

LOS ANGELES LEADERSHIP ACADEMY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019

CHARTER SCHOOLS:

**LOS ANGELES LEADERSHIP ACADEMY
LOS ANGELES LEADERSHIP PRIMARY ACADEMY**

**LOS ANGELES LEADERSHIP ACADEMY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Los Angeles Leadership Academy
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of Los Angeles Leadership Academy (the Academy), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the Academy as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Academy's financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The LA Leadership Academy, LA Leadership Primary Academy, CMO, and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as listed in the table of contents) accompanying the financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 2019 on our consideration of the Academy'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 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 the Academy's 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 Academy's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
November 18, 2019

**LOS ANGELES LEADERSHIP ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS	LA Leadership Academy	LA Leadership Primary Academy	CMO	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,292,289	\$ 996,019	\$ 87,256	\$ 3,375,564
Accounts Receivable - Federal and State	878,134	838,302	-	1,716,436
Prepaid Expenses and Other Assets	58,600	94,448	2,028	155,076
Total Current Assets	3,229,023	1,928,769	89,284	\$ 5,247,076
LONG-TERM ASSETS				
Property, Plant, and Equipment, Net	3,984,953	2,517,613	-	6,502,566
Total Long-Term Assets	3,984,953	2,517,613	-	6,502,566
Total Assets	\$ 7,213,976	\$ 4,446,382	\$ 89,284	\$ 11,749,642
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 474,657	\$ 259,649	\$ 69,289	\$ 803,595
Total Current Liabilities	474,657	259,649	69,289	803,595
LONG-TERM LIABILITIES				
Notes Payable	1,049,000	-	-	1,049,000
Total Long-Term Liabilities	1,049,000	-	-	1,049,000
NET ASSETS				
Without Donor Restriction	5,556,891	4,136,879	19,995	9,713,765
With Donor Restriction	133,428	49,854	-	183,282
Total Net Assets	5,690,319	4,186,733	19,995	9,897,047
Total Liabilities and Net Assets	\$ 7,213,976	\$ 4,446,382	\$ 89,284	\$ 11,749,642

See accompanying Notes to Financial Statements.

**LOS ANGELES LEADERSHIP ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	LA Leadership Academy	LA Leadership Primary Academy	CMO	Eliminations	Total
REVENUES, WITHOUT DONOR RESTRICTION					
State Revenue:					
State Aid	\$ 3,957,522	\$ 2,717,536	\$ -	\$ -	\$ 6,675,058
Other State Revenue	1,150,271	857,481	-	-	2,007,752
Federal Revenue:					
Grants and Entitlements	636,515	1,093,214	-	-	1,729,729
Local Revenue:					
In-Lieu Property Tax Revenue	1,210,108	848,238	-	-	2,058,346
Private Grants and Contributions	20,010	5,253	2,000	-	27,263
Investment Income	-	-	59	-	59
Other Revenue	-	158	1,049,251	(1,049,251)	158
Total Revenues	<u>6,974,426</u>	<u>5,521,880</u>	<u>1,051,310</u>	<u>(1,049,251)</u>	<u>12,498,365</u>
Net Assets Released from Restriction	<u>52,653</u>	<u>63,527</u>	<u>-</u>	<u>-</u>	<u>116,180</u>
Total Revenue Without Donor Restriction and Net Assets Released from Restriction	7,027,079	5,585,407	1,051,310	(1,049,251)	12,614,545
EXPENSES					
Program Services	6,152,144	4,705,731	-	-	10,857,875
Management and General	<u>895,677</u>	<u>585,656</u>	<u>1,051,310</u>	<u>(1,049,251)</u>	<u>1,483,392</u>
Total Expenses	<u>7,047,821</u>	<u>5,291,387</u>	<u>1,051,310</u>	<u>(1,049,251)</u>	<u>12,341,267</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(20,742)	294,020	-	-	273,278
Net Assets Without Donor Restriction, Beginning of Year	<u>5,577,633</u>	<u>3,842,859</u>	<u>19,995</u>	<u>-</u>	<u>9,440,487</u>
NET ASSETS WITHOUT DONOR RESTRICTION, END OF YEAR	<u>\$ 5,556,891</u>	<u>\$ 4,136,879</u>	<u>\$ 19,995</u>	<u>\$ -</u>	<u>\$ 9,713,765</u>
NET ASSETS WITH DONOR RESTRICTION					
Other State Revenue	\$ 31,968	\$ 15,808	\$ -	\$ -	\$ 47,776
Private Grants and Contributions	66,197	67,880	-	-	134,077
Net Assets Released from Restriction	<u>(52,653)</u>	<u>(63,527)</u>	<u>-</u>	<u>-</u>	<u>(116,180)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	45,512	20,161	-	-	65,673
Net Assets With Donor Restriction, Beginning of Year	<u>87,916</u>	<u>29,693</u>	<u>-</u>	<u>-</u>	<u>117,609</u>
NET ASSETS WITH DONOR RESTRICTION, END OF YEAR	<u>\$ 133,428</u>	<u>\$ 49,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,282</u>
TOTAL CHANGE IN NET ASSETS	24,770	314,181	-	-	338,951
Total Net Assets, Beginning of Year	<u>5,665,549</u>	<u>3,872,552</u>	<u>19,995</u>	<u>-</u>	<u>9,558,096</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 5,690,319</u>	<u>\$ 4,186,733</u>	<u>\$ 19,995</u>	<u>\$ -</u>	<u>\$ 9,897,047</u>

