \$ 1,049,718

Adjustments to reconcile change in net assets to net cash:

Depreciation and amortization 2,873

Changes in operating assets and liabilities

(Increase) Decrease in assets

Accounts receivable (509,093)

Accounts receivable - related entities 230,876

Prepaid expenses (8,009)

Increase (Decrease) in liabilities

Accounts payable - vendors 180,507

Accounts payable - related entities (183,889)

Accounts payable - grantor governments (51,228)

Accrued payroll liabilities 57,922

Unearned revenue 404,235

**Net Cash Provided By Operating Activities** \$ 1,173,912

The accompanying notes are an integral part of this statement.

# Feather River Charter School

Notes to the Financial Statements

Year Ended June 30, 2022

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## A. Principal Activity and Summary of Significant Accounting Policies

### *Organization Structure*

Feather River Charter School (the School) was formed on January 13, 2016, as a charter school pursuant to California Education Code §47600 under a charter agreement with Winship-Robbins Elementary School District (the District). The School became a nonprofit public benefit corporation in 2016. The charter agreement was approved by Winship-Robbins Elementary School District and submitted to the California Board of Education in March of 2016. The School began operations on July 1, 2016.

Feather River Charter School is a tuition-free, K-12 independent study charter school. The School offers both online and offline based curricula, academically accelerated instructional program with thematic units, project-based learning, and enriched to support students who have the desire to work ahead or work deeper in their studies.

### *Basis of Accounting*

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The School 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.

### *Cash and Cash Equivalents*

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### *Accounts Receivable*

Accounts receivable consist primarily of noninterest-bearing amounts due to the School for federal, state, and local grants and contracts receivable. The amounts in accounts receivable are considered fully collectable and as such there has not been an allowance for uncollectable accounts or discount established for the School.

### *Property and Equipment*

The School records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed in the current period.

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

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The School reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

*Unearned Revenue*

Unearned revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period or when resources are received by the School prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the School has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

*Investments*

The School records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

*Net Assets*

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*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 those 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.

*Revenue and Revenue Recognition*

The School recognizes revenue from sales when the products are transferred, and services are provided. The School records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. 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, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Some federal, state, and local contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense. In such cases the revenue is recognized once all performance requirements have been met.

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

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*Donated Services and In-Kind Contributions*

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and developing activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

*Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

*Income Taxes*

The School is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The School is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The School may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2022, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The School follows provisions of uncertain tax positions as addressed in ASC 958. The School recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2022.

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires the School to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

*Financial Instruments and Credit Risk*

The School manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the School to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the School has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from government agencies.

*LCFF Revenues and Payments in Lieu of Property Taxes*

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the school, which is funding in lieu of property taxes, and education protection account funds paid by the state under Proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 86% of the School's revenue.

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

The School is not at risk of losing these funding sources, as long as the School maintains a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

*New Accounting Guidance*

The Financial Accounting Standards Board (FASB) issues accounting standards updates and additional guidance for not-for-profit and for-profit agencies to establish consistent accounting across all organizations in the United States. The following table represents items that have been issued by FASB that became effective in the 2021-22 fiscal year:

Description	Date Issued
FASB Accounting Standards Update 2017-12 - <i>Derivatives and Hedging (Topic 815)</i>	Aug-17
FASB Accounting Standards Update 2018-10 - <i>Codification Improvements to Topic 842 Leases</i>	Jul-18
FASB Accounting Standards Update 2018-15 - <i>Intangibles, Goodwill and Other, Internal Use Software (Topic 350-40)</i>	Aug-18
FASB Accounting Standards Update 2018-16 - <i>Derivatives and Hedging (Topic 815)</i>	Oct-18
FASB Accounting Standards Update 2018-17 - <i>Consolidation (Topic 810)</i>	Oct-18
FASB Accounting Standards Update 2018-18 - <i>Collaborative Arrangements (Topic 808)</i>	Nov-18
FASB Accounting Standards Update 2019-02 - <i>Entertainment Film Costs (Topic 926-20)</i>	Mar-19
FASB Accounting Standards Update 2019-10 - <i>Derivatives and Hedging (Topic 815)</i>	Nov-19
FASB Accounting Standards Update 2020-07 - <i>Not-For-Profit Entities (Topic 958)</i>	Sep-20

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The School has adopted provisions of effective Accounting Standards Updates. The implementation of these items did not result in a change to financial presentation for the School.

