

EL CAMINO REAL CHARTER HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT

**FOR THE YEAR ENDED
JUNE 30, 2014**

EL CAMINO REAL CHARTER HIGH SCHOOL

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Feddersen & Company, LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California

Report on the Financial Statements

We have audited the accompanying financial statements of El Camino Real Charter High School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 from material misstatement.

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

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

Independent Auditor's Report
Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Camino Real Charter High School as of June 30, 2014, 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. The Management's Discussion and Analysis and the accompanying supplementary information listed in the table of contents are presented for purposes of additional analysis and are also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2014 on our consideration of El Camino Real Charter High 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 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 El Camino Real Charter High School's internal control over financial reporting and compliance.

Jeddusen Company, LLP

Agoura Hills, California
September 19, 2014

EL CAMINO REAL CHARTER HIGH SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

The Management Discussion and Analysis section of El Camino Real Charter High School's (the School) financial report presents an overall review of the School's financial performance during the fiscal year that ended on June 30, 2014. Readers should also review the notes to the financial statements to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

- Net assets increased \$3,300,164 or 49.2 percent over the course of the year.
- Total revenues received were \$29,578,701 for the fiscal year ended June 30, 2014.
- The School incurred \$26,278,537 in expenses for the fiscal year ended June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information. The financial statements also include *notes* that explain some of the statements and provide more detailed data. The statements are followed by a section of *supplementary information* that further explains and supports the financial statements.

FINANCIAL ANALYSIS OF THE SCHOOL

Net assets. The School's net assets of \$10,004,993 were greater on June 30, 2014 than they were the prior year, increasing by \$3,300,164 or 49.2 percent (See Table 1.) Table 1 provides a summary of the School's net assets for the fiscal years ended 2014 and 2013.

Table 1
El Camino Real Charter High School's Net Assets

Summary of Statement of Net Assets	Governmental Activities		Total Change	Total % Change
	2013	2014		
Cash and cash equivalents	\$ 218,662	\$ 5,434,638	\$ 5,215,976	2,385.4 %
Cash held in trust	222,413	113,347	(109,066)	(49.0) %
Certificates of deposit	-	1,989,329	1,989,329	- %
Accounts receivable	9,966,136	4,208,221	(5,757,915)	(57.8) %
Prepaid expenditures and deposits	401,478	396,243	(5,235)	(1.3) %
Property and equipment, net	320,701	618,117	297,416	92.7 %
Total Assets	<u>11,129,390</u>	<u>12,759,895</u>	<u>1,630,505</u>	<u>14.6 %</u>
Current liabilities	1,174,561	2,754,902	1,580,341	134.5 %
Line of credit	3,250,000	-	(3,250,000)	(100.0) %
Total Liabilities	<u>4,424,561</u>	<u>2,754,902</u>	<u>(1,669,659)</u>	<u>(37.7) %</u>
Net assets – unrestricted operational	6,704,829	5,004,993	(1,699,836)	(25.3) %
Net assets – unrestricted facilities	-	5,000,000	5,000,000	- %
Total Net Assets	<u>\$ 6,704,829</u>	<u>\$10,004,993</u>	<u>\$ 3,300,164</u>	<u>49.2 %</u>

EL CAMINO REAL CHARTER HIGH SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Net assets continued. Total assets were \$12,759,895, 43.5 percent in cash in banks and held in trust, 15.6 percent in certificates of deposit, 33.0 percent in accounts receivable, 4.8 percent in property and equipment, and 3.1 percent in prepaid expenses and deposits. Total liabilities were \$2,754,902. Current liabilities account for 100.0 percent of the total liabilities and consist of 7.2 percent in accounts payable, 5.6 percent in accrued payroll and payroll liabilities, 27.6 percent in due to grantor, 43.3 percent in unearned revenue and 16.3 percent in other current liabilities. Of the School's \$10,004,993 net assets, 100.0 percent were unrestricted. The board of directors has designated an unrestricted amount of \$5,000,000 for facilities.