See accompanying Notes to Financial Statements.

**LOS ANGELES LEADERSHIP ACADEMY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

	LA Leadership Academy	LA Leadership Primary Academy	CMO	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	\$ 24,770	\$ 314,181	\$ -	\$ 338,951
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	127,524	70,934	-	198,458
Decrease (Increase) in Operating Assets:				
Accounts Receivable - Federal and State	(375,981)	(497,128)	-	(873,109)
Accounts Receivable - Intercompany	-	-	-	-
Prepaid Expenses and Other Assets	(28,362)	(92,670)	(2,028)	(123,060)
Increase (Decrease) in Operating Liabilities:				
Accounts Payable and Accrued Liabilities	24,374	(52,472)	(25,431)	(53,529)
Accounts Payable - Intercompany	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(227,675)</u>	<u>(257,155)</u>	<u>(27,459)</u>	<u>(512,289)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property, Plant, and Equipment	(13,333)	(207,781)	-	(221,114)
Net Cash Used by Investing Activities	<u>(13,333)</u>	<u>(207,781)</u>	<u>-</u>	<u>(221,114)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(241,008)	(464,936)	(27,459)	(733,403)
Cash and Cash Equivalents, Beginning of Year	<u>2,533,297</u>	<u>1,460,955</u>	<u>114,715</u>	<u>4,108,967</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,292,289</u>	<u>\$ 996,019</u>	<u>\$ 87,256</u>	<u>\$ 3,375,564</u>

See accompanying Notes to Financial Statements.

**LOS ANGELES LEADERSHIP ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 5,058,277	\$ 663,656	\$ 5,721,933
Pension Expense	662,340	72,874	735,214
Other Employee Benefits	864,721	92,638	957,359
Payroll Taxes	188,564	24,550	213,114
Management Fees	-	87,121	87,121
Legal Expenses	-	13,120	13,120
Accounting Expenses	-	28,125	28,125
Instructional Materials	2,092,378	-	2,092,378
Other Fees for Services	571,133	139,212	710,345
Advertising and Promotion Expenses	597	50	647
Office Expenses	289,693	1,045	290,738
Information Technology Expenses	33,140	-	33,140
Occupancy Expenses	962,832	-	962,832
Travel Expenses	47,097	7,115	54,212
Depreciation and Amortization Expense	-	198,458	198,458
Insurance Expense	-	123,873	123,873
Other Expenses	87,103	31,555	118,658
	<u>\$ 10,857,875</u>	<u>\$ 1,483,392</u>	<u>\$ 12,341,267</u>
Total			

