

**OASIS ACADEMY CHARTER SCHOOL
FALLON, NV.**

**ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014**

OASIS ACADEMY CHARTER SCHOOL

JUNE 30, 2014

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KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Oasis Academy Charter School
Fallon, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Oasis Academy Charter School, Fallon, Nevada, (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Oasis Academy Charter School as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages M-1 through M-6 and 21 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information included in management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 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 October 15, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Fallon, Nevada
October 15, 2014

Management's Discussion and Analysis

As management of Oasis Academy Charter School (School), we offer readers of the School's annual financial report this narrative overview and analysis of the School's financial activities for the past fiscal year.

The School's Discussion and Analysis are an introduction to the School's basic financial statements and are intended to:

- Assist the reader in focusing on significant financial issues
- Provide an overview of the School's financial activities
- Identify changes in the School's financial position and its ability to address challenges in subsequent years.
- Identify any material deviations from the financial plan and approved budget

Funding available from the State of Nevada, which is Oasis Academy Charter School's primary source of revenue, increased throughout fiscal 2014 and as a result the School was able to meet all obligations and expects to continue to do so in the future.

Basic Financial Statements

Oasis Academy Charter School can demonstrate its fiscal accountability to the public with the use of financial statements. The basic financial statements are the Government-wide Financial Statements and Fund Financial Statements. Notes about the financial statements provide more information and detail about the School's accounting practices and important economic events. The public can review this information and gain a better understanding of the financial position of the School and the audited financial reports will reassure the public about whether the basic financial statements represent the School's financial situation in a fair manner.

Government-Wide Financial Statements

The Government-Wide financial statements are designed to provide the readers with a broad overview of the School's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the School's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of the Government-Wide Financial Statements distinguish functions that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Oasis Academy Charter School currently has no business-type activities so the Statement of Activities only reflects governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School's funds consist of governmental type funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Statements described above. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the Governmental Fund Statements is on major funds. The School has two individual Governmental Funds; the General Fund, reported as a major fund, and the Special Education fund reported as a non-major fund. These funds are disclosed separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.

Notes to the Financial Statements:

The notes provide required disclosure and information necessary to understand the School's activities.

Other:

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the budgetary comparison schedule for the School's General Fund (Budgetary basis). This schedule tests compliance with budgetary constraints and management directives to enhance accountability at the fund and function level.

Financial Highlights

- Government-wide total assets \$370,498 including net capital assets of \$62,354 increased \$32,299 from the prior year balance of \$338,199
- Government-wide total liabilities \$141,204 all current in nature, decreased \$32,159 from the prior year balance of \$173,363
- Government-wide total net position of \$229,294 increased \$64,458 from the prior year balance of \$164,836
- The School received general revenues of \$1,380,495 as funding from the State of Nevada Distributive School Account, an increase of \$132,367 from the prior year total of \$1,248,128
- The School received a private grant in the form of equipment, materials, and training totaling \$4,453 from USA Lacrosse as part of the “First Stick” program to help the School found a boy’s U13 lacrosse team
- The School received grants totaling \$30,202 from the State of Nevada, as a pass through from Federal sources, for use in Special Programs, an increase of \$10,682 from the prior year total of \$19,520
- The School received \$41,608 in funding from the State of Nevada Distributive School Account for use in Special Programs, an increase of \$20,899 from prior year total of \$20,709
- Total Revenues for the year of \$1,475,594 an increase of \$153,786 from the prior year total of \$1,321,808
- Total Expenses for the year of \$1,411,136 an increase of \$149,083 from prior year total of \$1,262,053
- Spending by Program:
 - Regular Programs - Instruction \$815,592 an increase of \$88,448 from the prior year total of \$727,144
 - Special Programs - Instruction \$83,295 an increase of \$19,569 from the prior year total of \$63,726
 - Co-curricular & Extra-Curricular - Instruction \$8,808 an decrease of \$5,208 from the prior year total of \$14,016
 - Support Services \$503,441 an increase of \$46,274 from the prior year total of \$457,167
- Transfers from the General Fund to the Other Governmental – Special Education Fund were \$31,407 an increase of \$1,717 from prior year total of \$29,690
- Government-wide change in net position \$64,458 a increase of \$4,703 over the prior year change of \$59,755

FINANCIAL ANALYSIS OF THE SCHOOL'S MAJOR FUNDS

Oasis Academy Charter School uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of Oasis Academy Charter School's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's current funding requirements. In particular, unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

Details regarding variances on a fund level are available in separate schedules.

The General Fund is the primary operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$147,018. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11% of total fund expenditures. The School has a sufficient reserve as of June 30, 2014 to offset any future revenue shortfalls.

