

East Bay Innovation Academy

Board Meeting

Date and Time

Wednesday November 16, 2016 at 8:00 PM

Location

3400 Malcolm Avenue, Oakland, CA 94605

Agenda

	Purpose	Presenter	Duration
I. Opening Items			
A. Record Attendance and Guests		Rochelle Benning	1
B. Call the Meeting to Order		Rochelle Benning	
C. Approve Minutes	Approve Minutes	Rochelle Benning	2
D. Public Comment		Rochelle Benning	30
Moved to first portion of Board Meeting, 30 minute block.			
II. Academic Excellence			
A. First Trimester Academic Report	FYI	Devin Krugman	10
B. First Trimester School Culture and Climate	FYI	Devin Krugman	10
C. EBIA 2016 Fall Intersession Report Out	FYI	Devin Krugman	10
III. Finance			
A. October Financial Update	FYI	Renee Cooper	5
B. 2015-2016 External Audit Report	Vote	Renee Cooper	10
Review audit report results - vote to approve report, any findings, and to release to OUSD.			
IV. Development			
A. Update on Development Activities	FYI	Devin Krugman	5
V. Enrollment Update			
A. Status of Enrollment Process and Systems	FYI	Devin Krugman	5
VI. Facility			
A. Update on Prop 39 Facilities Request Activities	Vote	Rochelle Benning	5
VII. Governance			
A. Review and Approve Consent Agenda	Vote	Rochelle Benning	2
VIII. Closing Items			
A. Adjourn Meeting	Vote		

Agenda Cover Sheets

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Goal:
Submitted by:
Related Material: 2016_10_19_board_meeting_minutes.pdf

BACKGROUND:
Minutes from October 2016 Board Meeting

Section: II. Academic Excellence
Item: A. First Trimester Academic Report
Purpose: FYI
Goal:
Submitted by:
Related Material: November.BoardDeck.AcademicExcellence.pptx

Section: III. Finance
Item: A. October Financial Update
Purpose: FYI
Goal:
Submitted by:
Related Material:
EBIA-November 2016-2017_financial presentation-2016.11.13-rjc.pptx
EBIA-Oct-16 balance sheet summary.pdf
EBIA-Oct-16-17 Financials-2016.11.10-mc CF FINAL.pdf
EBIA-Oct-16-17 Financials-2016.11.11-mc YTD FINAL.pdf

Section: III. Finance
Item: B. 2015-2016 External Audit Report
Purpose: Vote
Goal:
Submitted by:
Related Material:
EBIA 2015-16 Audit Report - DRAFT 10-31-2016 - for Nov 2016 Board Meeting.pdf

Section: VII. Governance
Item: A. Review and Approve Consent Agenda
Purpose: Vote
Goal:
Submitted by:

Related Material: EBIA - October 2016 Check Register.pdf

East Bay Innovation Academy

Minutes

Board Meeting

Date and Time

Wednesday October 19, 2016 at 7:30 PM

Location

3400 Malcolm Avenue, Oakland, CA 94605

Board Members Present

Gary Borden, Julia Gitis, Kate Doyle, Kelly Garcia, Rochelle Benning, Tom Pryor

Board Members Absent

Ken Berrick, Laurie Jacobson Jones

Guests Present

Devin Krugman

I. Opening Items

A.Record Attendance and Guests

B.Call the Meeting to Order

Rochelle Benning called a meeting of the board of directors of East Bay Innovation Academy to order on Wednesday Oct 19, 2016 @ 7:33 PM at 3400 Malcolm Avenue, Oakland, CA 94605.

C.Approve Minutes

G. Borden made a motion to approve minutes.

Kelly Garcia seconded the motion.

The board **VOTED** unanimously to approve the motion.

D.Adjourn Open Session

G. Borden made a motion to move to adjourn open session and move to the closed session.

Julia Gitis seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Closed Session Pursuant to Section 54957

A.Open Closed Session and Record Attendance

Session was opened.

B.Conference with Labor Negotiator

Conference was held with Labor Negotiator. Update on progress since the last board conference with the Labor Negotiator.

C.Adjourn Closed Session

G. Borden made a motion to Moved to close the closed session and reopen the general board meeting.

Tom Pryor seconded the motion.

The board **VOTED** unanimously to approve the motion.

III. Resume Open Session**A.Record Attendance****B.Report on Closed Session**

The closed session was held to update the board on EBIA's labor negotiations.

C.Public Comment

Parent representative shared that the annual giving drive has started.

IV. Academic Excellence**A.Intersession Update - Fall 2016 Change Makers**

Devin provided an update on Intersession. All students were placed in one of their top three choices. In the Upper School, there was strong interest in student designed internships and student designed independent study. Devin shared that a focus for EBIA is partner development. Some opportunities for improvement next year are more partnerships with local organizations and better communication of the skillset the students can offer.

See board materials for more details.

B.Intersession Professional Development Plan

Teachers will participate in a week of Professional Development during Intersession. Schedule posted in Board Materials.

C.1st Trimester Classroom Snapshots

A priority is sharing success stories and photos from EBIA more broadly.

Classroom Snapshots are shared on social media, with overviews of student work at different grade levels. Follow EBIA on Twitter at @EastBayIA.

D.IEP/ELL 2016-2017 Population and IEP Support Services

Devin presented an IEP and ELL Overview. Both campuses have a focus on inclusion and push-in services. See board materials for more details.

V. Finance**A.September Financial Update**

Devin presented the Financial Update. Increase in FRL population led to increase from initial budget. Details in board materials.

VI. Development

A.Update on Development Activities for September/October

Giving Drive is off to an amazing start. Smaller grants have come in too. Recent grant reports and visits have gone well.

VII. Facility

A.Prop 39 Application Submission for the 2017-2018 School Year

K. Garcia made a motion to Approve the Prop 39 Proposal.

Tom Pryor seconded the motion.

The board **VOTED** unanimously to approve the motion.

VIII. Governance

A.Future Board Meeting Schedule

G. Borden made a motion to Approve.

Kelly Garcia seconded the motion.

The board **VOTED** unanimously to approve the motion.

B.Updated Procedures for Public Comment

The board has never had a formal policy for public comment. Shelley will review feedback on the formality of this policy and bring this up again at a future board meeting.

C.Review and Approve Consent Agenda

G. Borden made a motion to Approve.

Kelly Garcia seconded the motion.

The board **VOTED** unanimously to approve the motion.

IX. Closing Items

A.Adjourn Meeting

J. Gitis made a motion to adjourn the meeting.

Gary Borden seconded the motion.

The board **VOTED** unanimously to approve the motion.

J. Gitis made a motion to adjourn the meeting.

Gary Borden seconded the motion.

The board **VOTED** unanimously to approve the motion.

J. Gitis made a motion to adjourn the meeting.

Gary Borden seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:16 PM.

Respectfully Submitted,
Julia Gitis

Academic Excellence

EBIA Team Updates, November 2016

First Trimester

Instruction

- To create classrooms that model rigorous, in-depth learning experiences and emphasize collaboration and peer support.

Culture and Climate

- To create a school culture and climate where all students can authentically state that they and their peers live the innovator norms and understand their connection to college and career readiness.