See accompanying Notes to Financial Statements.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Los Angeles Leadership Academy (the Academy) is a California nonprofit charter school organized for the purpose of providing sixth through twelfth grade education to students. In 2011, the Academy was expanded and now includes the Los Angeles Leadership Primary Academy charter which currently serves kindergarten through fifth grade. The Charter Management Organization (CMO) is the cost center for the Academy which holds the two charters. The Academy is economically dependent on state and federal funding.

The charters may be revoked by the Los Angeles Unified School District for material violations of the charters, failure to meet pupil outcomes identified in the charters, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Use of Estimates

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

Functional Allocation of Expenses

Costs of providing the Academy's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Cash and Cash Equivalents

The Academy defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. Board designated reserves as of June 30, 2019 were \$40,615.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2019. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset.

Contributed Assets and Services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair values in the period received.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the Academy is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the Academy. The current portion of the liability, if material, is recognized at year-end. The entire compensated absences liability is reported on the statement of financial position. Employees of the Academy are paid for days or hours worked based upon Board-approved schedules which include vacation. Sick leave is accumulated without limit for each employee at the equivalent rate of one day for each full month of service. Sick leave with pay is provided when employees are absent for health reasons.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by the Academy based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Income Taxes

The Academy is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Academy is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files and exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

All contributions are considered to be available for without donor restriction use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as with donor restrictions. Restricted contributions that are received and released in the same period are reported as without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Subsequent Events

The Academy has evaluated subsequent events through November 18, 2019, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures are comprised of the following as of June 30, 2019:

	LA Leadership Academy	LA Leadership Primary Academy	Total
Cash and Cash Equivalents	\$ 2,292,289	\$ 996,019	\$ 3,288,308
Accounts Receivable - Federal and State	878,134	838,302	1,716,436
Less: Board Designated Reserves	(29,792)	(10,823)	(40,615)
Less: Net Assets With Donor Restriction	(133,428)	(49,854)	(183,282)
Total	<u>\$ 3,007,203</u>	<u>\$ 1,773,644</u>	<u>\$ 4,780,847</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short term investments, CDs, and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Academy maintains cash balances held in banks which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The Academy has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements is presented net of accumulated depreciation. The Academy capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000. Depreciation expense for the year ended June 30, 2019 was \$198,458.

The components of property, plant, and equipment as of June 30, 2019 are as follows:

	LA Leadership Academy	LA Leadership Primary Academy	Total
Building	\$ 5,081,834	\$ 2,828,616	\$ 7,910,450
Equipment	257,789	59,355	317,144
Construction in Progress	-	212,287	212,287
Total	5,339,623	3,100,258	8,439,881
Less: Accumulated Depreciation	1,354,670	582,645	1,937,315
Property, Plan, and Equipment, Net	<u>\$ 3,984,953</u>	<u>\$ 2,517,613</u>	<u>\$ 6,502,566</u>

The School has a construction contract totaling \$223,460 of which \$212,287 have been spent as of June 30, 2019.

NOTE 5 EMPLOYEE RETIREMENT

Qualified employees are covered under multi-employer defined benefit pension plans maintained by agencies of the state of California. Certificated employees are members of the State Teachers' Retirement System (STRS).

The risks of participating in this multi-employer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law, and (c) if the Academy chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Academy has no plans to withdraw from this multi-employer plan.