Budgetary Highlights

- Revenues - Distributive School Fund (DSA) were budgeted for \$1,345,690 but actuals were \$1,422,103 a favorable variance of \$76,413. The variance is the result of a decrease in an estimated liability for a prior year over funding from the State of Nevada combined the receipt of more than estimated local tax revenues in Churchill County.
- Expenditures - Instruction were budgeted for \$845,359 but actuals were \$815,592 a favorable variance of \$29,767. The shortfall is the result of the deferment of substantial supply purchases to future fiscal year(s).
- Expenditures – Support Services – School Administration were budgeted for \$190,327 but actuals were \$185,568 a favorable variance of \$4,759. The variance is the result of the deferment of supply and services purchases to future fiscal year(s).
- Expenditures – Support Services – Site Improvement were budgeted for \$14,000 but actuals were \$10,080 a favorable variance of \$3,920. The variance is the result of cost savings on the purchase of supplies to improve the school grounds.
- Other Financing Sources (Uses) – Loan Proceeds were budgeted for \$122,425 but actuals were \$0 an unfavorable variance of \$122,425. The variance is the result of deferment of drawing upon available loan funds to future fiscal year(s).

Capital Assets and Debt Administration

Capital assets are the property, facilities, vehicles, and equipment the school owns. Oasis Academy's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$62,354 (net of accumulated depreciation). This investment in capital assets is comprised of Tenant Improvements made to the facility leased by Oasis Academy for its operations. The total increase in capital asserts for the current fiscal year was 100%.

Major capital asset events during the current fiscal year included the following:

- Tenant improvement to provide a new entrance and administrative space for the school.
- Tenant improvement to modify the drainage on and near the grounds adjacent to the school used as a playground.

Currently Oasis Academy Charter School has no general obligation debt outstanding.

Future Projects

During fiscal year 2014 the Oasis Academy Board of directors approved a plan to expand the operations of Oasis Academy to double the current capacity with the start of the 2014-2015 school year. A projected growth to 360 enrolled students from current enrollment of 180. As part of the planning preparation process the Board of Directors and Administrative staff of the School accomplished the following in order to service the increased student population:

- Obtained additional leased space at the Schools current location.
- Applied for and received approval for loan funds from the School's sponsor The State Public Charter School Authority (SPCSA) pursuant to NRS 386.445. Use of the loan funds is planned to purchase instruction and administrative supplies.
- Conducted the hiring process to increase the staff of the School to required levels.
- Conducted an enrollment lottery for potential students that resulted in a preliminary enrollment of 354 students for the school 2014-15 school year.
- Obtained authorization for early funding via the Distributive School Fund from the SPCSA based on the preliminary enrollment lottery.

The School continues to conduct the necessary activities to accomplish the expansion and all indications are for a successful start to the 2014-2015 school year at the increased capacity.

Request for Information

This report has been designed to provide an overview of the Oasis Academy Charter School's financial position. Questions concerning any of the information contained in this document should be addressed to:

Oasis Academy Charter School

Comptroller

920 W. Williams Ave., Suite 100

Fallon, NV. 89406

(775) 423-5437

OASIS ACADEMY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets:	
Cash and Investments	\$ 252,437
Due from Other Governments	47,317
Receivables	1,317
Prepaid Expenses	2,073
	<hr/>
Total Current Assets	303,144
	<hr/>
Noncurrent Assets:	
Restricted Cash	5,000
Capital Assets	64,169
Less: Accumulated Depreciation	(1,815)
	<hr/>
Total Noncurrent Assets	67,354
	<hr/>
Total Assets	370,498
	<hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	10,757
Accrued Liabilities	130,447
	<hr/>
Total Liabilities	141,204
	<hr/>
NET POSITION	
Net Investment in Capital Assets	62,354
Restricted	5,000
Unrestricted	161,940
	<hr/>
Total Net Position	\$ 229,294
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**OASIS ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR OF JUNE 30, 2014**

		PROGRAM REVENUES			GOVERNMENTAL ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPTIAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Governmental Activities:					
Instruction:					
Regular Programs	\$ 815,592	\$ -	\$ 11,204	\$ -	\$ (804,388)
Special Programs	83,295	-	71,810	-	(11,485)
Co-Curricular & Extra-Curricular	8,808	5,135	4,453	-	780
Total Instruction	907,695	5,135	87,467	-	(815,093)
Support Services:					
Students	709	-	-	-	(709)
Instruction	27,711	-	-	-	(27,711)
General Administration	2,281	-	-	-	(2,281)
School Administration	185,568	-	-	-	(185,568)
Central Services	101,328	-	-	-	(101,328)
Operation and Maintenance	184,029	-	-	-	(184,029)
Building Improvement	1,815	-	-	-	(1,815)
Total Support	503,441	-	-	-	(503,441)
Total Governmental Activities	<u>\$ 1,411,136</u>	<u>\$ 5,135</u>	<u>\$ 87,467</u>	<u>\$ -</u>	<u>(1,318,534)</u>
General Revenues:					
State Aid Not Restricted to Specific Purposes					1,380,495
Other Local Sources					2,018
Investment Earnings					479
Total General Revenues					<u>1,382,992</u>
Change in Net Position					64,458
NET POSITION, July 1					<u>164,836</u>
NET POSITION, June 30					<u><u>\$ 229,294</u></u>