Table 2
Analysis of El Camino Real Charter High School's Net Assets

Summary of Statement of Activities	<u>2013</u>	<u>2014</u>
Program revenues	\$ 27,506,075	\$ 29,572,955
General revenues	<u>819,563</u>	<u>5,746</u>
Total Revenues	<u>28,325,638</u>	<u>29,578,701</u>
Program expenses	20,158,058	21,254,218
Management and general expenses	<u>4,798,246</u>	<u>5,024,319</u>
Total Expenses	<u>24,956,304</u>	<u>26,278,537</u>
Change in Net Assets	3,369,334	3,300,164
Net Assets, Beginning	<u>3,335,495</u>	<u>6,704,829</u>
Net Assets, Ending	<u>\$ 6,704,829</u>	<u>\$ 10,004,993</u>

Statement of Revenues, Expenses and Changes in Net Assets. Changes in total net assets, as presented on the Statement of Net Assets, are based on the activity presented in the Statement of Activities. The purpose of this statement is to present the revenues earned, whether received or not, by the School, and the expenses incurred, whether paid or not, by the School. Thus, this statement presents the School's results of operations.

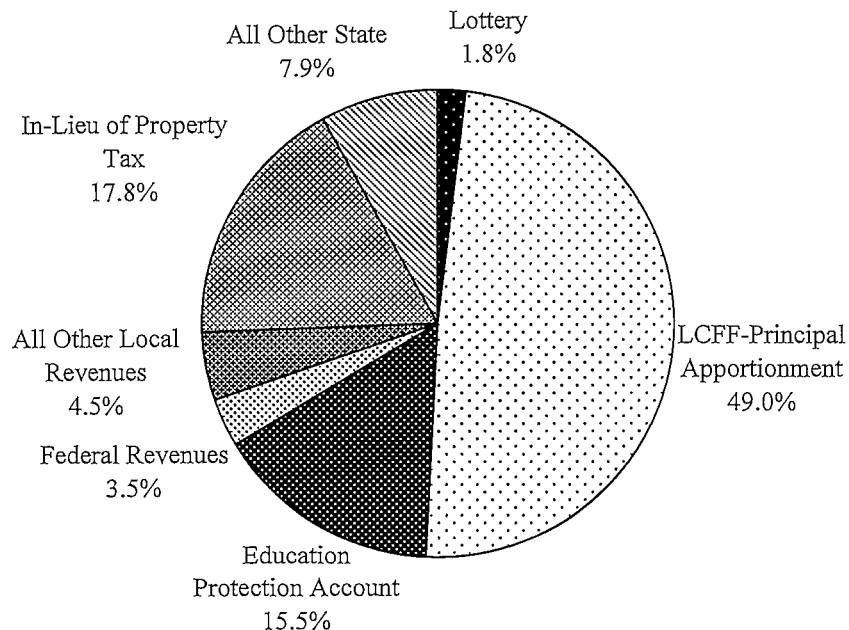
EL CAMINO REAL CHARTER HIGH SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

Governmental Activities

By the end of the fiscal year, the revenues for the School's activities totaled \$29,578,701. LCFF principal apportionment was 49.0 percent of total funding, 15.5 percent from education protection account and 17.8 percent from in-lieu of property taxes. State lottery funds comprised 1.8 percent and all other state funding was 7.9 percent of total funding. Federal funding was 3.5 percent and the remaining 4.5 percent was from all other local revenue sources.

Figure 1
El Camino Real Charter High School's Revenues for Fiscal Year 2014
Analysis of Revenue Sources

