



**AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2025**

**A NONPROFIT PUBLIC BENEFIT CORPORATION  
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOL**

Oakland School for the Arts (Charter No. 0340)

OAKLAND SCHOOL FOR THE ARTS  
TABLE OF CONTENTS  
JUNE 30, 2025

---

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

Schedule of Average Daily Attendance ..... 17

Schedule of Instructional Time ..... 18

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements ..... 19

OTHER INFORMATION

Local Education Agency Organization Structure ..... 20

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 *Government Auditing Standards* ..... 21

Report on State Compliance and on Internal Control over Compliance for State Programs ..... 23

FINDINGS AND QUESTIONED COSTS SECTION

Schedule of Findings and Questioned Costs ..... 26

Schedule of Prior Audit Findings ..... 28

---

## **FINANCIAL SECTION**

---

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Oakland School for the Arts  
Oakland, California

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Oakland School for the Arts which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakland School for the Arts as of June 30, 2025, 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.

#### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oakland School for the Arts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oakland School for the Arts' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Oakland School for the Arts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oakland School for the Arts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements 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 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 Information**

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025, on our consideration of Oakland School for the Arts' 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 solely 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 effectiveness of Oakland School for the Arts' 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 Oakland School for the Arts' internal control over financial reporting and compliance.

*Christy White, Inc.*

San Diego, California  
December 3, 2025

**OAKLAND SCHOOL FOR THE ARTS**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**

---

**ASSETS**

Current assets

Cash and cash equivalents	\$ 2,091,066
Accounts receivable	4,982,031
Pledges receivable	525,000
Prepaid expenses	116,281
Total current assets	<u>7,714,378</u>

Noncurrent assets

Right-of-use asset	2,456,964
Pledges receivable, less current portion	827,411
Deposits	43,829
Capital assets, net	576,450
Total noncurrent assets	<u>3,904,654</u>

<b>Total Assets</b>	<b><u>\$ 11,619,032</u></b>
---------------------	-----------------------------

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable	\$ 2,655,003
Deferred revenue	225,721
Operating lease liability	2,460,707
Loans payable	500,000
Total liabilities	<u>5,841,431</u>

Net assets

Without donor restrictions	4,319,689
With donor restrictions	1,457,912
Total net assets	<u>5,777,601</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 11,619,032</u></b>

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

**OAKLAND SCHOOL FOR THE ARTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

---

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Federal and state support and revenues			
Local control funding formula, state aid	\$ 7,438,792	\$ -	\$ 7,438,792
Federal revenues	2,611,792	-	2,611,792
Other state revenues	3,122,232	-	3,122,232
Total federal and state support and revenues	13,172,816	-	13,172,816
Local support and revenues			
Payments in lieu of property taxes	3,052,066	-	3,052,066
Grants and donations	1,333,958	-	1,333,958
Parcel tax revenue	245,539	-	245,539
Rental income	115,809	-	115,809
Investment income, net	17,476	-	17,476
Other local revenues	801,423	-	801,423
Total local support and revenues	5,566,271	-	5,566,271
Donor restrictions satisfied	556,434	(556,434)	-
<b>Total Support and Revenues</b>	19,295,521	(556,434)	18,739,087
<b>EXPENSES</b>			
Program services	11,560,277	-	11,560,277
Supporting services			
Management and general	3,628,158	-	3,628,158
Fundraising	1,084,687	-	1,084,687
<b>Total Expenses</b>	16,273,122	-	16,273,122
<b>CHANGE IN NET ASSETS</b>	3,022,399	(556,434)	2,465,965
<b>Net Assets - Beginning</b>	1,297,290	2,014,346	3,311,636
<b>Net Assets - Ending</b>	\$ 4,319,689	\$ 1,457,912	\$ 5,777,601