**OASIS ACADEMY CHARTER SCHOOL
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014**

	GENERAL FUND	OTHER GOVERNMENTAL - SPECIAL EDUCATION FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	\$ 252,437	\$ -	\$ 252,437
Due from Other Governments	28,432	18,885	47,317
Receivables	1,317	-	1,317
Prepaid Expenses	2,073	-	2,073
Restricted Cash	-	5,000	5,000
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 284,259	\$ 23,885	\$ 308,144
	<hr/>	<hr/>	<hr/>
Accounts Payable	\$ 10,757	\$ -	\$ 10,757
Accrued Liabilities	126,484	3,963	130,447
	<hr/>	<hr/>	<hr/>
Total Liabilities	137,241	3,963	141,204
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Restricted		5,000	5,000
Assigned	-	14,922	14,922
Unassigned	147,018	-	147,018
	<hr/>	<hr/>	<hr/>
Total Fund Balances	147,018	19,922	166,940
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 284,259	\$ 23,885	\$ 308,144
	<hr/>	<hr/>	<hr/>

**OASIS ACADEMY CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Total Fund Balances - Governmental Funds	\$ 166,940
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of the related depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

62,354
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Total Net Position - Governmental Activities	<u><u>\$ 229,294</u></u>
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**OASIS ACADEMY CHARTER SCHOOL
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014**

	GENERAL FUND	OTHER GOVERNMENTAL - SPECIAL EDUCATION FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Local Sources	\$ 12,085	\$ -	\$ 12,085
State Sources	1,380,495	41,608	1,422,103
Federal Sources	11,204	30,202	41,406
Total Revenues	<u>1,403,784</u>	<u>71,810</u>	<u>1,475,594</u>
EXPENDITURES			
Current:			
Regular	815,592	-	815,592
Special	-	83,295	83,295
Co-curricular & Extra-Curricular	8,808	-	8,808
Undistributed:			
Support Services - Students	709	-	709
Support Services - Instruction	27,711	-	27,711
Support Services - General Administration	2,281	-	2,281
Support Services - School Administration	185,568	-	185,568
Central Services	101,328	-	101,328
O & M Plant Service	184,029	-	184,029
Site Improvement	10,080	-	10,080
Building Improvement	54,089	-	54,089
Total Expenditures	<u>1,390,195</u>	<u>83,295</u>	<u>1,473,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,589</u>	<u>(11,485)</u>	<u>2,104</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	31,407	31,407
Transfers Out	(31,407)	-	(31,407)
Total Other Financing Sources (Uses)	<u>(31,407)</u>	<u>31,407</u>	<u>-</u>
Net Changes in Fund Balance	(17,818)	19,922	2,104
FUND BALANCE, July 1	<u>164,836</u>	<u>-</u>	<u>164,836</u>
FUND BALANCE, June 30	<u><u>\$ 147,018</u></u>	<u><u>\$ 19,922</u></u>	<u><u>\$ 166,940</u></u>

**OASIS ACADEMY CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Net Change in Fund Balances - Governmental Funds	\$	2,104
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation in the statement of activities:

Expenditures for capital assets		64,169
Less: Current period depreciation		(1,815)
		62,354

Change in Net Position - Governmental Activities	\$	64,458
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**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – Summary of Significant Accounting Policies

The accompanying financial statements of Oasis Academy Charter School, Fallon, Nevada, have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity:

Oasis Academy Charter School (Oasis Academy) is the basic level of government having oversight responsibility and control over all activities related to education at the public charter school in Churchill County, Nevada. The governing board consists of seven members, vacant positions are appointed by the Board of Directors. Oasis Academy receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. Oasis Academy was established pursuant to NRS 386 and is not financially accountable for any other entity and the Board of Directors has the authority to adopt and administer a budget.

Basic Financial Statement – Government-Wide Statements:

The basic financial statements include both Government-Wide and Fund Financial Statements. The reporting focus is on either Oasis Academy as a whole or major individual funds and non-major funds in the aggregate (within the Fund Financial Statements).

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of Oasis Academy. For the most part, the effect of the interfund activity has been removed from these financial statements. Interfund activities related to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In the Government-Wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. Oasis Academy's net position is reported in three parts – net investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Oasis Academy first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed.

OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Program revenues include operating grants and contributions and investment earnings to support a specific program. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenues.

Basic Financial Statements – Fund Financial Statements:

The financial transactions of Oasis Academy are reported in individual funds in the Fund Financial Statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled. Separate financial statements are provided for Governmental Funds.

