

Revised Report

***WILLOW EDUCATION
DBA BAY AREA TECHNOLOGY SCHOOL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2014***

RECEIVED

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WILLOW EDUCATION
DBA BAY AREA TECHNOLOGY SCHOOL

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HILL, MORGAN AND ASSOCIATES, LLP

Certified Public Accountants

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Partners
Jeffrey Hill, CPA
Raymond Morgan, CPA

To the Board of Directors

Willow Education

dba Bay Area Technology School

Oakland, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of **Willow Education dba Bay Area Technology School** which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flow for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's 2013 financial statements and in our report dated October 21, 2013 an unqualified opinion was expressed on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Education Audit Appeals Panel's *Standards and Procedures for Audits of California K-12 Local Educational Agencies*. 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 risk of material misstatement of the financial statements 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 statement 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 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 the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriated to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Willow Education dba Bay Area Technology School** as of June 30, 2014, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements 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 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 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 November 25, 2014 on our consideration of **Willow Education dba Bay Area Technology School's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering **Willow Education dba Bay Area Technology School's** internal control over financial reporting and compliance.

Hill, Morgan and Associates, LLP

Carson, California
November 25, 2014

WILLOW EDUCATION
DBA BAY AREA TECHNOLOGY SCHOOL
STATEMENT OF FINANCIAL POSITION
At June 30, 2014
(With comparative totals at June 30, 2013)

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 178,019	\$ 253,831
Accounts receivable	<u>404,479</u>	<u>291,995</u>
Total current assets	<u>582,498</u>	<u>545,826</u>
PROPERTY AND EQUIPMENT:		
Furniture and equipment (Note 2)	159,150	145,162
Less: accumulated depreciation (Note 2)	<u>(159,150)</u>	<u>(140,658)</u>
Net property and equipment	<u>-</u>	<u>4,504</u>
 Total assets	 <u>\$ 582,498</u>	 <u>\$ 550,330</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 185,572	\$ 379,151
Accrued payroll and related liabilities	4,076	
Lines of credit (Note 3)	<u>9,588</u>	<u>43,567</u>
Total current liabilities	<u>199,236</u>	<u>422,718</u>
Total liabilities	<u>199,236</u>	<u>422,718</u>
NET ASSETS:		
Unrestricted	<u>383,262</u>	<u>127,612</u>
Total net assets	<u>383,262</u>	<u>127,612</u>
Total liabilities and net assets	<u>\$ 582,498</u>	<u>\$ 550,330</u>

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

WILLOW EDUCATION
DBA BAY AREA TECHNOLOGY SCHOOL
STATEMENT OF ACTIVITIES
For the year ended June 30, 2014
(With comparative totals for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
REVENUES:		
Federal support	\$ 63,989	\$ 66,033
State support	1,851,941	1,493,823
Local support	<u>65,252</u>	<u>21,950</u>
Total revenues	<u>1,981,182</u>	<u>1,581,806</u>
EXPENSES:		
Certificated salaries	763,857	669,291
Classified salaries	31,187	39,133
Fringe benefits	269,070	210,674
Books and supplies	74,549	47,707
Services and other operating expenses	568,206	555,820
Interest expense	171	364
Depreciation	<u>18,492</u>	<u>2,667</u>
Total expenses	<u>1,725,532</u>	<u>1,525,656</u>
Increase in net assets	255,650	56,150
Net assets, beginning of the year	<u>127,612</u>	<u>71,462</u>
Net assets, end of the year	<u>\$ 383,262</u>	<u>\$ 127,612</u>

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

WILLOW EDUCATION
DBA BAY AREA TECHNOLOGY SCHOOL
STATEMENT OF CASH FLOWS
For the year ended June 30, 2014
(With comparative totals for the year ended June 30, 2013)

	2014	2013
Cash flows from operating activities:		
Increase in net assets	\$ 255,650	\$ 56,150
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,492	2,667
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(112,484)	150,684
Prepaid expense		6,000
Increase (decrease) in liabilities:		
Accounts payable	(193,579)	169,655
Payroll and related liabilities	4,076	(8,156)
Net cash (used in) provided by operating activities	(27,845)	377,000
Cash flows from investing activities:		
Cash used to purchase fixed assets	(13,988)	(5,004)
Net cash (used in) investing activities	(13,988)	(5,004)
Cash flows from financing activities:		
Proceeds from lines of credit and loans		43,567
Payment to loan principal	(33,979)	(374,972)
Net cash (used in) financing activities	(33,979)	(331,405)
Net (decrease) increase in cash	(75,812)	40,591
Cash and cash equivalents, beginning of the year	253,831	213,240
Cash and cash equivalents, end of the year	\$ 178,019	\$ 253,831
SUPPLEMENTAL INFORMATION:		
Cash paid for interest expense	\$ 171	\$ 364

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

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Willow Education dba Bay Area Technology School (School) is a charter school located in Oakland, California that provides sixth through twelfth grade education to approximately 225 students. The School was created under the approval of the Oakland Unified School District and the California State Board of Education, and receives public per-pupil funding to help support their operation. The School is economically dependent on Federal and State funding.