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

**OAKLAND SCHOOL FOR THE ARTS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

		Supporting Services			
	Program Services	Management and General	Fundraising	Total	
<b>EXPENSES</b>					
Personnel expenses					
Certificated salaries	\$ 5,457,351	\$ 589,513	\$ 199,171	\$ 6,246,035	
Non-certificated salaries	398,162	1,377,273	344,879	2,120,314	
Pension plan contributions	1,174,852	466,760	37,016	1,678,628	
Payroll taxes	214,750	72,132	19,953	306,835	
Other employee benefits	570,006	191,458	52,961	814,425	
Total personnel expenses	7,815,121	2,697,136	653,980	11,166,237	
Non-personnel expenses					
Books and supplies	489,388	54,195	14,991	558,574	
Insurance	93,203	31,306	8,660	133,169	
Facilities	1,491,785	501,070	138,605	2,131,460	
Professional services	1,375,727	277,604	249,959	1,903,290	
Interest expense	117,792	39,564	10,944	168,300	
Depreciation	27,516	9,243	2,557	39,316	
Fees to authorizing agency	96,035	-	-	96,035	
Other operating expenses	53,710	18,040	4,991	76,741	
Total non-personnel expenses	3,745,156	931,022	430,707	5,106,885	
<b>Total Expenses</b>	<b>\$ 11,560,277</b>	<b>\$ 3,628,158</b>	<b>\$ 1,084,687</b>	<b>\$ 16,273,122</b>	

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



**OAKLAND SCHOOL FOR THE ARTS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 2,465,965
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	39,316
Lease expense - amortization of right-of-use asset	24,664
(Increase) decrease in operating assets	
Accounts receivable	(1,759,673)
Prepaid expenses	181,154
Pledges receivable	525,000
Deposits	42,202
Increase (decrease) in operating liabilities	
Accounts payable	400,686
Deferred revenue	(353,977)
<b>Net cash provided by (used in) operating activities</b>	<u>1,565,337</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sale of investments	6,425
Purchase of capital assets	(437,052)
<b>Net cash provided by (used in) investing activities</b>	<u>(430,627)</u>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

1,134,710

**Cash and cash equivalents - Beginning**

956,356

**Cash and cash equivalents - Ending**

\$ 2,091,066

**SUPPLEMENTAL DISCLOSURE**

Cash paid for interest	<u>\$ 168,300</u>
------------------------	-------------------

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

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Oakland School for the Arts (the “Charter”) was formed as a nonprofit public benefit corporation on April 21, 2000 for the purpose of operating as a California public school located in Alameda County. The Charter is numbered by the State Board of Education as California Charter No. 0340. The mission of Oakland School for the Arts is to establish and maintain a positive school culture in which all students are motivated to learn, support each other, and have structures in place that assist students in accessing their full artistic and academic potential. Oakland School for the Arts provides classroom-based instruction to students in grades 6 to 12.

Oakland School for the Arts is authorized to operate as a charter school through Oakland Unified School District (the “authorizing agency”). In October 2019, the Board of Directors of Oakland Unified School District approved a charter petition for a five-year term beginning July 1, 2020 and expiring on June 30, 2025. As a result of AB 130 and SB 114, the charter petition end date is extended to June 30, 2028. 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**

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Oakland School for the Arts reports information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions* – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net assets with donor restrictions* – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As a public charter school, the Charter also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. 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. Contributions**

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

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.

**F. In Lieu of Property Tax 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 Oakland School for the Arts. Revenues are recognized by the Charter when earned.

**G. 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.

**H. Cash and Cash Equivalents**

Oakland School for the Arts considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

**I. Investments**

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. Investment return is presented net of any investment fees.

**J. 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.

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Receivables and Allowances (continued)**

Based on review of these factors, the Charter establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2025, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

**K. Capital Assets**

Oakland School for the Arts 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 net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

**L. 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.

**M. Income Taxes**

Oakland School for the Arts 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.

**N. 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). 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. 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.  |

OAKLAND SCHOOL FOR THE ARTS  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025

---

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**O. Lease Arrangements**

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee's right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, as of June 30, 2025, consists of the following:

Cash in banks, non-interest bearing	\$ 2,091,026
Cash on hand or awaiting deposit	40
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 2,091,066</u></b>

**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. Oakland School for the Arts does not have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank. As of June 30, 2025, \$1,853,902 of the Oakland School for the Arts' bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held at one or more banks.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2025, consists of the following:

Local control funding sources, state aid	\$ 2,643,631
Federal sources	1,002,071
Other state sources	434,199
In lieu property tax payments	506,574
Other local sources	395,556
<b>Total Accounts Receivable</b>	<b><u>\$ 4,982,031</u></b>

**NOTE 4 – PLEDGES RECEIVABLE**

Pledges receivable as of June 30, 2025 of \$1,352,411 consist of unconditional promises to give related to billboard revenue. The Charter recognized revenue of \$525,000 in the fiscal year ended June 30, 2025. The balance at year-end consists of a current portion of \$525,000 and noncurrent portion of \$827,411.

