



Contra Costa School of Performing Arts

Finance Committee

Date and Time

Tuesday March 7, 2023 at 10:00 AM PST

Location

Contra Costa School of Performing Arts
2730 Mitchell Drive
Walnut Creek CA 94598-1602
Room TBD

The public may address the Board regarding any item within the jurisdiction of the Board of Directors of ChartHouse Public Schools. To ensure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Board must fill out a speaker's card. Cards should be turned into the Board Vice-chairperson prior to the Call to Order. Speakers will be given three minutes for items on the agenda, and two minutes for items not on the agenda. When translation services are utilized to support the participation of a primary Speaker, the translator will be afforded the same duration of time as the primary Speaker. Time may not be yielded to other speakers. In compliance with the Brown Act, the Board may listen to comments from speakers and provide direction to staff, but may not engage in discussion or take action on items that are not already on the agenda.

All Board agendas and minutes will be published at cocospa.org. Any disclosable public records related to an open session Board meeting agenda item and distributed by staff to a majority of the Board of Directors shall be available for public inspection.

The Board of Directors will provide reasonable accommodations for persons with disabilities planning to attend Board meetings so long as notice is provided one hour prior to the start of the meeting by contacting the Executive Director's Office at (925) 235-1130.

Agenda

	Purpose	Presenter	Time
I. Opening Items			10:00 AM
Opening Items			
A. Record Attendance and Guests		Charles Hill	
B. Call the Meeting to Order		Charles Hill	
C. Approve Minutes 10/14/22	Approve Minutes	Charles Hill	5 m
Approve minutes from the regular meeting held on 10/14/2022.			
II. Public Comments			10:05 AM
A. Items on the Agenda		Charles Hill	5 m
B. Items not on the Agenda		Charles Hill	5 m
III. Discussion Items			10:15 AM
A. Review 2nd Interim Budget	Vote	Bryce Fleming	25 m
The Committee will review and discuss the revised budget and accompanying narrative and prepare to make recommendations to the Board.			
B. Review 2021-22 Audit	Vote	Charles Hill	5 m
Finance committee will review the 2021-22 audit and make a recommendation to the board.			
IV. Closing Items			10:45 AM
A. Adjourn Meeting		Charles Hill	

Coversheet

Approve Minutes 10/14/22

Section: I. Opening Items
Item: C. Approve Minutes 10/14/22
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee on October 14, 2022

APPROVED



Contra Costa School of Performing Arts

Minutes

Finance Committee

Regular Meeting

Date and Time

Friday October 14, 2022 at 9:30 AM

Location

Join Zoom Meeting

<https://us06web.zoom.us/j/86106457734?pwd=bVMxRUx6ZGhEZUNudzZuT3BBRmVYUT09>

Meeting ID: 861 0645 7734

Passcode: 744917

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Committee Members Present

D. Wendt (remote)

Committee Members Absent

None

Guests Present

B. Byers

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

D. Wendt called a meeting of the Finance Committee of Contra Costa School of Performing Arts to order on Friday Oct 14, 2022 at 9:30 AM.

C. Approve Minutes 06/06/22

II. Public Comments

A. Items on the Agenda

No Public Comments.

B. Items not on the Agenda

No Public Comments.

III. Discussion Items

A. Review Revised Budget

Discussion of budget and adjustments due to enrollment. Adjusted MYP to reflect consistent past ADA numbers.

B. Discuss Flag Points

Flag points:

400 student minimum (per bond covenance)

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:07 AM.

Respectfully Submitted,
D. Wendt

Coversheet

Review 2nd Interim Budget

Section: III. Discussion Items
Item: A. Review 2nd Interim Budget
Purpose: Vote
Submitted by:
Related Material: CCSPA - 2nd Interim Cash Flow (1).pdf
CCSPA - 2nd Interim MYP (1).pdf

**Contra Costa School of the Performing Arts
Monthly Cash Forecast
As of Jan FY2023**

	2022-23														
	Actuals & Forecast													Forecast	Remaining Balance
	Jul Actuals	Aug Actuals	Sep Actuals	Oct Actuals	Nov Actuals	Dec Actuals	Jan Actuals	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast	Forecast		
Beginning Cash	1,153,777	893,898	957,795	817,068	990,699	1,048,710	1,264,104	1,386,113	1,411,675	1,383,654	1,379,534	1,383,387			
REVENUE															
LCFF Entitlement	-	234,459	349,941	388,446	214,158	522,110	388,445	368,135	281,626	188,953	182,520	182,520	3,482,019	180,705	
Federal Revenue	-	1,789	-	-	-	-	10,746	106,764	14,950	42,450	29,750	14,950	326,598	105,200	
Other State Revenue	44,421	25,592	34,459	44,488	35,260	197,241	207,263	117,239	155,184	235,845	262,952	155,184	1,571,217	56,088	
Other Local Revenue	6,246	8,938	8,801	29,214	14,196	6,065	12,555	4,531	4,531	4,531	4,531	4,531	108,669	-	
Fundraising & Grants	303	951	198	45,000	207	1,504	275	7,003	7,003	7,003	7,003	7,003	83,453	-	
TOTAL REVENUE	50,971	271,729	393,398	507,148	263,822	726,920	619,284	603,672	463,294	478,782	486,755	364,188	5,571,955	341,992	
EXPENSES															
Certificated Salaries	76,042	202,895	196,313	182,799	200,668	174,904	173,925	174,882	174,882	174,882	174,882	182,382	2,089,459	-	
Classified Salaries	12,744	49,697	48,699	39,272	33,427	28,474	24,439	38,181	38,069	38,069	38,069	38,069	427,212	-	
Employee Benefits	49,826	69,875	72,059	54,447	58,878	52,062	57,280	64,163	64,163	59,195	59,195	44,217	705,358	-	
Books & Supplies	7,665	13,636	12,287	49,484	52,483	41,411	2,885	19,597	27,915	27,915	27,915	27,915	311,104	-	
Services & Other Operating Expenses	199,904	175,203	199,132	272,015	205,804	199,821	(3,321)	210,187	190,554	187,109	187,109	180,659	2,450,699	246,522	
Capital Outlay & Depreciation	3,086	1,212	1,212	1,212	1,212	1,212	1,212	587	1,368	1,368	1,368	1,368	16,414	-	
Other Outflows	1,544	-	-	136	-	-	-	(1,680)	-	-	-	-	-	-	
TOTAL EXPENSES	350,811	512,518	529,701	599,363	552,471	497,884	256,419	505,918	496,951	488,538	488,538	474,610	6,000,246	246,522	
Operating Cash Inflow (Outflow)	(299,840)	(240,789)	(136,303)	(92,215)	(288,650)	229,036	362,865	97,754	(33,657)	(9,756)	(1,782)	(110,422)	(428,290)	95,470	
Revenues - Prior Year Accruals	90,919	201,980	30,735	153,704	271,067	16,967	(232)	(4,069)	-	-	-	-	-	-	
Other Assets	49,482	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,086	1,212	1,212	1,212	1,212	1,212	1,212	587	1,368	1,368	1,368	1,368	1,368	-	
Expenses - Prior Year Accruals	(58,746)	(862)	(46,149)	-	-	-	-	(10,640)	-	-	-	-	-	-	
Accounts Payable - Current Year	(89,965)	68,278	(24,162)	60,028	42,209	(60,680)	(25,641)	(62,338)	-	-	-	-	-	-	
Summerholdback for Teachers	(40,699)	6,939	6,802	6,804	5,034	1,721	5,384	4,268	4,268	4,268	4,268	4,268	4,268	-	
Other Liabilities	85,885	27,139	27,139	44,098	27,139	27,139	(221,578)	-	-	-	-	-	-	-	
Ending Cash	893,898	957,795	817,068	990,699	1,048,710	1,264,104	1,386,113	1,411,675	1,383,654	1,379,534	1,383,387	1,278,601			