State Teachers' Retirement System (STRS)

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2018 total STRS plan net assets are \$225 billion, the total actuarial present value of accumulated plan benefits is \$374 billion, contributions from all employers totaled \$4.9 billion, and the plan is 64% funded. The School did not contribute more than 5% of the total contributions to the plan.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS) (continued)

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 9.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the SIRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020-21. The required employer contribution rate for year ended June 30, 2019 was 16.28% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The Academy's contributions to STRS for the past three years are as follows:

Year Ended June 30,	Los Angeles Leadership Academy		LA Leadership Primary Academy		LA Leadership Charter Management Organization	
	Required Contribution	Percent Contributed	Required Contribution	Percent Contributed	Required Contribution	Percent Contributed
2017	\$ 325,983	100%	\$ 191,223	100%	\$ 25,707	100%
2018	\$ 350,237	100%	\$ 243,429	100%	\$ 36,626	100%
2019	\$ 397,051	100%	\$ 265,289	100%	\$ 72,874	100%

NOTE 6 OPERATING LEASES

2670 Griffin

In April 2009, the Academy entered into a Commitment Letter with NCB Capital Impact (NCB), pursuant to which NCB would finance a portion of the purchase price of a property located at 2670 Griffin, Los Angeles, California provided that it was purchased by a special purpose entity, 2670 Griffin and then leased back to the Academy.

In June 2009, 2670 Griffin purchased the aforementioned property and became the borrower under the NCB Loan Agreement. The Academy then entered into a 120-month operating lease agreement commencing June 5, 2009 with 2670 Griffin. During the year ended June 30, 2019, the School exercised an option to extend the lease for ten additional years through June 2029. Rent expense associated with the 2670 Griffin lease for the year ended June 30, 2019 was \$672,000.

As part of the lease, the Academy guaranteed 2670 Griffin's obligations under the NCB Loan Agreement and advanced \$266,793 to pay for the closing costs of escrow. As of June 30, 2019, the advance has been fully amortized over the term of the lease.

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 OPERATING LEASES (CONTINUED)

The future minimum payments due to 2670 Griffin under these operating lease agreements are as follows:

<u>Year Ending June 30,</u>	Amount
2020	\$ 672,000
2021	672,000
2022	672,000
2023	672,000
2024	672,000
Future Payments Thereafter	4,176,000
Total	<u><u>\$ 7,536,000</u></u>

Florence Crittenton Center (FCC)

In January 2008, the California School Finance Authority (CSFA) granted the Academy \$1,047,000 in order to purchase property from the Florence Crittenton Center (FCC). The purchase price was \$2,096,000, the sum of the CSFA grant and the existing mortgage held by the Community Redevelopment Agency (CRA). As part of the purchase, the Academy assumed the CRA mortgage for \$1,049,000.

In June 2009, the Academy transferred title to this property back to FCC. In exchange, the Academy received an unsecured purchase money note in the amount of \$3,000,000. The note has a term of 10 years and bears an annual interest rate of 5%, with principal and interest payable at maturity. As part of the transfer, FCC assumed the CRA mortgage for \$1,049,000.

Due to the continuing involvement in this sale-leaseback, the sale was recorded using the deposit method. Under the deposit method of accounting for the sale-leaseback, the Academy continues to report in its financial statements as the net property and note payable from the CRA mortgage loan until the CRA loan is paid and the full amount of the purchase money note has been received.

The Academy entered into a 120-month operating lease agreement commencing June 5, 2009 with FCC. In September 2012, the agreement was amended increasing the required monthly payments to \$264,000 per year. During the year ended June 30, 2019, the School exercised an option to extend the lease for ten additional years through June 2029.

Future minimum payments due to FCC under this operating lease agreement are as follows:

<u>Year Ending June 30,</u>	Amount
2020	\$ 264,000
2021	264,000
2022	264,000
2023	264,000
2024	264,000
Future Payments Thereafter	1,320,000
Total	<u><u>\$ 2,640,000</u></u>