*Subsequent Events*

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through January 17, 2023, the date the financial statements were available to be issued.

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

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**B. Liquidity and Availability**

The School's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$	642,888
Accounts receivable		3,188,030
Accounts receivable - related entities		24,413
	<b>\$</b>	<b>3,855,331</b>

**C. Cash and Cash Equivalents**

The School's cash and cash equivalents on June 30, 2022, consisted of the following:

Cash in bank accounts	\$	642,888
Total cash and cash equivalents	<b>\$</b>	<b>642,888</b>

*Cash in Bank*

The School's cash in bank, (\$642,888 as of June 30, 2022) is held in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. As of June 30, 2022, the School held \$633,929 in excess of the FDIC insured amounts. The School reduces its exposure to risk by maintaining such deposits with high quality financial institutions. The School has not experienced any losses in such accounts and believe it is not exposed to any significant credit risk.

**D. Accounts Receivable**

As of June 30, 2022, the School's accounts receivable consisted of the following:

Federal Government		
Special Education	\$	142,822
ESSER II		22,724
Title I		53,242
Title II		11,281
State Government		
Education Protection Account		92,161
State Aid		2,273,362
Lottery Funding		311,270
Other State Programs		23,054
Local Government		
Property tax payments		64,152
Other Local Sources		
Other local sources		193,962
Total Accounts Receivable	<b>\$</b>	<b>3,188,030</b>

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

**E. Prepaid Expenses**

As of June 30, 2022, the School's prepaid expenses consisted of the following:

Insurance	\$	21,887
Service contracts		196,453
Total Prepaid Expenses	\$	<u>218,340</u>

**F. Property and Equipment**

As of June 30, 2022, the School's property and equipment consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Depreciable Capital Assets				
Equipment, Furniture, and Fixtures	\$ 62,689	\$ -	\$ -	\$ 62,689
Total Depreciable Capital Assets	<u>62,689</u>	<u>-</u>	<u>-</u>	<u>62,689</u>
Total Capital Assets	62,689	-	-	62,689
Less Accumulated Depreciation	(47,613)	(2,873)	-	(50,486)
Capital Assets, Net	<u>\$ 15,076</u>	<u>\$ (2,873)</u>	<u>\$ -</u>	<u>\$ 12,203</u>

**G. Unearned Revenue**

At year end the School had performance obligations remaining to expend funds for multiple state and federal programs. As such, unexpended cash received is reflected in unearned revenue.

The following table provides information about significant changes in unearned revenue for the year ended June 30, 2022:

Unearned Revenue, beginning of period	\$	-
Increases in unearned revenue due to cash received during the period		404,235
Decreases in unearned revenue due to performance obligations met during the period		-
Unearned Revenue, end of period	\$	<u>404,235</u>

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

As of June 30, 2022, unearned revenue consisted of the following:

Federal			
ESSER III	\$	179,474	
ESSER II		26,295	
State			
Educator Effectiveness		135,821	
Universal Pre-K Planning		62,645	
Total Unearned Revenue	\$	404,235	

**H. Note Payable and Short-Term Loan Payable**

*Paycheck Protection Program*

On July 1, 2020 Feather River Charter School was approved for \$1,696,959 in Paycheck Protection Program (PPP) Loan from the Small Business Administration. The PPP, established as part of the Coronavirus Aid, Relief and Economic Securities Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The School intends to use the proceeds for purposes consistent with the PPP. While the School currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there is not a guarantee that the School will not take actions that could cause the School to be ineligible for forgiveness of the loan, in whole or in part.

*Short Term Loan Payable*

During the 2021-22 year the School entered into agreements with Charter School Capital (CSC), whereby CSC provided discounted cash up front secured by future accounts receivables. The receivables get collected by the School following which a payment is made to CSC. The total face value and discount of receivables is shown below.

