

OASIS CHARTER PUBLIC SCHOOL

**(A California Non-Profit
Public Benefit Corporation)**

**Audited Financial Statements
for the Year Ended
June 30, 2013**

OASIS CHARTER PUBLIC SCHOOL

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Oasis Charter Public School
Salinas, CA

Report on the Financial Statements

We have audited the accompanying financial statements of Oasis Charter Public School (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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
Oasis Charter Public School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2013, 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 opinion on the financial statements as a whole. The accompanying supplementary schedules on pages 13-16 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 November 17, 2013 on our consideration of the School'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 this 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 School's internal control over financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
November 17, 2013

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
June 30, 2013

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 667,008
Accounts receivable	623,554
Prepaid expenses	<u>46,514</u>
Total current assets	<u>1,337,076</u>

PROPERTY, PLANT AND EQUIPMENT:

Buildings	510,966
Equipment	20,976
Accumulated depreciation	<u>(95,676)</u>
Total property, plant and equipment, net	<u>436,266</u>
Total assets	<u><u>\$ 1,773,342</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 113,353
Notes payable - current portion	<u>24,469</u>
Total current liabilities	<u>137,822</u>

LONG TERM LIABILITIES:

Notes payable	<u>21,058</u>
Total long term liabilities	<u>21,058</u>

NET ASSETS:

Unrestricted net assets	<u>1,614,462</u>
Total net assets	<u>1,614,462</u>
Total liabilities and net assets	<u><u>\$ 1,773,342</u></u>

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

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

REVENUES:

Block grant - general purpose	\$ 1,048,265
Block grant - categorical	176,212
Property tax revenue	176,021
Lottery revenue	43,118
Other state revenue	269,890
Federal revenue	29,913
Other revenue	<u>209,219</u>
Total unrestricted revenues	<u>1,952,638</u>

EXPENSES:

Program services	1,439,488
Support services	<u>255,510</u>
Total expenses	<u>1,694,998</u>
Increase in unrestricted net assets	257,640
Beginning unrestricted net assets	<u>1,356,822</u>
Ending unrestricted net assets	<u><u>\$ 1,614,462</u></u>

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

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013

CASH FLOWS from OPERATING ACTIVITIES:

Change in net assets	\$ 257,640
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	26,838
(Increase) and decrease in operating assets:	
Accounts receivable	202,045
Prepaid expenses	(20,253)
Increase and (decrease) in operating liabilities:	
Accounts payable	<u>34,077</u>
Net cash provided by operating activities	<u>500,347</u>

CASH FLOWS from INVESTING ACTIVITIES:

Purchase of property, plant and equipment	<u>(29,227)</u>
Net cash used by investing activities	<u>(29,227)</u>

CASH FLOWS from FINANCING ACTIVITIES:

Repayments of notes payable	<u>(23,167)</u>
Net cash used by financing activities	<u>(23,167)</u>

Net increase in cash and cash equivalents	447,953
Cash and cash equivalents at the beginning of the year	<u>219,055</u>
Cash and cash equivalents at the end of the year	<u>\$ 667,008</u>
Interest paid during the fiscal year	<u>\$ 3,559</u>

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

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities – Oasis Charter Public School (the School), operated by Under Construction Educational Network, Inc., is a California non-profit public benefit corporation funded principally through State of California public education monies received through the California Department of Education. The School currently offers grades K-8 and serves approximately 250 students.

The charter may be revoked by the sponsoring District (Alisal Elementary School District) as specified in the State Education Code.

Net Asset Classes – The School 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 School consist of the following:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying out the general operations of the School.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

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

Revenue Recognition – Amounts received from the California Department of Education are recognized as revenue by the School based on the average daily attendance (ADA) of students. Grant revenues are recognized as related grant expenses are incurred. 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.

Cash and Cash Equivalents – The School 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.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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 and liabilities and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Property, Plant and Equipment – Land, buildings and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings and equipment in excess of \$1,000.

