

EAST OAKLAND LEADERSHIP ACADEMY

**Independent Auditor's Report
and Financial Statements
For the Year Ended
June 30, 2015**

EAST OAKLAND LEADERSHIP ACADEMY

TABLE OF CONTENTS

June 30, 2015

Independent Auditor's Report.....	1
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements.....	7
Local Education Agency Organization Structure	11
Schedule of Instructional Time.....	13
Schedule of Average Daily Attendance.....	14
Reconciliation of Annual Financial Report with Audited Financial Statements.....	15
Notes to the Supplementary Information.....	16
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 <i>Government Auditing Standards</i>	17
Independent Auditor's Report on State Compliance	19
Schedule of Findings and Questioned Costs.....	21
Status of Prior Year Findings and Questioned Costs.....	22



INDEPENDENT AUDITOR'S REPORT

Board of Directors
East Oakland Leadership Academy
Oakland, CA

Report on the Financial Statements

We have audited the accompanying financial statements of East Oakland Leadership Academy (the Academy), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Board of Directors
East Oakland Leadership Academy

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the Academy as of June 30, 2015, 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 Academy's financial statements as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 12, 2016 on our consideration of the Academy'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 the 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 Academy's internal control over financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
February 12, 2016

EAST OAKLAND LEADERSHIP ACADEMY

STATEMENT OF FINANCIAL POSITION

June 30, 2015

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 30,272
Accounts receivable - federal and state	84,985
Accounts receivable - other	7,944
Deposits	31,500
Total current assets	<u>154,701</u>

LONG-TERM ASSETS:

Property, plant and equipment, net	<u>529,457</u>
Total long-term assets	<u>529,457</u>
Total assets	<u><u>\$ 684,158</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 175,000
Factored receivables liability	112,823
Notes payable, current portion	971
Total current liabilities	<u>288,794</u>

LONG-TERM LIABILITIES:

Notes payable, non-current portion	<u>160,000</u>
Total long-term liabilities	<u>160,000</u>
Total liabilities	<u>448,794</u>

NET ASSETS:

Unrestricted	97,256
Temporarily restricted	138,108
Total net assets	<u>235,364</u>
Total liabilities and net assets	<u><u>\$ 684,158</u></u>

The accompanying notes are an integral part of these financial statements.

EAST OAKLAND LEADERSHIP ACADEMY

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
State revenue:			
State aid	\$ 757,385	\$ -	\$ 757,385
Other state revenue	330,114	102,686	432,800
Federal revenue:			
Grants and entitlements	50,537	-	50,537
Local revenue:			
In-lieu property tax revenue	230,636	-	230,636
Contributions	22,355	-	22,355
Interest income	77	-	77
Other revenue	165,255	-	165,255
Net assets released from restrictions	24,733	(24,733)	-
Total revenues	<u>1,581,092</u>	<u>77,953</u>	<u>1,659,045</u>
EXPENSES:			
Program services	1,270,753	-	1,270,753
Management and general	221,987	-	221,987
Total expenses	<u>1,492,740</u>	<u>-</u>	<u>1,492,740</u>
Change in net assets	88,352	77,953	166,305
Beginning net assets	<u>8,904</u>	<u>60,155</u>	<u>69,059</u>
Ending net assets	<u>\$ 97,256</u>	<u>\$ 138,108</u>	<u>\$ 235,364</u>

The accompanying notes are an integral part of these financial statements.

EAST OAKLAND LEADERSHIP ACADEMY

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

CASH FLOWS from OPERATING ACTIVITIES:

Change in net assets	\$ 166,305
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Gain on sales of property, plant, and equipment	6,279
Depreciation	76,779
Change in operating assets:	
Accounts receivable - federal and state	91,440
Accounts receivable - other	(7,944)
Change in operating liabilities:	
Accounts payable and accrued liabilities	(83,850)
Deferred revenue	<u>(287,891)</u>
Net cash flows from operating activities	<u>(38,882)</u>

CASH FLOWS from INVESTING ACTIVITIES:

Sale of property, plant, and equipment	<u>361,833</u>
Net cash flows from investing activities	<u>361,833</u>

CASH FLOWS from FINANCING ACTIVITIES:

Net change in factored receivables	(3,595)
Repayments of debt	<u>(304,329)</u>
Net cash flows from financing activities	<u>(307,924)</u>

Net change in cash and cash equivalents	15,027
Cash and cash equivalents at the beginning of the year	<u>15,245</u>
Cash and cash equivalents at the end of the year	<u>\$ 30,272</u>

SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION:

Interest paid	<u>\$ 52,047</u>
---------------	------------------

The accompanying notes are an integral part of these financial statements.