The emphasis in the Fund Financial statements is on the major funds in the governmental type activity category. Other funds by category are summarized into a single column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds' measurement in the fund statements is upon determination of the financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

Oasis Academy uses the following Governmental Funds:

- General Fund – The General Fund, reported as a major fund, is the general operating fund of Oasis Academy and accounts for all revenue and expenditures of Oasis Academy not encompassed within other funds. All general revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
- Special Education Fund – The Special Education Fund, reported as an other governmental fund, accounts for transactions of Oasis Academy relating to educational services provided to children with special needs supported by state and federal sources.

Basis of Accounting/Measurement Focus:

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the timing of revenues and how expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Oasis Academy considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When revenues are due but will not be collected within sixty days after year-end, the receivable is recorded and an offsetting deferred revenue account is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures for compensated absences and claims and judgments, are recorded only when payment is due.

Cash and Investments:

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. The Board adopted a policy that all interest earned on these investments is to be recognized in the General Fund, except for amounts credited to various other funds in accordance with law, contract, School policy, or as the result of conditions related to grant awards.

Investments are carried at cost. Gains or losses from investments are credited or charged to investment income at the time of sale. Premiums or discounts on securities may be amortized over the life of the security.

Pursuant to Oasis Academy's adopted Financial Policies and in compliance with NRS 355.170 and 355.175 Oasis Academy's money may only be invested in the following types of securities:

- Time Certificates of Deposit (TCD) with not more than 10 percent of the total deposits of any single institution. A Certificate of Participation must be presented by the issuing institution to cover any outstanding TCD above the statutory level of insurance provided by FDIC/FSLIC.
- Certain bankers' acceptances, purchased from a Nevada chartered financial institution.
- Repurchase Agreements collateralized by United States Government or Agency obligations.
- United States Treasury Obligations.
- United States Government Agency Securities.
- State of Nevada Local Government Pool Investment Fund.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Capital Assets:

Oasis Academy defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation on all assets is provided on the straight line basis over estimated useful lives averaging 24 years.

Accrued Liabilities:

Accrued liabilities consist principally of teacher, administrator, and other Oasis Academy employee salaries and benefits relating to the school program year ended June 30, 2014, but not yet paid.

Expenditures:

Expenditure data is characterized by major program classifications pursuant to the provisions of the U.S. Department of Education Financial Accounting for Local and State School Systems published by the National Center for Education Statistics and adopted by the Nevada Department of Education. Below is a brief description of these program classifications:

Regular Programs are activities designed to provide elementary and secondary students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers.

Special Programs are activities designed primarily to deal with students having special needs. The special programs include services for the gifted and talented, mentally challenged, physically handicapped, emotionally disturbed, culturally different, learning disabled, bilingual, and special programs for other types of students at all levels.

Co-curricular and Extra-curricular Activities are activities that add to a student's educational experience but are not related to educational activities. These activities typically include events and activities that take place outside the traditional classroom. Some examples of such activities are student government, athletics, band, choir, clubs, and honors societies.

Support Services are charges that are not readily assignable to a specific program. Student and instructional staff support as well as the overall general, administrative, and business costs are classified as undistributed expenditures. Also included in this line item are costs of operating, maintaining, and constructing the physical facilities of the School.

Compensated Absences:

Regular full time staff of Oasis Academy earn 10 days of leave per year and are allowed to accumulate leave days for future use; these days can be accumulated to a maximum of 30 days.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
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Accumulated unused leave at separation of service for any reason is not paid. Therefore no liability has been accrued for unused accumulated leave at June 30, 2014.

Fund Balances:

In the fund financial statements, the classifications of fund balance represent amounts that are not subject to appropriation or are legally segregated for a specific purpose. The following classifications have been implemented by Oasis Academy:

- a) Non-spendable fund balance: These items are legally or contractually required to be maintained intact and are not in a spendable form, such as inventories and pre-pays.
- b) Restricted fund balance: These amounts are constrained to being used for specific purposes by external parties, constitutional provisions or enabling legislation, such as debt service.
- c) Committed fund balance: These amounts can only be used for specific purposes as set forth by the Board of Directors. The Board must take formal action, prior to the end of the reporting period, in order to establish an ending fund balance commitment for any specific purpose. Formal Board action is also required to modify or rescind an established commitment.
- d) Assigned fund balance. Assignments are neither restrictions nor commitments and represent the School's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the School's ending fund balance. The Administrator and the Comptroller have the responsibility of assigning amounts of ending fund balance.
- e) Unrestricted fund balance: The residual classification for the General Fund that is available to spend.

When expenditures are incurred, and both restricted and unrestricted resources are available, the portion of the fund balance that was restricted for those purposes shall be reduced first. If no restricted resources exist, then the unrestricted fund balance shall be reduced. Furthermore, when an expenditure is incurred for purposes which amounts of committed, assigned, or unassigned are considered to have been spent, and any of these unrestricted fund balance classifications could be used, they are considered to be spent in the above order.