First Trimester Academic Report

First Trimester Academic Report

Lower School Highlights

- Strong reading growth across 7th grade
 - Increased use of Achieve300 program (above paced usage)
 - Average Lexile level increase for students is 20% above projected
- Roll out of integrated Algebra I in 8th grade
 - 15% of 8th graders currently participating in Algebra I program
- Authentic presentations of learning
 - First Trimester Presentation of Learning
 - First Trimester “Projects and Pastries”
 - Authentic audience present at in-class presentations

Lower School Second Trimester Targets

- Increased literacy support in history and science courses
- Targeted intervention in 6th grade math course

First Trimester Academic Report

Upper School Highlights

- High proficiency rate on AP benchmark assessments
40% of students with Environmental Science performance at 3 and above
- Increased math growth in second half of the trimester
- Integration of project-based learning across courses
Student presentation of authentic research
Student presentation of final projects across courses

Upper School Second Trimester Targets

- Increased personalization of instruction across courses
- Targeted literacy intervention for high needs students



EAST BAY
INNOVATION
ACADEMY

First Trimester School Culture and Climate

Lower School Highlights

- Integration of collaboration strategies in group projects
- Increased student pride in school community

Lower School Second Trimester Targets

- Decrease litter throughout building and outdoor area
- Support stronger peer intervention and de-escalation skills

Upper School Highlights

- Establishment of student leadership practice
- Student connection to and comfort with staff

Upper School Second Trimester Targets

- Personalized response plans for high needs students
- Making physical space a reflection of school culture and values

EBIA 2016 Fall Intersession Report Out

Intersession Report Out

Overview of Programs

- Engagement with over 20 partner organizations and businesses throughout the Bay Area
- Over 12,000 hours of community service completed across grades 6-9
- High rate of student satisfaction with placement and experience



East Bay Innovation Academy



November Financials

November 16,
2016

Presented by: Renee Cooper

Financial Presentation Agenda



- October Financials
- 16-17 Forecast Update
- Cash Flow Update
- First Interim Financial Reporting 16-17

1. October Financials

10/16 outlook has improved. Expecting approximately \$15K operating income at year-end.

- Revenues: ADA-while enrollment dropped to 422, expect to benefit from higher-than expected attendance. Therefore increase in attendance forecast included which offsets enrollment drop. One time infusion from SELPA from returning majority of set asides (approximately \$6K).
- Expenses: Salaries/pay are tracking with current forecast. Bonuses budgeted based on the following: 2% of pay for teachers (reduced with lower enrollment: 4.9% of pay for cert admin; 2% for classified staff. If board wishes to give more, other budgets will need to be reduced to make room.
- Books and Supplies: have some room here; Educational Software: \$33K remaining and Computers \$21K remaining.
- Services: Liability Insurance increased by \$6K; Legal Fees increased by \$15k; Payroll Fees increased by \$510; and Substitutes budget increased by \$7.5K, as these budgets were trending high. In addition to the reallocation from Computers, adjusted facilities cost (Prop 39) down by \$36K.

2. Cash Flow and Balance Sheet

Cash Position projected to be positive



- Ending Cash in October was \$520K. Project a little dip through the first half of 2017 but should bounce back during Summer. This is assuming \$3000K from SVS in the winter.
- Balance Sheet: 85% of 15/16 receivables have come in. Only PCSGP, State Lottery and SPED FED revenues remain.

East Bay Innovation Academy
Balance Sheet Summary
As of October close

	9/30/2016	6/30/2016	YTD Change
Assets			
Cash Balances	\$ 519,983	\$ 391,575	\$ 128,407
Accounts Receivable	\$ 81,781	\$ 550,975	(469,194)
Prepays and Other Assets	\$ -	\$ 27,880	(27,880)
Fixed Assets, Net	\$ -	\$ -	-
Investments	\$ -	\$ -	-
Due to/from other	\$ -	\$ -	-
Total Assets	601,764	970,430	(368,666)
Liabilities & Equity			
Accrued Expenses	\$ 93,502	\$ 129,792	\$ (36,290)
Due to Grantor Governments/Others	\$ -	\$ -	-
OPEB Liability	\$ -	\$ -	-
Deferred Revenue	\$ -	\$ 200,000	(200,000)
Loans and other payables	\$ 191,669	\$ 200,002	(8,333)
Beginning Net Assets - Audited	\$ 440,636	\$ 34,377	406,259
Other Restatements	\$ -	\$ -	-
Net Income (Loss) to Date	\$ (124,043)	\$ 406,259	(530,303)
Total Liabilities & Equity	601,764	970,430	(368,666)

East Bay Innovation Academy
Monthly Cash Forecast
As of October close

	2016/17												
	Actual & Projected												
	Jul Actual	Aug Actual	Sep Actual	Oct Actual	Nov Projected	Dec Projected	Jan Projected	Feb Projected	Mar Projected	Apr Projected	May Projected	Jun Projected	Forecast AP/AR
Beginning Cash	391,575	673,184	454,893	556,763	519,983	412,579	519,397	480,332	416,872	379,348	424,691	510,027	
Revenue													
LCFF Entitlement	-	-	532,265	281,308	212,794	212,794	183,781	212,794	340,441	305,121	278,040	278,040	3,135,500
Federal Income	-	-	1,989	4,648	5,796	2,277	6,373	2,277	2,277	6,373	98,771	2,277	204,211
Other State Income	7,953	-	22,409	21,110	23,093	18,514	46,373	46,481	32,444	32,444	33,521	18,514	371,321
Local Revenues	108,994	143,594	(107,630)	(130,582)	2,127	1,634	2,330	2,330	2,330	2,330	2,330	2,330	32,116
Fundraising and Grants	200,000	-	2,778	78,428	20,660	303,125	17,051	17,051	3,125	44,903	10,088	10,088	714,260
Total Revenue	316,947	143,594	451,811	254,911	264,471	538,344	255,908	280,933	380,616	391,171	422,751	311,250	4,457,408
Expenses													
Compensation & Benefits	83,969	233,317	258,279	281,435	268,769	273,269	274,124	274,458	266,089	270,784	270,784	264,143	3,019,420
Books & Supplies	56,771	18,704	38,248	(514)	36,703	14,211	11,695	11,695	11,695	11,695	11,695	11,695	238,771
Services & Other Operating Expenses	42,738	102,635	65,445	110,278	94,903	154,057	73,768	73,688	155,803	70,464	70,384	152,499	1,184,566
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	183,478	354,657	361,972	391,199	400,374	441,536	359,587	359,841	433,588	352,943	352,863	428,337	4,442,757
Operating Cash Inflow (Outflow)	133,469	(211,063)	89,839	(136,288)	(135,904)	96,808	(103,680)	(78,908)	(52,972)	38,228	69,888	(117,087)	14,652
Revenues - Prior Year Accruals	351,390	-	5,866	111,938	21,385	2,896	57,500	-	-	-	-	-	-
Expenses - Prior Year Accruals	-	(1,875)	(2,423)	(18,474)	-	-	-	-	-	-	-	(23,358)	-
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current Year	(30,497)	(4,623)	(2,829)	20,964	-	-	-	-	-	-	-	-	-
Summerholdback for Teachers	(19,114)	(730)	11,417	11,895	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	-
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	-	-	-	(8,333)	(8,333)	(8,333)	(8,333)	-	-	(8,333)	-	-	-
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Changes	(153,639)	-	-	(18,481)	-	-	-	-	-	-	-	-	-
Ending Cash	673,184	454,893	556,763	519,983	412,579	519,397	480,332	416,872	379,348	424,691	510,027	385,029	