Date of Agreement	Face Value of Receivable	Discount of Receivable	Cash Received	Effective Interest Rate
3/18/2022	\$ 1,818,500	\$ 26,945	\$ 1,791,555	7.42%
Total	\$ 1,818,500	\$ 26,945	\$ 1,791,555	



**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

The amount of the short term loan that is outstanding as of June 30, 2022 is as follows:

	Beginning Balance	New Agreements	Amounts Paid	Ending Balance
2021-22 Short Term Loans	\$ 2,763,247	\$ 13,402,200	\$ 14,346,947	\$ 1,818,500

**I. Related Party Transaction**

Related parties as defined by generally accepted accounting standards include:

1. Affiliates of the entity,
2. Management and members of their immediate families, or
3. Other parties that can significantly influence management or operating policies.

Clarksville Charter School, Winship Community School, Yosemite Valley Charter School, and Lake View Charter School were related parties through common activities. In addition, the Executive Director Jenell Sherman in Clarksville Charter School is also the Executive Director at Feather River Charter School.

Beginning July 1, 2020, these organizations began efforts to separate from their former common leadership. The Schools are allowed to govern themselves fully now and determine if they wish to continue their affiliations with any of their former related parties.

The following represent related party accounts receivable at June 30, 2022:

Lake View Charter School	\$ 11,456	MOU Agreements	Due within 90 days
Clarksville Charter School	11,502	MOU Agreements	Due within 90 days
Winship Community School	1,455	MOU Agreements	Due within 90 days
Total	\$ 24,413		

The following represent related party accounts payable at June 30, 2022:

Affiliated Organization	Payable	Purpose	Repayment Term
Lake View Charter School	\$ 29,304	MOU Agreements	Due within 90 days
Winship Community School	14,913	MOU Agreements	Due within 90 days
Clarksville Charter School	26,548	MOU Agreements	Due within 90 days
Total	\$ 70,765		

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

**J. Employee Retirement System**

Qualified employees are covered under a multiple-employer defined benefit pension plan by an agency of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The School's participation in this plan for the fiscal year ended June 30, 2022, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2022, 2021 and 2020 is for the plan's year-end at June 30, 2022, 2021 and 2020, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

*Period to Period Comparability:*

Feather River Charter School decreased in CalSTRS contributions from 2020 to 2021 by 11.16% followed by an increase in 2022 of 101.30%. The increase in CalSTRS contributions in 2022 were in large due to rising contribution rates along with an increase in salaries combined with an increase in employees contributing to the plan.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30,			FIP/RP Status Pending/ Implemented	
		2022	2021	2020		
CalSTRS	51024	Yellow	Yellow	Yellow	No	
Pension Fund		Contributions			Number of Employees	Surcharge Imposed
		2022	2021	2020		
CalSTRS		\$ 1,130,592	\$ 561,651	\$ 632,197	97	No
Total		\$ 1,130,592	\$ 561,651	\$ 632,197	97	

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

CalSTRS:

The School contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level of percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2022, active plan members were required to contribute between 10.205% and 10.25% of their salary, depending on their hire date. The employer contribution rate was 16.92% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The School made contributions as noted above. For the year ended June 30, 2022, the State contributed \$725,530 (10.858% of certificated salaries) on behalf of the School.

**K. Upcoming Changes in Accounting Pronouncements**

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that become effective over the next few fiscal years:

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2016-02 - <i>Leases (Topic 842)</i>	Feb-16	2022-23
FASB Accounting Standards Update 2016-13 - <i>Credit Losses (Topic 326)</i>	Jun-16	2023-24
FASB Accounting Standards Update 2017-04 - <i>Intangibles, Goodwill &amp; Other (Topic 350)</i>	Jan-17	2023-24
FASB Accounting Standards Update 2018-01 - <i>Leases (Topic 842)</i>	Jan-18	2022-23
FASB Accounting Standards Update 2018-11 - <i>Leases Targeted Improvements (Topic 842)</i>	Jul-18	2022-23
FASB Accounting Standards Update 2018-12 - <i>Financial Services Insurance (Topic 944)</i>	Aug-18	2024-25
FASB Accounting Standards Update 2018-14 - <i>Compensation, Retirement Benefits - Defined Benefit Plans (Topic 715-20)</i>	Aug-18	2022-23
FASB Accounting Standards Update 2018-19 - <i>Codification Improvements for Credit Losses (Topic 326)</i>	Nov-18	2023-24
FASB Accounting Standards Update 2018-20 - <i>Leases (Topic 842)</i>	Dec-18	2022-23
FASB Accounting Standards Update 2019-01 - <i>Leases (Topic 842)</i>	Mar-19	2022-23
FASB Accounting Standards Update 2019-09 - <i>Financial Services, Insurance (Topic 944)</i>	Nov-19	2024-25