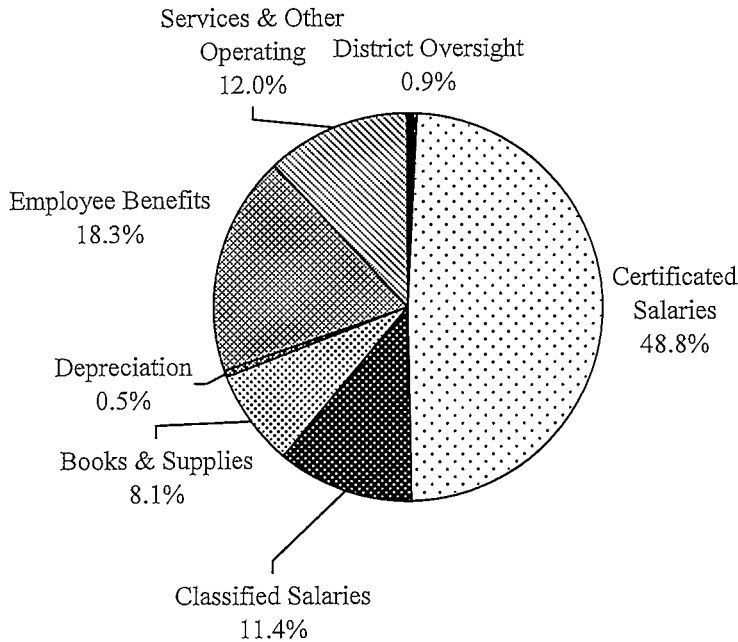


EL CAMINO REAL CHARTER HIGH SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

The cost of all the School's major activities: instruction, guidance, counseling, evaluation, school leadership, administration, maintenance and operations was \$26,278,537. Program service expenses accounted for \$21,254,218 or 80.9 percent of total expenses, while \$5,024,319 or 19.1 percent were management and general support expenses.

Figure 2
El Camino Real Charter High School's Expenses for Fiscal Year 2014



General Budgetary Highlights

Per the charter for El Camino Real Charter High School, the Los Angeles Unified School District requires that the school shall prepare and submit to the District a provisional budget, interim biannual financial projections, and final budgets that certify the school is able to meet its financial obligations for the remainder of the fiscal year.

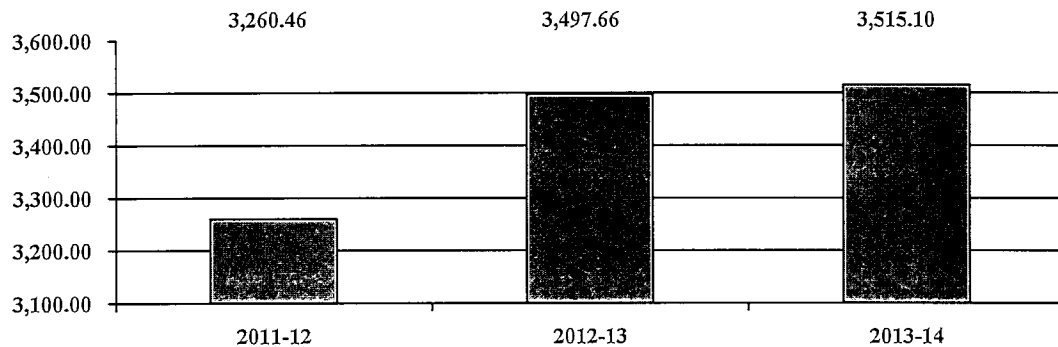
EL CAMINO REAL CHARTER HIGH SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

Average Daily Attendance

Average Daily Attendance at the second period report increased by 17.44 to 3,515.10 for the fiscal year ended June 30, 2014. The School continues to focus on attendance in the 2014-15 school year.

Second Period Report Average Daily Attendance (ADA)



Factors Bearing on the School's Future

- Although the School is financially stable, its financial condition is highly dependent upon the economic condition of the State of California.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. David Fehte, Principal at (818) 595-7500.

EL CAMINO REAL CHARTER HIGH SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 5,434,638
Cash Held in Trust	113,347
Certificates of Deposit	1,989,329
Accounts Receivable	4,208,221
Prepaid Expenditures	396,243
Total Current Assets	<u>12,141,778</u>
PROPERTY AND EQUIPMENT, NET	<u>618,117</u>
Total Assets	<u><u>\$ 12,759,895</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 197,226
Accrued Payroll and Payroll Liabilities	153,985
Amount Held for Others	450,071
Due to Grantor	760,991
Unearned Revenue	1,192,629
Total Current Liabilities	<u>2,754,902</u>
Total Liabilities	2,754,902
NET ASSETS	
Unrestricted	
Available for Operations	5,004,993
Board Designated - Facilities	<u>5,000,000</u>
Total Net Assets	<u>10,004,993</u>
Total Liabilities and Net Assets	<u><u>\$ 12,759,895</u></u>

The accompanying notes are an integral part of these financial statements

EL CAMINO REAL CHARTER HIGH SCHOOL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

UNRESTRICTED NET ASSETS SUPPORT AND REVENUES

LCFF Sources:

Principal Apportionment State Aid	\$	14,505,625
Education Protection Account		4,572,474
In-Lieu of Property Taxes		5,252,930
Federal Revenue		1,024,092

Other State Revenue:

Special Education		1,919,912
Lottery Revenue		545,265
All Other		425,586

Local Revenue:

Food Service Sales		112,964
All Other		1,214,107

Other Revenue:

Interest Income		5,604
Unrealized Gain on Investments		142

Total Unrestricted Revenue		<u>29,578,701</u>
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EXPENSES

PROGRAM EXPENSES

Educational		21,254,218
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SUPPORT SERVICES

Management and General		<u>5,024,319</u>
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Total Unrestricted Expenses		<u>26,278,537</u>
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Increase in Unrestricted Net Assets		3,300,164
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UNRESTRICTED NET ASSETS

Beginning of Year		<u>6,704,829</u>
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End of Year	\$	<u><u>10,004,993</u></u>
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The accompanying notes are an integral part of these financial statements

EL CAMINO REAL CHARTER HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$	3,300,164
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation		138,645
Unrealized Gain on Investments		(142)
(Increase) Decrease in Assets:		
Cash Held in Trust		109,066
Accounts Receivable		5,757,915
Prepaid Expenditures		(55,584)
Deposits		60,819
Increase (Decrease) in Liabilities:		
Accounts Payable		(298,348)
Accrued Payroll and Payroll Liabilities		72,739
Amount Held for Others		224,766
Due to Grantor		760,991
Unearned Revenue		820,194
Net Cash Provided by Operating Activities		<u>10,891,225</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment		<u>(436,061)</u>
Net Cash Used for Investing Activities		<u>(436,061)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Purchase of Certificates of Deposit		(1,989,188)
Principal Payments on Line of Credit		<u>(3,250,000)</u>
Net Cash Used for Financing Activities		<u>(5,239,188)</u>

Net Increase in Cash and Cash Equivalents 5,215,976

Cash, Beginning of Year 218,662

Cash, End of Year \$ 5,434,638

SUPPLEMENTAL DISCLOSURES:

Interest Paid	\$	<u>9,062</u>
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The accompanying notes are an integral part of these financial statements

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities – El Camino Real Charter High School (the School) is a California non-profit public benefit corporation and is organized to manage and operate a public charter school, serving students in grades nine through twelve. The School is funded principally through State of California public education monies received through the California Department of Education and the Los Angeles Unified School District.

The Los Angeles Unified School District (the District) is the chartering authority for the School. California Education Code section 47604(c) states that the District shall not be liable for the debts or obligations of the charter school. The District granted the School its first charter in May 2011. The current charter granted is for the period from August 15, 2011 to June 30, 2016.

Charters may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Accounting – The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The School uses the accrual basis of accounting. Revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

Basis of Presentation – The financial statements are presented in conformity with accounting for not-for-profit entities. The School reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The School has no temporarily or permanently restricted net assets.

Revenue Sources and Recognition – The School receives federal, state and local revenues for their various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

Amounts received from the California Department of Education (CDE) are recognized as revenue by the School 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 and grants are recognized when the donor/grantor makes an unconditional promise to give to the School or when received. Donor-restricted amounts are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor 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 and reported in the statement of activities as “Net Assets Released from Restrictions.”

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Sources and Recognition (Continued) – Conditional promises to give, which depend on the occurrence of specified future and uncertain events, are not recorded until the conditions are met. Government grants are recognized as revenue in accordance with the terms of the applicable grant agreement, which is generally upon the incurrence of expenditures related to the required services. Unearned revenue is recorded to the extent cash received on specific grants exceeds qualified expenses. Some government grants are based on reimbursable costs as defined by the grants. Reimbursements recorded under these grants are subject to audit by the granting agency. Management believes that no material adjustments will result from subsequent audits of costs reflected in the accompanying financial statements.

Cash and Cash Equivalents – For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Unearned Revenue – Unearned revenue results from two revenue sources: 1) the School's foreign exchange student program recognizing the revenue in the period in which the related educational instruction is performed, and 2) unspent common core implementation funds that will be spent in the 2014-15 school year. Accordingly, foreign exchange student program revenues received for the next school year are deferred until the instruction commences and the common core implementation funds expenditures are recorded.