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 CONTINGENCIES

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

NOTE 8 NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction activity for the year ended June 30, 2019 is as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2019</u>
Purpose Restrictions:				
Scholarships	\$ 40,914	\$ 875	\$ (4,000)	\$ 37,789
HS Student Council	24,280	13,857	(11,523)	26,614
MS Student Council	4,711	5,465	(2,131)	8,045
HS/MS MTSS Grant	-	25,000	(21,718)	3,282
ES MTSS Grant	-	25,000	(22,710)	2,290
Teacher Projects	5,599	-	-	5,599
Community Outreach	9,199	-	(4,670)	4,529
ES Parent Teacher Council	17,037	39,848	(26,421)	30,464
MS Music Tutoring	1,841	11,000	-	12,841
College Readiness Funds	14,028	-	(14,028)	-
MS/HS Low Performing Block Grant	-	31,968	(2,175)	29,793
ES Low Performing Block Grant	-	15,808	(4,985)	10,823
HS Innovation Grant	-	10,000	-	10,000
ES/MS Bike Club	-	3,032	(1,819)	1,213
Total Purpose Restrictions	<u>\$ 117,609</u>	<u>\$ 181,853</u>	<u>\$ (116,180)</u>	<u>\$ 183,282</u>

NOTE 9 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, and payroll taxes which are allocated on the basis of estimates of time and effort.

SUPPLEMENTARY INFORMATION

**LOS ANGELES LEADERSHIP ACADEMY
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019**

Los Angeles Leadership Academy (the Academy) was established in 2002, when it was granted its charter through the Los Angeles Unified School District (the District) and its charter school status from the California Department of Education. The charter may be revoked by the District for material violations of the charter, failure to meet or make progress toward student outcomes, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. In 2011 the Academy was expanded and now includes the Los Angeles Primary Academy charter which currently serves kindergarten through fifth grade.

The Los Angeles Leadership Academy charter school number authorized by the State: 461

The Los Angeles Leadership Primary Academy charter school number authorized by the State: 1333

The Board of Directors and the Officers as of the year ended June 30, 2019 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires (3-year term)</u>
David Nickoll	Chair	2022
Eric Barron	Member	2020
Justin Brimmer	Member	2020
Mona Field	Member	2020
Martin Frank	Member	2022
Rohan Gupta	Member	2020
Elizabeth Perez-LoPresti	Member	2020
Diane Prins Sheldahl	Member	2020
Christian Sarabia	Member	2020
Austin Lee	Member	2021
Richard Rosen	Member	2022
Allan Rudnick	Member	2022

ADMINISTRATORS

Arina Goldring-Ravin	Chief Executive Officer/Superintendent
Marina Pilayavskaya	Director of Finance

**LOS ANGELES LEADERSHIP ACADEMY
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019**

	Instructional Minutes		Traditional Calendar	Status
	Requirement	Actual	Days	
LA Leadership Academy:				
Grade 6	54,000	68,230	184	In compliance
Grade 7	54,000	68,162	184	In compliance
Grade 8	54,000	68,162	184	In compliance
Grade 9	64,800	67,990	184	In compliance
Grade 10	64,800	67,990	184	In compliance
Grade 11	64,800	67,990	184	In compliance
Grade 12	64,800	67,990	184	In compliance
LA Leadership Primary Academy:				
Kindergarten	36,000	61,070	184	In compliance
Grade 1	50,400	56,470	184	In compliance
Grade 2	50,400	56,470	184	In compliance
Grade 3	50,400	56,470	184	In compliance
Grade 4	54,000	56,450	184	In compliance
Grade 5	54,000	56,450	184	In compliance

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**LOS ANGELES LEADERSHIP ACADEMY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
LA Leadership Academy:				
Grades 4-6	78.11	78.37	77.70	78.00
Grades 7-8	182.25	182.77	181.58	182.38
Grades 9-12	213.91	214.55	212.71	213.25
ADA Totals	474.27	475.69	471.99	473.63
 LA Leadership Primary Academy:				
Grades TK/K-3	228.25	228.90	229.66	231.18
Grades 4-6	104.28	104.54	103.28	103.77
ADA Totals	332.53	333.44	332.94	334.95

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**LOS ANGELES LEADERSHIP ACADEMY
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

There were no adjustments or reclassifications for the year ended June 30, 2019.