Income Taxes – The School 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.

The School has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the School's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. 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 School files informational returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California purposes is generally three and four years, respectively.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Evaluation of Subsequent Events – The School has evaluated subsequent events through November 17, 2013, the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

NOTE 2 – CONCENTRATION OF CREDIT RISK:

The School maintains its cash in bank deposit accounts at various institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash in these accounts exceeds the insured amounts. The School 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 – ACCOUNTS RECEIVABLE:

Accounts receivable primarily consist of funds due from state and federal governments, therefore no provisions for uncollectible accounts were recorded.

NOTE 4 – FEES:

The District receives 1% of the School's ADA related revenues for supervisory oversight and administrative services.

NOTE 5 – EMPLOYEE RETIREMENT PLAN:

Qualified employees are covered under a multiemployer defined benefit pension plan maintained by the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS).

The risks of participating in this multiemployer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law, and (c) if the School chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The School has no plans to withdraw from this multi-employer plan.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 5 - EMPLOYEE RETIREMENT PLAN: (continued)

State Teachers' Retirement System (STRS)

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. 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. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2012, total plan net assets are \$151 billion, the total actuarial present value of accumulated plan benefits is \$270 billion, contributions from all employers totaled \$2.1 billion, and the plan is 67% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-13 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

The School's contributions to STRS for the past three fiscal years are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>STRS</u> <u>Required</u> <u>Contribution</u>	<u>STRS</u> <u>Percent</u> <u>Contributed</u>
2011	\$49,864	100%
2012	\$50,962	100%
2013	\$52,397	100%

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 6 – OPERATING LEASE:

The School began leasing its facilities under a new lease agreement for a non-cancellable term of ten years beginning December 1, 2008. Lease expense for the year ended June 30, 2013 was \$233,000. Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Total</u>
2014	\$ 242,400
2015	250,800
2016	250,800
2017	250,800
2018	<u>125,400</u>
Total	<u>\$1,120,200</u>

NOTE 7 – LONG-TERM DEBT:

The School has a note payable to Rabobank, N.A. in the amount of \$115,000. The note carries an interest rate of 5.5% per annum, and matures April 23, 2015.

Long term debt maturities are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Total</u>
2014	\$ 24,469
2015	<u>21,058</u>
Total	<u>\$ 45,527</u>

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 8 – CONTINGENCIES:

The School 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

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

HISTORY AND ORGANIZATION
For the Year Ended June 30, 2013

The Charter was granted in June 2001 by Alisal Elementary School District (the District).

The Alisal Elementary School District (the District) has granted the charter through 2016.

Charter School number granted by the State is: 0412.

The Board of Directors and the Administrator for the fiscal year ended June 30, 2013 were as follows:

Board of Directors

<u>Member</u>	<u>Office</u>	<u>Term</u>
Juan Sanchez	President	08/12-08/15
Augustine Navarez	Secretary	05/10-05/13
Christine Sleeter	Member	08/12-08/15
James Koenig	Member	07/11-07/14
Peter Cryer	Member	10/12-10/15
Jorge Gonzalez	Member	09/12-09/15

Administrator

Juanita Perea	Principal
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OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
For the Year Ended June 30, 2013

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Certificated salaries	\$ 648,739	\$ -	\$ 648,739
Classified salaries	135,060	52,684	187,744
Employee benefits	191,199	22,534	213,733
Books and supplies	88,919	45,670	134,589
Services and other operating expenses	348,733	131,063	479,796
Depreciation	26,838		26,838
Debt service - interest		<u>3,559</u>	<u>3,559</u>
 Total	 <u>\$1,439,488</u>	 <u>\$ 255,510</u>	 <u>\$1,694,998</u>

See the accompanying notes to the supplementary information.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF INSTRUCTIONAL MINUTES
For the Year Ended June 30, 2013

