

**YPI CHARTER SCHOOLS, INC.**  
**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

**OPERATING:**

**Bert Corona Charter School: #0654**  
**Monseñor Oscar Romero Charter School: #0931**  
**Bert Corona High School: #1724**

**YPI CHARTER SCHOOLS, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of YPI Charter Schools, Inc. (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 financial statements referred to on page 1 present fairly, in all material respects, the financial position of the School as of June 30, 2021, 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.

**Other Matters**

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The columns by location and eliminations on the statement of financial position, activities and cash flows and the accompanying supplementary schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic 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 a report dated REPORT DATE on our consideration of the 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 on the 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 the School's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

**YPI CHARTER SCHOOLS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**

<b>ASSETS</b>	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Eliminations	Total
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 1,729,523	\$ 3,116,608	\$ 150,118	\$ 1,565,284	\$ -	\$ 6,561,533
Accounts Receivable - Federal and State	2,212,545	1,057,853	704,342	-	-	3,974,740
Accounts Receivable - Other	3,892	237	20	213	-	4,362
Intercompany Receivable	-	111,000	-	-	(111,000)	-
Prepaid Expenses and Other Assets	69,993	62,066	42,538	23,296	-	197,893
Total Current Assets	<u>4,015,953</u>	<u>4,347,764</u>	<u>897,018</u>	<u>1,588,793</u>	<u>(111,000)</u>	<u>10,738,528</u>
<b>LONG-TERM ASSETS</b>						
Property, Plant, and Equipment, Net	304,398	27,474,708	129,744	4,580	-	27,913,430
Other Long-Term Assets	850	-	-	9,766	-	10,616
Total Long-Term Assets	<u>305,248</u>	<u>27,474,708</u>	<u>129,744</u>	<u>14,346</u>	<u>-</u>	<u>27,924,046</u>
Total Assets	<u>\$ 4,321,201</u>	<u>\$ 31,822,472</u>	<u>\$ 1,026,762</u>	<u>\$ 1,603,139</u>	<u>\$ (111,000)</u>	<u>\$ 38,662,574</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 1,197,704	\$ 1,198,576	\$ 241,205	\$ 92,012	\$ -	\$ 2,729,497
Intercompany Payable	-	-	111,000	-	(111,000)	-
Deferred Revenue	293,503	423,558	164,431	-	-	881,492
Amount Held for Others	35,357	49,698	-	-	-	85,055
Loans Payable, Current Portion	-	205,834	-	1,527,500	-	1,733,334
Total Current Liabilities	<u>1,526,564</u>	<u>1,877,666</u>	<u>516,636</u>	<u>1,619,512</u>	<u>(111,000)</u>	<u>5,429,378</u>
<b>LONG-TERM LIABILITIES</b>						
Loan Payable	-	7,321,254	-	-	-	7,321,254
Total Long-Term Liabilities	<u>-</u>	<u>7,321,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,321,254</u>
Total Liabilities	1,526,564	9,198,920	516,636	1,619,512	(111,000)	12,750,632
<b>NET ASSETS</b>						
Without Donor Restriction	2,794,637	22,623,552	510,126	(16,373)	-	25,911,942
Total Net Assets	<u>2,794,637</u>	<u>22,623,552</u>	<u>510,126</u>	<u>(16,373)</u>	<u>-</u>	<u>25,911,942</u>
Total Liabilities and Net Assets	<u>\$ 4,321,201</u>	<u>\$ 31,822,472</u>	<u>\$ 1,026,762</u>	<u>\$ 1,603,139</u>	<u>\$ (111,000)</u>	<u>\$ 38,662,574</u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Eliminations	Total
<b>REVENUES, WITHOUT DONOR RESTRICTION</b>						
State Revenue:						
State Aid	\$ 2,698,760	\$ 2,719,838	\$ 1,797,875	\$ -	\$ -	\$ 7,216,473
Other State Revenue	631,098	458,371	195,331	-	-	1,284,800
Federal Revenue:						
Grants and Entitlements	2,384,168	722,432	462,615	-	-	3,569,215
Local Revenue:						
In-Lieu Property Tax Revenue	995,114	969,250	508,834	-	-	2,473,198
Contributions	47,155	28,443	29,125	-	-	104,723
Interest Income	1	-	-	46	-	47
Other Revenue	7,132	1,114	1,695	1,235,986	(1,234,139)	11,788
Total Revenues	<u>6,763,428</u>	<u>4,899,448</u>	<u>2,995,475</u>	<u>1,236,032</u>	<u>(1,234,139)</u>	<u>14,660,244</u>