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2019-10 - <i>Financial Instruments, Credit Losses</i>	Nov-19	2023-24
FASB Accounting Standards Update 2019-12 - <i>Income Taxes (Topic 740)</i>	Dec-19	2022-23
FASB Accounting Standards Update 2020-01 - <i>Investments (Topics 321, 323, and 815)</i>	Jan-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Revenue from Contracts with Customers (Topic 606)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Leases (Topic 842)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-06 - <i>Debt (Topic 470-20)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-06 - <i>Derivatives and Hedging (Topic 815-40)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-08 - <i>Codification Improvements for Receivables (Topic 310-20)</i>	Oct-20	2022-23
FASB Accounting Standards Update 2020-10 - <i>Codification Improvements</i>	Nov-20	2025-26
FASB Accounting Standards Update 2021-02 - <i>Franchisors Revenue (Topic 952-606)</i>	Jan-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Earnings Per Share (Topic 260)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Debt Modifications and Extinguishments (Topic 470-50)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Stock Compensation (Topic 718)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Derivatives and Hedging (Topic 815-40)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-05 - <i>Leases (Topic 842)</i>	Jul-21	2022-23
FASB Accounting Standards Update 2021-07 - <i>Stock Compensation (Topic 718)</i>	Oct-21	2022-23
FASB Accounting Standards Update 2021-08 - <i>Business Combinations (Topic 805)</i>	Oct-21	2024-25
FASB Accounting Standards Update 2021-09 - <i>Leases (Topic 842)</i>	Nov-21	2022-23
FASB Accounting Standards Update 2021-10 - <i>Government Assistance (Topic 832)</i>	Nov-21	2022-23

**Feather River Charter School**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2022-01 - <i>Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method</i>	Mar-22	2024-25
FASB Accounting Standards Update 2022-02 - <i>Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures</i>	Mar-22	2023-24
FASB Accounting Standards Update 2022-03 - <i>Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i>	Jun-22	2025-26
FASB Accounting Standards Update 2022-04 - <i>Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations</i>	Sep-22	2023-24

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the future fiscal years are not expected to impact the financial accounting or presentation for the School.

## Supplementary Information

# Feather River Charter School

LEA Organization Structure

Year Ended June 30, 2022

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Feather River Charter School (#1801) was established in 2016. The authorizing entity is Winship-Robbins Elementary School District.

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## GOVERNING BOARD

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<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
David Broclnyer	President	One Year Term Expires June 2022
James Clark	Treasurer	One Year Term Expires June 2022
Juina Carter	Secretary	One Year Term Expires June 2022
Nick Wavrin	Member	One Year Term Expires June 2022
Matt Tozer	Member	One Year Term Expires June 2022

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## ADMINISTRATION

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Jenell Sherman  
Executive Director

Julie Haycock  
Executive Director

**FEATHER RIVER CHARTER SCHOOL**

Schedule of Average Daily Attendance

Year Ended June 30, 2022

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	Second Period Report		Annual Report	
	Original 8D7A0F81	Revised N/A	Original BF141024	Revised N/A
Non-Classroom Based Attendance				
Grades TK/K-3	664.42	N/A	666.37	N/A
Grades 4-6	457.28	N/A	460.95	N/A
Grades 7-8	297.16	N/A	299.21	N/A
Grades 9-12	373.55	N/A	375.57	N/A
Total Non-Classroom Based Attendance	<u>1,792.41</u>	<u>N/A</u>	<u>1,802.10</u>	<u>N/A</u>
Total ADA	<u>1,792.41</u>	<u>N/A</u>	<u>1,802.10</u>	<u>N/A</u>

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.



