



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

Contra Costa County
Walnut Creek, California

Audit Report

June 30, 2020



WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS



CONTRA COSTA SCHOOL OF PERFORMING ARTS
Financial Statements and Supplemental Information
Year Ended June 30, 2020

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Independent Auditor's Report

To the Board of Trustees of
Contra Costa School of Performing Arts
Walnut Creek, California

Report on the Financial Statements

We have audited the accompanying financial statements of Contra Costa School of Performing Arts, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Contra Costa School of Performing Arts as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information identified in the table of contents, as required by the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021, on our consideration of Contra Costa School of Performing Arts' 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 the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Wilkinson Hadley King + LLP

El Cajon, California

March 24, 2021

Financial Statements

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Statement of Financial Position

June 30, 2020

Assets

Cash and cash equivalents	\$ 632,869
Accounts receivable	678,849
Prepaid expenses	33,065
Security deposits	2,515
Property and equipment, net	140,347
Total Assets	<u>\$ 1,487,645</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 98,290
Accrued expenses and other liabilities	208,426
Notes payable	679,971
Total Liabilities	<u>986,687</u>

Net Assets

Without donor restrictions	
Undesignated	360,611
Invested in property and equipment, net of related debt	140,347
	<u>500,958</u>

With donor restrictions

-

Total Net Assets	<u>500,958</u>
Total Liabilities and Net Assets	<u>\$ 1,487,645</u>

The accompanying notes are an integral part of this statement.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 1,804,913	\$ -	\$ 1,804,913
Education protection account state aid	86,458	-	86,458
Transfers in lieu of property taxes	1,976,350	-	1,976,350
Total LCFF sources	3,867,721	-	3,867,721
Federal contracts and grants	-	82,068	82,068
State contracts and grants	104,830	462,546	567,376
Local contracts and grants	415,139	-	415,139
Interest income	4	-	4
Net assets released from restriction -			
Grant restrictions satisfied	572,694	(572,694)	-
Total revenue, support, and gains	4,960,388	(28,080)	4,932,308
Expenses and Losses			
Program services expense	3,448,647	-	3,448,647
Supporting services expense	1,333,277	-	1,333,277
Total expenses and losses	4,781,924	-	4,781,924
Change in Net Assets	178,464	(28,080)	150,384
Net Assets, Beginning of Year	322,494	28,080	350,574
Net Assets, End of Year	\$ 500,958	\$ -	\$ 500,958

The accompanying notes are an integral part of this statement.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Statement of Functional Expenses

Year Ended June 30, 2020

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Educational Programs</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	
Salaries and Wages	\$ 1,765,319	\$ 623,647	\$ -	\$ 2,388,966
Pension expense	201,376	71,141	-	272,517
Other employee benefits	187,963	66,403	-	254,366
Payroll taxes	58,666	20,726	-	79,392
Fees for services:				
Management	-	235,233	-	235,233
Legal	-	105,729	-	105,729
Audit	-	31,917	-	31,917
Other fees - Professional consulting	40,498	7,199	-	47,697
Other fees - District oversight	-	38,681	-	38,681
Other fees - Banking and service charges	-	13,879	-	13,879
Advertising and promotion	-	24,553	-	24,553
Office expenses	92,267	-	-	92,267
Information technology	13,774	-	-	13,774
Occupancy	710,000	-	-	710,000
Travel	-	10,237	-	10,237
Conferences, conventions, and meetings	17,128	-	-	17,128
Depreciation	55,519	-	-	55,519
Insurance	-	49,455	-	49,455
Other expenses:				
Books and supplies	234,482	-	-	234,482
Equipment rental and repair	13,477	-	-	13,477
Student events	58,178	-	-	58,178
Miscellaneous	-	31,067	3,410	34,477
Total expenses by function	<u>\$ 3,448,647</u>	<u>\$ 1,329,867</u>	<u>\$ 3,410</u>	<u>\$ 4,781,924</u>