<b>EXPENSES</b>						
Program Services	5,328,257	3,549,147	2,074,572	-	-	10,951,976
Management and General	1,429,759	1,582,655	807,243	1,236,032	(1,234,139)	3,821,550
Total Expenses	<u>6,758,016</u>	<u>5,131,802</u>	<u>2,881,815</u>	<u>1,236,032</u>	<u>(1,234,139)</u>	<u>14,773,526</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b>						
	5,412	(232,354)	113,660	-	-	(113,282)
Net Assets - Beginning of Year	<u>2,789,225</u>	<u>22,855,906</u>	<u>396,466</u>	<u>(16,373)</u>	<u>-</u>	<u>26,025,224</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,794,637</u>	<u>\$ 22,623,552</u>	<u>\$ 510,126</u>	<u>\$ (16,373)</u>	<u>\$ -</u>	<u>\$ 25,911,942</u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Eliminations</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 4,100,422	\$ 1,550,930	\$ -	\$ -	\$ 5,651,352
Pension Expense	592,361	84,329	-	-	676,690
Other Employee Benefits	653,616	252,532	-	-	906,148
Payroll Taxes	95,423	86,065	-	-	181,488
Legal Expenses	-	24,585	-	-	24,585
Accounting Expenses	-	18,228	-	-	18,228
Instructional Materials	227,793	21	-	-	227,814
Other Fees for Services	2,322,748	1,584,542	-	(1,234,139)	2,673,151
Information Technology	-	153,007	-	-	153,007
Advertising and Promotion Expenses	-	16,192	-	-	16,192
Office Expenses	494,948	294,443	-	-	789,391
Occupancy Expenses	1,029,685	304,474	-	-	1,334,159
Travel and Conference Expense	2,130	7,282	-	-	9,412
Interest Expense	-	165,963	-	-	165,963
Depreciation Expense	967,730	174,345	-	-	1,142,075
Insurance Expense	-	127,923	-	-	127,923
Other Expenses	465,120	210,828	-	-	675,948
Subtotal	<u>10,951,976</u>	<u>5,055,689</u>	<u>-</u>	<u>(1,234,139)</u>	<u>14,773,526</u>
Eliminations	<u>-</u>	<u>(1,234,139)</u>	<u>-</u>	<u>1,234,139</u>	<u>-</u>
Total Functional Expenses	<u>\$ 10,951,976</u>	<u>\$ 3,821,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,773,526</u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Change in Net Assets	\$ 5,412	\$ (232,354)	\$ 113,660	\$ -	\$ -	\$ (113,282)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:						
Depreciation	265,986	819,372	50,635	6,082	-	1,142,075
Change in Operating Assets:						
Accounts Receivable - Federal and State	(537,501)	(381,240)	(544,377)	-	-	(1,463,118)
Accounts Receivable - Other	1,930	1,763	13	(213)	-	3,493
Intercompany Receivable	20,000	(111,000)	-	-	91,000	-
Prepaid Expenses and Other Assets	1,211	(24,684)	(23,011)	33,460	-	(13,024)
Change in Operating Liabilities:						
Accounts Payable and Accrued Liabilities	463,654	156,017	175,564	28,047	-	823,282
Intracompany Payable	-	-	91,000	-	(91,000)	-
Deferred Revenue	293,503	273,344	164,431	-	-	731,278
Amounts Held for Others	(8,306)	(21,613)	-	-	-	(29,919)
Net Cash Provided by Operating Activities	<u>505,889</u>	<u>479,605</u>	<u>27,915</u>	<u>67,376</u>	<u>-</u>	<u>1,080,785</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of Property, Plant, and Equipment	(102,833)	(51,062)	(17,580)	(1,186)	-	(172,661)
Net Cash Used by Investing Activities	<u>(102,833)</u>	<u>(51,062)</u>	<u>(17,580)</u>	<u>(1,186)</u>	<u>-</u>	<u>(172,661)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Repayments of Debt	-	(201,763)	-	-	-	(201,763)
Net Cash Used by Financing Activities	<u>-</u>	<u>(201,763)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,763)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	403,056	226,780	10,335	66,190	-	706,361
Cash and Cash Equivalents - Beginning of Year	<u>1,326,467</u>	<u>2,889,828</u>	<u>139,783</u>	<u>1,499,094</u>	<u>-</u>	<u>5,855,172</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,729,523</u>	<u>\$ 3,116,608</u>	<u>\$ 150,118</u>	<u>\$ 1,565,284</u>	<u>\$ -</u>	<u>\$ 6,561,533</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>						
Cash Paid for Interest	<u>\$ -</u>	<u>\$ 153,141</u>	<u>\$ -</u>	<u>\$ 12,822</u>	<u>\$ -</u>	<u>\$ 165,963</u>

See accompanying Notes to Financial Statements.