Fixed Assets – Property and equipment are recorded at cost when purchased. Donated fixed assets are recorded at fair value on the date of donation. Purchases and donations greater than \$1,000 are capitalized. Contributions of donated fixed assets are reported as increases to unrestricted net assets unless the donor has stipulated that the donation has a specific purpose. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. For additional information, see Note 6.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant management estimates included in the financial statements are the collectability of the receivables, the estimated useful lives of fixed assets, and the functional allocation of expenses.

Functional Allocation of Expenses – The cost of providing 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 supporting services benefited.

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes – The School is exempt from federal and state income tax under 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes has been reflected in these financial statements. The School has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The School's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable balance at June 30, 2014 was \$4,208,221. The balance was due primarily from grantor government agencies. Management deems all receivables to be collectible as of June 30, 2014.

NOTE 3 – CONCENTRATION OF CREDIT RISK

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The School maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The School has not experienced any losses in such accounts. At June 30, 2014, deposits in excess of the FDIC limit amount to approximately \$4,950,000. Management believes the School is not exposed to any significant credit risk related to cash.

NOTE 4 – CERTIFICATES OF DEPOSIT

The certificates bear interest ranging from 0.6 percent to 2.6 percent and have maturities ranging from 14 months to 58 months. Any penalties for early withdrawal would not have a material effect on the financial statements.

NOTE 5 – EMPLOYEE BENEFIT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans for the following reasons: 1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, 2) the required member, employer, and state contribution rates are set by the California Legislature, and 3) if the School chooses to stop participating in the multi-employer 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.

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 5 – EMPLOYEE BENEFIT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS)

Plan Description

The School contributes to the California State Teachers' Retirement Systems (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. Plan information for CalSTRS 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, 2013, total plan net assets are \$166.3 billion, the total actuarial present value of accumulated plan benefits is \$277 billion, contributions from all employers totaled \$2.3 billion, and the plan is 66.9 percent funded. 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, 100 Waterfront Place, West Sacramento, California 95605.

Funding Policy

Active plan members are required to contribute 8.0 percent 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 CalSTRS Teachers' Retirement Board. The required employer contribution rate for the fiscal year 2013-2014 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute. The School's required contributions to CalSTRS for the fiscal years ending June 30, 2014, 2013 and 2012 was \$1,028,236, \$986,764 and \$888,608 respectively, and equals 100.0 percent of the required contributions for each year.

California Public Employees' Retirement System (CalPERS)

Plan Description

The School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Plan information for CalPERS is not publicly available. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2013, the Schools Pool total plan assets are \$49 billion, the total actuarial present value of accumulated plan benefits is \$72 billion, contributions from all employers totaled \$1.8 billion, and the plan is 80.5 percent funded. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 5 – EMPLOYEE BENEFIT PLANS (CONTINUED)

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary and the School is required to contribute an actuarially determined rate. Effective January 1, 2013, new active members are required to contribute 6.0 percent of their salary. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2013-2014 was 11.442 percent of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute. The School's required contributions to CalPERS for the fiscal years ending June 30, 2014, 2013 and 2012 were \$317,803, \$284,871 and \$209,554 respectively, and equals 100.0 percent of the required contributions for the year.

NOTE 6 – FIXED ASSETS

A schedule of changes in property and equipment and accumulated depreciation for the year ended June 30, 2014, is as follows:

SUMMARY OF CHANGES IN PROPERTY AND EQUIPMENT

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Computer and Equipment	\$ 208,691	\$ 278,107	\$ -	\$ 486,798
Buildings	93,138	48,329	-	141,467
Furniture	54,522	26,441	-	80,963
Leasehold Improvements	<u>7,841</u>	<u>83,184</u>	<u>-</u>	<u>91,025</u>
Totals	<u>\$ 364,192</u>	<u>\$ 436,061</u>	<u>\$ -</u>	<u>\$ 800,253</u>

SUMMARY OF CHANGES IN ACCUMULATED DEPRECIATION

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Computer and Equipment	\$ 32,011	\$ 66,488	\$ -	\$ 98,499
Buildings	2,517	44,882	-	47,399
Furniture	8,007	10,036	-	18,043
Leasehold Improvements	<u>956</u>	<u>17,239</u>	<u>-</u>	<u>18,195</u>
Totals	<u>\$ 43,491</u>	<u>\$ 138,645</u>	<u>\$ -</u>	<u>\$ 182,136</u>

During the fiscal year ended June 30, 2014, \$138,645 was charged to depreciation expense.