The accompanying notes are an integral part of this statement.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows from Operating Activities	
Receipts from federal, state, and local contracts and grants	\$ 2,821,160
Receipts from property taxes	1,976,350
Other receipts	4
Payments for salaries and benefits	(2,848,234)
Payments to vendors	(1,795,777)
Net Cash Used For Operating Activities	<u>153,503</u>
Cash Flows from Investing Activities	
Purchases of property and equipment	(128,134)
Net Cash From Investing Activities	<u>(128,134)</u>
Cash Flows from Financing Activities	
Proceeds from Payacheck Protection Program	579,965
Principal payment on notes payable	(49,998)
Net Cash From Financing Activities	<u>529,967</u>
Net Change in Cash and Cash Equivalents	555,336
Cash and Cash Equivalents, Beginning of Year	<u>77,533</u>
Cash and Cash Equivalents, End of Year	<u>\$ 632,869</u>
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities	
Change in net assets	\$ 150,384
Adjustments to reconcile change in net assets to net cash:	
Depreciation and amortization	55,519
Realized and unrealized (gain) loss on operating investments	
Changes in operating assets and liabilities	
(Increase) Decrease in assets	
Accounts receivable	(134,794)
Prepaid expenses	(1,604)
Increase (Decrease) in liabilities	
Accounts payable	(63,009)
Accrued expenses and other liabilities	147,007
Net Cash Used For Operating Activities	<u>\$ 153,503</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, 2020

A. Principal Activity and Summary of Significant Accounting Policies

Organization

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.

Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The School uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

Cash and Cash Equivalents

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

Accounts Receivable

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

Property and Equipment

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

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements

Year Ended June 30, 2020

The School reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2020.

Investments

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

Net Assets

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

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

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The School recognizes revenue from sales when the products are transferred, and services are provided. The school records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The School's federal, state, and local contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense. Consequently, at June 30, 2020 there were no conditional contributions, federal, state and local contracts and grants for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the School's 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.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

Advertising

Advertising costs are expensed as incurred and approximated \$24,553 during the year ended June 30, 2020.

Functional Allocation of Expenses

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

Income Taxes

The School is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The School is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The School may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2020, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The School follows provisions of uncertain tax positions as addressed in ASC 958. The School recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2020.

Estimates

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

Financial Instruments and Credit Risk

The School manages deposit concentration risk by placing cash with financial institutions believed by the School to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the School has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members and individuals supportive of the Schools mission. Investments are made by diversified investment managers whose performance is monitored by the board of directors for the School. Although fair values of investments are subject to fluctuation on a year-to-year basis, the School believes that the investment policies and guidelines are prudent for the long-term welfare of the School.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

LCFF Revenues and Payments in Lieu of Property Taxes

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the School's 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 80.18% of the School's revenue.

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

New Accounting Guidance

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that became effective during the 2019-20 fiscal year:

1. FASB ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*
2. FASB ASU 2015-14 *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*
3. FASB ASU 2016-01 *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.*
4. FASB ASU 2016-04 *Liabilities – Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products (a consensus of the Emerging Issues Task Force).*
5. FASB ASU 2016-08 *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net).*
6. FASB ASU 2016-10 *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.*
7. FASB ASU 2016-12 *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients.*
8. FASB ASU 2016-15 *Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force).*
9. FASB ASU 2016-16 *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory*
10. FASB ASU 2016-20 *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers.*
11. FASB ASU 2017-01 *Business Combinations (Topic 805): Clarifying the Definition of a Business*
12. FASB ASU 2017-05 *Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets.*
13. FASB ASU 2017-07 *Compensation – Retirement Benefits (Topic 715): Improving Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.*
14. FASB ASU 2018-03 *Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.*
15. FASB ASU 2018-09 *Codification Improvements*
16. FASB ASU 2020-04 *Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting.*
17. FASB ASU 2020-05 *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities.*

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

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 2019-20 fiscal year did not impact the financial accounting or presentation for the School.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through March 24, 2021, the date the financial statements were available to be issued.