East Bay Innovation Academy

Budget vs. Actuals
As of October close

	Actual			Budget vs. Actual			Budget					
	Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY												
Revenue												
LCFF Entitlement	-	532,265	281,308	813,573	813,573	(0)	3,329,153	3,150,221	3,135,500	(14,721)	2,321,927	26%
Federal Revenue	-	1,989	4,648	6,637	7,359	(723)	304,213	202,706	204,211	1,505	197,574	3%
Other State Revenues	-	22,409	21,110	51,471	37,014	14,457	385,027	366,008	371,321	5,313	319,850	14%
Local Revenues	143,594	(107,630)	(130,582)	14,376	3,200	11,175	38,318	30,077	32,116	2,039	17,740	45%
Fundraising and Grants	-	2,778	78,428	281,206	268,184	13,022	503,500	716,240	714,260	(1,980)	433,054	39%
Total Revenue	143,594	451,811	254,911	1,167,262	1,129,331	37,932	4,560,212	4,465,252	4,457,408	(7,844)	3,290,146	26%
Expenses												
Compensation and Benefits	233,317	258,279	281,435	857,000	852,138	(4,862)	2,952,284	2,994,835	3,019,420	(24,585)	2,162,420	28%
Books and Supplies	18,704	38,248	(514)	113,209	187,577	74,368	288,783	260,394	238,771	21,623	125,562	47%
Services and Other Operating Expenditures	102,635	65,445	110,278	321,096	359,395	38,299	1,312,232	1,200,091	1,184,566	15,526	863,469	27%
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	354,657	361,972	391,199	1,291,306	1,399,111	107,805	4,553,299	4,455,320	4,442,757	12,563	3,151,451	29%
Operating Income	(211,063)	89,839	(136,288)	(124,043)	(269,780)	145,736	6,913	9,932	14,652	4,720	138,695	
Fund Balance												
Beginning Balance (Unaudited)	611,045	399,982	489,821	477,576	477,576		417,368	477,576	477,576			
Audit Adjustment				(36,940)	(36,940)		-	(13,582)	(36,940)			
Beginning Balance (Audited)				440,636	440,636		417,368	463,995	440,636			
Operating Income	(211,063)	89,839	(136,288)	(124,043)	(269,780)		6,913	9,932	14,652			
Ending Fund Balance	399,982	489,821	353,533	316,593	170,856		424,281	473,926	455,288			
Capital Outlay	-	-	-	-	-		-	-	-			

East Bay Innovation Academy

Budget vs. Actuals
As of October close

Detail	Actual			Budget vs. Actual			Budget					
	Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Enrollment Breakdown	M1	M2	M3									
6		117	117				115	120	117	(3)		
7		116	118				115	120	118	(2)		
8		130	129				120	130	129	(1)		
9		58	57				100	58	58	-		
Enrollment Summary							-	-	-	-		
4-6		117	117	-			115	120	117	(3)		
7-8		246	247	-			235	250	247	(3)		
9-12		58	57	-			100	58	58	-		
Total Enrolled		421	421	-			450	428	422	(6)		
ADA %												
4-6		97.8%	98.4%				95%	95%	96%			
7-8		96.7%	98.7%				95%	95%	96%			
9-12		92.6%	93.4%				90%	90%	90%			
Average		96.4%	97.9%				94%	94%	95%			
ADA												
4-6		114.2	115.15				109.3	114.0	112.3			
7-8		240.3	244.65				223.3	237.5	237.1			
9-12		53.7	54.15				90.0	52.2	52.2			
Total ADA		408.2	413.95				422.5	403.7	401.6			
Demographic Information												
Prior Year												
ADA (P-2)							332	332	332			
CALPADS Enrollment (for unduplicated % calc)							342	344	344			
# Unduplicated Count (CALPADS)							57	57	57			
# Free & Reduced Lunch (FRL) (CALPADS)							48	48	48			
# ELL (CALPADS)							17	17	17			
Current Year							-	-	-			
CALPADS Enrollment (for unduplicated % calc)							450	428	422			
# Unduplicated Count (CALPADS)							68	97	97			
# Free & Reduced Lunch (FRL) (CALPADS)							63	60	59			
# ELL (CALPADS)							22	21	21			
New Students							108	84	78			

East Bay Innovation Academy

Budget vs. Actuals
As of October close

		Actual			Budget vs. Actual			Budget						
		Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent	
REVENUE														
LCFF Entitlement														
8011	Charter Schools LCFF - State Aid	-	409,245	158,118	567,363	567,364	(1)	2,381,258	2,237,561	2,227,496	(10,064)	1,660,133	25%	
8012	Education Protection Account Entitlement	-	-	16,583	16,583	16,583	1	84,500	80,740	80,328	(412)	63,745	21%	
8019	State Aid - Prior Years	-	-	-	-	-	-	-	-	-	-	-		
8096	Charter Schools in Lieu of Property Taxes	-	123,020	106,607	229,627	229,626	1	863,396	831,921	827,676	(4,245)	598,049	28%	
SUBTOTAL - LCFF Entitlement		-	532,265	281,308	813,573	813,573	(0)	3,329,153	3,150,221	3,135,500	(14,721)	2,321,927	26%	
8100 Federal Revenue		-	-	-										
8181	Special Education - Entitlement	-	-	-	-	-	-	42,750	43,000	43,000	-	43,000	0%	
8182	Special Education Reimbursement	-	-	-	-	-	-	227,471	120,550	120,550	-	120,550	0%	
8220	Child Nutrition Programs	-	1,989	-	1,989	4,554	(2,566)	22,771	22,771	22,771	-	20,783	9%	
8291	Title I	-	-	3,143	3,143	2,589	554	10,356	15,521	15,521	-	12,378	20%	
8292	Title II	-	-	-	-	216	(216)	864	864	864	-	864	0%	
8297	PY Federal - Not Accrued	-	-	1,505	1,505	-	1,505	-	-	1,505	1,505	-	100%	
SUBTOTAL - Federal Income		-	1,989	4,648	6,637	7,359	(723)	304,213	202,706	204,211	1,505	197,574	3%	
8300 Other State Revenues		-	-	-										
8381	Special Education - Entitlement (State)	-	22,269	21,003	51,225	30,231	20,994	202,694	192,908	198,611	5,703	147,386	26%	
8382	Special Education Reimbursement (State)	-	-	-	-	-	-	21,600	21,600	21,600	-	21,600	0%	
8520	Child Nutrition - State	-	140	-	140	182	(42)	911	911	911	-	771	15%	
8550	Mandated Cost Reimbursements	-	-	-	-	4,643	(4,643)	4,643	4,643	4,643	-	4,643	0%	
8560	State Lottery Revenue	-	-	-	-	-	-	68,445	76,299	75,910	(389)	75,910	0%	
8590	All Other State Revenue	-	-	107	107	-	107	76,943	69,647	69,647	-	69,540	0%	
8599	Selpa Admin Offset	-	-	-	-	1,958	(1,958)	9,791	-	-	-	-		
SUBTOTAL - Other State Income		-	22,409	21,110	51,471	37,014	14,457	385,027	366,008	371,321	5,313	319,850	14%	
8600 Other Local Revenue		-	-	-										
8634	Food Service Sales	-	-	1,358	1,358	3,200	(1,842)	16,000	16,000	16,000	-	14,642	8%	
8638	Merchandise Sales	-	272	70	342	-	342	-	272	342	70	-	100%	
8660	Interest	0	0	0	0	0	0	1	1	1	-	0	53%	
8690	Other Local Revenue	-	-	2,765	2,815	-	2,815	2,318	2,204	4,173	1,969	1,358.00	67%	
8701	Oakland Measure N	-	-	9,860	9,860	-	9,860	20,000	11,600	11,600	-	1,740	85%	
8999	Uncategorized Revenue	143,594	(107,902)	(144,635)	(0)	-	(0)	-	-	-	-	0		
SUBTOTAL - Local Revenues		143,594	(107,630)	(130,582)	14,376	3,200	11,175	38,318	30,077	32,116	2,039	17,740	45%	
8800 Donations/Fundraising		-	-	-										
8801	Donations - Parents	-	1,039	23,899	24,938	49,434	(24,496)	148,500	141,240	139,260	(1,980)	114,322	18%	
8802	Donations - Private	-	1,739	4,529	206,268	200,000	6,268	280,000	500,000	500,000	-	293,732	41%	
8803	Fundraising	-	-	50,000	50,000	18,750	31,250	75,000	75,000	75,000	-	25,000	67%	
SUBTOTAL - Fundraising and Grants		-	2,778	78,428	281,206	268,184	13,022	503,500	716,240	714,260	(1,980)	433,054	39%	
TOTAL REVENUE		143,594	451,811	254,911	1,167,262	1,129,331	37,932	4,560,212	4,465,252	4,457,408	(7,844)	3,290,146	26%	