Net Position:

In the government-wide statements, Net Position on the Statement of Net Position includes the following:

Net investment in capital assets – Represents the School's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

acquisition, construction, or improvement of those assets or related debt are also included in this component of net position

Restricted – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from the resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted - The component of net position that is the difference between the assets, deferred outflows, liabilities, and deferred inflows. It is the School's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

NOTE 2 – Compliance with Nevada Revised Statutes and Nevada Administrative Code

Oasis Academy conformed to all significant statutory constraints on its fiscal administration during the year.

NOTE 3 – “Nevada Plan” for Financing

The “Nevada Plan” is the current means used to finance elementary and secondary education in Nevada's public schools. The process is one in which the state provides a guaranteed amount of funding to charter schools and local school districts. The guarantee is made up of state support paid through the Distributive School Fund and sources collected locally through a 2.25 cent local support tax and 75 cent ad valorem tax. Charter Schools receive quarterly apportionments based on a count of children enrolled within the school on the last day of the first school month of the year. Each Charter School is guaranteed a specific amount per pupil, based on the counties where its enrolled students reside, which is developed through a special formula that considers the demographic and geographic characteristics of those counties.

Special education is funded on a unit basis at a legislative approved amount per unit. A unit is an organized instructional unit which includes full-time services of certificated personnel providing a program of instruction in accordance with minimum standards prescribed by the State Board of Education.

OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
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Charter Schools are protected from significant decreases in enrollment through “hold harmless” statutory provisions which guarantees payment based on the largest student enrollment count from the current and previous year.

NOTE 4 – Cash and Investments

Oasis Academy’s cash and investments at June 30, 2014 consisted of \$252,437 of unrestricted cash and \$5,000 of restricted cash on deposit with First Independent Bank.

Oasis Academy has not adopted a formal investment policy that would further limit its exposure to certain risks as set forth below:

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a risk in interest rates. As noted above, the School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statute.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. As noted above, Oasis Academy does not have a formal investment policy that specifies minimum acceptable credit ratings beyond what is specified in statute.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the School’s deposits may not be returned. The School’s bank deposits are covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

At June 30, 2014 Oasis Academy had \$5,000 of cash on deposit with First Independent Bank exposed to custodial credit risk that was uncollateralized.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 – Capital Assets:

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	<u>\$ -</u>	<u>\$ 64,169</u>	<u>\$ -</u>	<u>\$ 64,169</u>
Total Capital assets, being depreciated:	<u>-</u>	<u>64,169</u>	<u>-</u>	<u>64,169</u>
Less accumulated depreciation for:				
Buildings and improvements	<u>-</u>	<u>1,815</u>	<u>-</u>	<u>1,815</u>
Total Accumulated Depreciation	<u>-</u>	<u>1,815</u>	<u>-</u>	<u>1,815</u>
Governmental Activities Capital Assets, Net	<u><u>\$ -</u></u>	<u><u>\$ 62,354</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,354</u></u>

Depreciation expense was charges as follows:

Support services:

 Building

Improvement \$ 1,815

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 – Operating Lease and Service Agreement Commitments

Oasis Academy entered into a lease agreement with Old Fallon, LLC for a 12,000 square foot facility located at 920 W. Williams Ave., Suite 100 Fallon, NV. The term of the lease was from April 1st, 2011 to June 30th, 2017, lease payments commencing August 1st, 2011, with options to renew for one additional period of up to two years. After that additional two year period the term may be extended for two additional terms of three years each. Oasis Academy and Old Fallon, LLC have executed the following amendments to the original lease:

- First Amendment – Dated December 7th, 2011 - increased the leased space by an additional 380 square feet with an increase of the monthly lease fee by \$360.
- Second Amendment – Dated November 11th, 2012 – entitled Oasis Academy to utilize 50 parking spaces and increased the leased space by 75 square feet with an increase of the monthly lease fee by \$64.80.
- Third Amendment – Dated July 17th, 2013 – increased the leased spaced by 1,422 square feet to accommodate a new entrance / vestibule area and additional administrative space for the school. The monthly lease fee was increased by \$568.80 beginning September 1st, 2013. As part of the amendment Oasis Academy agreed to contribute to the overall costs for improvements to the additional 1,422 square feet in the amount of \$50,000. Any improvement costs in excess of the \$50,000 contribution by Oasis Academy are the sole responsibility of Old Fallon, LLC.

On February 5th, 2014 Oasis Academy entered into a new lease agreement with Old Fallon, LLC to expand the originally leased space from 12,000 square feet to 28,000 square feet. The term of the lease is from August 1st, 2014 to June, 30th, 2026 with options to renew for two additional periods of up to six years each. The initial monthly lease payment amount is \$22,400. Annually on August 1st the monthly lease payment increases by \$840 to a maximum payment of \$28,000. Under the terms of the lease effective August 1st, 2014 it supersedes all previous agreements.

