



Community School for  
Creative Education

Charter #1284

Audit Report

June 30, 2022



# Community School for Creative Education

Financial Statements and Supplemental Information

Year Ended June 30, 2022

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## Independent Auditor's Report

To the Board of Directors  
Community School for Creative Education

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

#### ***Opinion***

We have audited the accompanying financial statements of Community School for Creative Education (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 Community School for Creative Education 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 Community School for Creative Education 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 Community School for Creative Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community School for Creative Education’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 Community School for Creative Education’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, 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 23, 2023, on our consideration of Community School for Creative Education’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 Community School for Creative Education’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 Community School for Creative Education’s internal control over financial reporting and compliance.

*Wilkinson Hadley King + LLP*  
El Cajon, California  
January 23, 2023

## Financial Statements

# Community School for Creative Education

## Statement of Financial Position

June 30, 2022

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### Assets

Cash and cash equivalents	\$ 1,433,766
Accounts receivable	825,024
Prepaid expenses	52,950
Security deposits	6,827
Total Assets	<u>\$ 2,318,567</u>

### Liabilities and Net Assets

#### Liabilities

Accounts payable - vendors	\$ 100,247
Accounts payable - grantor government	89,791
Accrued payroll liabilities	82,914
Unearned revenue	231,141
Total Liabilities	<u>504,093</u>

#### Net Assets

Without donor restrictions	
Undesignated	<u>1,765,074</u>
	<u>1,765,074</u>

#### With donor restrictions

Restricted for nutrition program	31,785
Restricted for state programs	17,615
	<u>49,400</u>

Total Net Assets	<u>1,814,474</u>
Total Liabilities and Net Assets	<u>\$ 2,318,567</u>

The accompanying notes are an integral part of this statement.

# Community School for Creative Education

Statement of Activities  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 919,900	\$ -	\$ 919,900
Education protection account state aid	480,853	-	480,853
Transfers in lieu of property taxes	505,902	-	505,902
Total LCFF sources	<u>1,906,655</u>	<u>-</u>	<u>1,906,655</u>
Federal contracts and grants	-	712,382	712,382
State contracts and grants	145,101	547,537	692,638
Local contracts and grants	111,155	-	111,155
Donations and fundraising	162,645	-	162,645
Interest income	1,682	-	1,682
Net assets released from restriction -			
Grant restrictions satisfied	<u>1,221,591</u>	<u>(1,221,591)</u>	<u>-</u>
Total revenue, support, and gains	<u>3,548,829</u>	<u>38,328</u>	<u>3,587,157</u>
<b>Expenses and Losses</b>			
Program services expense	2,780,531	-	2,780,531
Supporting services expense	982,601	-	982,601
Total expenses and losses	<u>3,763,132</u>	<u>-</u>	<u>3,763,132</u>
<b>Change in Net Assets</b>	(214,303)	38,328	(175,975)
<b>Net Assets, Beginning of Year</b>	<u>1,979,377</u>	<u>11,072</u>	<u>1,990,449</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,765,074</u>	<u>\$ 49,400</u>	<u>\$ 1,814,474</u>

The accompanying notes are an integral part of this statement.

# Community School for Creative Education

## 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	\$ 1,154,928	\$ 563,099	\$ -	\$ 1,718,027
Pension expense	161,582	78,781	-	240,363
Other employee benefits	77,355	37,715	-	115,070
Payroll taxes	75,039	36,586	-	111,625
Fees for services:				
Business services	-	78,751	-	78,751
Legal	-	44,295	-	44,295
Accounting	-	13,300	-	13,300
Professional consulting	563,428	25,640	-	589,068
District oversight	-	17,950	-	17,950
Banking and payroll services	-	9,307	-	9,307
Advertising and promotion	-	12,674	-	12,674
Information technology	7,580	-	-	7,580
Communication	30,146	-	-	30,146
Occupancy	106,053	-	-	106,053
Travel and conferences	3,444	-	-	3,444
Conferences, conventions, and meetings	78,977	-	-	78,977
Operations and housekeeping	173,664	-	-	173,664
Depreciation	47,710	-	-	47,710
Insurance	-	38,359	-	38,359
Other expenses:				
Books and supplies	268,871	-	-	268,871
Equipment rental and repair	16,102	-	-	16,102
Noncapitalized equipment	8,976	-	-	8,976
Student transportation & field trips	6,676	-	-	6,676
Fundraising	-	-	8,180	8,180
Miscellaneous	-	17,964	-	17,964
Total expenses by function	<u>\$ 2,780,531</u>	<u>\$ 974,421</u>	<u>\$ 8,180</u>	<u>\$ 3,763,132</u>

The accompanying notes are an integral part of this statement.