East Bay Innovation Academy

Budget vs. Actuals
As of October close

		Actual			Budget vs. Actual			Budget					
		Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES													
Compensation & Benefits													
1000	Certificated Salaries	-	-	-									
1100	Teachers Salaries	112,934	129,693	126,760	369,388	351,906	(17,482)	1,290,755	1,343,290	1,349,290	(6,000)	979,902	27%
1103	Teacher - Substitute Pay	-	570	5,338	5,908	6,395	487	21,315	21,315	21,315	-	15,407	28%
1111	Teacher - Bonus	-	-	-	-	-	-	41,854	31,854	31,854	-	31,854	0%
1148	Teacher - Special Ed	16,096	18,649	18,649	53,394	47,369	(6,025)	173,112	190,120	193,120	(3,000)	139,726	28%
1150	Teacher - Summer School	1,340	-	-	11,340	12,000	660	12,000	12,000	12,000	-	660	95%
1300	Certificated Supervisor & Administrator Salaries	11,158	11,158	11,158	44,633	43,983	(650)	131,950	133,900	133,900	-	89,267	33%
1311	Cert Admin - DESEL, Curr. Instr.	24,542	23,833	23,833	91,083	89,879	(1,205)	286,000	276,250	276,250	-	185,167	33%
1322	Cert Admin - Bonus	-	-	-	-	-	-	25,131	20,131	20,131	-	20,131	0%
SUBTOTAL - Certificated Employees		166,070	183,904	185,739	575,747	551,532	(24,215)	1,982,117	2,028,860	2,037,860	(9,000)	1,462,113	28%
2000 Classified Salaries													
2104	Classified - SPED	4,548	10,056	9,626	24,229	28,052	3,823	115,910	144,600	144,600	-	120,371	17%
2105	Classified - Enrichment	4,270	8,020	6,888	19,177	10,626	(8,551)	42,504	46,200	46,200	-	27,023	42%
2300	Classified Supervisor & Administrator Salaries	6,083	6,083	6,083	24,333	24,333	(0)	73,000	73,000	73,000	-	48,667	33%
2311	Classified Admin - Bonus	-	-	-	-	-	-	4,974	4,974	4,974	-	4,974	0%
2400	Classified Clerical & Office Salaries	7,243	4,610	4,780	20,045	21,463	1,418	73,797	60,762	60,762	-	40,717	33%
2401	Classified Clerical & Office Salaries - Bonus	-	-	-	-	-	-	4,000	4,000	4,000	-	4,000	0%
2402	Classified Clerical & Office Salaries - Community Eng	5,667	5,667	5,667	23,776	21,667	(2,110)	65,000	68,000	68,000	-	44,224	35%
2905	Other Classified - After School	-	-	3,475	3,475	8,400	4,925	33,600	18,060	18,060	-	14,585	19%
2928	Other Classified - Food	120	1,600	1,680	3,400	7,115	3,715	28,460	19,325	19,325	-	15,925	18%
SUBTOTAL - Classified Employees		27,931	36,035	38,198	118,436	121,656	3,221	441,244	438,920	438,920	-	320,485	27%
3000 Employee Benefits													
3100	STRS	20,022	20,753	20,340	63,981	71,868	7,887	258,534	258,124	258,879	(755)	194,898	25%
3300	OASDI-Medicare-Alternative	5,675	6,442	6,878	21,039	13,637	(7,401)	58,334	61,920	62,236	(317)	41,198	34%
3400	Health & Welfare Benefits	6,743	9,726	27,057	63,564	67,265	3,701	161,437	156,824	171,242	(14,418)	107,678	37%
3500	Unemployment Insurance	4,260	1,420	606	6,386	12,384	5,998	24,652	23,781	23,781	-	17,395	27%
3600	Workers Comp Insurance	2,616	-	2,616	7,848	13,795	5,947	25,968	26,405	26,502	(96)	18,654	30%
SUBTOTAL - Employee Benefits		39,316	38,340	57,498	162,818	178,950	16,133	528,924	527,054	542,639	(15,585)	379,821	30%

East Bay Innovation Academy

Budget vs. Actuals
As of October close

		Actual			Budget vs. Actual			Budget					
		Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies			-									
4100	Approved Textbooks & Core Curricula Materials	199	7,834	-	10,164	9,990	(174)	12,150	11,556	11,394	162	1,230	89%
4200	Books & Other Reference Materials	-	1,337	-	1,337	1,369	31	2,053	2,053	2,053	-	716	65%
4300	Materials & Supplies	774	5,640	293	6,707	9,270	2,563	13,905	13,225	13,040	185	6,333	51%
4320	Educational Software	7,293	3,188	5,043	27,523	53,280	25,757	64,800	61,632	60,768	864	33,245	45%
4330	Office Supplies	2,616	2,528	870	6,394	7,366	972	22,097	18,053	17,758	295	11,365	36%
4352	Quest (After School)	478	-	-	478	1,667	1,189	5,000	5,000	5,000	-	4,522	10%
4400	Noncapitalized Equipment	-	3,042	-	3,042	5,041	1,998	15,122	15,122	15,122	-	12,079	20%
4410	Classroom Furniture, Equipment & Supplies	-	8,084	-	10,424	8,880	(1,544)	10,800	10,424	10,424	-	-	100%
4420	Computers (individual items less than \$5k)	-	647	(13,582)	23,457	77,364	53,907	92,100	64,577	44,460	20,117	21,004	53%
4423	Staff Computers	6,965	1,747	-	8,733	4,153	(4,580)	4,944	8,733	8,733	-	-	100%
4430	Non Classroom Related Furniture, Equipment & Supp	-	1,244	-	4,477	90	(4,387)	270	4,477	4,477	-	-	100%
4710	Student Food Services	380	2,957	6,862	10,473	9,108	(1,365)	45,542	45,542	45,542	-	35,069	23%
SUBTOTAL - Books and Supplies		18,704	38,248	(514)	113,209	187,577	74,368	288,783	260,394	238,771	21,623	125,562	47%