EAST OAKLAND LEADERSHIP ACADEMY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2015

	Program Services	Management and General	Total Expenses
Salaries and wages	\$ 558,117	\$ 122,513	\$ 680,630
Other employee benefits	29,700	6,520	36,220
Payroll taxes	46,638	10,237	56,875
Management fees	131,055	-	131,055
Other fees for services	20,627	-	20,627
Advertising and promotion expenses	4,887	-	4,887
Office expenses	-	24,274	24,274
Printing and postage expenses	156	-	156
Occupancy expenses	319,307	-	319,307
Travel expenses	165	-	165
Conference and meeting expenses	-	2,127	2,127
Interest expense	-	52,047	52,047
Depreciation expense	76,779	-	76,779
Insurance expense	-	4,269	4,269
Instructional materials	14,979	-	14,979
Other expenses	68,343	-	68,343
	<u>\$ 1,270,753</u>	<u>\$ 221,987</u>	<u>\$ 1,492,740</u>

The accompanying notes are an integral part of these financial statements.

EAST OAKLAND LEADERSHIP ACADEMY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – East Oakland Leadership Academy (the Academy) was organized as a non-profit corporation under the laws of the State of California for the purpose of operating public charter schools.

The Academy is funded principally through State of California public education monies received through the California Department of Education and the Oakland Unified School District (the District).

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

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

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

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

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

Net Asset Classes – The Academy is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the Academy are defined as:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of the Academy.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. As of June 30, 2015, the Academy had \$138,108 of temporarily restricted net assets which is comprised of California Clean Energy Jobs Act funding.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by the Academy. The Academy does not currently have any permanently restricted net assets.

Receivables – Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2015. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

EAST OAKLAND LEADERSHIP ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment – Property, plant and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset.

Property Taxes – Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the Academy is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Compensated Absences – The Academy does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2015.

Revenue Recognition – Amounts received from the California Department of Education are recognized as revenue by the Academy based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Income Taxes – The Academy is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Academy files informational returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Evaluation of Subsequent Events – The Academy has evaluated subsequent events through February 12, 2016, the date these financial statements were available to be issued.

EAST OAKLAND LEADERSHIP ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2015

NOTE 2: CONCENTRATION OF CREDIT RISK

The Academy maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The Academy has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. The Academy capitalizes all expenditures for land, buildings and equipment in excess of \$5,000. Depreciation expense was \$76,779 for the year ended June 30, 2015.

The components of property, plant and equipment as of June 30, 2015 are as follows:

Building	\$ 1,093,750
Equipment	51,417
Less: accumulated depreciation	<u>(615,710)</u>
Property, plant and equipment, net	<u>\$ 529,457</u>

NOTE 4: OPERATING LEASES

The Academy has operating leases under non-cancelable operating leases expiring May 2017 through June 2019. Rent expense for the year ended June 30, 2015 under these leases was \$295,033. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	
2016	\$ 271,822
2017	264,327
2018	64,151
2019	<u>66,075</u>
Total	<u>\$ 666,375</u>

NOTE 5: NOTES PAYABLE

Mortgages Payable

The Academy has mortgages attached to properties totaling \$160,000 as of June 30, 2015. These mortgages are interest only at 11.5%. During the year, the due dates of the mortgages were extended and the outstanding amount is due in full on July 1, 2017.

EAST OAKLAND LEADERSHIP ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

NOTE 5: NOTES PAYABLE

Windset Capital Loan

In 2014, the Academy obtained a short-term loan from Windset Capital. At June 30, 2015 the amount outstanding was \$971.

Factoring Receivables Payable

The Academy factored various receivables from state apportionment with Charter Asset Management. At June 30 2015, the amount outstanding was \$112,823.