# Community School for Creative Education

Statement of Cash Flows

Year Ended June 30, 2022

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## Cash Flows from Operating Activities

Receipts from federal, state, and local contracts and grants	\$ 3,155,861
Receipts from property taxes	505,902
Receipts from donations and fundraising	162,645
Receipts from operating interest	1,682
Payments to employees for services provided	(2,136,791)
Payments to vendors	(1,865,080)

**Net Cash Provided By Operating Activities** (175,781)

**Net Change in Cash and Cash Equivalents** (175,781)

**Cash and Cash Equivalents, Beginning of Year** 1,609,547

**Cash and Cash Equivalents, End of Year** \$ 1,433,766

## Reconciliation of Change in Net Assets to Net Cash

### Used For Operating Activities

Change in net assets	\$ (175,975)
Adjustments to reconcile change in net assets to net cash:	
Depreciation and amortization	47,710
Changes in operating assets and liabilities	
(Increase) Decrease in assets	
Accounts receivable	63,275
Prepaid expenses	(52,950)
Increase (Decrease) in liabilities	
Accounts payable - vendors	(281,793)
Accounts payable - grantor government	89,791
Accrued payroll liabilities	48,294
Unearned revenue	85,867

**Net Cash Provided By Operating Activities** \$ (175,781)

The accompanying notes are an integral part of this statement.

# Community School for Creative Education

Notes to the Financial Statements

Year Ended June 30, 2022

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

### *Organization Structure*

Community School for Creative Education (the School) was incorporated in the State of California on November 14, 2008, under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The School petitioned and was approved through the Alameda County Board of Education for a charter on June 22, 2010. The School received unanimous approval for its third term through June 30, 2026. The mission of the School is to partner with families and communities to provide a rigorous college-preparatory program integrated into a culturally rich, arts-infused, highly personalized curriculum inspired by Waldorf education for the diverse students of Oakland, to promote equity and prepare culturally competent, well-rounded, lifelong learners to lead, contribute to, and successfully participate in our rapidly changing multicultural society.

### *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.

# Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

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

## *Investments*

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

## *Net Assets*

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

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

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

## *Revenue and Revenue Recognition*

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

## Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

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### *Donated Services and In-Kind Contributions*

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

### *Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional 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, 2022, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

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

### *Estimates*

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

### *Financial Instruments and Credit Risk*

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

## Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

### *LCFF Revenues and Payments in Lieu of Property Taxes*

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the school, which is funding in lieu of property taxes, and education protection account funds paid by the state under Proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 53% 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) 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:

<b>Description</b>	<b>Date Issued</b>
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

# Community School for Creative Education

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

## *Subsequent Events*

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through January 23, 2023, the date the financial statements were available to be issued.

## **B. Liquidity and Availability**

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

Cash and cash equivalents	\$ 1,433,766
Accounts receivable	<u>825,024</u>
	<u>\$ 2,258,790</u>

## **C. Cash and Cash Equivalents**

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

Cash in bank accounts	\$ 1,433,766
Total cash and cash equivalents	<u>\$ 1,433,766</u>

## *Cash in Bank*

The School's cash in bank, (\$1,433,766 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 \$1,199,242 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.

## Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

### D. Accounts Receivable

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

Federal Government	
Special Education	\$ 67,489
Child Nutrition	18,891
Title I	41,835
ESSER I	36,516
ESSER II	145,918
Other Federal Programs	91,310
State Government	
Education Protection Account	208,366
Lottery Funding	34,423
ASES	71,219
Other State Programs	30,963
Local Government	
Property tax payments	73,654
Other Local Sources	
Other local sources	4,440
Total Accounts Receivable	\$ 825,024

### E. Prepaid Expenses

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

Prepaid CSMC fees	\$ 6,667
Prepaid insurance and benefits	11,833
Prepaid vendors	34,450
Total Prepaid Expenses	\$ 52,950

### F. Property and Equipment

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

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Leasehold Improvements	\$ 234,852	\$ -	\$ -	\$ 234,852
Total Depreciable Capital Assets	234,852	-	-	234,852
Total Capital Assets	234,852	-	-	234,852
Less Accumulated Depreciation	(187,142)	(47,710)	-	(234,852)
Capital Assets, Net	\$ 47,710	\$ (47,710)	\$ -	\$ -

# Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

## G. Unearned Revenue

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

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

Unearned Revenue, beginning of period	\$	145,274
Increases in unearned revenue due to cash received during the period		318,477
Decreases in unearned revenue due to performance obligations met during the period		(232,610)
Unearned Revenue, end of period	\$	<u>231,141</u>

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

State		
Expanded Learning Opportunities		175,682
Universal Pre-K		55,459
Total Unearned Revenue	\$	<u>231,141</u>

## H. Net Assets With Donor Restrictions

The School receives grants from federal and state agencies that are restricted for specific purposes. Once the restricted purpose has been fulfilled, the assets are released from restriction. During the 2021-22 fiscal year the School received state grants which are multi-year restricted grants. At June 30, 2022, net assets were restricted for the following purposes:

Subject to expenditure for specified state purposes:		
Lottery	\$	17,615
Kitchen Infrastructure		31,785
Total net assets with donor restrictions	\$	<u>49,400</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2022.