Contra Costa School of the Performing Arts
Monthly Cash Forecast
As of Jan FY2023

	2023-24													Forecast	Remaining Balance
	Actuals & Forecast														
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
Beginning Cash	1,278,601	1,123,871	1,129,666	1,072,697	1,052,422	1,056,219	1,046,289	1,029,224	1,032,360	1,192,291	1,220,855	1,244,847			
REVENUE															
LCFF Entitlement	-	204,161	305,413	336,017	320,238	320,238	336,017	320,238	458,717	347,429	329,841	329,841	3,954,373	346,223	
Federal Revenue	-	-	10,733	10,733	25,533	10,733	10,733	25,533	10,733	32,046	25,533	10,733	230,623	57,579	
Other State Revenue	19,320	19,937	47,169	35,141	34,669	65,786	41,586	55,790	92,510	43,260	62,790	92,510	647,231	36,762	
Other Local Revenue	-	-	21,957	21,957	21,957	21,957	21,957	21,957	21,957	21,957	21,957	21,957	219,574	-	
Fundraising & Grants	7,061	7,061	7,061	7,061	7,061	7,061	7,061	7,061	7,061	7,061	7,061	7,061	84,731	-	
TOTAL REVENUE	26,381	231,158	392,334	410,910	409,458	425,776	417,355	430,579	590,978	451,754	447,182	462,103	5,136,531	440,564	
EXPENSES															
Certificated Salaries	40,733	150,123	151,123	151,123	151,123	158,623	151,123	151,123	151,123	151,123	151,123	158,623	1,717,086	-	
Classified Salaries	12,017	33,547	33,547	33,547	33,547	33,547	33,547	33,547	33,547	33,547	33,547	33,547	381,029	-	
Employee Benefits	44,665	50,095	56,083	50,296	49,331	50,834	57,048	50,296	50,296	46,381	46,381	34,668	586,372	-	
Books & Supplies	11,730	38,004	52,004	20,782	20,782	20,782	20,782	20,782	20,782	20,782	20,782	20,782	288,778	-	
Services & Other Operating Expenses	164,944	168,821	178,000	175,747	175,747	175,747	175,747	175,747	179,126	175,184	175,184	168,218	2,092,155	3,942	
Capital Outlay & Depreciation	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	14,539	-	
Other Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENSES	275,301	441,801	471,968	432,706	431,742	440,744	439,458	432,706	436,085	428,228	428,228	417,050	5,079,958	3,942	
Operating Cash Inflow (Outflow)	(248,920)	(210,643)	(79,634)	(21,796)	(22,284)	(14,968)	(22,103)	(2,127)	154,894	23,525	18,954	45,052	56,573	436,622	
Revenues - Prior Year Accruals	138,280	213,977	17,627	(17,649)	21,042	-	-	225	-	-	-	-	-	-	
Other Assets	2,515	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	-	
Expenses - Prior Year Accruals	(867)	(2,577)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(46,950)	3,826	3,826	3,826	3,826	3,826	3,826	3,826	3,826	3,826	3,826	3,826	-	-	
Other Liabilities	-	-	-	14,133	-	-	-	-	-	-	-	-	-	-	
Ending Cash	1,123,871	1,129,666	1,072,697	1,052,422	1,056,219	1,046,289	1,029,224	1,032,360	1,192,291	1,220,855	1,244,847	1,294,938			

**Contra Costa School of the Performing Arts
Monthly Cash Forecast
As of Jan FY2023**

	2024-25													Forecast	Remaining Balance
	Actuals & Forecast														
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
Beginning Cash	1,294,938	810,313	958,273	908,806	939,254	940,810	929,721	932,059	940,163	1,070,563	1,075,459	1,077,199			
REVENUE															
LCFF Entitlement	-	220,615	325,737	364,433	348,050	348,050	364,433	348,050	452,629	346,496	330,139	330,139	4,125,282	346,513	
Federal Revenue	-	-	11,055	11,055	25,855	11,055	11,055	25,855	11,055	32,930	25,855	11,055	235,612	58,785	
Other State Revenue	19,425	20,042	47,358	35,329	34,858	67,020	41,775	42,371	78,345	29,095	49,371	78,345	578,560	35,227	
Other Local Revenue	-	-	23,456	23,456	23,456	23,456	23,456	23,456	23,456	23,456	23,456	23,456	234,561	-	
Fundraising & Grants	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	84,713	-	
TOTAL REVENUE	26,484	247,716	414,665	441,333	439,278	456,641	447,778	446,792	572,545	439,036	435,880	450,054	5,258,728	440,525	
EXPENSES															
Certificated Salaries	37,178	148,875	149,895	149,895	149,895	174,895	149,895	149,895	149,895	149,895	149,895	149,895	1,735,008	-	
Classified Salaries	13,416	35,376	35,376	35,376	35,376	35,376	35,376	35,376	35,376	35,376	35,376	35,376	402,551	-	
Employee Benefits	45,801	50,836	56,829	51,041	50,076	55,083	57,794	51,041	51,041	47,070	47,070	38,070	601,750	-	
Books & Supplies	12,082	39,136	53,556	21,405	21,405	21,405	21,405	21,405	21,405	21,405	21,405	21,405	297,420	-	
Services & Other Operating Expenses	175,194	178,092	187,178	184,873	184,873	184,873	184,873	184,873	188,330	184,297	184,297	177,122	2,202,908	4,034	
Capital Outlay & Depreciation	87	87	87	87	87	87	87	87	87	87	87	87	1,045	-	
Other Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENSES	283,758	452,402	482,921	442,677	441,713	471,720	449,431	442,677	446,135	438,130	438,130	446,955	5,240,683	4,034	
Operating Cash Inflow (Outflow)	(257,274)	(204,686)	(68,256)	(1,344)	(2,434)	(15,079)	(1,652)	4,114	126,410	906	(2,250)	3,099	18,044	436,491	
Revenues - Prior Year Accruals	58,618	351,709	14,800	15,437	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	87	87	87	87	87	87	87	87	87	87	87	87	87	87	
Expenses - Prior Year Accruals	(243,965)	(3,053)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(42,091)	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	
Other Liabilities	-	-	-	12,366	-	-	-	-	-	-	-	-	-	-	
Ending Cash	810,313	958,273	908,806	939,254	940,810	929,721	932,059	940,163	1,070,563	1,075,459	1,077,199	1,084,288			

Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
SUMMARY			
Revenue			
LCFF Entitlement	3,482,019	3,954,373	4,125,282
Federal Revenue	326,598	230,623	235,612
Other State Revenues	1,571,217	647,231	578,560
Local Revenues	108,669	219,574	234,561
Fundraising and Grants	83,453	84,731	84,713
Total Revenue	5,571,955	5,136,531	5,258,728
Expenses			
Compensation and Benefits	3,222,029	2,684,487	2,739,310
Books and Supplies	311,104	288,778	297,420
Services and Other Operating Expenditures	2,450,699	2,092,155	2,202,908
Depreciation	16,414	14,539	1,045
Other Outflows	-	-	-
Total Expenses	6,000,246	5,079,958	5,240,683
Operating Income	(428,290)	56,573	18,044
Fund Balance			
Beginning Balance (Unaudited)	667,987	240,072	296,645
Audit Adjustment	375		
Beginning Balance (Audited)	668,362	240,072	296,645
Operating Income	(428,290)	56,573	18,044
Ending Fund Balance	240,072	296,645	314,689
Total Revenue Per ADA	17,656	15,677	16,058
Total Expenses Per ADA	19,013	15,504	16,003
Operating Income Per ADA	(1,357)	173	55
Fund Balance as a % of Expenses	4%	6%	6%

Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
Key Assumptions			
Enrollment Breakdown			
6	43	71	80
7	73	35	70
8	73	84	32
9	45	40	60
10	33	44	35
11	40	35	38
12	30	41	35
Total Enrolled	337	350	350
ADA %			
4-6	94.7%	94.7%	94.7%
7-8	94.6%	94.6%	94.6%
9-12	92.4%	92.4%	92.4%
Average ADA %	93.6%	93.6%	93.6%
ADA			
4-6	41	67	76
7-8	138	113	96
9-12	137	148	155
Total ADA	316	328	327

Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
REVENUE			
LCFF Entitlement			
8011 Charter Schools General Purpose Entitlement - State Aid	1,731,359	2,136,813	2,308,665
8012 Education Protection Account Entitlement	63,118	65,530	65,496
8096 Charter Schools in Lieu of Property Taxes	1,687,542	1,752,030	1,751,121
SUBTOTAL - LCFF Entitlement	3,482,019	3,954,373	4,125,282
Federal Revenue			
8181 Special Education - Entitlement	55,000	42,625	43,750
8220 Child Nutrition Programs	179,400	128,800	132,664
8291 Title I	39,486	39,486	39,486
8292 Title II	9,712	9,712	9,712
8294 Title IV	10,000	10,000	10,000
8299 All Other Federal Revenue	33,000	-	-
SUBTOTAL - Federal Revenue	326,598	230,623	235,612
Other State Revenue			
8381 Special Education - Entitlement (State)	358,094	360,190	290,516
8382 Special Education Reimbursement (State)	87,500	87,500	87,500
8520 Child Nutrition - State	7,077	7,350	7,350
8550 Mandated Cost Reimbursements	12,494	11,085	12,130
8560 State Lottery Revenue	78,120	81,106	81,063
8590 All Other State Revenue	977,931	50,000	50,000
8593 Other State Revenue 3	50,000	50,000	50,000
SUBTOTAL - Other State Revenue	1,571,217	647,231	578,560
Local Revenue			
8693 Field Trips	23,669	24,574	24,561
8699 All Other Local Revenue	50,000	50,000	50,000
8701 8701 - Student Production/Event Revenue	35,000	30,000	45,000
8702 CTEIG	-	115,000	115,000
SUBTOTAL - Local Revenue	108,669	219,574	234,561
Fundraising and Grants			
8802 8802 - Donations - Private (Foundation Grants)	50,000	50,000	50,000
8803 8803 - Fundraising (school Site)	33,453	34,731	34,713

Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
SUBTOTAL - Fundraising and Grants	83,453	84,731	84,713
TOTAL REVENUE	5,571,955	5,136,531	5,258,728

Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
EXPENSES			
Compensation & Benefits			
Certificated Salaries			
1100 Teachers Salaries	1,165,636	1,156,398	1,163,106
1103 Teacher - Substitute Pay	28,000	41,000	41,820
1148 Teacher - Special Ed	138,087	148,753	151,728
1150 Teacher - Arts	185,584	68,640	70,013
1200 Certificated Pupil Support Salaries	75,081	42,500	43,350
1300 Certificated Supervisor & Administrator Salaries	497,072	259,796	264,992
SUBTOTAL - Certificated Salaries	2,089,459	1,717,086	1,735,008
Classified Salaries			
2100 Classified Instructional Aide Salaries	229,243	186,580	190,311
2200 Classified Support Salaries	41,800	48,048	49,009
2300 Classified Supervisor & Administrator Salaries	1,554	2,200	2,244
2400 Classified Clerical & Office Salaries	137,615	125,501	128,011
2900 Classified Other Salaries	8,000	8,800	8,976
2935 Other Classified - Substitute	9,000	9,900	24,000
SUBTOTAL - Classified Salaries	427,212	381,029	402,551
Employee Benefits			
3100 STRS	363,640	314,853	318,014
3300 OASDI-Medicare-Alternative	74,485	58,302	60,294
3400 Health & Welfare Benefits	197,200	158,576	168,091
3500 Unemployment Insurance	28,590	19,291	19,295
3600 Workers Comp Insurance	37,750	31,472	32,063
3900 Other Employee Benefits	3,693	3,877	3,993
SUBTOTAL - Employee Benefits	705,358	586,372	601,750
Books & Supplies			
4200 Books & Other Reference Materials	3,027	3,179	3,274
4300 Materials & Supplies	30,000	30,000	30,900
4315 Custodial Supplies	316	344	354
4320 Educational Software	35,030	38,188	39,313

Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
4325 Instructional Materials & Supplies	21,731	22,818	23,502
4410 Classroom Furniture, Equipment & Supplies	20,000	17,500	18,025
4420 Computers: individual items less than \$5k	5,000	26,250	27,038
4430 Non Classroom Related Furniture, Equipment & Supplies	1,000	10,500	10,815
4710 Student Food Services	195,000	140,000	144,200
SUBTOTAL - Books and Supplies	311,104	288,778	297,420
Services & Other Operating Expenses			
5200 Travel & Conferences	5,000	5,349	5,509
5300 Dues & Memberships	15,000	15,750	16,223
5400 Insurance	77,395	83,590	86,097
5515 Janitorial, Gardening Services & Supplies	135,000	120,000	123,600
5535 Utilities - All Utilities	145,000	149,350	153,831
5605 Equipment Leases	18,500	20,174	20,780
5610 Rent	1,045,944	934,797	1,047,194
5615 Repairs and Maintenance - Building	90,000	50,000	51,500
5631 Other Space Rental	43,479	1,000	1,030
5803 Accounting Fees	9,682	9,972	10,272
5809 Banking Fees	478	502	517
5812 Business Services	164,787	148,734	154,862
5815 Consultants - Instructional	19,000	20,325	17,500
5820 Consultants - Non Instructional - Custom 1	9,451	10,306	10,615
5824 District Oversight Fees	36,820	43,621	46,778
5830 Field Trips Expenses	31,559	37,680	38,790
5839 Fundraising Expenses	7,948	8,345	8,596
5843 Interest - Loans Less than 1 Year	2,064	2,167	2,232
5845 Legal Fees	60,000	63,000	64,890
5851 Marketing and Student Recruiting	20,000	20,000	20,600
5857 Payroll Fees	4,766	4,909	5,056
5861 Prior Yr Exp (not accrued)	7,463	-	-
5863 Professional Development	70,000	60,000	50,000
5869 Special Education Contract Instructors	314,670	140,000	144,200
5872 Special Education Encroachment	12,393	12,689	10,845
5881 Student Information System	32,000	34,896	35,943
5887 Technology Services	60,000	80,000	60,000
5900 Communications	12,000	15,000	15,450
5915 Postage and Delivery	300	-	-

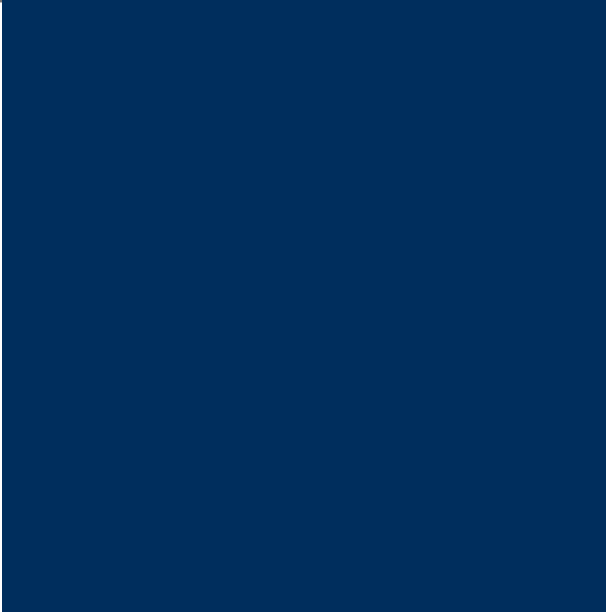
Contra Costa School of the Performing Arts
Multi-year Projection
As of Jan FY2023

	Year 1	Year 2	Year 3
	2022-23	2023-24	2024-25
SUBTOTAL - Services & Other Operating Exp.	2,450,699	2,092,155	2,202,908
Depreciation Expense			
6900 Depreciation	16,414	14,539	1,045
SUBTOTAL - Depreciation Expense	16,414	14,539	1,045
Other Outflows			
SUBTOTAL - Other Outflows	-	-	-
TOTAL EXPENSES	6,000,246	5,079,958	5,240,683

Coversheet

Review 2021-22 Audit

Section: III. Discussion Items
Item: B. Review 2021-22 Audit
Purpose: Vote
Submitted by:
Related Material: 2021-22 Audit Report - Contra Costa School (#1773) (1).pdf



Charthouse Public
Schools DBA Contra
Costa School of
Performing Arts
Charter #1773

Audit Report
June 30, 2022



Contra Costa School of Performing Arts

Financial Statements and Supplemental Information

Year Ended June 30, 2022

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Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

To the Board of Directors
Contra Costa School of Performing Arts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Contra Costa School of Performing Arts (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 Contra Costa School of Performing Arts 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 Contra Costa School of Performing Arts 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 Contra Costa School of Performing Arts'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.

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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 Contra Costa School of Performing Art'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 Contra Costa School of Performing Arts'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 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 31, 2023, on our consideration of Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts's internal control over financial reporting and compliance.

Wilkinson Hally King & Co., LLP

El Cajon, California

January 31, 2023

Financial Statements

Contra Costa School of Performing Arts

Statement of Financial Position

June 30, 2022

Assets

Cash and cash equivalents	\$ 1,372,270
Accounts receivable	796,391
Prepaid expenses	49,482
Security deposits	2,515
Other assets - cost of issuance	566,444
Property and equipment, net	<u>13,108,129</u>
Total Assets	<u><u>\$ 15,895,231</u></u>

Liabilities and Net Assets**Liabilities**

Accounts payable - vendors	\$ 154,252
Accounts payable - grantor governments	10,640
Accrued payroll liabilities	69,075
Unearned revenue	67,836
Bonds payable, net of discount and costs	<u>15,404,574</u>
Total Liabilities	<u>15,706,377</u>

Net Assets

Without donor restrictions	
Undesignated	2,485,299
Invested in property and equipment, net of related debt	<u>(2,296,445)</u>
Total Net Assets	<u>188,854</u>
Total Liabilities and Net Assets	<u><u>\$ 15,895,231</u></u>

The accompanying notes are an integral part of this statement.