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 7 – OPERATING LEASE

The School is a party to one operating lease for operational facilities to provide a “continuation education program” for 125 to 200 students in grades nine through twelve who are at risk of not completing their education.

Los Angeles Unified School District – The lease is co-terminus with the School’s charter petition, commencing August 15, 2012 with the term ending June 30, 2016. There is a first option period to extend the term of this lease for a period not to exceed June 30, 2021. The lease is payable annually in the amount of 10.0 percent of ADA at the site or \$72,000, whichever is greater. Rent expense for the year ended June 30, 2014 was \$72,000.

Future minimum lease payments under the lease agreement are as follow as of June 30, 2014:

Year Ending <u>June 30,</u>	Minimum <u>Lease Payments</u>
2015	\$ 72,000
2016	<u>72,000</u>
	<u>\$ 144,000</u>

NOTE 8 – COMMITMENTS

In October 2012, the School signed a sole occupant agreement with the Los Angeles Unified School District (the District) for use of property located at 5440 Valley Circle Blvd., Woodland Hills, California. The agreement carries a term that coincides with the School’s charter. The agreement does not require the School to pay a lease amount for the use of the property, but instead, the Schools pays a Pro Rata Share Charge based on the square feet used. This Pro Rata Share Charge paid to the District for the School for the year ended June 30, 2014 was \$121,285.

NOTE 9 – CONTINGENCIES

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

NOTE 10 – SUBSEQUENT EVENTS

The School’s management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through September 19, 2014, the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

EL CAMINO REAL CHARTER HIGH SCHOOL

SUPPLEMENTARY INFORMATION SECTION

**FOR THE YEAR ENDED
JUNE 30, 2014**

EL CAMINO REAL CHARTER HIGH SCHOOL
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2014

ORGANIZATION

El Camino Real Charter High School was established in 2011 and is a non-profit public benefit school organized under the Non-Profit Public Benefit School Law of the State of California. El Camino Real Charter High School's charter was approved in May 2011 by the Los Angeles Unified School District. El Camino Real Charter High School's charter number authorized by the state of California is 1314.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM</u>	<u>TERM EXPIRES</u>
Shukla Sarkar	President	3 Years	June 2014
Jackie Keene	Secretary	3 Years	June 2014
Jeff Falgien	Treasurer	2 Years	June 2015
Larry Rubin	Member	3 Years	June 2014
Obie Slamon	Member	2 Years	June 2015
Pat Valentine	Member	3 Years	June 2014
Peter Vastenhold	Member	2 Years	June 2015

EXECUTIVE DIRECTOR / PRINCIPAL

David Fehte

CHIEF BUSINESS OFFICIAL

Marshall Mayotte

EL CAMINO REAL CHARTER HIGH SCHOOL

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Second Period Report</u>			<u>Annual Report</u>		
	<u>Classroom</u> <u>Based</u>	<u>Independent</u> <u>Study</u>	<u>Total</u> <u>ADA</u>	<u>Classroom</u> <u>Based</u>	<u>Independent</u> <u>Study</u>	<u>Total</u> <u>ADA</u>
Grades 9 through 12	<u>3,512.19</u>	<u>2.91</u>	<u>3,515.10</u>	<u>3,474.84</u>	<u>20.45</u>	<u>3,495.29</u>
ADA Totals	<u><u>3,512.19</u></u>	<u><u>2.91</u></u>	<u><u>3,515.10</u></u>	<u><u>3,474.84</u></u>	<u><u>20.45</u></u>	<u><u>3,495.29</u></u>

EL CAMINO REAL CHARTER HIGH SCHOOL

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE YEAR ENDED JUNE 30, 2014

	2013-14 Minutes		Number of Days Traditional Calendar	Status
	Requirement	Actual		
Grade 9	62,949	65,545	180	In Compliance
Grade 10	62,949	65,545	180	In Compliance
Grade 11	62,949	65,545	180	In Compliance
Grade 12	62,949	65,545	180	In Compliance

Effective January 1, 2000, California Education Code Section 47612.5 requires site-based charter schools to offer a minimum number of minutes of instruction as specified in section 46201.