B. Liquidity and Availability

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

Cash and cash equivalents	\$	632,869
Accounts receivable		<u>678,849</u>
	\$	<u><u>1,311,718</u></u>

C. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2020 consisted of the following:

Cash in bank accounts	\$	<u>632,869</u>
Total cash and cash equivalents	\$	<u><u>632,869</u></u>

Cash in Bank

The School's cash (\$632,869 as of June 30, 2020) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or certain non-interest-bearing accounts that are fully insured by the FDIC. As of June 30, 2020, the School held \$335,058 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.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

D. Accounts Receivable

As of June 30, 2020, accounts receivable consisted of the following:

Federal Government		
Special Education	\$	62,684
State Government		
State Aid		143,760
Lottery Funding		31,867
Special Education		203,225
Local Government		
Property tax payments		128,067
Other Local Sources		
Other local sources		109,246
Total Accounts Receivable	\$	<u><u>678,849</u></u>

E. Property and Equipment

Property and equipment consisted of the following at June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-Depreciable Capital Assets				
Work in Progress	\$ 771	\$ -	\$ 771	\$ -
Total Non-Depreciable Capital Assets	<u>771</u>	<u>-</u>	<u>771</u>	<u>-</u>
Depreciable Capital Assets				
Buildings and Improvements	\$ -	\$ 10,000	\$ -	\$ 10,000
Equipment, Furniture, and Fixtures	309,530	118,905	-	428,435
Total Depreciable Capital Assets	<u>309,530</u>	<u>128,905</u>	<u>-</u>	<u>438,435</u>
Total Capital Assets	310,301	128,905	771	438,435
Less Accumulated Depreciation	(242,569)	(55,519)	-	(298,088)
Capital Assets, Net	<u>\$ 67,732</u>	<u>\$ 73,386</u>	<u>\$ 771</u>	<u>\$ 140,347</u>

F. Accounts Payable

As of June 30, 2020, accounts payable consisted of the following:

	<u>Accounts Payable</u>	<u>Accrued Expenses and Other Liabilities</u>
Vendors	\$ 98,290	\$ 48,089
Contra Costa County Office of Education	-	38,681
Lease Payments	-	59,697
Summer Holdback	-	61,958
Total Accounts Payable	<u>\$ 98,290</u>	<u>\$ 208,425</u>

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

G. Notes Payable

On April 29, 2020 Granada Hills Charter was approved for \$579,000 in Paycheck Protection Program (PPP) Loan from the Small Business Administration. The PPP, established as part of the Coronavirus Aid, Relief and Economic Securities Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries.

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

H. Leases

On August 9, 2019, the School amended a lease agreement with Education Capital Solutions for a school space. The agreement provided for annual payments totaling the greater of 18% of revenue or \$730,000. This lease was only for the 2019-20 year, at which point the school, through 2730 Mitchell Drive LLC (a related party), would purchase the building. The new lease under 2730 Mitchell Drive LLC was entered into September 1, 2020 with a term at least through May 25, 2058. The building will be capitalized on the LLC's financials, therefore the school will not classify it as a capital lease. The following schedule represent future minimum lease payments as of June 30, 2020.

<u>Year Ended June 30</u>	<u>Operating Leases</u>
2021	\$ 187,527
2022	567,450
2023	721,617
2024	918,700
2025	1,070,169
2026-2030	5,367,250
2031-2035	5,366,081
2036-2040	5,370,821
2041-2045	5,364,367
2046-2050	5,374,021
2051-2055	5,370,769
2056-2058	3,141,035
Total minimum lease payments	<u>\$ 38,819,806</u>

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

I. Employee Retirement System

Qualified employees are covered under a multiple-employer defined benefit pension plan by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The risks of participating in this multi-employer plan 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 Schools choose to stop participating in some of its multi-employer plans, the Schools may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Schools participation in this plan for the fiscal year ended June 30, 2020, 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 2020, 2019 and 2018 is for the plan's year-end at June 30, 2020, 2019 and 2018, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Period to Period Comparability:

Contra Costa School of Performing Arts increased in CalSTRS contributions from 2018 to 2019 by 19.34% followed by an additional increase in 2020 of 20.74%. Contra Costa School of Performing Arts increased in CalPERS contributions from 2018 to 2019 by 19.92% followed by an additional increase in 2019 of 36.14%. The increase in 2018 & 2019 was in large due to rising contribution rates along with an increase in revenues that cause salaries to also rise, increasing contributions further.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30,			FIP/RP Status Pending/ Implemented	
		2020	2019	2018		
CalSTRS	07069	Yellow	Yellow	Yellow	No	
		Contributions			Number of Employees	Surcharge Imposed
Pension Fund	2020	2019	2018			
CalSTRS	\$ 272,517	\$ 270,894	\$ 208,080	24	No	
Total	\$ 272,517	\$ 270,894	\$ 208,080	24		

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

CalSTRS:

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

For the fiscal year ended June 30, 2020, 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 18.40% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The School made contributions as noted above. For the year ended June 30, 2020 the State contributed \$163,160 (10.238% of certificated salaries) on behalf of the School.

J. 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:

1. FASB ASU 2016-02 *Leases (Topic 842)* – Effective Fiscal Year Ending June 30, 2022
2. FASB ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* – Effective Fiscal Year Ending June 30, 2024
3. FASB ASU 2017-04 *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* – Effective Fiscal Year Ending June 30, 2024
4. FASB ASU 2017-08 *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities* – Effective Fiscal Year Ending June 30, 2021
5. FASB ASU 2017-11 *Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope exception.* – Effective Fiscal Year Ending June 30, 2021
6. FASB ASU 2017-12 *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* – Effective Fiscal Year Ending June 30, 2022
7. FASB ASU 2018-01 *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842* – Effective Fiscal Year Ending June 30, 2022
8. FASB ASU 2018-07 *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share Based Payment Accounting.* – Effective Fiscal Year Ending June 30, 2021.
9. FASB ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* – Effective Fiscal Year Ending June 30, 2021
10. FASB ASU 2018-10 *Codification Improvements to Topic 842, Leases* – Effective Fiscal Year Ending June 30, 2022
11. FASB ASU 2018-11 *Leases (Topic 842): Targeted Improvements* – Effective Fiscal Year Ending June 30, 2022
12. FASB ASU 2018-12 *Financial Service – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts* – Effective Fiscal Year Ending June 30, 2025