Contra Costa School of Performing Arts

Statement of Activities Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 1,880,403	\$ -	\$ 1,880,403
Education protection account state aid	81,246	-	81,246
Transfers in lieu of property taxes	1,924,701	-	1,924,701
Total LCFF sources	3,886,350	-	3,886,350
Federal contracts and grants	-	628,615	628,615
State contracts and grants	120,983	724,142	845,125
Local contracts and grants	243,446	-	243,446
Donations and fundraising	38,301	-	38,301
Interest income	125	-	125
Net assets released from restriction -			
Grant restrictions satisfied	1,352,757	(1,352,757)	-
Total revenue, support, and gains	5,641,962	-	5,641,962
Expenses and Losses			
Program services expense	4,054,988	-	4,054,988
Supporting services expense	2,323,683	-	2,323,683
Total expenses and losses	6,378,671	-	6,378,671
Change in Net Assets	(736,709)	-	(736,709)
Net Assets, Beginning of Year	925,563	-	925,563
Net Assets, End of Year	\$ 188,854	\$ -	\$ 188,854

The accompanying notes are an integral part of this statement.

Contra Costa School of Performing Arts

Statement of Functional Expenses Year Ended June 30, 2022

	Program Services	Supporting Services		Total
	Educational Programs	Management and General	Fundraising and Development	
Salaries and wages	\$ 2,100,646	\$ 750,190	\$ -	\$ 2,850,836
Pension expense	275,447	98,368	-	373,815
Other employee benefits	168,661	60,233	-	228,894
Payroll taxes	103,831	37,080	-	140,911
Fees for services:				
Management	-	145,880	-	145,880
Legal	-	36,045	-	36,045
Audit	-	9,400	-	9,400
Other fees - Professional consulting	25,066	19,451	-	44,517
Other fees - District oversight	-	40,564	-	40,564
Other fees - Banking and service charges	-	5,125	-	5,125
Advertising and promotion	-	18,996	-	18,996
Operation and housekeeping	253,661	-	-	253,661
Information technology	93,342	-	-	93,342
Communications	15,760	-	-	15,760
Occupancy	75,428	-	-	75,428
Travel and conferences	707	-	-	707
Interest	-	905,170	-	905,170
Depreciation	415,048	-	-	415,048
Amortization	-	41,653	-	41,653
Insurance	-	84,340	-	84,340
Other expenses:				
Books and supplies	262,604	-	-	262,604
Equipment rental and repair	45,551	-	-	45,551
Noncapitalized equipment	38,943	-	-	38,943
Special education encroachment	127,554	-	-	127,554
Student events	38,268	-	-	38,268
Dues and memberships	14,471	-	-	14,471
Miscellaneous	-	63,240	7,948	71,188
Total expenses by function	\$ 4,054,988	\$ 2,315,735	\$ 7,948	\$ 6,378,671

The accompanying notes are an integral part of this statement.

Contra Costa School of Performing Arts

Statement of Cash Flows

Year Ended June 30, 2022

Cash Flows from Operating Activities

Receipts from federal, state, and local contracts and grants	\$ 3,741,548
Receipts from property taxes	1,924,701
Other receipts	38,426
Payments for salaries and benefits	(3,618,666)
Payments to vendors	(2,459,011)
Net Cash Used for Operating Activities	<u>(373,002)</u>

Cash Flows from Financing Activities

Principal payment on notes payable	(50,008)
Net Cash Used for Financing Activities	<u>(50,008)</u>

Net Change in Cash and Cash Equivalents	(423,010)
Cash and Cash Equivalents, Beginning of Year	<u>1,795,280</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,372,270</u>

Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities

Change in net assets	\$ (736,709)
Adjustments to reconcile change in net assets to net cash:	
Depreciation and amortization	415,048
Changes in operating assets and liabilities	
(Increase) Decrease in assets	
Accounts receivable	186,765
Prepaid expenses	(19,996)
Other assets - cost of issuance	41,653
Increase (Decrease) in liabilities	
Accounts payable	(111,501)
Accounts payable - grantor government	10,640
Accrued payroll liabilities	(24,210)
Unearned revenue	(134,692)
Net Cash Used for Operating Activities	<u>\$ (373,002)</u>

The accompanying notes are an integral part of this statement.

Contra Costa School of Performing Arts

Notes to the Financial Statements

Year Ended June 30, 2022

A. Principal Activity and Summary of Significant Accounting Policies

Organization Structure

Charthouse Public Schools DBA Contra Costa School of Performing Arts (the School) was formed as a charter school pursuant to California Education Code Section 47600 under a charter agreement approved by Contra Costa County Office of Education on July 15, 2015. Charthouse Public Schools DBA Contra Costa School of Performing Arts began operating as a school in the 2016-17 year.

Contra Costa School of Performing Arts is an independent, public charter school that serves students from Walnut Creek in 6th through 12th grade. The School's mission is to provide a distinguished, pre-professional experience in performing arts within a college and career preparatory setting. The School believes in fostering a culture of excellence with the core values of rigor, relevance, resilience, and relationships.

2730 Mitchell Drive LLC (the LLC) was formed on July 9, 2020, for the sole purpose of providing facility support for Contra Costa School of Performing Arts.

Basis of Consolidation

The accompanying consolidated financial statements of the School and the LLC, collectively the Organization, include accounts of Contra Costa School of Performing Arts and its related entity, 2730 Mitchell Drive LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. Management makes estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ from those estimates.

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 Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

Cash and Cash Equivalents

The Organization 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 Organization 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 Organization.

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

Property and Equipment

The Organization 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.

The Organization 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.

Investments

The Organization 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.

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

Revenue and Revenue Recognition

The Organization recognizes revenue from sales when the products are transferred, and services are provided. The Organization 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.

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 Organization 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 Organization is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Organization 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 LLC is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The LLC is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Organization 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 Organization follows provisions of uncertain tax positions as addressed in ASC 958. The Organization 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.

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

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 Organization prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Organization has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization 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 Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization 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 Organization’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 49% of the Organization’s revenue.

The Organization 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:

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

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 Organization has adopted provisions of effective Accounting Standards Updates. The implementation of these items did not result in a change to financial presentation for the Organization.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 31, 2023, the date the financial statements were available to be issued.