**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

YPI Charter Schools, Inc. (the School) is a California nonprofit public benefit corporation developed by the Youth Policy Institute (YPI). The School currently manages three charter schools: Bert Corona Charter School, Monseñor Oscar Romero Charter School, and Bert Corona Charter High School. All of these charter schools are funded principally through state of California public education monies received through the California Department of Education and the Los Angeles Unified School District (the District).

The School's vision is to equip urban students in grades 5-12 for academic success and active community participation. The majority of students come from predominantly Latino immigrant families with high poverty levels. The School seeks to close the achievement gap for these students by providing clear and high expectations for all students to achieve a personalized and supportive learning environment that recognizes students' accomplishments, family-school-community partnerships and service, and integrated technology in the classroom.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**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, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset Classes**

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 that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2021. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$1,000.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as a liability of the School. The entire compensated absences liability is reported on the statement of financial position. Employees of the School are paid for days or hours worked based upon board approved schedules which include vacation.

**Revenue Recognition**

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2021, the School has conditional grants of \$5,301,738 of which \$881,492 is recognized as deferred revenue in the statement of financial position.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files and exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through REPORT DATE, the date these financial statements were available to be issued.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 as of June 30, 2021 are comprised of the following:

Cash and Cash Equivalents	\$ 6,561,533
Accounts Receivable - Federal and State	3,974,740
Accounts Receivable - Other	4,362
Financial Assets Available for General Expenditure	<u>\$ 10,540,635</u>

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

**NOTE 3 CONCENTRATION OF CREDIT RISK**

The School maintains its cash and cash equivalents at high-credit quality financial institutions. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 4 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense for the year ended June 30, 2021 was \$1,142,075.

The components of property, plant, and equipment as of June 30, 2021 are as follows:

	Bert Corona Charter School	Montsenor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Total
Building	\$ 1,449,617	\$ 29,012,417	\$ -	\$ 6,686	\$ 30,468,720
Building Improvements	271,091	-	-	-	271,091
Computer and Equipment	1,162,274	655,457	330,584	40,776	2,189,091
Furniture	38,561	21,317	1,953	-	61,831
Subtotal	<u>2,921,543</u>	<u>29,689,191</u>	<u>332,537</u>	<u>47,462</u>	<u>32,990,733</u>
Less: Accumulated Depreciation	<u>(2,617,145)</u>	<u>(2,214,483)</u>	<u>(202,793)</u>	<u>(42,882)</u>	<u>(5,077,303)</u>
Total	<u>\$ 304,398</u>	<u>\$ 27,474,708</u>	<u>\$ 129,744</u>	<u>\$ 4,580</u>	<u>\$ 27,913,430</u>

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 EMPLOYEE RETIREMENT**

**Multiemployer Defined Benefit Pension Plans**

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

The risks of participating in this multiemployer defined benefit pension plan are different from single employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law, and (c) if the School chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The School has no plans to withdraw from this multi-employer plan.

**State Teachers' Retirement System (STRS)**

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS.

The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2020 total STRS plan net assets are \$283 billion, the total actuarial present value of accumulated plan benefits is \$405 billion, contributions from all employers totaled \$6.1 billion, and the plan is 67.1% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826, and [www.calstrs.com](http://www.calstrs.com).

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.21% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the SIRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2021 was 16.15% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)**

**State Teachers' Retirement System (STRS) (Continued)**

The School's contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	<u>Bert Corona Charter School</u>		<u>Monseñor Oscar Romero Charter School</u>		<u>Bert Corona High School</u>	
	<u>Required Contribution</u>	<u>Percent Contributed</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2019	222,069	100 %	193,350	100 %	184,413	100 %
2020	245,692	100 %	209,606	100 %	154,773	100 %
2021	230,835	100 %	210,858	100 %	157,205	100 %

**Defined Contribution Plan**

The School offers an Internal Revenue Code Section 403(b) retirement plan to each of its qualifying employees. The School matches up to 3% for classified employees. During the year ended June 30, 2021, the School contributed \$26,144 to this plan.

**NOTE 6 OPERATING LEASES**

**Bert Corona Charter School**

The School has a lease agreement for Bert Corona Charter School ending in June 2022. Rent expense for the year ended June 30, 2021 under these leases was \$122,800.

