

FAMILY FIRST CHARTER SCHOOL

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June 30, 2020

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Family First Charter School taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2021, on our consideration of the Charter'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 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 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 Charter's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Charter has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made Accordingly, all contributions received have been reviewed and adjusted accordingly to adopt this standard. Our opinion is not modified with respect to this matter.



San Diego, California
March 23, 2021

Financial Section

FAMILY FIRST CHARTER SCHOOL
Statements of Financial Position
June 30, 2020 and 2019

June 30, 2020

ASSETS	Family First Charter School
Current Assets	
Cash and cash equivalents	\$ 139,221
Accounts receivable	1,039,870
Prepaid rent	2,298,408
Prepaid expenditures	942
Capital assets	657,293
Total Assets	4,135,734
LIABILITIES	
Accounts payable	125,317
Deferred revenue	52,364
Total Liabilities	177,681
NET ASSETS	
Without donor restriction	3,958,053
Total Net Assets	3,958,053
Total Liabilities and Net Assets	\$ 4,135,734

June 30, 2019

ASSETS	Family First Charter School
Cash and cash equivalents	\$ 1,818,614
Accounts receivable	879,950
Prepaid rent	1,748,408
Prepaid expenditures	7,413
Total Assets	4,454,385
LIABILITIES	
Accounts payable	358,718
Total Liabilities	358,718
NET ASSETS	
Without donor restriction	4,095,667
Total Net Assets	4,095,667
Total Liabilities and Net Assets	\$ 4,454,385

The notes to financial statements are an integral part of this statement.

FAMILY FIRST CHARTER SCHOOL
Statements of Activities
For the Fiscal Year Ended June 30, 2020

June 30, 2020	Net Assets, Without Donor Restriction
	Family First Charter School
SUPPORT AND REVENUES	
Federal and state support and revenues	
General purpose entitlement	\$ 2,356,254
Education protection account entitlement	69,074
Other federal revenues	389,005
Other state revenues	528,921
Local support and revenues	
Payments in lieu of property taxes	1,133,218
Other local revenue	14,596
Total Support and Revenues	<u>4,491,068</u>
EXPENSES	
Program services	3,884,835
Management and general	743,847
Total Operating Expenses	<u>4,628,682</u>
CHANGE IN NET ASSETS	(137,614)
Net Assets, Without Donor Restriction - Beginning	<u>4,095,667</u>
Net Assets, Without Donor Restriction - Ending	<u>\$ 3,958,053</u>

The notes to financial statements are an integral part of this statement.

FAMILY FIRST CHARTER SCHOOL
Statements of Activities
For the Fiscal Year Ended June 30, 2019

June 30, 2019	Net Assets, Without Donor Restriction
	Family First Charter School
SUPPORT AND REVENUES	
Federal and state support and revenues	
General purpose entitlement	\$ 2,298,303
Education protection account entitlement	68,118
Other federal revenues	584,869
Other state revenues	335,050
Local support and revenues	
Payments in lieu of property taxes	1,037,618
Other local revenue	6,201
Total Support and Revenues	<u>4,330,159</u>
EXPENSES	
Program services	3,448,081
Management and general	431,349
Total Operating Expenses	<u>3,879,430</u>
CHANGE IN NET ASSETS	450,729
Net Assets, Without Donor Restriction - Beginning	<u>3,844,931</u>
Adjustment for Restatement	(199,993)
Net Assets, Without Donor Restriction - Beginning, as Adjusted	<u>3,644,938</u>
Net Assets, Without Donor Restriction - Ending	<u>\$ 4,095,667</u>

The notes to financial statements are an integral part of this statement.

FAMILY FIRST CHARTER SCHOOL
Statements of Functional Expenses
For the Fiscal Year Ended June 30, 2020 and 2019

June 30, 2020

	Family First Charter School		
	Program Services	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	\$ 1,757,687	\$ 43,259	\$ 1,800,946
Classified salaries	673,209	17,520	690,729
Other employee benefits	800,564	19,922	820,486
Total personnel expenses	<u>3,231,460</u>	<u>80,701</u>	<u>3,312,161</u>
Non-personnel expenses			
Books and supplies	118,828	66,053	184,881
Travel and conference	22,340	-	22,340
Dues and memberships	7,952	-	7,952
Operation and housekeeping services	51,589	69,028	120,617
Rental, leases and repairs	182,288	128,614	310,902
Depreciation and amortization	-	44,504	44,504
Professional services	231,316	309,667	540,983
Communications	39,062	9,766	48,828
Direct support/indirect cost charges	-	35,514	35,514
Total non-personnel expenses	<u>653,375</u>	<u>663,146</u>	<u>1,316,521</u>
Total Operating Expenses	<u>\$ 3,884,835</u>	<u>\$ 743,847</u>	<u>\$ 4,628,682</u>