In April 2006, as part of an agreement with the Oakland Port Authority, an advertising company agreed to provide the greater of \$367,500 or 31.5% of gross revenue of an advertising billboard per year for Years 1 to 5 and the greater of \$367,500 or 35% of gross revenue for Years 6 to 20. In May 2008, revenue from an additional advertising billboard was unconditionally promised from the same advertising company to provide the greater of \$157,500 or 13.5% of gross revenue for Years 1 to 5 and the greater of \$157,500 or 15% for Years 6 to 20. Based on the agreements, revenues generated from billboard advertising are to be used for rent and other facilities-related expenses.

**OAKLAND SCHOOL FOR THE ARTS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

---

**NOTE 5 – CAPITAL ASSETS**

A summary of activity related to capital assets during the year ended June 30, 2025 consists of the following:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Property and equipment				
Buildings and improvements	\$ 6,098,059	\$ -	\$ -	\$ 6,098,059
Furniture and equipment	2,811,121	11,962	-	2,823,083
Construction in progress	-	425,090	-	425,090
Total property and equipment	8,909,180	437,052	-	9,346,232
Less accumulated depreciation	(8,730,466)	(39,316)	-	(8,769,782)
<b>Capital Assets, net</b>	<b>\$ 178,714</b>	<b>\$ 397,736</b>	<b>\$ -</b>	<b>\$ 576,450</b>

**NOTE 6 – ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2025, consists of the following:

Due to grantor government	\$ 1,062,591
Salaries and benefits	931,176
Vendor payables	553,144
Compensated absences	46,877
Due to authorizing agency	34,309
Credit card liability	25,906
Security deposit payable	1,000
<b>Total Accounts Payable</b>	<b>\$ 2,655,003</b>

**NOTE 7 – DEFERRED REVENUE**

Deferred revenue as of June 30, 2025, consists of the following:

Federal sources	\$ 41
State sources	225,680
<b>Total Deferred Revenue</b>	<b>\$ 225,721</b>

**NOTE 8 – OPERATING LEASES**

The Charter entered into a lease agreement to occupy space located at 1805 Telegraph Avenue in Oakland, California, referred to as the “Fox Theater Building”. The lease agreement covers a term ending June 30, 2026. During the fiscal year ended June 30, 2025, the Charter paid \$564,300 in lease payments under this operating lease.

The Charter holds a lease agreement to occupy space located at 1933 Broadway in Oakland, California, referred to as the “Sweets Ballroom”. The lease agreement covers a term ending August 31, 2028. During the fiscal year ended June 30, 2025, the Charter paid \$314,760 in lease payments under this operating lease.

The Charter holds a lease agreement to occupy a vacant lot located at 1911 Telegraph Avenue in Oakland, California, referred to as the “OSA Uptown Art Park”. The lease agreement covers a term ending June 30, 2026. During the fiscal year ended June 30, 2025, the Charter paid \$6,000 in lease payments under this operating lease.

**OAKLAND SCHOOL FOR THE ARTS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

---

**NOTE 8 – OPERATING LEASES (continued)**

In April 2025, the Charter entered into a lease agreement for property located at 519 17th Street in Oakland, California. The lease agreement is directly related to an Agreement of Sale on the property for use of the site before the sale is subsequently made and the property is transferred to Charter ownership. The Charter paid \$115,170 in lease payments during the year. Refer to Note 16 on subsequent events.

The Charter holds a lease agreement for the use of copier equipment with a term ending August 2029. During the fiscal year ended June 30, 2025, the Charter paid \$14,517 in lease payments under this operating lease.

