

**CENTER FOR ADVANCED
RESEARCH AND TECHNOLOGY**

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Governing Board
Center for Advanced Research and Technology
Fresno, California

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 the Center for Advanced Research and Technology (the Agency) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency'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; and, if applicable, the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Agency'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 Agency'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 the Center for Advanced Research and Technology, as of June 30, 2015, 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 required supplementary information, such as management's discussion and analysis on pages 5 through 11, and budgetary comparison information on page 28, 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 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center for Advanced Research and Technology's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the, the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration of the Center for Advanced Research and Technology'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 Center for Advanced Research and Technology's internal control over financial reporting and compliance.

Vannink, Trine, Day & Co., LLP

Fresno, California
November 24, 2015

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

This section of Center for Advanced Research and Technology's (CART's) annual financial report presents CART's discussion and analysis of its financial performance during the fiscal year that ended on June 30, 2015.

FINANCIAL HIGHLIGHTS

- Total net position is \$10,451,902.
- Overall revenues are \$2,302,510.

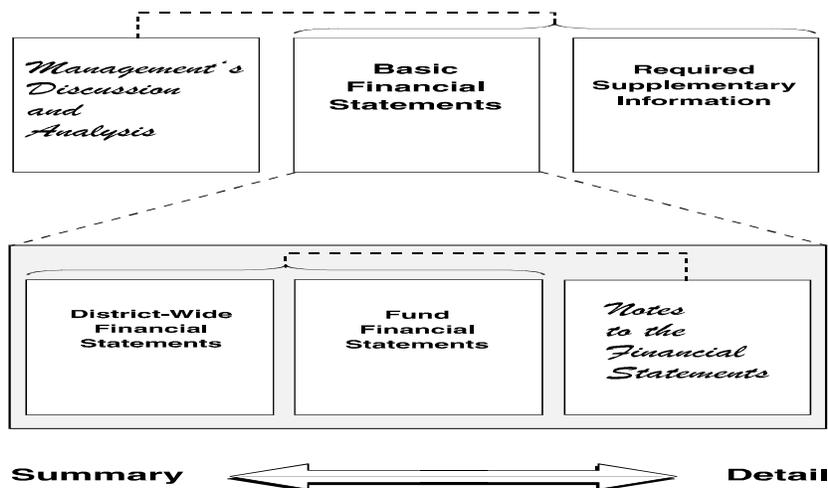
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of CART:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about CART's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of CART, reporting CART's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of CART's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Clovis Unified's Annual Financial Report



CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Figure A-2 summarizes the major features of CART's financial statements, including the portion of CART's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Governmental Funds
Scope	CART, except fiduciary activities	The activities of CART
Required financial statements	<ul style="list-style-type: none"> •Statement of net position •Statement of activities 	<ul style="list-style-type: none"> •Balance sheet •Statement of revenues, expenditures & changes in fund balances •Reconciliation to government-wide financial statements
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about CART as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of CART's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

These two government-wide statements report CART's net position and how it has changed. Net position (the difference between assets and liabilities) is one way to measure CART's financial health or financial position.

- Over time, increases or decreases in CART's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of CART, you need to consider additional nonfinancial factors such as changes in State legislation for CART and the condition of school buildings and other facilities.

In the government-wide financial statements, CART's activities are combined into one category:

- Governmental activities - CART's basic services are included here, such as regular education and administration.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about CART's most significant funds, not CART as a whole. Funds are accounting devices CART uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law.
- CART establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

CART has one kind of fund:

- Governmental funds - All of CART's basic services are included in governmental fund, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance CART's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

FINANCIAL ANALYSIS OF CART AS A WHOLE

Net Position: CART's net position was \$10.4 million on June 30, 2015, increasing by \$0.3 million (2.8 percent) (see Table A-1).

Table A-1

(Amounts in thousands)	Governmental Activities		Percentage Change
	2015	2014	
Assets			
Current and Other Assets	\$ 2,005	\$ 2,196	-8.70%
Capital Assets	8,488	8,775	-3.27%
Total Assets	10,493	10,971	-4.36%
Liabilities			
Other Liabilities	41	215	-80.93%
Total Liabilities	41	215	-80.93%
Net Position			
Net investment in capital assets	8,488	8,775	-3.27%
Unrestricted	1,964	1,981	-0.86%
Total Net Position	\$ 10,452	\$ 10,756	-2.83%

CART's financial position is the product of several factors, including:

- Carryover of locally restricted ROP funds.
- Effective management of staffing.

Changes in Net Position: CART's total revenues were \$2.3 million (see Table A-2).

The total cost of all programs and services was \$2.6 million (see Table A-2). CART's expenses are related to educating and caring for student accounted for 70.5 percent. The other expenses, related to plant services and depreciation, accounted for 29.5 percent of total costs.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Table A-2

(Amounts in thousands)	Governmental Activities		Percentage Change
	2015	2014	
Revenues			
General Revenues:			
Other	\$ 1,582	\$ 1,719	-7.97%
Program Revenues:			
Charges for Services	721	651	10.75%
Total Revenues	<u>2,303</u>	<u>2,370</u>	<u>-2.83%</u>
Expenses			
Instruction Related	1,840	1,759	4.60%
Plant Services	479	441	8.62%
Other	288	292	-1.37%
Total Expenses	<u>\$ 2,607</u>	<u>\$ 2,492</u>	<u>4.61%</u>
Change in Net Position	<u>\$ (304)</u>	<u>\$ (122)</u>	<u>149.18%</u>

GOVERNMENTAL ACTIVITIES CONTRIBUTED TO CART'S FISCAL STATUS

Revenues for CART's governmental activities were \$2.3 million, while total expenses were \$2.6 million. The decrease in net position for governmental activities was \$0.3 million in 2015.