June 30, 2019

	Family First Charter School		
	Program Services	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	\$ 1,465,487	\$ 19,164	\$ 1,484,651
Classified salaries	649,279	5,778	655,057
Other employee benefits	671,637	8,155	679,792
Total personnel expenses	<u>2,786,403</u>	<u>33,097</u>	<u>2,819,500</u>
Non-personnel expenses			
Books and supplies	86,005	40,324	126,329
Travel and conference	34,475	-	34,475
Dues and memberships	6,895	-	6,895
Operation and housekeeping services	104,743	24,851	129,594
Rental, leases and repairs	76,004	51,573	127,577
Professional services	326,913	194,040	520,953
Communications	26,643	2,960	29,603
Direct support/indirect cost charges	-	84,504	84,504
Total non-personnel expenses	<u>661,678</u>	<u>398,252</u>	<u>1,059,930</u>
Total Operating Expenses	<u>\$ 3,448,081</u>	<u>\$ 431,349</u>	<u>\$ 3,879,430</u>

The notes to financial statements are an integral part of this statement.

FAMILY FIRST CHARTER SCHOOL
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2020 and 2019

June 30, 2020

	Family First Charter School
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (137,614)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Changes in:	
Accounts receivable	(159,920)
Prepaid rent	(550,000)
Prepaid expenses	6,471
Accounts payable	(233,401)
Deferred revenue	52,364
Net Cash Provided by Operating Activities	<u>(1,022,100)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Adjustments to reconcile change in net assets to net cash used by capital financing activities:	
Changes in:	
Capital assets	(657,293)
Net increase in cash and cash equivalents	<u>(1,679,393)</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,818,614</u>
Cash and Cash Equivalents - End of Year	<u>\$ 139,221</u>

June 30, 2019

	Family First Charter School
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 450,729
Adjustment for restatement	(199,993)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in:	
Accounts receivable	(214,664)
Prepaid rent	(1,748,408)
Prepaid expenses	18,495
Accounts payable	248,716
Net Cash Provided by Operating Activities	<u>(1,445,125)</u>
Net increase in cash and cash equivalents	(1,445,125)
Cash and Cash Equivalents - Beginning of Year	<u>3,263,739</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,818,614</u>

The notes to financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Family First Charter School (the “Charter”) was formed as a nonprofit public benefit corporation on June 17, 2013 for the purpose of operating as a California public school located in Los Angeles County. The Charter was approved by the State Board of Education on July 1, 2013 as California Charter No. 1558. During the year ended June 30, 2020, the Charter served grades 9-12. Funding sources primarily consist of local control funding formula (LCFF) state apportionments, in lieu of property tax revenues, and grants and donations from the public.

Basis of Accounting

The Charter’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

Financial Statement Presentation

The Charter is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets include all resources available for use by the Board of Directors and management’s discretion in carrying out the activities of the Charter in accordance with its Bylaws. Temporarily or permanently restricted net assets are only expendable for the purposes specified by the donor or through the passage of time. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets. Permanently restricted net assets are generally required to be held by the Charter in perpetuity while the earnings on those assets are available for use by the Charter to support operations. Donors can place restrictions on the earnings from permanently restricted contributions at the time the contributions are made or pledged. Fund accounting is not used in the Charter’s financial statement presentation.

Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management’s estimates.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

The Charter considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the Charter prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

In Lieu of Property Taxes Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to the Charter. Revenues are recognized by the Charter when earned.

Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the Charter if not donated.

Income Taxes

Family First Charter School is a 170(b)(1)(A)(ii) publicly supported nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a public charity. The Charter is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a school, the Charter is not required to register with the California Attorney General as a charity.

The Charter's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Charter's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Underwater Endowment Funds:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. The Charter considers its endowments to be underwater if their fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. The Charter had no underwater endowment funds at June 30, 2020 or 2019.

New Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, Leases (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Although the full impact of ASU 2016-02 on the Charter's financial statements has not yet been determined, the future adoption of this guidance will require the Charter to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Change in Accounting Principle

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). ASU 2018-08 clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution, helps an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation, and modifies the simultaneous release option currently in GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is met in the same period that revenue is recognized. Accounting for contributions is an issue primarily for not-for-profit entities because contributions are a significant source of revenue. However, the amendments in the ASU 2018-08 apply to all organizations that receive or make contributions of cash and other assets, including business enterprises. The amendments do not apply to transfers of assets from governments to businesses. For contributions received, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. For contributions made, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.