Oasis Academy entered into a service agreement with Stanley Convergent Security Solutions, Inc. to provide alarm monitoring services for the School on February 20th, 2013. The term of the agreement is from May 13th, 2013 to April 30th, 2018 with unlimited renewal options. The current monthly service fee is \$28 and future amounts can be increased annually on June 1st by a maximum of 9% at the discretion of Stanley Convergent Security Solutions, Inc.

Oasis Academy entered into an Enterprise License Agreement with Google, Inc. for a non-sub licensable, non-transferable, non-exclusive, limited license right to use Chrome OS and other services on hardware provided by Google. The term of the license agreement is from September 1st, 2011 to August 31st, 2014 and auto renews if not canceled by the School within sixty days of the agreement end date. The monthly licenses agreement fee is \$2,605. As of June 30th, 2014 the School had provided notice to Google of its intent to cancel the agreement effective August 31st, 2014.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

On July 31st, 2014 Oasis Academy entered into a service agreement with Business Continuity Technologies (BCT) located in Las Vegas, Nevada to provide support to integrate and utilize Google Chromebooks in the learning, instruction and collaboration process at Oasis Academy. Per the terms of the agreement Oasis Academy paid a onetime set up fee of \$4,500 and will pay \$2,500 per month, plus travel expenses, for services rendered between August 1st, 2014 and May 31st, 2015. Either party may terminate the agreement by giving thirty (30) days advance written notice.

Future operating lease and service agreement payments for the years ending June 30th are as follows:

<u>Year</u>	<u>Old Fallon, LLC.</u>	<u>Google, Inc.</u>	<u>BCT</u>	<u>Stanley</u>	<u>Total</u>
2015	\$ 258,194	\$ 5,210	\$ 29,500	\$ 359	\$ 293,263
2016	278,040	-		391	278,431
2017	288,120	-		426	288,546
2018	298,200	-		384	298,584
2019	308,280	-			308,280
Total	\$ 1,430,834	\$ 5,210	\$ 29,500	\$ 1,560	\$ 1,467,104

Total expenditures under these agreements for the year ended June 30, 2014:

Old Fallon LLC	\$ 140,386
Google, Inc.	31,260
Stanely	339
Total	<u>\$ 171,985</u>

NOTE 7 – Transactions with Affiliates

During the year ended June 30, 2014, the School engaged in transactions with The Friends of Oasis Academy (FOA), a tax-exempt corporation dedicated to support youth in Churchill County. The School has no common board members with FOA's Board, whose board members are parents / guardians of students enrolled in Oasis Academy; however, at year end two FOA Board Members were employees of Oasis Academy.

The School had the following transactions with The Friends of Oasis Academy during the year end June 30, 2014.

- Personal property lease for use of equipment by the School for \$1 per year.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 – Pension Plan

Plan Description: Oasis Academy contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation.

Funding Policy: Plan members are funded under one of the following two methods: Under the employer pay contribution plan, Oasis Academy is required to contribute all amounts due under the plan. Under the employer/employee pay contribution plan, Oasis Academy and the employee equally contribute the amounts due under the plan. The contribution requirements of plan members and Oasis Academy are established and may be amended by Chapter 286 of Nevada Revised Statutes. Oasis Academy's contribution rates and amounts contributed, representing required amounts, for the last three years were:

<u>Fiscal Year</u>	<u>Employer Paid Rate</u>	<u>Employee / Employer Paid</u>		<u>Total Contributions</u>
		<u>Employee Rate</u>	<u>Employer Rate</u>	
2013-2014	25.75%	13.25%	13.25%	\$169,975
2012-2013	23.75%	12.25%	12.25%	\$138,186
2011-2012	23.75%	12.25%	12.25%	\$109,674

NOTE 9 – Interfund Receivable, Payables, and Transfers

There were no Interfund receivable(s) or payable(s) balances at June 30, 2014.

Interfund transfers are shown as other financing sources or uses as appropriate in all Governmental Funds. There was one transfer of \$31,407 from the General Fund to the Special Education Fund during the year ended June 30, 2014 to cover deficiencies in the Special Education Fund.

NOTE 10 – Risk Management

Oasis Academy, like all governmental entities, is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no claims in the past year.

**OASIS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11 – Subsequent Events

On March 21st, 2014 Oasis Academy received notice from the Nevada State Public Charter School Authority (SPCSA) that the school's application for loan funding pursuant to Nevada Revised Statute 386.576-386.578 in the amount of \$139,700 had been approved. On July 2nd, 2014 Oasis Academy submitted a funding application in the amount of \$96,639.71 to the SPCSA. No exceptions with the funding application were noted and Oasis Academy received funding for the full amount of the application on July 11th, 2014. Per the terms of the loan on October 1st, 2014 Oasis Academy will begin making monthly payments of both principle and interest, at an annual rate of 3.25%, by deduction from its State support paid through the Distributive School Fund from the Nevada Department of Education. Full repayment of the loan is expected by June 30th, 2015.