NOTE 6: CONTINGENCIES

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

SUPPLEMENTARY INFORMATION

EAST OAKLAND LEADERSHIP ACADEMY
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
For the Year Ended June 30, 2015

East Oakland Leadership Academy is a California non-profit public benefit corporation. The Academy is sponsored by Oakland Unified School District.

East Oakland Leadership Academy (charter number 499) - established in 2003.

EAST OAKLAND LEADERSHIP ACADEMY

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (continued)
For the Year Ended June 30, 2015**

The Board of Directors and the Administrator as of the year ended June 30, 2015 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Johnnie Riley	Chairperson	August 2, 2019
Sylvia Thomas	Secretary	August 2, 2019
Wannetta Hall	Member	August 2, 2019
Ernest Frohm	Member	August 2, 2018

ADMINISTRATOR

Dr. Laura Armstrong Executive Director

EAST OAKLAND LEADERSHIP ACADEMY

**SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2015**

	Instructional Minutes			Instructional Days	Status
	Requirement	Reduced	Actual		
Kindergarten	36,000	34,971	58,900	178	In compliance
Grade 1	50,400	48,960	58,900	178	In compliance
Grade 2	50,400	48,960	58,900	178	In compliance
Grade 3	50,400	48,960	58,900	178	In compliance
Grade 4	54,000	52,457	58,900	178	In compliance
Grade 5	54,000	52,457	58,900	178	In compliance
Grade 6	54,000	52,457	58,900	178	In compliance
Grade 7	54,000	52,457	58,900	178	In compliance
Grade 8	54,000	52,457	58,900	178	In compliance

See auditor's report and the notes to the supplementary information.

EAST OAKLAND LEADERSHIP ACADEMY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2015

	<u>Second Period Report</u>		<u>Annual Report</u>	
	Classroom		Classroom	
	<u>Based</u>	<u>Total</u>	<u>Based</u>	<u>Total</u>
Grades TK/K-3	57.55	57.55	56.79	56.79
Grades 4-6	40.29	40.29	40.40	40.40
Grades 7-8	28.94	28.94	28.90	28.90
ADA Totals	<u>126.78</u>	<u>126.78</u>	<u>126.09</u>	<u>126.09</u>

See auditor's report and the notes to the supplementary information.

EAST OAKLAND LEADERSHIP ACADEMY
RECONCILIATION OF ANNUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

June 30, 2015 Annual Financial Report	
Fund Balances (Net Assets)	\$ 242,316
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets):	
Accounts receivable - federal and state	84,985
Accounts receivable - other	7,944
Accounts payable and accrued liabilities	12,942
Factored receivables liability	<u>(112,823)</u>
Net Adjustments and Reclassifications	<u>(6,952)</u>
June 30, 2015 Audited Financial Statement	
Fund Balances (Net Assets)	<u>\$ 235,364</u>

See auditor's report and the notes to the supplementary information.

EAST OAKLAND LEADERSHIP ACADEMY

**NOTES TO THE SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Instructional Time

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

Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of the Academy. 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.

Reconciliation of Annual Financial Report with Audited Financial Statements

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

**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***

Board of Directors
East Oakland Leadership Academy
Oakland, CA

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 East Oakland Leadership Academy (the Academy), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated February 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

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

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
February 12, 2016

INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

Board of Directors
 East Oakland Leadership Academy
 Oakland, CA

We have audited East Oakland Leadership Academy’s (the Academy) compliance with the types of compliance requirements described in the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2015. The Academy’s State compliance requirements are identified in the table below.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Academy’s compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the Academy’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the Academy’s compliance.

Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	No ¹
After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	Not applicable
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Yes

¹The School had no expenditures of California Clean Energy Jobs Act funding during the year ended June 30, 2015.

Opinion on State Compliance

In our opinion, the Academy complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2015.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
February 12, 2016

EAST OAKLAND LEADERSHIP ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

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

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

There were no findings and questioned costs related to the basic financial statements or state awards for June 30, 2015.

EAST OAKLAND LEADERSHIP ACADEMY

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015**

There were no findings and questioned costs related to the basic financial statements or state awards for June 30, 2015.