B. Liquidity and Availability

The Organization’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:

	Contra Costa School of Performing Arts	2730 Mitchell Drive LLC	Total
Cash and cash equivalents	\$ 1,153,777	\$ 218,493	\$ 1,372,270
Accounts receivable	796,391	-	796,391
	<u>\$ 1,950,168</u>	<u>\$ 218,493</u>	<u>\$ 2,168,661</u>

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

C. Fair Value Measurements and Disclosure

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

- Level 3: Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset, or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

The Organization has funds at UMB Bank which invests funds in various money market accounts. Those money market accounts are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market rate assumptions and are classified within Level 1.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2022:

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments:				
Cash and money market funds	\$ 218,493	\$ 218,493	\$ -	\$ -
	<u>\$ 218,493</u>	<u>\$ 218,493</u>	<u>\$ -</u>	<u>\$ -</u>

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

D. Cash and Cash Equivalents

The Organization’s cash and cash equivalents on June 30, 2022, consisted of the following:

	Contra Costa School of Performing Arts	2730 Mitchell Drive LLC	Total
Cash in bank accounts	\$ 1,153,777	\$ -	\$ 1,153,777
Cash in money market accounts	-	218,493	218,493
Total cash and cash equivalents	\$ 1,153,777	\$ 218,493	\$ 1,372,270

Cash in Bank

The School’s cash, (\$1,153,777 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 \$916,918 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.

Cash Equivalents and Investments

The LLC maintains the remainder of the Organization’s cash in money market funds (\$218,493 as of June 30, 2022). These cash equivalents consist of United States Government Money Market Funds. These funds are not FDIC insured and are therefore exposed to custodial credit risk. The LLC does not anticipate any losses as a result of this risk. Cash may be added or withdrawn from the money market accounts without limitation.

E. Accounts Receivable

As of June 30, 2022, the Organization’s accounts receivable consisted of the following:

Federal Government	
Special Education	\$ 64,222
ESSER II	133,396
ESSER III	282,417
Other Federal Programs	45,820
State Government	
State Aid	109,840
Lottery Funding	47,755
Special Education	40,800
Other State Programs	26,151
Local Government	
Property Tax Payments	45,990
Total Accounts Receivable	\$ 796,391

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

F. Prepaid Expenses

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

Insurance and healthcare benefits	\$	45,109
Prepaid vendors		4,373
Total Prepaid Expenses	\$	49,482

G. Property and Equipment

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

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Buildings and Improvements	\$ 10,000	\$ -	\$ -	\$ 10,000
Equipment, Furniture, and Fixtures	428,435	-	-	428,435
Total Depreciable Capital Assets	438,435	-	-	438,435
Total Capital Assets	438,435	-	-	438,435
Less Accumulated Depreciation	(356,304)	(50,133)	-	(406,437)
Capital Assets, Net	\$ 82,131	\$ (50,133)	\$ -	\$ 31,998

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

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Buildings and Improvements	\$ 13,681,065	\$ -	\$ -	\$ 13,681,065
Total Depreciable Capital Assets	13,681,065	-	-	13,681,065
Total Capital Assets	13,681,065	-	-	13,681,065
Less Accumulated Depreciation	(240,019)	(364,915)	-	(604,934)
Capital Assets, Net	\$ 13,441,046	\$ (364,915)	\$ -	\$ 13,076,131

Consolidated property and equipment for the Organization consisted of the following at June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Buildings and Improvements	\$ 13,691,065	\$ -	\$ -	\$ 13,691,065
Equipment, Furniture, and Fixtures	428,435	-	-	428,435
Total Depreciable Capital Assets	14,119,500	-	-	14,119,500
Total Capital Assets	14,119,500	-	-	14,119,500
Less Accumulated Depreciation	(596,323)	(415,048)	-	(1,011,371)
Capital Assets, Net	\$ 13,523,177	\$ (415,048)	\$ -	\$ 13,108,129

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

H. Unearned Revenue

At year end the Organization had performance obligations remaining to expend funds for the Educator Effectiveness Block Grant. 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	\$	202,528
Increases in unearned revenue due to cash received during the period		21,625
Decreases in unearned revenue due to performance obligations met during the period		(156,317)
Unearned Revenue, end of period	\$	<u>67,836</u>

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

Educator Effectiveness Block Grant	\$	<u>67,836</u>
Total Unearned Revenue	\$	<u>67,836</u>

I. Bonds Payable

On September 1, 2020, the Organization issued bonds through California Finance Authority. The Organization has two sets of bonds, the Series 2020A in the amount of \$16,065,000 and Series 2020B in the amount of \$285,000. The Series 2020A was issued at a discount of \$963,900 and the Series 2020B was issued at a discount of \$17,100. The Series 2020A Bonds have an interest rate of 5.5%; while the Series 2020B Bonds have an interest rate of 7.5%. The Bonds are secured by the underlying educational facilities. The Bonds contained a discount when issued of \$981,000 which is amortized as interest expense over the life of the Bonds.

Bonds payables consist of the following at June 30, 2022:

Principal amount	\$	16,350,000
Less unamortized discounts and debt issuance costs		(945,426)
	\$	<u>15,404,574</u>

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

Future maturities of bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 904,950	\$ 904,950
2024	13,750	904,950	918,700
2025	166,250	903,919	1,070,169
2026	181,250	891,550	1,072,800
2027	195,833	879,381	1,075,214
2028-2032	1,145,000	4,224,000	5,369,000
2033-2037	1,492,083	3,873,169	5,365,252
2038-2042	1,953,750	3,414,285	5,368,035
2043-2047	2,551,667	2,815,083	5,366,750
2048-2052	3,345,417	2,030,738	5,376,155
2053-2057	4,365,417	1,004,460	5,369,877
2058	939,583	51,677	991,260
	\$ 16,350,000	\$ 21,898,162	\$ 38,248,162

J. Operating Lease

On September 1, 2020, the Organization entered into a lease with 2730 Mitchell Drive LLC for school space with a term through May 25, 2058. The following schedule represents the future minimum lease payments:

Year Ended June 30	Operating Leases
2023	\$ 721,617
2024	918,700
2025	1,070,169
2026	1,072,800
2027	1,075,215
2028-2032	5,369,000
2033-2037	5,365,252
2038-2042	5,368,035
2043-2047	5,366,750
2048-2052	5,376,154
2053-2057	5,369,877
2058	991,260
Total minimum lease payments	\$ 38,064,829

Rent expense for the year ended June 30, 2022, totaled \$1,049,405.