East Bay Innovation Academy

Budget vs. Actuals

As of October close

		Actual					Budget vs. Actual					Budget				
		Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent			
5000	Services & Other Operating Expenses															
5210	Conference Fees	-	-	-	-	-	-	-	-	-	-	-				
5220	Travel and Lodging	-	357	47	404	360	(44)	1,800	1,800	1,800	-	1,396	22%			
5300	Dues & Memberships	185	880	185	1,348	1,510	162	7,551	7,551	7,551	-	6,203	18%			
	Subscriptions	-	-	-	-	-	-	-	-	-	-	-				
5450	Insurance - Other	2,352	-	2,283	21,616	15,688	(5,928)	29,531	28,642	35,248	(6,606)	13,632	61%			
5515	Janitorial, Gardening Services & Supplies	247	17,616	-	17,863	19,483	1,620	97,416	97,416	97,416	-	79,553	18%			
5535	Utilities - All Utilities	4,291	6,009	2,467	15,318	26,250	10,932	78,750	74,900	73,850	1,050	58,532	21%			
5611	Prop 39 Related Costs	-	-	37,237	37,237	55,626	18,389	222,504	173,414	137,197	36,217	99,960	27%			
5615	Repairs and Maintenance - Building	-	495	-	495	828	333	4,142	4,142	4,142	-	3,647	12%			
5616	Repairs and Maintenance - Computers	2,025	2,221	720	5,323	-	(5,323)	16,263	16,263	16,263	-	10,940	33%			
5800	Other Services & Operating Expenses	-	-	-	-	-	-	-	-	-	-	-				
5803	Accounting Fees	-	-	757	724	-	(724)	8,240	8,240	8,240	-	7,516	9%			
5809	Banking Fees	37	44	82	224	206	(18)	618	618	618	-	394	36%			
5810	Intercession	174	222	8,200	8,246	33,750	25,504	135,000	128,400	126,600	1,800	118,354	7%			
5812	Business Services	10,833	11,002	10,833	44,502	45,500	998	136,500	130,000	130,000	-	85,498	34%			
5815	Consultants - Instructional	589	-	2,987	3,576	7,081	3,505	10,622	9,622	9,622	-	6,046	37%			
5820	Consultants - Non Instructional - Custom 1	-	-	-	-	-	-	-	-	-	-	-				
5824	District Oversight Fees	-	-	-	-	8,323	8,323	33,292	31,502	31,355	147	31,355	0%			
5836	Fingerprinting	632	133	121	937	2,034	1,097	2,474	2,396	2,396	-	1,459	39%			
5839	Fundraising Expenses	550	1,588	297	2,732	2,277	(455)	11,386	11,386	11,386	-	8,653	24%			
5843	Interest - Loans Less than 1 Year	-	-	246	246	-	(246)	8,309	480	480	-	234	51%			
5845	Legal Fees	6,723	9,370	5,781	21,874	11,000	(10,874)	55,000	40,000	55,000	(15,000)	33,126	40%			
5851	Marketing and Student Recruiting	-	-	-	-	222	222	1,112	865	803	62	803	0%			
5857	Payroll Fees	396	405	322	1,307	1,030	(277)	3,090	3,090	3,600	(510)	2,293	36%			
5860	Printing and Reproduction	-	-	-	-	37	37	185	185	185	-	185	0%			
5861	Prior Yr Exp (not accrued)	7,911	1,350	-	9,261	-	(9,261)	-	9,261	9,261	-	-	100%			
5863	Professional Development	7,034	3,290	1,000	14,469	8,468	(6,001)	25,405	25,405	25,405	-	10,936	57%			
5866	SPED MH Day/NPS Services	15,773	24,379	18,175	58,327	84,248	25,921	252,745	224,378	224,378	-	166,051	26%			
5869	Special Education Contract Instructors	-	7,996	5,000	12,996	20,000	7,004	100,000	100,000	100,000	-	87,004	13%			
5872	Special Education Encroachment	-	-	-	-	-	-	9,791	9,436	9,664	(228)	9,664	0%			
5875	Staff Recruiting	137	848	-	1,451	863	(587)	4,316	4,316	4,316	-	2,865	34%			
5881	Student Information System	-	-	-	-	3,051	3,051	12,206	12,206	6,103	6,103	6,103	0%			
5884	Substitutes	390	1,083	2,918	4,391	1,297	(3,095)	6,483	5,677	13,186	(7,509)	8,795	33%			
5887	Technology Services	1,275	10,260	111	11,646	2,960	(8,686)	14,800	14,800	14,800	-	3,154	79%			
5899	Miscellaneous Operating Expenses	40,349	(36,679)	10,004	19,003	-	(19,003)	-	1,000	1,000	-	(18,003)	1900%			
5900	Communications	610	2,131	508	5,014	6,860	1,846	20,581	20,581	20,581	-	15,567	24%			
5905	Communications - Cell Phones	-	-	-	-	40	40	120	120	120	-	120	0%			
5915	Postage and Delivery	121	445	-	566	400	(166)	2,000	2,000	2,000	-	1,434	28%			
	SUBTOTAL - Services & Other Operating Exp.	102,635	65,445	110,278	321,096	359,395	38,299	1,312,232	1,200,091	1,184,566	15,526	863,469	27%			

East Bay Innovation Academy

Budget vs. Actuals
As of October close

		Actual			Budget vs. Actual			Budget					
		Aug	Sep	Oct	Actual YTD	Budget YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
6000	Capital Outlay												
6100	Sites & Improvement of Sites	-	-	-	-	-	-	-	-	-	-	-	-
6200	Buildings & Improvement of Buildings	-	-	-	-	-	-	-	-	-	-	-	-
6300	School Libraries	-	-	-	-	-	-	-	-	-	-	-	-
6400	Equipment	-	-	-	-	-	-	-	-	-	-	-	-
6410	Computers (capitalizable items)	-	-	-	-	-	-	-	-	-	-	-	-
6420	Furniture (capitalizable items)	-	-	-	-	-	-	-	-	-	-	-	-
6430	Other Equipment (capitalizable items)	-	-	-	-	-	-	-	-	-	-	-	-
6500	Equipment Replacement	-	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL - Capital Outlay		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES		354,657	361,972	391,199	1,291,306	1,399,111	107,805	4,553,299	4,455,320	4,442,757	12,563	3,151,451	29%
6900	Total Depreciation (includes Prior Years)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES including Depreciation		354,657	361,972	391,199	1,291,306	1,399,111	107,805	4,553,299	4,455,320	4,442,757	12,563	3,151,451	29%



AUDIT REPORT

**For the Year Ended
June 30, 2016**

DRAFT

EAST BAY INNOVATION ACADEMY
TABLE OF CONTENTS
JUNE 30, 2016

FINANCIAL SECTION

Independent Auditors' Report.....	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7

SUPPLEMENTARY INFORMATION SECTION

Charter Organizational Structure.....	14
Schedule of Average Daily Attendance	15
Schedule of Instructional Time.....	16
Reconciliation of Financial Report – Alternative Form with Audited Financial Statements.....	17
Notes to the Supplementary Information	18

OTHER INDEPENDENT AUDITORS' REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
Report on State Compliance	21

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	23
Financial Statement Findings.....	24
State Award Findings and Questioned Costs.....	25
Summary Schedule of Prior Audit Findings and Questioned Costs.....	26

FINANCIAL SECTION

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
East Bay Innovation Academy
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of East Bay Innovation Academy (the "Charter") which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Bay Innovation Academy as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **October 21, 2016**, on our consideration of the Charter's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter's internal control over financial reporting and compliance.