**OASIS ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGET - FISCAL YEAR			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL TO ACTUAL
REVENUES				
Local Sources:				
Donations	\$ 500	\$ 5,553	\$ 6,471	\$ 918
Earnings on investments	300	490	479	(11)
Other	-	5,185	5,135	(50)
Total Local Sources	800	11,228	12,085	857
State Sources:				
Grants	-	-	-	-
Distributive School Fund	1,269,536	1,345,690	1,422,103	76,413
Total State Sources	1,269,536	1,345,690	1,422,103	76,413
Federal Sources:				
Grants	13,000	41,407	41,406	(1)
Total Federal Sources	13,000	41,407	41,406	(1)
Total Revenues	1,283,336	1,398,325	1,475,594	77,269
EXPENDITURES				
Regular Programs:				
Instruction:				
Salaries	462,879	488,396	485,630	2,766
Benefits	157,613	162,347	162,256	91
Purchased Services	45,261	48,655	47,832	823
Supplies	41,450	145,961	119,874	26,087
Property	-	-	-	-
Other	-	-	-	-
Total Regular Programs	707,203	845,359	815,592	29,767
Special Programs:				
Instruction:				
Salaries	45,531	58,234	58,224	10
Benefits	16,115	17,417	17,125	292
Purchased Services	8,000	6,050	4,962	1,088
Supplies	600	3,378	2,984	394
Property	-	-	-	-
Other	-	-	-	-
Total Special Programs	70,246	85,079	83,295	1,784

**OASIS ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGET - FISCAL YEAR		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FINAL TO ACTUAL
Co-curricular & Extra-Curricular				
Instruction:				
Salaries	600	-	-	-
Benefits	51	-	-	-
Purchased Services	-	2,368	2,029	339
Supplies	-	6,890	6,579	311
Property	-	-	-	-
Other	395	420	200	220
Total Co-curricular & Extra-Curricular	1,046	9,678	8,808	870
Undistributed Expenditures:				
Support Services - Students:				
Salaries	1,000	1,000	480	520
Benefits	86	97	40	57
Purchased Services	-	-	-	-
Supplies	300	300	189	111
Property	-	-	-	-
Other	-	-	-	-
	1,386	1,397	709	688
Support Services - Instruction:				
Salaries	20,000	18,583	18,582	1
Benefits	7,118	6,537	6,310	227
Purchased Services	3,550	1,700	1,531	169
Supplies	1,000	1,500	1,288	212
Property	-	-	-	-
Other	-	-	-	-
	31,668	28,320	27,711	609
Support Services - General Administration:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Purchased Services	500	2,550	2,281	269
Supplies	-	-	-	-
Property	-	-	-	-
Other	-	-	-	-
	500	2,550	2,281	269

**OASIS ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGET - FISCAL YEAR		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FINAL TO ACTUAL
Support Services - School Administration:				
Salaries	94,000	110,400	110,400	-
Benefits	35,974	38,582	38,488	94
Purchased Services	25,060	23,915	22,467	1,448
Supplies	3,000	17,430	14,213	3,217
Property	-	-	-	-
Other	230	-	-	-
	<u>158,264</u>	<u>190,327</u>	<u>185,568</u>	<u>4,759</u>
Central Services:				
Salaries	40,000	41,595	41,512	83
Benefits	14,173	13,679	13,399	280
Purchased Services	49,300	45,211	44,899	312
Supplies	500	1,600	1,518	82
Property	-	-	-	-
Other	-	-	-	-
	<u>103,973</u>	<u>102,085</u>	<u>101,328</u>	<u>757</u>
O & M Plant Service:				
Salaries	10,000	8,998	8,998	-
Benefits	3,553	3,182	3,068	114
Purchased Services	164,000	169,350	167,949	1,401
Supplies	5,000	5,000	4,014	986
Property	-	-	-	-
Other	-	-	-	-
	<u>182,553</u>	<u>186,530</u>	<u>184,029</u>	<u>2,501</u>
Site Improvement				
Salaries	-	-	-	-
Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies	-	14,000	-	14,000
Property	-	-	10,080	(10,080)
Other	-	-	-	-
	<u>-</u>	<u>14,000</u>	<u>10,080</u>	<u>3,920</u>
Building Improvement				
Salaries	-	-	-	-
Benefits	-	-	-	-
Purchased Services	-	54,089	-	54,089
Supplies	-	-	-	-
Property	-	-	54,089	(54,089)
Other	-	-	-	-
	<u>-</u>	<u>54,089</u>	<u>54,089</u>	<u>-</u>