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

K. 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 Organization chooses to stop participating in some of its multi-employer plans, the Organization may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization’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 Organization 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:

Contra Costa School of Performing Arts increased in CalSTRS contributions from 2020 to 2021 by 4.1% followed by an additional increase in 2022 of 31.77%. The increases in CalSTRS contributions were in large due to rising contribution rates along with an increase in salaries, increasing contributions further.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30,			FIP/RP Status Pending/ Implemented
		2022	2021	2020	
CalSTRS	07069	Yellow	Yellow	Yellow	No
Pension Fund	Contributions			Number of Employees	Surcharge Imposed
	2022	2021	2020		
CalSTRS	\$ 373,815	\$ 283,686	\$ 272,517	24	No
Total	\$ 373,815	\$ 283,686	\$ 272,517	24	

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

CalSTRS:

The Organization 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 Organization made contributions as noted above. For the year ended June 30, 2022, the State contributed \$237,148 (10.858% of certificated salaries) on behalf of the Organization.

L. 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 & 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
FASB Accounting Standards Update 2019-10 - <i>Financial Instruments, Credit Losses</i>	Nov-19	2023-24

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
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
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

Contra Costa School of Performing Arts

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

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 Organization.

Supplementary Information

Contra Costa School of Performing Arts

Consolidating Statement of Financial Position

June 30, 2022

	Contra Costa School of Performing Arts	2730 Mitchell Drive LLC	Elimination	Total
Assets				
Cash and cash equivalents	\$ 1,153,777	\$ 218,493	\$ -	\$ 1,372,270
Accounts receivable	796,391	-	-	796,391
Accounts receivable - related entities	-	40,905	(40,905)	-
Prepaid expenses	49,482	-	-	49,482
Security deposits	2,515	-	-	2,515
Deferred rent	-	1,048,598	(1,048,598)	-
Other assets - cost of issuance	-	566,444	-	566,444
Property and equipment, net	31,998	13,076,131	-	13,108,129
Total Assets	\$ 2,034,163	\$ 14,950,571	\$ (1,089,503)	\$ 15,895,231
Liabilities and Net Assets				
Liabilities				
Accounts payable - vendors	\$ 128,747	\$ 25,505	-	\$ 154,252
Accounts payable - grantor governments	10,640	-	-	10,640
Accounts payable - related entities	40,905	-	(40,905)	-
Accrued payroll liabilities	69,075	-	-	69,075
Deferred rent liability	1,048,598	-	(1,048,598)	-
Unearned revenue	67,836	-	-	67,836
Bonds payable, net of discount and costs	-	15,404,574	-	15,404,574
Total Liabilities	1,365,801	15,430,079	(1,089,503)	15,706,377
Net Assets				
Without donor restrictions				
Undesignated	636,364	1,848,935	-	2,485,299
Invested in property and equipment, net of related debt	31,998	(2,328,443)	-	(2,296,445)
	668,362	(479,508)	-	188,854
Total Net Assets	668,362	(479,508)	-	188,854
Total Liabilities and Net Assets	\$ 2,034,163	\$ 14,950,571	\$ (1,089,503)	\$ 15,895,231

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

Consolidating Statement of Activities

June 30, 2022

	Contra Costa School of Performing Arts		2730 Mitchell Drive LLC		Elimination	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions			
Revenue, Support, and Gains						
Local Control Funding Formula (LCFF) sources						
State aid	\$ 1,880,403	\$ -	\$ -	\$ -	\$ -	\$ 1,880,403
Education protection account state aid	81,246	-	-	-	-	81,246
Transfers in lieu of property taxes	1,924,701	-	-	-	-	1,924,701
Total LCFF sources	<u>3,886,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,886,350</u>
Federal contracts and grants	-	628,615	-	-	-	628,615
State contracts and grants	120,983	724,142	-	-	-	845,125
Local contracts and grants	243,375	-	71	-	-	243,446
Donations and fundraising	38,301	-	-	-	-	38,301
Rental income	-	-	1,030,614	(1,030,614)	-	-
Interest income	-	-	125	-	-	125
Net assets released from restriction -						
Grant restrictions satisfied	1,352,757	(1,352,757)	-	-	-	-
Total revenue, support, and gains	<u>5,641,766</u>	<u>-</u>	<u>1,030,810</u>	<u>(1,030,614)</u>	<u>-</u>	<u>5,641,962</u>
Expenses and Losses						
Program services expense	4,720,687	-	364,915	(1,030,614)	-	4,054,988
Supporting services expense	1,377,080	-	946,603	-	-	2,323,683
Total expenses and losses	<u>6,097,767</u>	<u>-</u>	<u>1,311,518</u>	<u>(1,030,614)</u>	<u>-</u>	<u>6,378,671</u>
Change in Net Assets	(456,001)	-	(280,708)	-	-	(736,709)
Net Assets, Beginning of Year	1,124,363	-	(198,800)	-	-	925,563
Net Assets, End of Year	<u>\$ 668,362</u>	<u>\$ -</u>	<u>\$ (479,508)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,854</u>

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

Consolidating Statement of Functional Expenses

June 30, 2022

	Contra Costa School of Performing Arts			2730 Mitchell Drive LLC			Elimination	Total
	Program Services	Supporting Services		Program Services	Supporting Services			
	Educational Programs	Management and General	Fundraising and Development	Educational Programs	Management and General			
Salaries and wages	\$ 2,100,646	\$ 750,190	\$ -	\$ -	\$ -	\$ -	\$ 2,850,836	
Pension expense	275,447	98,368	-	-	-	-	373,815	
Other employee benefits	168,661	60,233	-	-	-	-	228,894	
Payroll taxes	103,831	37,080	-	-	-	-	140,911	
Fees for services:								
Management	-	145,880	-	-	-	-	145,880	
Legal	-	36,045	-	-	-	-	36,045	
Audit	-	9,400	-	-	-	-	9,400	
Professional consulting	25,066	19,451	-	-	-	-	44,517	
District oversight	-	40,564	-	-	-	-	40,564	
Banking and service charges	-	5,125	-	-	-	-	5,125	
Advertising and promotion	-	18,996	-	-	-	-	18,996	
Operation and housekeeping	253,661	-	-	-	-	-	253,661	
Information technology	93,342	-	-	-	-	-	93,342	
Communications	15,760	-	-	-	-	-	15,760	
Occupancy	1,106,042	-	-	-	-	(1,030,614)	75,428	
Travel and conferences	707	-	-	-	-	-	707	
Interest	-	220	-	-	904,950	-	905,170	
Depreciation	50,133	-	-	364,915	-	-	415,048	
Amortization	-	-	-	-	41,653	-	41,653	
Insurance	-	84,340	-	-	-	-	84,340	
Other expenses:								
Books and supplies	262,604	-	-	-	-	-	262,604	
Equipment rental and repair	45,551	-	-	-	-	-	45,551	
Noncapitalized equipment	38,943	-	-	-	-	-	38,943	
Special education encroachment	127,554	-	-	-	-	-	127,554	
Student events	38,268	-	-	-	-	-	38,268	
Dues and memberships	14,471	-	-	-	-	-	14,471	
Miscellaneous	-	63,240	7,948	-	-	-	71,188	
Total expenses by function	\$ 4,720,687	\$ 1,369,132	\$ 7,948	\$ 364,915	\$ 946,603	(1,030,614)	\$ 6,378,671	