	2012-13 Minutes			Status
	Requirement	Reduced	Actual	
Kindergarten	36,000	34,971	56,760	In compliance
Grade 1	50,400	48,960	53,220	In compliance
Grade 2	50,400	48,960	53,220	In compliance
Grade 3	50,400	48,960	53,220	In compliance
Grade 4	54,000	52,457	54,630	In compliance
Grade 5	54,000	52,457	54,630	In compliance
Grade 6	54,000	52,457	54,630	In compliance
Grade 7	54,000	52,457	54,630	In compliance
Grade 8	54,000	52,457	54,630	In compliance

See the accompanying notes to the supplementary information.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
For the Year Ended June 30, 2013

	Second Period Report		Annual Report	
	Classroom		Classroom	
	Based	Total	Based	Total
Kindergarten	44.08	44.08	42.51	42.51
Grades 1 through 3	87.10	87.10	87.57	87.57
Grades 4 through 6	69.00	69.00	68.29	68.29
Grades 7 through 8	36.64	36.64	35.51	35.51
ADA Totals	236.82	236.82	233.88	233.88

See the accompanying notes to the supplementary information.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

RECONCILIATION OF ANNUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

There were no differences between the fund balance (net assets) reported on the June 30, 2013 Annual Financial Report and the audited financial statements.

See the accompanying notes to the supplementary information.

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

NOTE 1 – PURPOSE OF SCHEDULES:

A. Schedule of Expenditures By State Categories

This schedule presents expenses by the object codes according to state categories for analysis purposes.

B. Schedule of Instructional Minutes

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of Education Code Sections 46200 through 46206.

C. Schedule of Average Daily Attendance (ADA)

ADA is a measurement 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.

D. Reconciliation of Annual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance (net assets) of the charter school 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
Oasis Charter Public School
Salinas, 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 Oasis Charter Public School (the School), a California non-profit public benefit corporation, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's financial statements, and have issued our report thereon dated November 17, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of financial statements, we considered the School'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 School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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 over financial reporting 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 School'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 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 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
November 17, 2013



INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

Board of Directors
 Oasis Charter Public School
 Salinas, CA

We have audited the compliance of Oasis Charter Public School (the School) with the types of compliance requirements described in the *2012-13 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel for the year ended June 30, 2013. The School’s State compliance requirements are identified in the table below.

Management’s Responsibility

Compliance with the State laws and regulations as identified below is the responsibility of the School’s management.

Auditor’s Responsibility

Our responsibility is to express an opinion on the School’s compliance based on our audit of the types of compliance 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 *2012-13 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, 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 School’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on State compliance. However, our audit does not provide a legal determination of the School’s compliance with those requirements.

Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	6	Not applicable
Teacher Certification and Misassignments	3	Not applicable
Kindergarten continuance	3	Not applicable
Continuation education	10	Not applicable
Independent study	23	Not applicable

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Instructional time:		
School Districts	6	Not applicable
County Offices of Education	3	Not applicable
Class size reduction program (including charter schools):		
General requirements	7	Yes
Option 1	3	Yes
Option 2	4	Not applicable
One school serving K-3	4	Yes
Instructional materials general requirements	8	Not applicable
Ratios of administrative employees to teachers	1	Not applicable
Classroom teacher salaries	1	Not applicable
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Not applicable
School Accountability Report Card	3	Not applicable
Juvenile Court Schools	8	Not applicable
After School Education and Safety Program:		
General requirements	4	Not applicable
After school	5	Not applicable
Before school	6	Not applicable
Charter Schools:		
Contemporaneous records of attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-based instructional/independent study	15	Not applicable
Determination of funding for nonclassroom-based instruction	3	Not applicable
Annual instructional minutes – classroom based	4	Yes

Opinion on State Compliance

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2013.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2012-13 Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP
 Glendora, CA
 November 17, 2013

OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2013

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

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
41000	CalSTRS
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There are no findings for the year ended June 30, 2013.

**OASIS CHARTER PUBLIC SCHOOL
(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2013**

There were no findings for the year ended June 30, 2012.