San Diego, California

October 21, 2016

EAST BAY INNOVATION ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

ASSETS

Current assets

Cash and cash equivalents	\$ 391,575
Accounts receivable	550,975
Prepaid expenses	27,880
Total Assets	\$ 970,430

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 129,792
Deferred revenue	200,000
Loans payable	200,002
Total liabilities	529,794

Net assets

Unrestricted	390,258
Temporarily restricted	50,378
Total net assets	440,636
Total Liabilities and Net Assets	\$ 970,430

DRAFT

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

**EAST BAY INNOVATION ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Federal and state support and revenues			
Local control funding formula, state aid	\$ 1,821,713	\$ -	\$ 1,821,713
Federal revenues	280,495	-	280,495
Other state revenues	371,561	65,043	436,604
Total federal and state support and revenues	2,473,769	65,043	2,538,812
Local support and revenues			
Payments in lieu of property taxes	683,444	-	683,444
Grants and donations	117,488	-	117,488
Other local revenues	88,245	-	88,245
Total local support and revenues	889,177	-	889,177
Donor restrictions satisfied	14,665	(14,665)	-
Total Support and Revenues	3,377,611	50,378	3,427,989
EXPENSES			
Program services	2,634,583	-	2,634,583
Supporting services			
Management and general	387,147	-	387,147
Total Expenses	3,021,730	-	3,021,730
CHANGE IN NET ASSETS	355,881	50,378	406,259
Net Assets - Beginning	34,377	-	34,377
Net Assets - Ending	\$ 390,258	\$ 50,378	\$ 440,636

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

**EAST BAY INNOVATION ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

	Program Services	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	\$ 1,179,706	\$ 28,620	\$ 1,208,326
Classified salaries	275,879	12,811	288,690
Deferred compensation	110,519	2,728	113,247
Payroll taxes	60,728	1,314	62,042
Other employee benefits	102,980	2,979	105,959
Total personnel expenses	1,729,812	48,452	1,778,264
Non-personnel expenses			
Books and supplies	260,579	15,801	276,380
Insurance	-	13,375	13,375
Occupancy	51,633	68,396	120,029
Professional services	458,496	215,645	674,141
Payments to authorizing agency	104,226	25,066	129,292
Other operating expenses	29,837	412	30,249
Total non-personnel expenses	904,771	338,695	1,243,466
Total Expenses	\$ 2,634,583	\$ 387,147	\$ 3,021,730

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

EAST BAY INNOVATION ACADEMY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 406,259
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
(Increase) decrease in operating assets	
Accounts receivable	(317,321)
Prepaid expenses	(19,393)
Increase (decrease) in operating liabilities	
Accounts payable	38,822
Deferred revenue	200,000
Net cash provided by (used in) operating activities	<u>308,367</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Draw on loans payable	226,517
Payments of principal on loans payable	(276,515)
Net cash provided by (used in) financing activities	<u>(49,998)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 258,369

Cash and cash equivalents - Beginning 133,206

Cash and cash equivalents - Ending \$ 391,575

SUPPLEMENTAL DISCLOSURE

Cash paid for interest	<u>\$ 7,873</u>
------------------------	-----------------

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

EAST BAY INNOVATION ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

East Bay Innovation Academy (the “Charter”) was formed as a nonprofit public benefit corporation on April 4, 2013 for the purpose of operating as a California public school located in Alameda County. The Charter was approved by the State Board of Education in January 2014 as California Charter No. 1620. The Charter’s mission is to prepare a diverse group of students to be successful in college and to be thoughtful, engaged citizens who are leaders and innovators in a 21st century global world. Classes began on August 18, 2014 for grades 6 and 7 and the Charter began serving grade 8 in the 2015-16 school year.

East Bay Innovation Academy is authorized to operate as a charter school through Oakland Unified School District (the “authorizing agency”). On October 23, 2013, the Board of Directors of Oakland Unified School District approved a charter petition for the Charter for a five year term beginning July 1, 2014 and expiring on June 30, 2019. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

B. Basis of Accounting

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

C. Financial Statement Presentation

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

D. Estimates

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Functional Expenses

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

F. Contributions

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

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

G. In Lieu of Property Taxes Revenue

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

H. Cash and Investments

East Bay Innovation Academy considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents. The Charter's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities.

I. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Charter establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2016, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

East Bay Innovation Academy has adopted a policy to capitalize asset purchases over \$5,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose or is requiring the Charter to hold the asset for a specified period of time. Capital assets are depreciated using the straight-line method.

K. Deferred Revenue

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

L. Income Taxes

East Bay Innovation Academy is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Charter is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a school, the Charter is not required to register with the California Attorney General as a charity.

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

M. Fair Value Measurements

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

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

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

EAST BAY INNOVATION ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2016

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2016, consist of the following:

Cash in banks, non-interest bearing	\$	387,977
Cash in banks, interest bearing		3,598
Total Cash and Cash Equivalents	\$	391,575

Cash in Banks – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. East Bay Innovation Academy does not have a policy for custodial credit risk for deposits. The FDIC insures 100% of non-interest bearing accounts and up to \$250,000 per depositor on interest bearing accounts per insured bank. As of June 30, 2016, \$238,726 of East Bay Innovation Academy's bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held with Wells Fargo Bank.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2016, consists of the following:

Local control funding state sources	\$	198,191
Federal sources		118,392
Other state sources		133,253
In lieu of property taxes		100,802
Local grants receivable		337
Total Accounts Receivable	\$	550,975

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2016, consists of the following:

Salaries and benefits payable	\$	32,869
Vendors payable		58,794
Compensated absences		23,358
Overpayment of revenue		14,584
Credit card liabilities		187
Total Accounts Payable	\$	129,792

EAST BAY INNOVATION ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2016

NOTE 5 – LOANS PAYABLE

Loans payable activity during the fiscal year ending June 30, 2016, consists of the following:

	Balance		Balance	
	July 1, 2015	Draws	Payments	June 30, 2016
Secured loan	\$ -	\$ 226,517	\$ 226,517	\$ -
Charter revolving loan	250,000	-	49,998	200,002
Total Loans Payable	\$ 250,000	\$ 226,517	\$ 276,515	\$ 200,002

During the fiscal year ending June 30, 2016, the Charter entered into a receivables purchase agreement with Charter School Capital, Inc. (the “purchaser”). On September 14, 2015, \$226,517 was transferred from the purchaser to the Charter. In return for receiving such funds, the Charter granted title and interest of future state apportionment revenues to the purchaser and agreed to a one-time program fee of \$2,218. The transfers from the purchaser to the Charter are considered loans secured by the future receivables due to East Bay Innovation Academy. The purpose of the agreement was for short-term borrowing to aid in cash flow for current charter school operations. The purchaser received funding in December 2015 and January 2016. As of June 30, 2016, there is no balance due to the purchaser relating to this secured loan.

In June 2014, the Charter was approved to borrow \$250,000 through the Charter School Revolving Loan Fund Program administered by the California School Finance Authority (CSFA). The loan is to be repaid over a five year period ending September 2019. The revolving note bears an annualized interest rate equal to the “prime rate” of 0.24%. Repayment of the loan began in September 2015. As of June 30, 2016, the outstanding balance on the loan was \$200,002. Repayment obligations on the above referenced debt are as follows:

Fiscal year ended June 30,	Payment
2017	\$ 50,000
2018	50,000
2019	50,000
2020	50,002
Total Loans Payable	\$ 200,002

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2016 consisted of \$50,378 from restricted State funding for the Proposition 39 California Clean Energy Jobs Act program.

NOTE 7 – DONATED MATERIALS AND SERVICES

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

EAST BAY INNOVATION ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2016

NOTE 8 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code* 47605, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Charter has made such election. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Charter also offers all employees social security as an alternative plan who may not qualify for the CalSTRS retirement plan.