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

LEA Organization Structure

Year Ended June 30, 2022

Contra Costa School of Performing Arts (Charter #1773) was established in 2015. The authorizing entity is Contra Costa County Office of Education.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Deborah Padberg	Chair	Two Year Term Expires June 2022
Marie Gil	Vice-Chair	Two Year Term Expires December 2022
Heather Vega	Secretary	Two Year Term Expires June 2023
David Wendt	Treasurer	Two Year Term Expires June 2023
Fatemeh Bani-Tabi	Member	Two Year Term Expires December 2023

ADMINISTRATION

Robert Chalwell
Executive Director

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

Schedule of Average Daily Attendance Year Ended June 30, 2022

	Second Period Report		Annual Report	
	Original FB792071	Revised N/A	Original 52F4B412	Revised N/A
Classroom Based Attendance				
Grades 4-6	74.33	N/A	73.05	N/A
Grades 7-8	168.56	N/A	164.59	N/A
Grades 9-12	144.08	N/A	141.10	N/A
Total Classroom Based Attendance	386.97	N/A	378.74	N/A
Non-Classroom Based Attendance				
Grades 4-6	1.81	N/A	2.12	N/A
Grades 7-8	7.00	N/A	8.80	N/A
Grades 9-12	10.17	N/A	11.35	N/A
Total Non-Classroom Based Attendance	18.98	N/A	22.27	N/A
Total ADA	405.95	N/A	401.01	N/A

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

Contra Costa School of Performing Arts

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
6th Grade	54,000	57,525	0	57,525	177	0	177	Complied
7th Grade	54,000	57,525	0	57,525	177	0	177	Complied
8th Grade	54,000	65,490	0	65,490	177	0	177	Complied
9th Grade	64,800	65,490	0	65,490	177	0	177	Complied
10th Grade	64,800	74,340	0	74,340	177	0	177	Complied
11th Grade	64,800	74,340	0	74,340	177	0	177	Complied
12th Grade	64,800	74,340	0	74,340	177	0	177	Complied

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

Schedule of Financial Trends & Analysis

Year Ended June 30, 2022

	Budget 2023	2022	2021	2020
Revenues	\$ 5,588,547	\$ 5,641,766	\$ 5,549,312	\$ 4,932,308
Expenses	5,972,163	6,097,767	4,925,907	4,781,924
Change in Net Assets	(383,616)	(456,001)	623,405	150,384
Ending Net Assets	\$ 284,746	\$ 668,362	\$ 1,124,363	\$ 500,958
Unrestricted Net Assets	\$ 284,746	\$ 668,362	\$ 1,124,363	\$ 500,958
Unrestricted net assets as a percentage of total expenses	4.77%	10.96%	22.83%	10.48%
Total Long Term Debt	\$ 15,404,574	\$ 15,404,574	\$ 15,454,582	\$ 679,971
ADA at P2	331	406	N/A	432

The Organization's ending net assets has increased by \$167,404 (33%) over the past two fiscal years. The significant increase is in large due to additional funding received as a result of the COVID-19 pandemic. Restricted ending net assets include multi-year grants that will be expended over the next two to three years.

Average daily attendance (ADA) has decreased by 50 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 decrease by \$383,616 and ADA is projected to be 331 for the 2022-23 fiscal year.

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

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

June 30, 2022 annual financial alternative form net assets:	\$	667,987
Adjustments and reclassifications:		
Understatement of accounts receivable		376
Rounding		<u>(1)</u>
Total adjustments and reclassifications		<u>375</u>
June 30, 2022 audited financial statements net assets:	\$	<u>668,362</u>

See Accompanying Notes to Supplementary Information

Contra Costa School of Performing Arts

Notes to Supplementary Information

Year Ended June 30, 2022

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.

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 Organization will not be able to continue operations in the next fiscal year. Based upon the information presented, the Organization 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



Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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
Contra Costa School of Performing Arts

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 Contra Costa School of Performing Arts (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 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts's internal control. Accordingly, we do not express an opinion on the effectiveness of Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts'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 Hobbly King & Co., LLP

El Cajon, California

January 31, 2023

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

To the Board of Directors
Contra Costa School of Performing Arts

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited Contra Costa School of Performing Arts'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, Contra Costa School of Performing Arts 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 Contra Costa School of Performing Arts 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 Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts'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 Contra Costa School of Performing Arts’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 Contra Costa School of Performing Arts’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 Contra Costa School of Performing Arts’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 Contra Costa School of Performing Art’s internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the Contra Costa School of Performing Art’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.....	Yes
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.....	Yes
<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.....	N/A
EE. Annual Instructional Minutes - Classroom Based.....	Yes
FF. Charter School Facility Grant Program.....	N/A

N/A - The Charter 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
El Cajon, California
January 31, 2023

Auditor's Results, Findings & Recommendations

Contra Costa School of Performing Arts

Schedule of Auditor's Results

Year Ended June 30, 2022

FINANCIAL STATEMENTS

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

STATE PROGRAMS

Type of auditor's report issued on compliance for state programs:	Unmodified
Internal control over applicable state programs:	
One or more material weakness(es) identified?	_____ Yes <u> X </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	_____ 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> ?	_____ Yes <u> X </u> No

Contra Costa School of Performing Arts

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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:

Five Digit Code	AB 3627 Finding Type
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

Contra Costa School of Performing Arts

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

<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