Beginning restricted net assets	\$	11,072
Restricted grants received		1,259,919
Net assets released from restriction:		
Restricted purpose satisfied		<u>(1,221,591)</u>
Ending restricted net assets	\$	<u>49,400</u>

# Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

## I. Employee Retirement System

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

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

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

### *Period to Period Comparability:*

Community School for Creative Education decreased in CalSTRS contributions from 2020 to 2021 by 10.99% followed by an increase in 2022 of 18.65%. The increases in CalSTRS contributions were in large due to rising contribution rates along with an increase in salaries, increasing contributions further. The decrease in 2021 due to a decrease in employees contributing to the plan

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30,			FIP/RP Status Pending/ Implemented
		2022	2021	2020	
CalSTRS	1111	Yellow	Yellow	Yellow	No
Pension Fund	Contributions			Number of Employees	Surcharge Imposed
	2022	2021	2020		
CalSTRS	\$ 147,991	\$ 124,733	\$ 140,139	12	No
Total	\$ 147,991	\$ 124,733	\$ 140,139	12	

# Community School for Creative Education

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

CalSTRS:

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

For the fiscal year ended June 30, 2022, active plan members were required to contribute between 10.205% and 10.25% of their salary, depending on their hire date. The employer contribution rate was 16.92% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The School made contributions as noted above. For the year ended June 30, 2022, the State contributed \$94,970 (10.858% 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:

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2016-02 - <i>Leases (Topic 842)</i>	Feb-16	2022-23
FASB Accounting Standards Update 2016-13 - <i>Credit Losses (Topic 326)</i>	Jun-16	2023-24
FASB Accounting Standards Update 2017-04 - <i>Intangibles, Goodwill &amp; Other (Topic 350)</i>	Jan-17	2023-24
FASB Accounting Standards Update 2018-01 - <i>Leases (Topic 842)</i>	Jan-18	2022-23
FASB Accounting Standards Update 2018-11 - <i>Leases Targeted Improvements (Topic 842)</i>	Jul-18	2022-23
FASB Accounting Standards Update 2018-12 - <i>Financial Services Insurance (Topic 944)</i>	Aug-18	2024-25
FASB Accounting Standards Update 2018-14 - <i>Compensation, Retirement Benefits - Defined Benefit Plans (Topic 715-20)</i>	Aug-18	2022-23
FASB Accounting Standards Update 2018-19 - <i>Codification Improvements for Credit Losses (Topic 326)</i>	Nov-18	2023-24
FASB Accounting Standards Update 2018-20 - <i>Leases (Topic 842)</i>	Dec-18	2022-23
FASB Accounting Standards Update 2019-01 - <i>Leases (Topic 842)</i>	Mar-19	2022-23
FASB Accounting Standards Update 2019-09 - <i>Financial Services, Insurance (Topic 944)</i>	Nov-19	2024-25
FASB Accounting Standards Update 2019-10 - <i>Financial Instruments, Credit Losses</i>	Nov-19	2023-24

## Community School for Creative Education

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

# **Community School for Creative Education**

Notes to the Financial Statements (Continued)

Year Ended June 30, 2022

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

## Supplementary Information

# Community School for Creative Education

LEA Organization Structure

Year Ended June 30, 2022

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Community School for Creative Education (Charter #1284) is a Grade K-8 Charter School and was granted its charter by the Alameda County Board of Education on June 22, 2010, pursuant to the terms of the Charter School Act of 1992, as amended. The Organization is currently operating at 2111 International Boulevard in Oakland, California.

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## GOVERNING BOARD

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<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Sarah Richardson Baker	Chairman	Five Year Term Expires November 2022
Dr. Anastasia Prentiss	Member	Five Year Term Expires December 2024
Adrienne Barnes	Member	Two Year Term Expires March 2024
Grace Pang	Member	Two Year Term Expires June 2023
Dr. Allegra Alessandri Pfeifer	Member	Two Year Term Expires June 2024

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## ADMINISTRATION

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Dr. Ida Oberman  
Founder & Executive Director

Yolanda Cordova  
Office Manager

Kimberly Palmore  
Interim Director of Finance and Operations

## Community School for Creative Education

### Schedule of Average Daily Attendance

Year Ended June 30, 2022

	Second Period Report		Annual Report	
	Original BF58A484	Revised N/A	Original B2EB3249	Revised N/A
Classroom Based Attendance				
Grades TK/K-3	69.01	N/A	68.24	N/A
Grades 4-6	66.63	N/A	66.32	N/A
Grades 7-8	35.76	N/A	35.43	N/A
Total Classroom Based Attendance	171.40	N/A	169.99	N/A
Total ADA	171.40	N/A	169.99	N/A