**OASIS ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGET - FISCAL YEAR			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FINAL TO ACTUAL
Total Undistributed Expenditures	478,344	579,298	565,795	13,503
Total Expenditures	1,256,839	1,519,414	1,473,490	45,924
Excess/(Deficiency) of Revenues Over Expenditures	26,497	(121,089)	2,104	123,193
OTHER FINANCING SOURCES (USES)				
Contingency	(37,690)	-	-	-
Transfers In	38,000	35,000	31,407	(3,593)
Transfers Out	(38,000)	(35,000)	(31,407)	3,593
Loan Proceeds	-	122,425	-	(122,425)
Debt Service	-	(400)	-	400
Total Other Financing Sources (Uses)	(37,690)	122,025	-	(122,025)
Net Changes in Fund Balance	(11,193)	936	2,104	1,168
FUND BALANCE, July 1	105,081	164,836	164,836	-
FUND BALANCE, June 30	<u>\$ 93,888</u>	<u>\$ 165,772</u>	<u>\$ 166,940</u>	<u>\$ 1,168</u>

OASIS ACADEMY CHARTER SCHOOL
RECONCILIATION OF THE GENERAL FUND (GAAP BASIS) AND SPECIAL EDUCATION FUND (GAAP BASIS) TO THE
GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND (GAAP BASIS)	SPECIAL EDUCATION FUND (GAAP BASIS)	ELIMINATIONS	GENERAL FUND AS REPORTED ON STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS)
REVENUES				
Local Sources	\$ 12,085	\$ -	\$ -	\$ 12,085
State Sources	1,380,495	41,608	-	1,422,103
Federal Sources	11,204	30,202	-	41,406
Total Revenues	1,403,784	71,810	-	1,475,594
EXPENDITURES				
Current:				
Regular	815,592	-	-	815,592
Special	-	83,295	-	83,295
Co-curricular & Extra-Curricular	8,808	-	-	8,808
Undistributed:				
Support Services - Students	709	-	-	709
Support Services - Instruction	27,711	-	-	27,711
Support Services - General Administration	2,281	-	-	2,281
Support Services - School Administration	185,568	-	-	185,568
Central Services	101,328	-	-	101,328
O & M Plant Service	184,029	-	-	184,029
Site Improvement	10,080	-	-	10,080
Building Improvement	54,089	-	-	54,089
Total Expenditures	1,390,195	83,295	-	1,473,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,589	(11,485)	-	2,104
OTHER FINANCING SOURCES (USES)				
Transfers In	-	31,407	-	31,407
Transfers Out	(31,407)	-	-	(31,407)
Total Other Financing Sources (Uses)	(31,407)	31,407	-	-
Net Changes in Fund Balance	(17,818)	19,922	-	2,104
FUND BALANCE, BEGINNING OF YEAR	164,836	-	-	164,836
FUND BALANCE, END OF PERIOD	\$ 147,018	\$ 19,922	\$ -	\$ 166,940

OASIS ACADEMY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

The accompanying Reconciliation of the General Fund (GAAP Basis) and Special Education Fund (GAAP Basis) to the General Fund (Budgetary Basis) presents balances combined for budgeting purposes.

Budget to actual comparisons are presented using the budget as adopted by the Oasis Academy Charter School Board of Directors, and approved by the State of Nevada Department of Education. However, Nevada Revised Statute 387.047 specifies that a Special Education Fund must be separately maintained to account for the revenues and costs to provide instruction of pupils with disabilities so the Special Education Fund is presented for external reporting purposes as an Other Governmental Fund.

Budgets and Budgetary Accounting:

Oasis Academy follows these procedures to establish the budgetary data reflected in these financial statements:

1. Prior to April 15, at a public meeting, the Administrator submits to the Board of Directors a tentative budget for the fiscal year commencing the following July 1. The tentative budget includes proposed expenditures and the means of financing them.
2. On or before June 8, the budget is legally adopted by a majority vote of the Board of Directors at a public meeting.
3. On or before January 1, at a public meeting, the Board of Directors adopts an amended final budget reflecting any adjustments necessary as a result of the complete count of students.
4. The Board of Directors may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of intention to act at least three days before the date set for adoption of the revised budget.
5. The legal level of budgetary control is at the program level for the General and Special Education Funds.
6. The Administrator and/or the Board of Directors may transfer appropriations within funds if amounts do not exceed the original budget. Augmentations in excess of the original budgetary amounts may be made only with prior approval of the Board of Directors, following a scheduled and noticed public meeting.
7. The Board of Directors may transfer appropriations between funds if amounts do not exceed the original budget. Augmentations in excess of the original budgetary amounts may be made only following a scheduled and noticed public hearing.
8. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
9. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds.

OASIS ACADEMY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

All budgets presented in the accompanying financial statements reflect the original budget and final budget (which has been adjusted for legally authorized revisions of the annual budget during the year). Appropriations, except unexpended grant appropriations, lapse at the end of each fiscal year.



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
Oasis Academy Charter School
Fallon, Nevada

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 the governmental activities, each major fund, and the aggregate remaining fund information of Oasis Academy Charter School, Fallon, Nevada, (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Kafoury, Armstrong & Co.

Fallon, Nevada
October 15, 2014