The following table shows the present value of the operating lease liability as the actual lease payments less the implied discount rate and the right-of-use asset as the lease expense over the straight-line basis reduced by the implied discount rate. The Charter has accounted for its lease agreements using an implied discount rate of 4%. The associated asset and liability are amortized over the remaining term of the lease as follows:

Fiscal Year Ending June 30,	Operating Lease Liability	Right-of-Use Asset
2026	\$ 1,580,450	\$ 1,571,427
2027	541,064	514,515
2028	361,762	342,352
2029	75,418	71,844
2030	1,485	56,296
Total lease payments	2,560,178	2,556,435
NPV adjustment	(99,471)	(99,471)
<b>Total</b>	<b>\$ 2,460,707</b>	<b>\$ 2,456,964</b>

**NOTE 9 – LOAN PAYABLE**

In March 2022, the U.S. Small Business Administration (SBA) issued a loan of \$500,000 to the Charter as part of the Economic Injury Disaster Loan (EIDL) program. The purpose of which was to help alleviate the economic impact caused by the COVID-19 pandemic. The loan has an interest rate of 2.75% and matures thirty-years from the date of issuance, which is set as March 23, 2052. Monthly installment payments of principal and interest of \$2,244 begin in August 2025. Future payment obligations to SBA for the EIDL are as follows:

Fiscal Year Ending June 30,	
2026	\$ 22,440
2027	26,298
2028	26,298
2029	26,298
2030	26,298
Thereafter	677,688
Total payments	805,320
Less interest	(305,320)
<b>Total</b>	<b>\$ 500,000</b>

**OAKLAND SCHOOL FOR THE ARTS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

---

**NOTE 10 – NET ASSETS**

**Net Assets with Donor Restrictions**

As of June 30, 2025, the Charter’s net assets with donor restrictions consists of the following:

Unconditional promises to give	\$ 1,352,411
Child nutrition program	105,501
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 1,457,912</b>

The unconditional promises to give are directly related to the pledges receivable at Note 4.

**Net Assets without Donor Restrictions**

Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Charter. At June 30, 2025, the Charter’s net assets without donor restrictions consists of the following:

Net investment in capital assets	\$ 576,450
Undesignated	3,743,239
<b>Total Net Assets without Donor Restrictions</b>	<b>\$ 4,319,689</b>

**NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Charter’s financial assets as of June 30, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

Financial Assets	
Cash and cash equivalents	\$ 2,091,066
Receivables, current portion	5,507,031
Prepaid expenses	116,281
Total Financial Assets, excluding noncurrent	<u>\$ 7,714,378</u>
Contractual or donor-imposed restrictions	
Cash restricted by others for specific uses	(1,457,912)
Cash held for conditional contributions	<u>(225,721)</u>
<b>Financial Assets available to meet cash needs for expenditures within one year</b>	<b>\$ 6,030,745</b>

**NOTE 12 – PARCEL TAX REVENUE**

Education parcel taxes are collected by the Alameda County Treasurer-Tax Collector and passed through to Oakland School for the Arts from the Oakland Unified School District as part of the District’s Measure N parcel tax increase (“Measure N”) as approved by voters in November 2014. Under Measure N, the Oakland Unified School District was authorized to levy qualified special tax (“school tax”) for an annual fee for each parcel of taxable real property within the District’s boundaries for a ten-year period ending June 30, 2024. During the year ended June 30, 2025, Oakland School for the Arts was apportioned \$8,660 in parcel tax Measure N revenue.



**OAKLAND SCHOOL FOR THE ARTS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

---

**NOTE 12 – PARCEL TAX REVENUE (continued)**

In November 2022, an additional parcel tax increase, Measure H, was voter approved to extend Measure N. Under Measure H, the Oakland Unified School District was authorized to levy qualified special tax (“school tax”) for an annual fee for each parcel of taxable real property within the District’s boundaries for a fourteen-year period ending June 30, 2039. During the year ended June 30, 2025, Oakland School for the Arts was apportioned \$236,879 in parcel tax Measure H revenue.

**NOTE 13 – 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 an alternative plan to employees who may not qualify for CalSTRS.

**California State Teachers’ Retirement System (CalSTRS)**

**Plan Description**

Oakland School for the Arts 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 annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275.

**Funding Policy**

Active plan members are required to contribute 10.25% or 10.205% of their 2024-25 salary depending on the employee’s membership date in the plan. The required employer contribution rate for fiscal year 2024-25 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Charter’s contributions to CalSTRS for the fiscal year ended June 30, 2025 was \$1,094,793; 100% of the required contribution.