**Learning and Support Center**

The School leases facilities for its learning and support center until October 31, 2025. Rent expense for the year ended June 30, 2021 was \$47,734.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 190,200
2023	42,000
2024	42,000
2025	42,000
2026	14,000
Total	<u>\$ 330,200</u>

**NOTE 7 LINE OF CREDIT**

The School has a revolving line of credit with Pacific Western Bank. The line of credit has a principal of \$500,000 with a variable interest rate currently set at 4% annually. The line of credit was renewed until July 26, 2022. There was no outstanding balance as of June 30, 2021.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 DUE TO OTHERS**

The School receives contributions for the YPI Parent Group and student groups. The amount of cash held payable to the Parent Group and student groups as of June 30, 2021 was \$85,055.

**NOTE 9 LONG-TERM DEBT**

**Charter School Facilities Program Loan**

Monseñor Oscar Romero Charter School was awarded \$15,643,256 through Proposition 1D of which \$7,821,628 was a grant and \$7,821,628 was a long-term debt with an interest rate of 2% per year. The liability is secured by the property acquired and constructed with these funds. Monthly payments of principal and interest began in January 2020 and are expected to be made through January 2049. As of June 30, 2021 the outstanding balance on this loan was \$7,527,088.

**Paycheck Protection Program Loan**

On April 25, 2020 the School received a loan from Pacific Western Bank in the amount of \$1,527,500 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in August 2021 principal and interest payments will be required through the maturity date in April 2022. As of June 30, 2021 the outstanding balance on this loan was \$1,527,500.

Principal payments for future years are as follows:

<u>Year Ending June 30,</u>	<u>CSFP</u>	<u>PPP</u>	<u>Total</u>
2022	\$ 205,834	\$ 1,527,500	\$ 1,733,334
2023	209,986	-	209,986
2024	214,222	-	214,222
2025	218,544	-	218,544
2026	222,952	-	222,952
Thereafter	6,455,550	-	6,455,550
Total	<u>\$ 7,527,088</u>	<u>\$ 1,527,500</u>	<u>\$ 9,054,588</u>

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include pension expense, other employee benefits, payroll taxes, and occupancy, which are allocated on the basis of estimates of time and effort.

**NOTE 11 COMMITMENTS**

The School has a co-location facility use agreement for Bert Corona High School with the Los Angeles Unified School District (the District). The total prorata share charge payments made for the year ended June 30, 2021 was \$226,608. The School is expecting to pay \$196,762 in the following fiscal year.

**NOTE 12 CONTINGENCIES, RISKS AND UNCERTAINTIES**

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

During the prior fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the School, COVID-19 may impact various parts of its 2022 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**NOTE 13 SUBSEQUENT EVENTS**

In July 2021, the School's PPP loan in the amount of \$1,527,500 and the related interest was forgiven by the SBA. The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have a material adverse impact on the School's financial position.



**SUPPLEMENTARY INFORMATION**

**DRAFT**  
For discussion purposes only  
Subject to revision

**YPI CHARTER SCHOOLS, INC.  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
YEAR ENDED JUNE 30, 2021**

YPI Charter Schools, Inc. (the School) was established on November 17, 2003 and is a California nonprofit public benefit corporation. The School operates three sites: Bert Corona Charter School, Monseñor Oscar Romero Charter School, and Bert Corona Charter High, approved by the Los Angeles Unified School District as follows:

- Bert Corona Charter School (charter number 0654) – established in April 2004.
- Monseñor Oscar Romero Charter School (charter number 0931) – established in May 2007.
- Bert Corona Charter High (charter number 1724) – established in 2015.

The Board of Directors and the Administrators as of the year ended June 30, 2021 were as follows:

**BOARD OF DIRECTORS**

<u>Member</u>	<u>Office</u>	<u>Term (In Years)</u>	<u>Term Expires</u>
Mary Keipp	President	2	June 2021
Michael Green	Treasurer	2	June 2021
Sandra Mendoza	Secretary	2	June 2022
Walter Njboke	Member	2	June 2022
Dean Cho	Member	2	June 2022
Cesar Lopez	Member	2	June 2021

**ADMINISTRATORS**

Yvette King Berg	Executive Director
Ruben Dueñas	Chief Operating Officer

**YPI CHARTER SCHOOLS, INC.**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Traditional Instructional Days	Status
Bert Corona Charter School:		
Grade 5	180	In Compliance
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Monseñor Oscar Romero Charter School:		
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Bert Corona Charter High School:		
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