## Feather River Charter School

Schedule of Instructional Time  
Year Ended June 30, 2022

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	N/A	N/A	N/A	N/A	175	0	175	Complied
Kindergarten	N/A	N/A	N/A	N/A	175	0	175	Complied
1st Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
2nd Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
3rd Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
4th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
5th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
6th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
7th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
8th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
9th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
10th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
11th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied
12th Grade	N/A	N/A	N/A	N/A	175	0	175	Complied

N/A – The School operates as a non-classroom based charter school. The requirements for annual minutes do not apply to non-classroom based charter schools.

See Accompanying Notes to Supplementary Information

**Feather River Charter School**  
Schedule of Financial Trends & Analysis  
Year Ended June 30, 2022

	Budget 2023	2022	2021	2020
Revenues	\$ 20,511,550	\$ 20,093,842	\$ 11,926,959	\$ 11,373,333
Expenses	19,888,512	19,044,124	15,065,622	10,489,924
Change in Net Assets	<u>623,038</u>	<u>1,049,718</u>	<u>(3,138,663)</u>	<u>883,409</u>
Ending Net Assets	<u>\$ (450,345)</u>	<u>\$ (1,073,383)</u>	<u>\$ (2,123,101)</u>	<u>\$ 1,015,562</u>
Unrestricted Net Assets	<u>\$ (450,345)</u>	<u>\$ (1,073,383)</u>	<u>\$ (2,123,101)</u>	<u>\$ 1,015,562</u>
Unrestricted net assets as a percentage of total expenses	<u>-2.26%</u>	<u>-5.64%</u>	<u>-14.09%</u>	<u>9.68%</u>
Total Long Term Debt	<u>\$ -</u>	<u>\$ 1,818,500</u>	<u>\$ 4,460,206</u>	<u>\$ 1,141,700</u>
ADA at P2	<u>2,239</u>	<u>1,792</u>	<u>N/A</u>	<u>1,092</u>

The School's ending net assets has decreased by \$2,088,945 (206%) over the past two fiscal years. The significant decrease is due to reduction in ADA between the 2018-19 year and the 2019-20 year. Restricted ending net assets include multi-year grants that will be expended over the next two to three years.

Average daily attendance (ADA) has increased by 700 over the past two years. As a result of the COVID-19 pandemic there was no reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

The 2022-23 budget is presented for purposes of analysis only and has not been audited. Net assets are projected to increase by \$623,038 and ADA is projected to be 2,239 for the 2022-23 fiscal year.

## Feather River Charter School

### Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements Year Ended June 30, 2022

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June 30, 2022 annual financial alternative form net assets:	\$ (1,155,509)
Adjustments and reclassifications:	
Understatement of accounts receivable	1,818,500
Over statement of accounts payable	82,127
Understatement of short term loans	(1,818,500)
Rounding	<u>(1)</u>
Total adjustments and reclassifications	<u>82,126</u>
June 30, 2022 audited financial statements net assets:	<u>\$ (1,073,383)</u>

# Feather River Charter School

Notes to Supplementary Information

Year Ended June 30, 2022

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## A. Purpose of Schedules

### LEA Organization Structure

This schedule provides information about the School's charter number, district of authorization, members of the governing board, and members of administration.

### Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

### Schedule of Instructional Time

This schedule provides information regarding compliance with Education Code §47612.

Compliance with Education Code §47612 includes the following:

- 1) Charter schools may operate up to 5 tracks for attendance reporting.
- 2) Each track must be operated for a minimum of 175 days.
- 3) Each track must offer the required number of instructional minutes specified in Education Code §47612.5.
- 4) No track shall have less than 55% of its school days before April 15 each school year.

Compliance with Education Code §47612 involves offering a minimum number of annual instructional minutes as defined by grade level. Non-classroom based charters do not have a requirement for auditing/testing offered instructional minutes, as a result the offerings are not reported in the schedule of instructional time.