California State Teachers' Retirement System (CalSTRS)

Plan Description

East Bay Innovation Academy contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard; Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.56% of their salary for the fiscal year ending June 30, 2016. The required employer contribution rate for fiscal year 2015-16 was 10.73% of annual payroll. The contribution requirements of the plan members are established by state statute. The Charter's contributions to CalSTRS for the first two years of operation are as follows:

	Contribution	Percent of Required Contribution
2015-16	\$ 113,247	100%
2014-15	\$ 65,059	100%

On-Behalf Payments

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California; however, as East Bay Innovation Academy was not yet in operation during 2013-14, no on-behalf payments were made during 2015-16. East Bay Innovation Academy will become eligible to receive on-behalf payments beginning in 2016-17.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Multi-employer Defined Benefit Plan Participation

Under current law on multiemployer defined benefit plans, the Charter's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Charter to make payments to the plan, which would approximate the Charter's proportionate share of the multiemployer plan's unfunded vested liabilities. CalSTRS has estimated the Charter's share of withdrawal liability is approximately \$1,103,744 as of June 30, 2015. Refer to Note 8 for additional information on employee retirement plans.

EAST BAY INNOVATION ACADEMY
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2016

NOTE 9 – COMMITMENTS AND CONTINGENCIES (continued)

Governmental Funds

East Bay Innovation 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 expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

Facilities Use Agreement

In June 2015, the Charter entered into a renewed facilities use agreement with Oakland Unified School District to occupy space located at 3400 Malcolm Avenue in Oakland, California. The facility is utilized by the Charter for instructional services in order to meet the educational goals established by the Charter. The agreement covers the period from July 1, 2015 to June 30, 2016 with an option to renew for one year at the Charter's discretion subject to any early termination if the Charter's program ceases to operate after a revocation, nonrenewal or surrender of the charter petition. Total lease payments associated with this facility use agreement amounted to \$104,226 during the fiscal year ended June 30, 2016. The annual facilities use fee for the fiscal year ending June 30, 2017 is \$104,226 and shall be paid quarterly.

NOTE 10 – RELATED PARTY TRANSACTIONS

The Charter makes payments to the authorizing agency, Oakland Unified School District, to provide required services for oversight. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources. For the fiscal year ending June 30, 2016, total fees paid to the authorizing agency for oversight amounted to \$25,066. The Charter also made payments to the Oakland Unified School District as part of a facility use agreement (refer to Note 9).

NOTE 11 – SUBSEQUENT EVENTS

East Bay Innovation Academy has evaluated subsequent events for the period from June 30, 2016 through **October 21, 2016**, the date the financial statements were available to be issued. In July 2015, the Charter entered into a facilities use agreement with Oakland Unified School District for additional classroom space located on Roosevelt Middle School's campus at 1926 East 19th Street in Oakland, California. The agreement covers a term of one school year for 2016-17 and will have an annual cost of \$32,971. Management did not identify any other transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION SECTION

DRAFT

EAST BAY INNOVATION ACADEMY
CHARTER ORGANIZATIONAL STRUCTURE
JUNE 30, 2016

East Bay Innovation Academy, located in Alameda County, was formed as a nonprofit public benefit corporation on April 4, 2013 and approved by the State Board of Education in January 2013. The Charter was authorized to operate as a charter school through Oakland Unified School District. Classes began on August 18, 2014 for grades 6 and 7. During 2015-16, the Charter served approximately 344 students in grades 6 through 8. East Bay Innovation Academy's charter number is 1620.

BOARD OF DIRECTORS		
Name	Office	Term Expiration
Laurie Jacobson Jones	Chairperson	August 2016
Rochelle Benning	Vice Chair & Treasurer	August 2016
Kelly Garcia	Secretary	March 2019
Ken Berrick	Member	October 2017
Gary Borden	Member	December 2017
Tom Pryor	Chair - Board Expansion	May 2017

ADMINISTRATION
Devin Krugman <i>Head of School</i>
Renee Cooper <i>Director of Business Operations</i>
Lansine Toure <i>Director of Equity & Social Emotional Learning</i>

**EAST BAY INNOVATION ACADEMY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Grade Span	Classroom Based	
	Second Period	
	Report	Annual Report
Regular		
Fourth through sixth	112.65	112.83
Seventh through eighth	218.05	218.00
Special Education		
Seventh through eighth	0.80	1.01
Total Average Daily Attendance - Classroom Based	331.50	331.84

The Charter had no Non-Classroom Based ADA in 2015-16.

DRAFT

EAST BAY INNOVATION ACADEMY
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2016

Grade Span	Minutes Requirement	2015-16 Actual Minutes	Number of Days Traditional Calendar	Status
Grades 6 through 8	54,000	63,345	186	Complied

DRAFT

EAST BAY INNOVATION ACADEMY
RECONCILIATION OF FINANCIAL REPORT – ALTERNATIVE FORM WITH AUDITED
FINANCIAL STATEMENTS
JUNE 30, 2016

June 30, 2016, fund balance per alternative form	<u>\$ 477,576</u>
Adjustments:	
Increase (decrease) in total net assets:	
Reclass prepaid expenses to current year expenses	(13,582)
Record employee vacation accrual (compensated absences)	<u>(23,358)</u>
Total adjustments	<u>(36,940)</u>
June 30, 2016, net assets per audited financial statements	<u>\$ 440,636</u>

DRAFT

NOTE 1 – PURPOSE OF SCHEDULES

A. Charter Organizational Structure

This schedule provides information about the Charter's authorizing agency, grades served, members of the governing body, 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 charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

C. Schedule of Instructional Time

East Bay Innovation Academy receives, as part of their local control funding formula sources, incentive funding for maintaining instructional time. This schedule presents information on the amount of instructional time offered by the East Bay Innovation Academy and whether the Charter complied with the provisions of *Education Code Section 46200 through 46208*.

D. Reconciliation of Annual Financial Report – Alternative Form and Budget Report with Audited Financial Statements

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

**OTHER INDEPENDENT AUDITORS'
REPORTS**

DRAFT

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

To the Board of Directors of
East Bay Innovation Academy
Oakland, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of East Bay Innovation Academy (the "Charter") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Charter's basic financial statements and have issued our report thereon dated **October 21, 2016**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter's internal control over financial reporting ("internal control") to determine the auditing 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 Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

San Diego, California

October 21, 2016

DRAFT

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

To the Board of Directors of
East Bay Innovation Academy
Oakland, California

Report on State Compliance

We have audited East Bay Innovation Academy's compliance with the types of compliance requirements described in the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel that could have a direct and material effect on each of East Bay Innovation Academy's state programs for the fiscal year ended June 30, 2016, as identified below.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of East Bay Innovation Academy's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about East Bay Innovation 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 compliance with the requirements referred to above. However, our audit does not provide a legal determination of East Bay Innovation Academy's compliance with those requirements.

Opinion on State Compliance

In our opinion, East Bay Innovation Academy complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2016.

Procedures Performed

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

Description	Procedures Performed
School Districts, County Offices of Education and Charter Schools	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	No
After School Education and Safety Program:	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not applicable
Immunizations	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study for Charter Schools	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not applicable

We did not perform procedures related to California Clean Energy Jobs Act because no expenditures nor completed projects during 2015-16.

San Diego, California

October 21, 2016

**FINDINGS AND QUESTIONED COSTS
SECTION**

DRAFT

**EAST BAY INNOVATION ACADEMY
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2016**

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	None

Federal Awards

*The Charter did not expend more than \$750,000 in federal awards;
therefore, a Federal Single Audit under OMB Uniform Guidance is
not applicable.*

State Awards

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

EAST BAY INNOVATION ACADEMY
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

FIVE DIGIT CODE

20000

30000

AB 3627 FINDING TYPE

Inventory of Equipment

Internal Control

There were no audit findings related to the financial statements during 2015-16.

DRAFT

EAST BAY INNOVATION ACADEMY
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

FIVE DIGIT CODE

10000
40000
42000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

There were no audit findings and questioned costs related to state awards during 2015-16.