FINANCIAL STATEMENT PRESENTATION

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations."

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, the School considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

INCOME TAXES

The School is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. The School's management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The School's Forms 990, Return of Organization Exempt from Income Tax for the years ending June 30, 2011, 2012, 2013 and 2014 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

These notes are an integral part of the preceding financial statements.

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

PROPERTY AND EQUIPMENT

Property and equipment is capitalized at cost or fair market value on the date of receipt in the case of donated property. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are depreciated over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with the resulting gain or loss reflected in the Statement of Activities.

NET ASSET CLASSES

Willow Education dba Bay Area Technology School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Net assets of the Willow Education dba Bay Area Technology School consist of the following:

Unrestricted

All resources over which the governing board has discretionary control to use in carrying on the general operations of the school.

Temporarily restricted

These net assets are restricted by donors to be used for specific purposes. The School does not have temporarily restricted net asset.

Permanently restricted

These net assets are permanently restricted by donors and cannot be used by the school. The School does not have permanently restricted net asset.

COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2013 from which the summarized information was derived.

These notes are an integral part of the preceding financial statements.

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2014 comprise the following:

<u>Description</u>	<u>Cost</u>	<u>Accum. deprec.</u>	<u>Net book Value</u>
Furniture and equipment	\$ <u>159,150</u>	\$ <u>(159,150)</u>	\$ <u>0</u>
Net property and equipment	\$ <u>159,150</u>	\$ <u>(159,150)</u>	\$ <u>0</u>

NOTE 3 - LINES OF CREDIT

The school has a credit card with a local bank for a credit limit of \$10,000. Interest is calculated based on the outstanding balance at an annual interest rate of 16.24%. The outstanding balance on June 30, 2014 was \$9,588.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The School's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The School maintains its cash account primarily with local banks. The total cash balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2014, the School had cash on deposit that exceeded the balance insured by the FDIC in the amount of \$6,361. Management believes that the School is not exposed to any significant credit risk related to cash because of the solvency of the bank in which these funds are held.

NOTE 5 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

These notes are an integral part of the preceding financial statements.

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – EMPLOYEE RETIREMENT PLANS (continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description

Willow Education dba Bay Area Technology School contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. 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% of their salary. The required employer contribution rate for fiscal year 2013-2014 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. For the year ended June 30, 2014, Willow Education dba Bay Area Technology School's contribution to CalSTRS was approximately \$56,632.

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Plan Description

Willow Education dba Bay Area Technology 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. 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. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street; Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7% of their salary, and Willow Education dba Bay Area Technology School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution for fiscal year 2013-14 was 11.417%. The contribution requirements of the plan members are established by state statute. For the year ended June 30, 2014,

These notes are an integral part of the preceding financial statements.

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – EMPLOYEE RETIREMENT PLANS (continued)

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (continued)

Funding Policy (continued)

Willow Education dba Bay Area Technology School's contribution to CalPERS was approximately \$3,040.

NOTE 6 - SUBSEQUENT EVENT

The School's Management has evaluated subsequent events for the period from June 30, 2014 through November 25, 2014, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.

These notes are an integral part of the preceding financial statements.

SUPPLEMENTARY INFORMATION

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

SUPPLEMENTARY INFORMATION

LOCAL EDUCATIONAL AGENCY ORGANIZATION STRUCTURE

Name of School	Willow Education dba Bay Area Technology School
Sponsoring District	Oakland Unified School District
Original date of charter	5/07/2003
Charter expiration date	6/30/2018

GOVERNING BOARD

<u>Member</u>	<u>Title</u>	<u>Term Expires</u>
Dr. Mehmet Sen.	President	8/15/15
Dr. Ayhan Mutlu	Vice President	8/15/15
Mr. Sefa Isik	Treasurer	8/1/15
Dorinda Grandbois	Parent Representative	8/15/15
Deniz Dogruer, MS	Director	7/1/15
Tahsin Erdogan	Director	5/14/16

MANAGEMENT TEAM

Hayri Hatipoglu - Principal

WILLOW EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

SUPPLEMENTARY INFORMATION

SCHEDULE OF AVERAGE DAILY ATTENDANCE

	<u>Annual ADA</u>	<u>Second Period ADA</u>
<i>Elementary School</i>		
Grades four through six-classroom based	36.58	36.81
<i>Middle School</i>		
Grades seven through eight-classroom based	80.25	81.90
<i>High School</i>		
Grades nine through twelve-classroom based	98.71	99.25
Total	<u>215.54</u>	<u>217.96</u>

The above schedule of average daily attendance 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.