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

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13. FASB ASU 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* – Effective Fiscal Year Ending June 30, 2021
 14. FASB ASU 2018-14 *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans* – Effective Fiscal Year Ending June 30, 2023
 15. FASB ASU 2018-15 *Intangibles – Goodwill and Other – Internal Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract (a consensus of the FASB Emerging Issues Task Force)* – Effective Fiscal Year Ending June 30, 2022
 16. FASB ASU 2018-16 *Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes* – Effective Fiscal Year Ending June 30, 2022
 17. FASB ASU 2018-17 *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* – Effective Fiscal Year Ending June 30, 2021
 18. FASB ASU 2018-18 *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606* – Effective Fiscal Year Ending June 30, 2022
 19. FASB ASU 2018-19 *Codification Improvements to Topic 326, Financial Instruments – Credit Losses* – Effective Fiscal Year Ending June 30, 2024
 20. FASB ASU 2018-20 *Leases (Topic 842): Narrow Scope Improvements for Lessors* – Effective Fiscal Year Ending June 30, 2022
 21. FASB ASU 2019-01 *Leases (Topic 842): Codification Improvements* – Effective Fiscal Year Ending June 30, 2022.
 22. FASB ASU 2019-02 *Entertainment – Films – Other Assets – Film Costs (Subtopic 926-20) and Entertainment – Broadcasters – Intangibles – Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials (a consensus of the Emerging Issues Task Force* – Effective Fiscal Year Ending June 30, 2022
 23. FASB ASU 2019-03 *Not-For-Profit Entities (Topic 958): Updating the Definition of Collections* – Effective Fiscal Year Ending June 30, 2021
 24. FASB ASU 2019-04 *Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments* – Effective Fiscal Year Ending June 30, 2021
 25. FASB ASU 2019-05 *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief* – Effective Fiscal Year Ending June 30, 2021
 26. FASB ASU 2019-08 *Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements – Share Based Consideration Payable to a Customer* – Effective Fiscal Year Ending June 30, 2021
 27. FASB ASU 2019-09 *Financial Services – Insurance (Topic 944): Effective Date* – Effective Fiscal Year Ending June 30, 2025
 28. FASB ASU 2019-10 *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates* - Effective Fiscal Years Ending June 30, 2022 and June 30, 2024
 29. FASB ASU 2019-11 *Codification Improvements to Topic 326, Financial Instruments – Credit Losses* – Effective Fiscal Year Ending June 30, 2024
 30. FASB ASU 2019-12 *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* – Effective Fiscal Year Ending June 30, 2024
 31. FASB ASU 2020-01 *Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force).* – Effective Fiscal Year Ending June 30, 2022
 32. FASB ASU 2020-03 *Codification Improvements to Financial Instruments* – Effective Fiscal Years Ending June 30, 2021 and June 30, 2024

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

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

K. COVID-19 Impact and Considerations

In March 2020 the World Health Organization declared the outbreak of the novel coronavirus COVID-19 a global pandemic. The nature of the pandemic resulted in a mandatory school property closure affecting the Contra Costa School of Performing Arts from March 16, 2020 and continuing into the Fall of 2020-21 school year. California Governor Gavin Newsom issued a state-wide executive order mandating that schools remain closed until the county in which the school is located is off the COVID-19 watch list for fourteen consecutive days. The 2020-21 fiscal year opened in a fully distance learning model, until such time as campuses can be re-opened. At this point in time the Contra Costa School of Performing Arts campuses remain closed until San Diego County meets the benchmark requirements.

In addition to school closures, new regulations and safety measures were required to be put in place by all schools in California as part of a re-opening plan. The Contra Costa School of Performing Arts has established a re-opening plan that they believe will provide a safe environment for the students and teachers.

The federal and state government have established temporary funding to assist in the additional costs that resulted from the COVID-19 pandemic. All California schools are eligible for these funds. Due to timing of the grant disbursements, the Contra Costa School of Performing Arts did not expend any of the funds in the 2019-20 fiscal year. The funds remain available for the 2020-21 fiscal year. Additionally, for the 2019-20 fiscal year, the state placed all school districts in a hold harmless state shifting attendance reporting periods to a point prior to the pandemic to prevent sudden losses of attendance from impacting funding for the 2019-20 fiscal year. Finally, funding for the 2020-21 fiscal year is frozen at amounts provided in 2019-20 for all California school districts, with adjustments based on the Governor's budget. The District has established their 2020-21 budget with this in consideration.

L. Subsequent Events

On July 9, 2020 2730 Mitchell Drive LLC (the LLC) was formed for the sole purpose of providing facility support for Contra Costa School of Performing Arts. On September 1, 2020 the LLC issued bonds through California School Finance Authority. The LLC 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 maturity on the Series 2020A is May 2058 while the maturity on the Series 2020B is May 2026. These bonds will be shown on the LLC's financial statements, which will be part of a consolidated audit report with Contra Costa School of Performing Arts.