**LOS ANGELES LEADERSHIP ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Los Angeles Leadership Academy	Los Angeles Leadership Primary Academy	Total Federal Expenditures
			10	20	
U.S. Department of Education					
Pass-Through Program From					
California Department of Education:					
Every Student Succeeds Act					
Title I, Part A, Basic Grants:					
Local Educational Agencies	84.010	14329	\$ 193,972	\$ 142,890	\$ 336,862
Title II, Part A, Improving Teacher Quality	84.367	14341	17,321	15,242	32,563
Title III, English Learners Acquisition Guide	84.365	N/A	11,002	22,966	33,968
Title IV, Part A Student Support and Academic Enrichment Grants	84.424	15391	-	586,191	586,191
Special Education - IDEA Basic Local Assistance	84.027	13379	98,753	69,219	167,972
<i>Total U.S. Department of Education</i>			<u>321,048</u>	<u>836,508</u>	<u>1,157,556</u>
U.S. Department of Agriculture					
Pass-Through Program From					
California Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	N/A	99,180	80,706	179,886
National School Lunch Program	10.555	N/A	200,105	162,832	362,937
Meal Supplements	10.555	N/A	16,182	13,168	29,350
Total Child Nutrition Cluster			<u>315,467</u>	<u>256,706</u>	<u>572,173</u>
<i>Total U.S. Department of Agriculture</i>			<u>315,467</u>	<u>256,706</u>	<u>572,173</u>
 Total Federal Expenditures			<u>\$ 636,515</u>	<u>\$ 1,093,214</u>	<u>\$ 1,729,729</u>

N/A - Pass-through entity number not readily available or not applicable.

See Independent Auditors' Report and accompanying Notes to Supplementary Information

**LOS ANGELES LEADERSHIP ACADEMY
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of California Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the Academy. 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.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

NOTE 4 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Academy under programs of the federal governmental for the year ended June 30, 2019. The information in this Schedule is presented on the accrual basis of accounting in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academy

NOTE 5 INDIRECT COST RATE

The Academy has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' 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***

Board of Directors
Los Angeles Leadership Academy
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Los Angeles Leadership Academy (the Academy), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 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 Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, California
November 18, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Board of Directors
Los Angeles Leadership Academy
Los Angeles, California

Report on Compliance for Each Major Federal Program

We have audited the compliance of Los Angeles Leadership Academy (the Academy) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The Academy's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Academy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Academy's compliance.

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's 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 federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility, that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
November 18, 2019



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Los Angeles Leadership Academy
Los Angeles, California

We have audited Los Angeles Leadership Academy's (the Academy) compliance with the types of compliance requirements described in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2019. The Academy's state compliance requirements are identified in the table below.

Management's Responsibility

Management is responsible for the compliance with the state laws and regulations as identified below.

Auditors' Responsibility

Our responsibility is to express an opinion on the Academy's compliance based on our audit of the types of compliance requirements referred to below. 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 *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the Academy's compliance.

Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
Before and After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	No ¹
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Yes

¹ Nonclassroom ADA was under the threshold that required testing.

Opinion on State Compliance

In our opinion, the Academy complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
November 18, 2019

**LOS ANGELES LEADERSHIP ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes _____ x no
 - Significant deficiency(ies) identified? _____ yes _____ x none reported

3. Noncompliance material to financial statements noted? _____ yes _____ x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes _____ x no
 - Significant deficiency(ies) identified? _____ yes _____ x none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes _____ x no

Identification of Major Federal Programs

CFDA Number(s)

84.424

Name of Federal Program or Cluster

Title IV, Part A Student Support and Academic Enrichment Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

**LOS ANGELES LEADERSHIP ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
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

There were no findings and questioned costs related to the basic financial statements, federal awards or state awards for June 30, 2019.

**LOS ANGELES LEADERSHIP ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

There were no findings and questioned costs related to the basic financial statements, federal awards or state awards for the prior year.