* As reduced pursuant to the provision of Education Code Section 46201.2.

EL CAMINO REAL CHARTER HIGH SCHOOL

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2014

	Program Services	Support Services	
	Educational	Management and General	Total
Compensation and Related Expenses			
Salaries - Certificated	\$ 11,867,519	\$ 959,004	\$ 12,826,523
Salaries - Classified	1,545,378	1,441,619	2,986,997
Employee Benefits	4,049,564	758,991	4,808,555
Total Compensation and Related Expenses	17,462,461	3,159,614	20,622,075
Books and Supplies	1,333,703	790,110	2,123,813
Services and Other Operating Expenses	2,458,054	682,941	3,140,995
Depreciation and Amortization	-	138,645	138,645
Debt Service - Interest Expense	-	9,062	9,062
District Oversight	-	243,947	243,947
Total	\$ 21,254,218	\$ 5,024,319	\$ 26,278,537

EL CAMINO REAL CHARTER HIGH SCHOOL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-Through Program from California Department of Education: National School Lunch Program	10.555	13523	\$ 222,528
U.S. Department of Education			
Pass-Through Program from California Department of Education: Title I Grants to Local Educational Agencies	84.010	14329	159,730
Special Education - Grants to States; Individuals with Disabilities Education Act (IDEA)	84.027	13379	635,845
Improving Teacher Quality State Grants	84.367	14341	<u>5,989</u>
Total U.S. Department of Education			<u>801,564</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,024,092</u></u>

See accompanying notes to the schedule of expenditures of federal awards

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of El Camino Real Charter High School under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of El Camino Real Charter High School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of El Camino Real Charter High School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. Pass-through entity identifying numbers are presented where available.

EL CAMINO REAL CHARTER HIGH SCHOOL

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

June 30, 2014 Annual Financial and Budget Report Fund Balance (Net Assets)	\$ 10,016,430
Adjustments and Reclassifications Increase (Decrease):	
Certificates of Deposit / Other Revenue	<u>(11,437)</u>
June 30, 2014 Audited Financial Statement Fund Balance (Net Assets)	<u>\$ 10,004,993</u>

EL CAMINO REAL CHARTER HIGH SCHOOL

NOTES TO SUPPLEMENTARY INFORMATION

JUNE 30, 2014

NOTE 1 – PURPOSE OF SCHEDULES:

A. Local Education Agency Organization Structure

This schedule provides information about the School's date and granting authority for the charter, members of the governing board, and members of the administration.

B. Schedule of Average Daily Attendance (ADA)

Average daily attendance (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.

C. Schedule of Instructional Time

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.

D. Schedule of Functional Expenses

The cost of providing 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 instructional programs and supporting services benefited. All costs have been allocated based on their type, based on management's estimates.

E. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances (net assets) of the School as reported on the Annual Financial and Budget Report form to the audited financial statements.

EL CAMINO REAL CHARTER HIGH SCHOOL

OTHER INDEPENDENT AUDITOR'S REPORTS

**FOR THE YEAR ENDED
JUNE 30, 2014**

Feddersen & Company, LLP

Certified Public Accountants

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*

Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of El Camino Real Charter High School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Camino Real Charter High 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 El Camino Real Charter High School's internal control. Accordingly, we do not express an opinion on the effectiveness of El Camino Real Charter High 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 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 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 El Camino Real Charter High 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*.

Report on Internal Control
Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California
Page 2

Purpose of this Report

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

Jeddersen Company, LLP

Agoura Hills, California
September 19, 2014

Feddersen & Company, LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California

Report on Compliance for Each Major Federal Program

We have audited El Camino Real Charter High School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of El Camino Real Charter High School's major federal programs for the year ended June 30, 2014. El Camino Real Charter High School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of El Camino Real Charter High School's major federal 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about El Camino Real Charter High 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 compliance for each major federal program. However, our audit does not provide a legal determination of El Camino Real Charter High School's compliance.