DRAFT  
 For discussion purposes only  
 Subject to revision

**YPI CHARTER SCHOOLS, INC.**  
**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	<u>Bert Corona Charter School</u>	<u>Monseñor Oscar Romero Charter School</u>	<u>Bert Corona Charter High School</u>
June 30, 2021 Annual Financial Report Fund Balances (Net Assets)	\$ 2,855,757	\$ 22,667,797	\$ 515,194
Adjustments and Reclassifications:			
Increase (Decrease) of Fund Balance (Net Assets):			
Accounts Receivable - Federal and State	(1,640)	(39,434)	-
Accounts Payable and Accrued Liabilities	(61,120)	(4,811)	(5,068)
Deferred Revenue	1,640	-	-
Net Adjustments and Reclassifications	<u>(61,120)</u>	<u>(44,245)</u>	<u>(5,068)</u>
June 30, 2021 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 2,794,637</u>	<u>\$ 22,623,552</u>	<u>\$ 510,126</u>

**YPI CHARTER SCHOOLS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Total
<b>U.S. Department of Education</b>						
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	N/A	\$ 1,711,865	\$ -	\$ -	\$ 1,711,865
Pass-Through Program from California Department of Education:						
Title I, Part A	84.010	14981	133,609	156,434	80,093	370,136
Title II, Part A, Teacher Quality	84.367	14341	13,863	17,661	9,118	40,642
Title III, Limited English Proficient Student Program	84.365	14346	13,265	12,355	4,118	29,738
Title IV, Part A, Student Support and Academic Enrichment	84.424A	N/A	10,338	11,531	10,000	31,869
Special Education Cluster	84.027	13379	72,236	70,360	36,934	179,530
<i>Total U.S. Department of Education</i>			<u>1,955,176</u>	<u>268,341</u>	<u>140,263</u>	<u>2,363,780</u>
<b>U.S. Department of Agriculture</b>						
Pass-Through Program from California Department of Education:						
Child Nutrition Program Cluster:						
Especially Needy Breakfast Program	10.553	13526	16,080	37,141	24,063	77,284
National School Lunch Program	10.555	23165	26,697	61,517	40,101	128,315
Meal Supplements	10.555	13755	99	378	-	477
<i>Total U.S. Department of Agriculture</i>			<u>42,876</u>	<u>99,036</u>	<u>64,164</u>	<u>206,076</u>
<b>U.S. Department of Treasury</b>						
Pass-Through Program from California Department of Education:						
Coronavirus Relief Fund (CR) - COVID-19 Funding	21.019	25516	386,116	355,055	258,188	999,359
<i>Total U.S. Department of Treasury</i>			<u>386,116</u>	<u>355,055</u>	<u>258,188</u>	<u>999,359</u>
 Total Federal Expenditures			<u>\$ 2,384,168</u>	<u>\$ 722,432</u>	<u>\$ 462,615</u>	<u>\$ 3,569,215</u>

N/A - Pass-Through entity number not readily available or not applicable.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the corresponding provisions of the Education Code.

**NOTE 2 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

**NOTE 3 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal governmental for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 4 INDIRECT COST**

The School has elected to use a rate other than the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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  
YPI Charter Schools, Inc.  
Granada Hills, California

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 YPI Charter Schools, Inc. (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows, for the year then ended, the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

**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 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.

**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. 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.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE**

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, California

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of YPI Charter Schools, Inc. (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

### **Opinion on Each Major Federal Program**

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 each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 federal 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 federal program that is less severe than a material weakness, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, California

We have audited YPI Charter Schools, Inc.'s (the School) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2021. The School's state compliance requirements are identified in the table below.

### Management's Responsibility

Management is responsible for the compliance with the state laws and regulations as identified below.

### Auditors' Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the types of compliance requirements referred to below. 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 *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the School's compliance.

### Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies:	
Attendance and Distance Learning	Yes
Instructional Time	Yes
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study-Course Based	Not Applicable
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	Not Applicable
Determination of funding for nonclassroom-based instruction	Not Applicable
Charter School Facility Grant Program	Yes

**Opinion on State Compliance**

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2021.

**Purpose of this Report**

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

**YPI CHARTER SCHOOLS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

CFDA Number(s)	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$   750,000  

Auditee qualified as low-risk auditee?   x   yes      \_\_\_\_\_ no

**YPI CHARTER SCHOOLS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
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

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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**Findings and Questioned Costs – State Compliance**

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Our audit did not disclose any matters required to be reported in accordance with the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**YPI CHARTER SCHOOLS, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

There were no findings and questioned costs related to the basic financial statements, federal or state awards for the prior year.

*DRAFT*  
*For discussion purposes only*  
*Subject to revision*