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

## Community School for Creative Education

Schedule of Instructional Time

Year Ended June 30, 2022

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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
Kindergarten	36,000	47,680	0	47,680	175	0	175	Complied
1st Grade	50,400	54,985	0	54,985	175	0	175	Complied
2nd Grade	50,400	54,985	0	54,985	175	0	175	Complied
3rd Grade	50,400	56,965	0	56,965	175	0	175	Complied
4th Grade	54,000	56,965	0	56,965	175	0	175	Complied
5th Grade	54,000	56,965	0	56,965	175	0	175	Complied
6th Grade	54,000	61,485	0	61,485	175	0	175	Complied
7th Grade	54,000	61,485	0	61,485	175	0	175	Complied
8th Grade	54,000	61,485	0	61,485	175	0	175	Complied

See Accompanying Notes to Supplementary Information

## Community School for Creative Education

### Schedule of Financial Trends & Analysis

Year Ended June 30, 2022

	Budget 2023	2022	2021	2020
Revenues	\$ 4,228,736	\$ 3,587,157	\$ 4,051,062	\$ 3,346,088
Expenses	4,150,438	3,763,132	3,048,088	3,188,761
Change in Net Assets	78,298	(175,975)	1,002,974	157,327
Ending Net Assets	<u>\$ 1,892,772</u>	<u>\$ 1,814,474</u>	<u>\$ 1,990,449</u>	<u>\$ 987,475</u>
Unrestricted Net Assets	<u>\$ 1,892,772</u>	<u>\$ 1,765,074</u>	<u>\$ 1,979,377</u>	<u>\$ 987,475</u>
Unrestricted net assets as a percentage of total expenses	<u>46%</u>	<u>47%</u>	<u>65%</u>	<u>31%</u>
Total Long Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADA at P2	<u>188</u>	<u>171</u>	<u>N/A</u>	<u>245</u>

The School's ending net assets has increased by \$826,999 (46%) 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 74 over the past two years. As a result of the COVID-19 pandemic there was no reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

The 2022-23 budget is presented for purposes of analysis only and has not been audited. Net assets are projected to increase by \$78,298 and ADA is projected to be 188 for the 2022-23 fiscal year.

## Community School for Creative Education

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

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June 30, 2022 annual financial alternative form net assets:	\$ 1,814,475
Adjustments and reclassifications:	
Rounding	<u>(1)</u>
Total adjustments and reclassifications	<u>(1)</u>
June 30, 2022 audited financial statements net assets:	<u>\$ 1,814,474</u>

# Community School for Creative Education

Notes to Supplementary Information  
Year Ended June 30, 2022

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## A. Purpose of Schedules

### LEA Organization Structure

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

### Schedule of Average Daily Attendance

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

### Schedule of Instructional Time

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

Compliance with Education Code §47612 includes the following:

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

Compliance with Education Code §47612 involves offering a minimum number of annual instructional minutes as defined by grade level.

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

### Schedule of Financial Trends & Analysis

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

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

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

## Other Independent Auditor's Reports

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

To the Board of Directors  
Community School for Creative Education

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 Community School for Creative Education (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 23, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community School for Creative Education'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 Community School for Creative Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Community School for Creative Education'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 Community School for Creative Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + LLP  
El Cajon, California  
January 23, 2023

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

To the Board of Directors  
Community School for Creative Education

**Report on Compliance for Applicable State Programs**

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

We have audited Community School for Creative Education'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, Community School for Creative Education 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 Community School for Creative Education 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 Community School for Creative Education'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 Community School for Creative Education'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 Community School for Creative Education'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 Community School for Creative Education’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 Community School for Creative Education’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 Community School for Creative Education’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 Community School for Creative Education’s internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the Charter School’s compliance with the state laws and regulations applicable to the following items:

	<u>Procedures Performed</u>
<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.....	Yes
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.....	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

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.

  
El Cajon, California  
January 23, 2023

## Auditor's Results, Findings & Recommendations

# Community School for Creative Education

Schedule of Auditor's Results

Year Ended June 30, 2022

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## 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 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        X   No

One or more significant deficiencies identified that are not considered material weakness(es)?

\_\_\_\_\_ Yes        X   No

Any audit findings disclosed that are required to be reported in accordance with *2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting*?

\_\_\_\_\_ Yes        X   No

# Community School for Creative Education

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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

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

## A. Financial Statement Findings

None

## B. State Award Findings

None

# Community School for Creative Education

Schedule of Prior Year Audit Findings

Year Ended June 30, 2022

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