Opinion on Each Major Federal Program

In our opinion, El Camino Real Charter High School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of El Camino Real Charter High School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered El Camino Real Charter High School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of El Camino Real Charter High School's internal control over compliance.

Report on Compliance
Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California
Page 2

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Jeddersen; Company, LLP

Agoura Hills, California
September 19, 2014

Feddersen & Company, LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Members of the Governing Board
El Camino Real Charter High School
Woodland Hills, California

Report on Compliance for Each State Program

We have audited El Camino Real Charter High School's (the School) compliance with the types of compliance requirements described in the State of California's *Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel, to the state laws and regulations listed below for the year ended June 30, 2014.

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance Reporting	6	No, see below
Teacher Certification and Misassignments	3	No, see below
Kindergarten Continuance	3	No, see below
Independent Study	23	No, see below
Continuation Education	10	No, see below
Instructional Time for School Districts	10	No, see below
Instructional Materials General Requirements	8	No, see below
Ratios of Administrative Employees to Teachers	1	No, see below
Classroom Teacher Salaries	1	No, see below
Early Retirement Incentive	4	No, see below
Gann Limit Calculation	1	No, see below
School Accountability Report Card	3	No, see below
Juvenile Court Schools	8	No, see below
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	No, see below
After School Education and Safety Program:		
General Requirements	4	No, see below
After School	5	No, see below
Before School	6	No, see below
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding Formula Pupil Counts	3	Yes
Contemporaneous Records of Attendance, for Charter Schools	8	Yes
Mode of Instruction, for Charter Schools	1	Yes
Nonclassroom-Based Instruction/Independent Study, for Charter Schools	15	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for Charter Schools	3	No, see below
Annual Instructional Minutes – Classroom Based, for Charter Schools	4	Yes
Charter School Facility Grant Program	1	No, see below

We did not perform any procedures related to Article 3, Sections 19817.2 through 19840 of the Audit Guide because these sections do not apply to Charter Schools.

We did not perform any procedures related to California Clean Energy Jobs Act because the School did not participate in this program.

We did not perform any procedures related to After School Education and Safety Program because the School did not participate in this program.

We did not perform all of the procedures related to Nonclassroom-Based Instruction/Independent Study, for Charter Schools because the number of units of Average Daily Attendance for this program is not material as shown in the table in the *Standards and Procedures for Audits of California K-12 Local Education Agencies*.

We did not perform any procedures related to Determination of Funding for Nonclassroom-Based Instruction, for Charter Schools because the School did not generate more than 20.0 percent of their average daily attendance through nonclassroom-based instruction.

We did not perform any procedures related to Charter School Facility Grant Program because the School did not participate in this program.

Management's Responsibility

Management is responsible for the compliance with the requirements of state laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with state laws and regulations of El Camino Real Charter High School. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's *Standards and Procedures for Audits of California K-12 Local Education Agencies*, issued by the California Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed above 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 compliance with state laws and regulations. However, our audit does not provide a legal determination of the School's compliance.

Opinion

In our opinion, El Camino Real Charter High School complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2014.

Report on State Compliance
El Camino Real Charter High School
Woodland Hills, California
Page 3

Purpose of this Report

The purpose of this report on state compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of State of California's *Standards and Procedures for Audits of California K-12 Local Education Agencies*. Accordingly, this report is not suitable for any other purpose.

Adduson & Company, LLP

Agoura Hills, California
September 19, 2014

EL CAMINO REAL CHARTER HIGH SCHOOL

FINDINGS AND RECOMMENDATIONS SECTION

**FOR THE YEAR ENDED
JUNE 30, 2014**

EL CAMINO REAL CHARTER HIGH SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? Yes X None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.555	National School Lunch Program
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

EL CAMINO REAL CHARTER HIGH SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2014

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

Internal control over state programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? Yes X None reported

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. All audit findings must be identified as one or more of the following 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 were no financial statement findings in 2013-14.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

No matters were reported.

EL CAMNIO REAL CHARTER HIGH SCHOOL

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JUNE 30, 2014

<u>Finding</u>	<u>Code</u>	<u>Recommendation</u>	<u>Current Status</u>
----------------	-------------	-----------------------	-----------------------

There were no findings and questioned costs for the year ended June 30, 2013.