The Charter has implemented the provisions of this ASU as of June 30, 2020, because management believes it improves the Charter's financial reporting.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2020, consist of the following:

Cash in banks	\$ 139,221
Total cash and cash equivalents	\$ 139,221

Cash and cash equivalents as of June 30, 2019, consist of the following:

Cash in banks	\$ 1,818,614
Total cash and cash equivalents	\$ 1,818,614

FAMILY FIRST CHARTER SCHOOL
Schedule of Contributions
June 30, 2020

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Cash in Banks – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, an organization’s deposits may not be returned to it. The Charter has adopted a cash management policy that addresses investment options as well as actions to be taken in the event that deposits exceed FDIC insurance limits. The FDIC insures 100% of non-interest bearing accounts and up to \$250,000 per depositor on interest bearing accounts per insured bank. The California Government Code also requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. During the year ended June 30, 2019, the Charter’s bank balance was exposed to custodial credit risk as there were deposits over \$250,000, the amount exceeding \$250,000 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the Charter.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Charter’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board approves that action.

June 30, 2020

	Family First Charter School
Financial assets, at year end:	
Cash and cash equivalents	\$ 139,221
Accounts receivable	1,039,870
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,179,091</u>

June 30, 2019

	Family First Charter School
Financial assets, at year end:	
Cash and cash equivalents	\$ 1,818,614
Accounts receivable	879,950
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,698,564</u>

FAMILY FIRST CHARTER SCHOOL
Schedule of Contributions
June 30, 2020

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020, consists of the following:

Due From Grantor Governments:		
California Department of Education	\$	376,251
Other Federal Receivables		217,125
Other local receivables		446,494
Total Accounts Receivable	\$	<u>1,039,870</u>

Accounts receivable as of June 30, 2019, consists of the following:

Due From Grantor Governments:		
California Department of Education	\$	295,279
Other Federal Receivables		316,244
Other local receivables		268,427
Total Accounts Receivable	\$	<u>879,950</u>

NOTE 5 – RELATED PARTY TRANSACTIONS

Authorizing Agency

Family First Charter School is authorized to operate as a charter school through Centinela Valley Union High School District (the "authorizing agency"). On March 5, 2013, the Board of Directors of Centinela Valley Union High School District approved a charter renewal for the Charter for a 5 year term beginning July 1, 2013 and expiring on June 30, 2018. On November 14, 2017, the Board of Directors of Centinela Valley Union High School District approved a charter renewal for the Charter for a second 5 year term beginning on July 1, 2018 and expiring on June 30, 2023.

On August 21, 2014, the Board of Directors of the Charter approved a charter management agreement with EdTec Inc. to provide administrative function services to the Charter.

On November 14, 2017, the Board of Directors of Centinela Valley Union High School District approved a charter renewal for the Charter for a second 5 year term beginning on July 1, 2018 and expiring on June 30, 2023.

FAMILY FIRST CHARTER SCHOOL
Schedule of Contributions
June 30, 2020

NOTE 6 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plan maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and non-certificated employees are covered by an alternative plan.

California State Teachers' Retirement System (CalSTRS)

Plan Description

Family First Charter 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. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard; Sacramento, California 95826.

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 9.205% of their salary for fiscal year 2020 and 2019, respectively, and the Charter is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rates for fiscal years 2020 and 2019 was 17.10% and 16.28% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the Charter were \$132,299 and \$121,321 for the years ended June 30, 2020 and 2019, respectively.

On-Behalf Payments

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for the Charter is estimated and recorded as \$77,813 and \$132,504 at June 30, 2020 and 2019, respectively.

Alternative Plan

As established by federal law, all public sector employees who are not members of their employer's existing retirement plan (CalSTRS) must be covered by social security or an alternative plan. The Charter uses social security as their alternative plan.

NOTE 7 – DONATED MATERIALS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to the Charter in an effort to advance the Charter's programs and objectives. These services have not been recorded in the Charter's financial statements because they do not meet the criteria required by generally accepted accounting principles.

FAMILY FIRST CHARTER SCHOOL
Schedule of Contributions
June 30, 2020

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Governmental Funds

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

NOTE 9 – SUBSEQUENT EVENTS

The Charter evaluated subsequent events from June 30, 2020 through March 23, 2021, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements..