**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. The amount of on-behalf payments made for Oakland School for the Arts is estimated at \$583,835. The on-behalf payment amount is computed as the proportionate share of total 2023-24 State on-behalf contributions.

**Alternative Plan**

As established by federal law, all public sector employees who are not members of their employer’s existing retirement plan (CalSTRS) must be covered by social security or an alternative plan. The Charter offers both social security and a 401(a) employee funded plan. All employees are eligible to participate in the plans. A participant of the 401(a) plan may make an election to defer compensation and have it contributed to this plan.

**OAKLAND SCHOOL FOR THE ARTS**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

---

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**Charter School Authorization**

As mentioned in Note 1A, Oakland School for the Arts is approved to operate as a public charter school through authorization by the Oakland Unified School District. As such, the Charter is subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

On July 9, 2021, the Governor of California approved Assembly Bill 130 (AB 130). Effective July 1, 2021, AB 130 added a provision within the California Education Code (EC) whereby all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years. As a result, the charter petition end date was extended to June 30, 2027. Additionally, on July 10, 2023, the Governor of California approved Senate Bill 114 (SB 114), which amended California Education Code (EC) 47607.4. The EC was amended to add “all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year.” As a result, the charter petition end date is extended to June 30, 2028.

The Charter makes payments to the authorizing agency to provide required services for special education and other purchased services in addition to fees for oversight. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources. Total oversight fees amounted to \$96,035 for the fiscal year ending June 30, 2025.

**Employee Retention Credit**

Management has deemed that the Charter is eligible for the Employee Retention Credit (ERC) under the CARES Act. The ERC is a refundable tax credit for certain employment taxes for eligible employers meeting certain criteria. The credit is claimed either by filing the original or adjusted employee tax return(s) with the Internal Revenue Service. The ERC is a government grant accounted for as a conditional contribution under FASB revenue recognition standards. The Charter has recorded a total of \$2,339,562 as federal revenue during the year ended June 30, 2025 related to ERC funds.

**Governmental Funds**

Oakland School for the Arts 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.

Management has closely monitored the use of federal funding and although federal revenues recorded during the fiscal year have exceeded \$750,000, total federal expenditures have not; therefore, a Federal Single Audit is not applicable. Refer to the reconciliation of federal revenues and expenditures below.

	<u>Amount</u>
Total Federal Revenues reported in the	
Statement of Activities	\$ 2,611,792
IRS: Employee Retention Credit Program	(2,339,562)
National School Lunch Program	2,828
Total Expenditures of Federal Awards	<u>\$ 275,058</u>

**NOTE 14 – COMMITMENTS AND CONTINGENCIES (continued)**

**Multiemployer 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. The Charter does not currently intend to withdraw from CalSTRS. Refer to Note 13 for additional information on employee retirement plans.

**Pending or Threatened Litigation**

The Charter is involved in various litigation arising from the normal course of business. The Charter has known legal claims; however, all appear to be covered by insurance at this point. In the opinion of management and legal counsel, the disposition of any litigation pending is not expected to have a material adverse effect on the overall financial position of the Charter as of June 30, 2025.

**Line of Credit**

Oakland School for the Arts obtained a revolving line of credit with Community Bank of the Bay (CBB) in the amount of \$750,000. The line of credit has an interest rate of 7.75% and can be drawn upon up to the maturity date of October 14, 2026. The Charter had no outstanding loan payable under this line of credit as of June 30, 2025.

**NOTE 15 – DONATED GOODS AND SERVICES**

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Oakland School for the Arts 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. The Charter did not receive any donated items during the year ended June 30, 2025.

**NOTE 16 – SUBSEQUENT EVENTS**

Oakland School for the Arts has evaluated subsequent events for the period from June 30, 2025 through December 3, 2025, the date the financial statements were available to be issued.

In September 2025, the Charter made an escrow deposit of \$100,000 for the purchase of property located at 519 17th Street in Oakland, California. The Charter previously entered into a lease agreement and agreement of sale on the property in April 2025 contingent on a certificate of occupancy issued from the City of Oakland.

Management did not identify any other transactions or events that require disclosure or that would have an impact on the financial statements.