Supplementary Information

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Organization Structure
Year Ended June 30, 2020

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

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Deborah Padberg	Chair	Two Year Term Expires December 31, 2022
Marie Gil	Vice-Chair	Two Year Term Expires December 31, 2022
Heather Vega	Secretary	Two Year Term Expires December 31, 2020
David Wendt	Treasurer	Two Year Term Expires December 31, 2020
Tamara Gerlach	Member	Two Year Term Expires December 31, 2022
Jill Wilk	Member	Two Year Term Expires December 31, 2020
Kirk Waller	Member	Two Year Term Expires December 31, 2022

ADMINISTRATION

Neil McChesney
Executive Director

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Schedule of Average Daily Attendance

Year Ended June 30, 2020

	Second Period Report		Annual Report	
	Original 94933683	Revised N/A	Original 3548B098	Revised N/A
Classroom Based Attendance				
Grades 4-6	86.70	N/A	86.70	N/A
Grades 7-8	194.91	N/A	194.91	N/A
Grades 9-12	144.17	N/A	144.17	N/A
Total Classroom Based Attendance	425.78	N/A	425.78	N/A
Non-Classroom Based Attendance				
Grades 4-6	0.27	N/A	0.27	N/A
Grades 7-8	2.97	N/A	2.97	N/A
Grades 9-12	3.27	N/A	3.27	N/A
Total Non-Classroom Based Attendance	6.51	N/A	6.51	N/A
Total ADA	432.29	N/A	432.29	N/A

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

On March 17, 2020 Governor Newsom signed Senate Bill (SB) 117 which mitigated the effect of lost attendance due to COVID19 that occurred after February 29, 2020. For the purpose of preventing losses of attendance-based funding as a result of reductions in average daily attendance (ADA) due to COVID19, this legislation provided that the ADA used for both the second period (P2) and the Annual period apportionment include all full school months from July 1, 2019 to February 29, 2020 for all local education agencies (LEAs).

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Schedule of Instructional Time

Year Ended June 30, 2020

<u>Grade Level</u>	<u>Minutes Requirement</u>	<u>2019-20 Actual Minutes</u>	<u>2019-20 COVID-19 Closure Minutes</u>	<u>2019-20 Total Instructional Minutes</u>	<u>2019-20 Actual School Days</u>	<u>2019-20 COVID-19 Closure Days</u>	<u>2019-20 Total School Days</u>	<u>Status</u>
6th Grade	54,000	45,590	17,665	63,255	129	50	179	Complied
7th Grade	54,000	45,590	17,665	63,255	129	50	179	Complied
8th Grade	54,000	45,590	17,665	63,255	129	50	179	Complied
9th Grade	64,800	57,730	22,370	80,100	129	50	179	Complied
10th Grade	64,800	57,730	22,370	80,100	129	50	179	Complied
11th Grade	64,800	57,730	22,370	80,100	129	50	179	Complied
12th Grade	64,800	57,730	22,370	80,100	129	50	179	Complied

Due to COVID-19 the School closed campus on March 16, 2020 through the end of the school year. Distance learning was provided to students for school days during the closure. This schedule has been reflected based on the original approved calendar and instructional time planned by the School for the 2019-20 fiscal year.

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Schedule of Financial Trends and Analysis

Year Ended June 30, 2020

	Budget 2021	2020	2019	2018
Revenues	\$ 4,809,367	\$ 4,823,584	\$ 5,109,526	\$ 4,352,848
Expenses	4,723,796	4,781,924	4,406,821	4,815,766
Change in Net Assets	<u>85,571</u>	<u>41,660</u>	<u>702,705</u>	<u>(462,918)</u>
Ending Net Assets	<u>\$ 477,805</u>	<u>\$ 392,234</u>	<u>\$ 350,574</u>	<u>\$ (352,131)</u>
Unrestricted Net Assets	<u>\$ 477,805</u>	<u>\$ 392,234</u>	<u>\$ 322,494</u>	<u>\$ (352,131)</u>
Unrestricted net assets as a percentage of total expenses	<u>10.11%</u>	<u>8.20%</u>	<u>7.32%</u>	<u>-7.31%</u>
Total Long Term Debt	<u>\$ 629,971</u>	<u>\$ 679,971</u>	<u>\$ 150,004</u>	<u>\$ 450,002</u>
ADA at P2	<u>448</u>	<u>432</u>	<u>422</u>	<u>369</u>

The School's ending net assets has decreased by \$744,365 (211.39%) over the past two fiscal years. The significant increase is in large due to the increase in revenue sources coupled with a commitment to build reserves to protect the School from changes in economic trends in future years. The average daily attendance (ADA) reported by the School has increased by 63 (17.1%) over the past two years. The 2020-21 fiscal year budget projects an increase in net assets of \$85,571 (14.93%) and an increase in ADA of 16 (3.7%).