An LEA that closed due to a qualifying emergency in the 2021-22 fiscal year may submit a Form J-13A to avoid a penalty for not meeting the annual instructional day requirements. The School did not have an emergency closure and as such there are no credited days to account for on the Schedule of Instructional Time.

### Schedule of Financial Trends & Analysis

This schedule displays summarized information from the current year and two previous years, along with budget information for the upcoming year. The information from this schedule is used to evaluate whether there are any financial indicators the School will not be able to continue operations in the next fiscal year. Based upon the information presented, the School appears to have sufficient reserves to continue operations for the 2022-23 fiscal year.

### Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements

This schedule provides information necessary to reconcile between the audited financial statements and the financial data submitted to the sponsoring school district via the unaudited actual financial report.

## Other Independent Auditor's Reports

Independent Auditor's 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  
Feather River 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, the financial statements of Feather River Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 17, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Feather River Charter 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 Feather River Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Feather River Charter 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Feather River Charter 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + LLP

El Cajon, California

January 17, 2023

Independent Auditor's Report on State Compliance and on Internal Control Over  
State Compliance

To the Board of Directors  
Feather River Charter School

**Report on Compliance for Applicable State Programs**

***Opinion on Each Applicable State Program***

We have audited Feather River Charter School's compliance with the requirements specified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 applicable to the Charter School's statutory requirements identified below for the year ended June 30, 2022.

In our opinion, Feather River Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its applicable state programs for the year ended June 30, 2022.

***Basis for Opinion on Each Applicable 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 audit requirements of *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Feather River Charter 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 each applicable state program. Our audit does not provide a legal determination of Feather River Charter 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 Feather River Charter School'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 Feather River Charter 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 Audit Guide 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 Feather River Charter School’s compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, 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 Feather River Charter 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 Feather River Charter School’s internal control over state 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 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Feather River Charter School’s internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the Charter School’s compliance with the state laws and regulations applicable to the following items:

	Procedures Performed
<u>School Districts, County Offices of Education, and Charter Schools</u>	
T. California Clean Energy Jobs Act.....	N/A
U. After/Before School Education and Safety Program.....	N/A
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X. Local Control and Accountability Plan.....	Yes
Y. Independent Study - Course Based.....	N/A
Z. Immunizations.....	N/A
AZ. Educator Effectiveness.....	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ. Career Technical Education Incentive Grant.....	N/A
DZ. In Person Instruction Grant.....	N/A
<u>Charter Schools</u>	
AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom Based Instruction/Independent Study.....	Yes
DD. Determination of Funding for Nonclassroom Based Instruction.....	Yes
EE. Annual Instructional Minutes - Classroom Based.....	N/A
FF. Charter School Facility Grant Program.....	N/A

N/A – The School did not offer the program during the current fiscal year or the program applies 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 identified during the audit.

### **Report on Internal Control over State 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 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 requirements of the Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Wilkinson Hadley King + Co LLP*  
El Cajon, California  
January 17, 2023

## Auditor's Results, Findings & Recommendations

# Feather River Charter School

## Schedule of Auditor's Results

Year Ended June 30, 2022

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### FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
One or more material weakness(es) identified?	<u>        </u> Yes	<u>    X    </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	<u>        </u> Yes	<u>    X    </u> No
Noncompliance material to financial statements noted?	<u>        </u> Yes	<u>    X    </u> No

### STATE PROGRAMS

Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>	
Internal control over applicable state programs:		
One or more material weakness(es) identified?	<u>        </u> Yes	<u>    X    </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	<u>        </u> Yes	<u>    X    </u> No
Any audit findings disclosed that are required to be reported in accordance with <i>2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting</i> ?	<u>        </u> Yes	<u>    X    </u> No

# Feather River Charter School

## Schedule of Findings and Questioned Costs Year Ended June 30, 2022

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Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, or the *2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting* (the Audit Guide). Finding codes as identified in the Audit Guide are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

### A. Financial Statement Findings

None

### B. State Award Findings

None

# Feather River Charter School

Schedule of Prior Year Audit Findings  
Year Ended June 30, 2022

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<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
There were no findings in the prior year audit.	N/A	N/A