SCHEDULE OF INSTRUCTIONAL TIME

<u>Grade level</u>	<u>Minute requirement</u>	<u>Actual Minutes</u>	<u>Number of days</u>	<u>Status</u>
Grade 4	52,457	65,332	178	Complied
Grade 5	52,457	65,332	178	Complied
Grade 6	52,457	65,332	178	Complied
Grade 7	52,457	65,332	178	Complied
Grade 8	52,457	65,332	178	Complied
Grade 9	62,949	65,332	178	Complied
Grade 10	62,949	65,332	178	Complied
Grade 11	62,949	65,332	178	Complied
Grade 12	62,949	65,332	178	Complied

The above 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.

***SUPPLEMENTARY INFORMATION SECTION REQUIRED BY
GOVERNMENT AUDITING STANDARDS***

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Partners

Jeffrey Hill, CPA

Raymond Morgan, CPA

To the Board of Directors

Willow Education

dba Bay Area Technology School

Oakland, California

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

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 **Willow Education dba Bay Area Technology School**, 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 November 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Willow Education dba Bay Area Technology 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 **Willow Education dba Bay Area Technology School's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Willow Education dba Bay Area Technology School's** internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 **Willow Education dba Bay Area Technology School's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

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

A handwritten signature in black ink that reads "Hill, Morgan and Associates, LLP". The signature is written in a cursive, slightly slanted style.

Carson, California
November 25, 2014

HILL, MORGAN AND ASSOCIATES, LLP

Certified Public Accountants

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Partners
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Raymond Morgan, CPA

To the Board of Directors
Willow Education
dba Bay Area Technology School
Oakland, California

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Compliance

We have audited **Willow Education dba Bay Area Technology School's** compliance with the types of compliance requirements identified in the Standards and Procedures for Audits of California K-12 Local Educational Agencies 2013-14 that could have a direct and material effect on each of **Willow Education dba Bay Area Technology School's** State programs as noted below for the year ended June 30, 2014.

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 of each of **Willow Education dba Bay Area Technology School's** State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit 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 Standards and Procedures for Audits of California K-12 Local Educational Agencies 2013-14. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the applicable State programs listed below. An audit includes examining, on a test basis, evidence about **Willow Education dba Bay Area Technology 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. Our audit does not provide a legal determination of **Willow Education dba Bay Area Technology School's** compliance with those requirements

In connection with the audit referred to above, we selected and tested transactions and records to determine **Willow Education dba Bay Area Technology School's** compliance with the State laws and regulations applicable to the following:

	<u>Procedures in Audit Guide</u>	<u>Procedures performed</u>
Attendance Accounting:		
Attendance reporting	6	Not applicable
Teacher certification and misassignments	3	Not applicable
Kindergarten continuance	3	Not applicable
Independent study	23	Not applicable
Continuation education	10	Not applicable
Instructional Time:		
School districts	10	Not applicable
Instructional Materials:		
General requirements	8	Not applicable
Ratios of Administrative Employees to Teachers	1	Not applicable
Classroom teacher salaries	1	Not applicable
Early retirement incentive	4	Not applicable
Gann limit calculation	1	Not applicable
School accountability report card	3	Not applicable
Juvenile court schools	8	Not applicable
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	Yes
After school education and safety program: (Including Charter Schools):		
General requirements	4	Yes
After school	5	Yes
Before school	6	Not applicable
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding Formula Pupil Counts	3	Yes
Charter Schools:		
Contemporaneous record of attendance	8	Yes
Mode of instructions	1	Yes
Non classroom-based instruction/independent study	15	Not applicable
Determination of funding for non-classroom-based instruction	3	Not applicable
Annual instructional minutes-classroom based	4	Yes
Charter School Facility Grant Program	1	Yes

Opinion

In our opinion, **Willow Education dba Bay Area Technology School's** complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2014.

Hill, Morgan and Associates, LLP

Carson, California
November 25, 2014

WILL EDUCATION DBA BAY AREA TECHNOLOGY SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

None noted.

STATE AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings noted.

WILLOW EDUCATION
DBA BAY AREA TECHNOLOGY SCHOOL
RECONCILIATION OF UNAUDITED ACTUALS
WITH AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2014

June 30, 2014, annual financial and budget report fund balance:	\$ 401,753
Adjustments and reclassifications:	
Revenues	206,617
Depreciation expense	(18,492)
Other expenses	<u>(206,616)</u>
Total adjustments and reclassifications:	\$ <u>(18,491)</u>
June 30, 2014 audited financial statements net assets	\$ <u><u>383,262</u></u>

This schedule provides the information necessary to reconcile the net assets as reported on the Charter School Unaudited Actuals Financial Report-Alternative Form