---

## **SUPPLEMENTARY INFORMATION**

---

**OAKLAND SCHOOL FOR THE ARTS**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

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.

	Second Period Report	Annual Report
	Classroom-Based	
<b>Grade Span</b>		
Regular		
Fourth through sixth	119.43	119.43
Seventh through eighth	231.34	231.63
Ninth through twelfth	436.31	434.50
<b>Total Average Daily Attendance - Classroom-Based</b>	<b>787.08</b>	<b>785.56</b>

**The Charter had no Nonclassroom-Based ADA in 2024-25.**

**OAKLAND SCHOOL FOR THE ARTS  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2025**

---

This schedule presents information on the amount of instructional time offered per grade level by the charter school and whether the charter school complied with the provisions of *Education Code Section 47612.5*.

Grade Level	Minutes Requirement	2024-25 Instructional Minutes	2024-25 Number of Days	Status
Grade 6	54,000	61,135	175	Complied
Grade 7	54,000	61,135	175	Complied
Grade 8	54,000	61,135	175	Complied
Grade 9	64,800	69,415	175	Complied
Grade 10	64,800	69,415	175	Complied
Grade 11	64,800	69,415	175	Complied
Grade 12	64,800	69,415	175	Complied

**OAKLAND SCHOOL FOR THE ARTS  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
JUNE 30, 2025**

---

This schedule provides the information necessary to reconcile fund balance/net position reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets on the audited financial statements.

There were no adjustments to reconcile net position on the Unaudited Actuals to net assets per the audited financial statements for the year end ended June 30, 2025.

---

## **OTHER INFORMATION**

---



**OAKLAND SCHOOL FOR THE ARTS**  
**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE**  
**JUNE 30, 2025**

---

This schedule provides information about the local education agency (LEA or charter school), including the Charter's authorizing agency, grades served, members of the governing body, and members of the administration.

Oakland School for the Arts, located in Alameda County, was formed as a nonprofit public benefit corporation on April 21, 2000. The charter school operated by the nonprofit, Oakland School for the Arts, is numbered by the State Board of Education as Charter No. 0340. The Charter is authorized to operate as a charter school through Oakland Unified School District. During 2024-25, the Charter served approximately 828 students in grades 6 to 12.

---

**BOARD OF DIRECTORS**

---

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
Safia Fasah	Chair	October 31, 2027
Isaac Abid	Member	June 30, 2028
Philip Green	Member	June 30, 2028
Phillip Milestone	Member	September 30, 2027
Sorell Raino-Tsui	Member	June 30, 2028
David Simmons	Member	June 30, 2028
Aubra Levine	Member	June 30, 2028

---

**ADMINISTRATION**

---

Mike Oz  
*Executive Director*

Beth Brenner-Josef  
*Finance Director*

---

## **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  
GOVERNMENT AUDITING STANDARDS**Independent Auditors' Report

To the Board of Directors of  
Oakland School for the Arts  
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 Oakland School for the Arts (the "Charter") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter's financial statements and have issued our report thereon dated December 3, 2025.

**Report on 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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

*Christy White, Inc.*

San Diego, California  
December 3, 2025

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL  
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

To the Board of Directors of  
Oakland School for the Arts  
Oakland, California

**Report on State Compliance****Opinion on State Compliance**

We have audited Oakland School for the Arts' compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Oakland School for the Arts' state program requirements for the fiscal year ended June 30, 2025.

In our opinion, Oakland School for the Arts complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2025, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

**Basis for Opinion on State Compliance**

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Oakland School for the Arts and to meet certain ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance. Our audit does not provide a legal determination of Oakland School for the Arts' compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Oakland School for the Arts' state programs.

**Auditor's Responsibilities for the Audit for State Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oakland School for the Arts' compliance based on our audit.

## Auditor's Responsibilities for the Audit for State Compliance (continued)

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Oakland School for the Arts' compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Oakland School for the Arts' compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oakland School for the Arts' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Oakland School for the Arts' internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine Oakland School for the Arts' compliance with the state laws and regulations to the following items:

Description	Procedures Performed
<b>School Districts, County Offices of Education and Charter Schools</b>	
Proposition 28 Arts and Music in Schools	Yes
After/Before 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
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Not applicable
Kindergarten Continuance	Not applicable
<b>Charter Schools</b>	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

“Not applicable” is used in the table above to indicate that the charter school either did not receive program funding or did not otherwise operate the program during the fiscal year.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies or material weaknesses in internal control over compliance that we identified during the audit.

## Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the K-12 Audit Guide and which is described in the accompanying schedule of findings and questioned costs as Finding 2025-001. Our opinion on state compliance is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Oakland School for the Arts' response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs as the corrective action plan. Oakland School for the Arts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc." in a cursive script.

San Diego, California  
December 3, 2025

---

## **FINDINGS AND QUESTIONED COSTS SECTION**

---



**OAKLAND SCHOOL FOR THE ARTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

---

**PART I – SUMMARY OF AUDITORS' RESULTS**

**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?	No

**Federal Awards**

*The Charter did not expend more than \$750,000 in federal awards; therefore, a Federal Single Audit under OMB Uniform Grant 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
Any audit findings disclosed that are required to be reported in accordance with <i>2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

All audit year findings, if any, are assigned an appropriate finding code as follows:

<b>FIVE DIGIT CODE</b>	<b>AB 3627 FINDING TYPE</b>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

**PART II – FINANCIAL STATEMENT FINDINGS**

There were no audit findings related to the financial statements for the year ended June 30, 2025.

**OAKLAND SCHOOL FOR THE ARTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

**PART III – STATE AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING 2025-001: EXPANDED LEARNING OPPORTUNITIES PRORAM (40000)**

**Criteria:** Pursuant to California Education Code Section 46120(b)(1), a local education agency must offer all unduplicated students in classroom-based instructional programs access to expanded learning opportunities program (ELO-P). The expanded learning program shall be offered on all days on which school is taught for the purpose of meeting the 175-instructional day offering and for at least 30 non-school days.

**Condition:** The Charter did not offer the expanded learning opportunities program for the required 175 instructional days and for at least 30 non-school days.

**Cause:** The Charter opted to not operate an ELOP program to only serve one grade level and could not opt out for 2024-25.

**Effect:** The Charter was not in compliance with ELO-P requirements.

**Questioned Cost:** \$61,355 as calculated below:

Item Number	Calculating the Cost of ELO-P Audit Finding	Charter School Data Input and Calculated Fields
1	LEA Funding Rate	Rate 2
2	ELO-P Entitlement Calculation based on Rate 1 or Rate 2	\$61,355
	<b>Section A - Offering and Access</b>	
3	Total Classroom-Based Enrollment, Grades TK/K-6	124
4	Total Classroom-Based UPC, Grades TK/K-6	124
5	Students Eligible for ELO-P Offering and Access (Rate 1 = Item Number 3, Rate 2 = Item Number 4)	124
6	Number of Eligible Students Not Offered and Provided Access to ELO-P	124
7	Proportional Penalty Factor	1.000000
8	ELO-P Offering and Access Penalty [EC 46120(c)(2)]	\$61,355
	<b>Section B - Days</b>	
9	Instructional Days	175
10	ELO-P offered on instructional days totaling 9 hours [EC 46120(b)(1)(A)]	-
11	Required Intersession ELO-P days	30
12	Actual ELO-P intersession days totaling 9 hours	-
13	ELO-P days short	205
14	Penalty Factor	0.0049
15	Penalty Calculation	\$0
	<b>Total Penalty</b>	
16	Total penalty	\$61,355

**Repeat Finding:** This is not a repeat audit finding.

**Recommendation:** We recommend that the Charter certify with the CDE to opt out of program operation for 2025-26.

**Corrective Action Plan** To address this finding, management will prepare the 2025–26 annual declaration to CDE stating that OakArts will not operate the ELO-P and will opt out of future program funding, as permitted. This decision will be reviewed and confirmed annually. Board approval will be documented, policies updated, and CDE confirmation retained for audit purposes. OakArts will communicate this decision to students and families and will monitor reporting requirements to ensure compliance should the Charter choose to operate ELO-P in a future school year.

**OAKLAND SCHOOL FOR THE ARTS  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

---

This section presents the status of actions taken by the Charter on each of the findings and recommendations reported in the prior year audit; however, there were no audit findings reported in the year ended June 30, 2024.