Supplementary Information Section

FAMILY FIRST CHARTER SCHOOL
Charter Organizational Structure
June 30, 2020

Family First Charter School, located in Los Angeles County, was formed as a nonprofit public benefit corporation on June 17, 2013 and approved by the State Board of Education on July 1, 2013. The Charter was authorized to operate as a charter school through Centinela Valley Union High School District. Classes began in 2013 for grades 9 to 12. The Charter's charter number is 1558.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Bernie Konig	President	12/20/2020
Francisco Carrillo	Treasurer	12/20/2020
Ermina McKelvy	Clerk	12/20/2020
Lulu Camberos	Member	12/20/2020
Mary Agnes Erlandson	Member	12/20/2020

ADMINISTRATION

Paul Guzman
Executive Director

FAMILY FIRST CHARTER SCHOOL
Schedule of Average Daily Attendance
June 30, 2020

	Second Period Report	Revised Second Period Report	Annual Report	Revised Annual Report
Secondary				
Grades 9 - 12:				
Family First Charter School Regular ADA	345.37	345.37	345.37	345.37
Total Average Daily Attendance*	345.37	345.37	345.37	345.37

* This schedule includes total Average Daily Attendance and Average Daily Attendance generated through classroom-based instruction by grade span.

FAMILY FIRST CHARTER SCHOOL
Schedule of Instructional Time
June 30, 2020

<u>Grade Level</u>	<u>Minutes Requirement</u>	<u>2019-20 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Grades 9-12	64,800	64,800	175	Complied

FAMILY FIRST CHARTER SCHOOL
Reconciliation of Financial Report – Alternative Form with Audited Financial Statements
June 30, 2020

Net Position	Family First Charter School
June 30, 2020, alternative form annual financial report net position	\$ 3,958,053
Adjustments and reclassifications:	
Increase (decrease) in total net position	
Decrease in cash*	(245,458)
Decrease in accounts payable*	245,458
Net adjustments and reclassifications	-
June 30, 2020, audited financial statement fund balance	\$ 3,958,053

*This adjustment is made to recognize a disbursement that was not captured on the alternative form.

Charter Organizational Structure

This schedule provides information about the Charter's authorizing agency, grades served, and members of the governing body, and administration.

Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter 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. This schedule includes total ADA and ADA generated through classroom-based instruction by grade span.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the Charter.

Reconciliation of Financial Report – Alternative Form with Audited Financial Statements

This schedule provides the information necessary to reconcile fund balance reported on the Financial Report – Alternative Form to net assets on the audited financial statements.

Other Independent Auditors' Reports



**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**

Independent Auditor's Report

To the Board of Directors of
Family First Charter School
Lawndale, California

We have audited, 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, the financial statements of Family First Charter School (the "Charter") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Charter's basic financial statements and have issued our report thereon dated March 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter's financial statements are free of 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 Charter'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 Charter's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
March 23, 2021



REPORT ON STATE COMPLIANCE

Independent Auditor's Report

To the Board of Directors of
Family First Charter School
Lawndale, California

Report on State Compliance

We have audited Family First Charter School's (the "Charter's") 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 Charter's state programs for the fiscal year ended June 30, 2020, as identified below.

Management's Responsibility

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 of the Charter's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *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 as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the Charter's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of the Charter's compliance with those requirements.

Opinion on State Compliance

In our opinion, Family First Charter School complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2020.

Procedures Performed

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

Description	Procedures Performed
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Yes
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes-Classroom Based	Yes
Charter School Facility Grant Program	Yes

The Charter did not receive or spend any California Clean Energy Jobs Act funds during the current year, therefore, we did not perform any procedures related to the California Clean Energy Jobs Act.

The Charter did not participate in the After School Education and Safety (ASES) Program during the current year, therefore, we did not perform any procedures related to the ASES Program.

The Charter did not generate ADA related to Nonclassroom - Based Instruction at the threshold percentage of total ADA required for testing during the current year, therefore, we did not perform any procedures related to the Determination of Funding for Nonclassroom - Based Instruction.

CWDL, Certified Public Accountants

San Diego, California
March 23, 2021

Schedule of Findings and Questioned Costs

FAMILY FIRST CHARTER SCHOOL
Summary of Auditors' Results
June 30, 2020

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Not applicable because the Charter did not expend \$750,000 in federal expenditures in fiscal year 2019-20.

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

FAMILY FIRST CHARTER SCHOOL
Financial Statement Findings
June 30, 2020

FIVE DIGIT CODE

20000
30000
60000

AB3627 FINDING TYPES

Inventory of Equipment
Internal Control
Miscellaneous

There were no financial statement findings noted in the 2019-20 fiscal year.

FAMILY FIRST CHARTER SCHOOL
State Award Findings and Questioned Costs
June 30, 2020

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

There were no state award findings noted in the 2019-20 fiscal year.

FAMILY FIRST CHARTER SCHOOL
Summary Schedule of Prior Audit Findings and Questioned Costs
June 30, 2020

There were no findings noted in the 2018-19 fiscal year.