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements
Year Ended June 30, 2020

June 30, 2020 annual financial alternative form net assets:	\$	500,957
Adjustments and reclassifications:		
Rounding		<u>1</u>
Total adjustments and reclassifications		<u>1</u>
June 30, 2020 audited financial statements net assets:	\$	<u>500,958</u>

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Notes to Supplementary Information

Year Ended June 30, 2020

A. Purpose of Schedules

Organization Structure

This schedule provides information about the schools' charter numbers, 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 presents information on the amount of instructional time offered by the School and whether they complied with the provisions of Education Code Section 47612.5.

Schedule of Financial Trends and Analysis

Budget information for 2021 is presented for analysis purposes only and is based on estimates of the 2020-21 fiscal year. The information has not been subject to audit.

This schedule discloses the School's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the School's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance as reported on the Unaudited Financial Report Alternative Forms prepared by the schools to the net assets reported in the audited financial statements.

Other Independent Auditors' Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Education
Contra Costa School of Performing Arts
Walnut Creek, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Contra Costa School of Performing Arts (School), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Contra Costa School of Performing Arts' internal control over financial reporting (internal control) to determine the 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' internal control. Accordingly, we do not express an opinion on the effectiveness of Contra Costa School of Performing Arts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Contra Costa School of Performing Arts' 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 determination of financial statement amounts. 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + Collet

El Cajon, California
March 24, 2021

Independent Auditor's Report on State Compliance

To the Board of Education
Contra Costa School of Performing Arts
Walnut Creek, California

Report on State Compliance

We have audited the Contra Costa School of Performing Arts' compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810, that could have a direct and material effect on each of the School's state programs identified below for the fiscal year ended June 30, 2020.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's Audit Guide *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance*, prescribed in Title 5, *California Code of Regulations*, Section 19810. 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 State's audit guide *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about each school's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

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

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools	
A. Attendance.....	N/A
B. Teacher Certification and Misassignments.....	N/A
C. Kindergarten Continuance.....	N/A
D. Independent Study.....	N/A
E. Continuation Education.....	N/A
F. Instructional Time.....	N/A
G. Instructional Materials.....	N/A
H. Ratio of Administrative Employees to Teachers.....	N/A
I. Classroom Teacher Salaries.....	N/A
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	N/A
L. School Accountability Report Card.....	N/A
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	N/A
P. Transportation Maintenance of Effort.....	N/A
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	N/A
S. District of Choice.....	N/A
School Districts, County Offices of Education, and Charter Schools	
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
Charter Schools	
AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom Based Instruction/Independent Study.....	N/A
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

The term N/A is used above to mean either the School did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Opinion on State Compliance

In our opinion, Contra Costa School of Performing Arts complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This report is an integral part of an audit performed in accordance with *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King + Collet

El Cajon, California
March 24, 2021

Auditor's Results, Findings & Recommendations

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Schedule of Auditor's Results

Year Ended June 30, 2020

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)? Yes X No

Noncompliance material to financial statements noted? Yes X No

STATE AWARDS

Any audit findings disclosed that are required to be reported in accordance with *2019-20 Guide for Annual Audits of California K-12 Local Education Agencies?* Yes X No

Type of auditor's report issued on compliance for state programs: Unmodified

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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 *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

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

A. Financial Statement Findings

None

B. State Award Findings

None

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Schedule of Prior Year Audit Findings

Year Ended June 30, 2020

<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