DRAFT

**EAST BAY INNOVATION ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

FINDING 2015-1: PAYROLL CONTROLS (30000)

Criteria: Proper internal control procedures are important when recording, preparing and distributing payroll. Time sheets or timecards should be signed by the employee; then reviewed, approved and signed by a supervisor, when applicable. Additionally, salary schedules or employment contracts should be maintained for all employees to document the budgeted and approved pay rate(s), which should match the actual pay rate(s) used for payroll processing.

Condition: In our testing of internal controls over payroll processing, we noted exceptions in payroll for two (2) of eight (8) sampled employees. Timesheets were not available for two (2) employees for two (2) separate payroll periods. Additionally, no documentation was available for a pay increase for one (1) hourly employee.

Cause: Improper record retention or lack of enforcing payroll controls.

Effect: Potential risk of improper compensation to employees.

Recommendation: We recommend that timesheets be collected, approved, and retained for all hourly employees. Additionally, we recommend that documentation of approved pay rate or change in pay rates be collected and retained for each employee.

Charter's Response: Upon communication of the finding, all timesheets are being maintained with payroll reports for the applicable time period from our external payroll processor by the Director of Operations. All timesheets are signed by employee as well as reviewed and signed by supervisor prior to submission to Director of Operations for payment processing. Pay increases are documented through an offer to the employee in writing and maintained in personnel file.

Current Status: Implemented

EAST BAY INNOVATION ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, *continued*
FOR THE YEAR ENDED JUNE 30, 2016

FINDING 2015-2: ATTENDANCE (10000 & 30000)

Criteria: Regular class attendance submitted to the California Department of Education (CDE) should reconcile to the supporting documents that support the local education agency's Average Daily Attendance (ADA) in accordance with *California Education Code Section 46000 et seq.* Proper controls over attendance reporting ensure that ADA reported to the CDE is supported by written contemporaneous data origination documentation of all pupil attendance. Beginning in 2009-10, the CDE allowed for approved school districts and county offices to replace manual teacher signatures with digital signatures or other electronic certification processes. This approval does not currently extend to charter schools.

Condition: Based on inquiry and observation, no physical records of attendance have been generated from the attendance accounting software for timely review and approval by the certificated personnel who initially recorded the attendance data within the system. Additional audit procedures over absence notes were performed and reported attendance was deemed verifiable despite the absence of contemporaneous signed teacher rosters.

Effect: The Charter is not in compliance with State requirements regarding attendance reporting and record retention. Errors or anomalies in system information could go unnoticed without timely review of submitted data.

Cause: Records to support contemporaneous data origination of student attendance are maintained electronically and not reviewed after initial submission within the attendance accounting system.

Questioned Cost: There is no questioned cost as no ADA was inappropriately reported.

Recommendation: It is recommended that physical contemporaneous records be maintained. Pupil attendance records should include teachers signing and dating timely printouts of electronic attendance data previously entered into the attendance system.

Charter's Response: Upon communication of the finding, EBIA's Office Manager prints weekly attendance reports for each reporting teacher to certify accuracy. These records are signed by the reporting teacher and maintained on premises and are also scanned to maintain an electronic record backup. All records will be made available during annual audit when requested.

Current Status: Implemented

Check Register



EBIA
October 2016

Grand Total 130,796.24

Vendor	Check Number	Date	Description	Check Amount
Wells Fargo	4299	10/4/2016	Acct: 9591 - Closing Date: 09/23/16	207.02
Wells Fargo	DB101316	10/13/2016	DB101316; Online Transfer- CC Acct: 9609	10,000.00
Acer	4300	10/18/2016	NX.SHEAA.004 - Repair	119.99
Alhambra	4301	10/18/2016	Acct#631790914021372; Water Svc: 09/14, 09/28 & 10/03/16	108.96
American Logistics Company, LLC	4302	10/18/2016	Client# 1551; Svc: Transportation: Sept 2016	2,535.00
AT&T	4303	10/18/2016	Acct# 072 085 5436 436; Internet Server	495.86
Kelly Atkinson	4304	10/18/2016	Reimb: Key MailBox & Panel Board	16.00
Christy White Associates	4305	10/18/2016	2015-16 Charter School Audit: 2ed Progress 75% of Contract	4,647.38
Comcast	4306	10/18/2016	Acct: 8155 40 039 4380214; High-Speed Internet Svc	217.29
EdTec	4307	10/18/2016	Monthly Services: September 2016, Expense Reimbursement & C. Butterworth: August 2016	11,002.03
Peter Farrell	4308	10/18/2016	Reimb: LiveScan Fingerprinting	59.00
Foundation for Educational Administration	4309	10/18/2016	Clear ASC Program 2016-17	1,000.00
Bonita Herrera	4310	10/18/2016	Reimb: Pizza Party for NSLP Completion	70.50
International Container Services	4311	10/18/2016	Svc: Delivery of Donated Container	350.00
Ira Jenkins Recreation Center	4312	10/18/2016	Fitness Instruction: 10/03 - 10/31/16	2,987.00
Kaiser Foundation Health Plan	4313	10/18/2016	CustID: 000709549-0000; Billing# 681343504; Insurance Premium: November 2016 & Retroactives	30,528.22
Eli Kuo	4314	10/18/2016	Reimb: Live Scan & Mileage	61.56
Law Offices of Young, Minney & Corr, LLP	4315	10/18/2016	Professional Svcs' through 09/30/16	5,781.00
Lesleigh Franklin, PhD	4316	10/18/2016	Pyshological/Assessments With Academic Testing: Sept '16	5,000.00
Marlin Business Bank	4317	10/18/2016	Acct# 1480401; Contract# 401-1480401-001/002; Contract Payment for Cres Cor Cook n Hold Oven & Insurance Fee	594.00
Oakland Unified School District	4318	10/18/2016	2016/17 Facility Use Fee	37,236.75
Office Depot	4319	10/18/2016	Acct# 16610744; Office Supplies	371.01
Cory Potts	4320	10/18/2016	Reimb: SELPA PD	46.66
Revolution Foods, Inc.	4321	10/18/2016	Cust# C001339; Breakfast & Lunch: August 2016	2,716.50
Starline Supply Company	4322	10/18/2016	Cust# 0001249; Janitorial Supplies	1,915.51

Note: Multiple expenses or "Itemized/Invoice Amounts" may be paid by one check. The total "Check Amount" will appear for each "Itemized/Invoice Amount" paid by the check.
Payroll checks are not included on this register.

Vendor	Check Number	Date	Description	Check Amount
Teachers on Reserve	4323	10/18/2016	Cust: EASTB0001; Substitute Svc: 09/23/16	2,917.76
The Together Group, LLC	4324	10/18/2016	The Together Leader: Bonus: B. Herrera, R.Cooper & N. Neumiller	1,725.00
Anthony Turner	4325	10/18/2016	Reimb: Classroom Resources	115.96
Vision Service Plan - (CA)	4326	10/18/2016	Acct# 30 050552 0001; Insurance Premium: October 2016	376.18
Wells Fargo	4327	10/18/2016	CC Acct: 9609 - Closing Date: 09/23/16	4,645.47
BambooHR	DB101816	10/18/2016	DB101816; HR Tracking Software	184.50
Bloomerang	DB102516	10/25/2016	DB102516; Bloomerang	297.00
PG&E	DB102616	10/26/2016	DB102616; PG&E	2,467.13

Note: Multiple expenses or "Itemized/Invoice Amounts" may be paid by one check. The total "Check Amount" will appear for each "Itemized/Invoice Amount" paid by the check.
Payroll checks are not included on this register.