The change in CART's finances is the result of:

- Government-wide financial statement reflecting the depreciation expense of \$0.3 million.
- Planned reduction in reserves for Technology Refresh Program.

FINANCIAL ANALYSIS OF CART'S FUND

The financial performance of CART as a whole is reflected in its governmental fund. As CART completed the year, its governmental fund reported a fund balance of \$1,964,108, slightly lower than last year's ending fund balance of \$1,981,122.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, CART revised the annual operating budget several times due to updated projections and actual costs. The following is the largest change:

- Inclusion of prior year carryover funds.
- Board approved Technology Refresh Program.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2015, CART had invested \$8,487,794 in a broad range of capital assets, including a school facility, electronic equipment, and machinery (see Table A-3). Total depreciation expense for the year exceeded \$287 thousand.

Table A-3

(Amounts in thousands)	Governmental Activities		Percentage Change
	2015	2014	
Land	\$ 2,748	\$ 2,748	0.00%
Site Improvements	114	161	-29.19%
Buildings	5,595	5,833	100.00%
Furniture and Equipment	31	33	-6.06%
Total	\$ 8,488	\$ 8,775	-3.27%

FACTORS BEARING ON CART'S FUTURE

CART is facing significant changes in ROC/P funding due to the state's implementation of the Local Control Funding Formula (LCFF). Approximately 30 percent of CART's budget was funded from ROC/P in 2014-2015. Fresno County ROP has committed to maintaining this level of funding for the fiscal year 2015-2016. A clause in the new Joint Powers Agency contract specifies that each district will increase their contribution, equally, to CART to offset any decreases in ROP Revenue.

The CalSTRS Defined Benefit Program's funding gap will be resolved within 32 years as the result of California Assembly Bill 1469. Assembly Bill 1469, signed into law by Governor Edmund G. Brown Jr., as part of the 2014-2015 budget, increases member, employer and state contributions over the next several years and sets the program on a sustainable course. This will significantly impact CART's budget, resulting in an operating deficit. CalPERS rates will also increase, although this is not as significant of an impact on CART's budget as CalSTRS. CART's Board is aware of the issue and is working diligently to resolve.

Another future issue is the sunset date of CART's special legislation which is due to terminate on July 1, 2017, unless legislation is signed into law to extend this date or make the special legislation permanent.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

CONTACTING CART'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and investors and creditors with a general overview of CART's finances and to demonstrate CART's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611-0599.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

STATEMENT OF NET POSITION JUNE 30, 2015

	Governmental Activities
ASSETS	
Deposits and investments	\$ 1,317,996
Receivables	687,276
Nondepreciable capital assets	2,748,484
Capital assets being depreciated	14,069,117
Accumulated depreciation	<u>(8,329,807)</u>
Total Assets	<u>10,493,066</u>
 LIABILITIES	
Accounts payable	<u>41,164</u>
Total Liabilities	<u>41,164</u>
 NET POSITION	
Net investment in capital assets	8,487,794
Unrestricted	1,964,108
Total Net Position	<u>\$ 10,451,902</u>

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

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services and</u> <u>Sales</u>	<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:			
Instruction	\$ 914,494	\$ 491,055	\$ (423,439)
Instruction-related activities:			
Supervision of instruction	201,892	201,892	-
Instructional library, media, and technology	58,071	-	(58,071)
School site administration	666,189	-	(666,189)
Plant services	478,878	28,383	(450,495)
Depreciation (unallocated)	287,683	-	(287,683)
Total Governmental Activities	<u>\$ 2,607,207</u>	<u>\$ 721,330</u>	<u>(1,885,877)</u>
General revenues and subventions:			
			28,402
			1,504,646
			48,132
			<u>1,581,180</u>
			(304,697)
			10,756,599
			<u>\$ 10,451,902</u>

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

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	<u>General Fund</u>
ASSETS	
Deposits and investments	\$ 1,317,996
Receivables	<u>687,276</u>
Total Assets	<u><u>\$ 2,005,272</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	<u>\$ 41,164</u>
Total Liabilities	<u>41,164</u>
Fund Balances:	
Assigned	1,307,207
Unassigned	<u>656,901</u>
Total Fund Balances	<u>1,964,108</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,005,272</u></u>

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

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total Fund Balance - Governmental Funds		\$ 1,964,108
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 16,817,601	
Accumulated depreciation is	<u>(8,329,807)</u>	
Net Capital Assets		<u>8,487,794</u>
Total Net Position - Governmental Activities		<u>\$ 10,451,902</u>

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

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund
REVENUES	
Other local sources	\$ 2,302,510
Total Revenues	<u>2,302,510</u>
EXPENDITURES	
Current	
Instruction	914,494
Instruction-related activities:	
Supervision of instruction	201,892
Instructional library, media and technology	58,071
School site administration	666,189
Plant services	478,878
Total Expenditures	<u>2,319,524</u>
NET CHANGE IN FUND BALANCES	(17,014)
Fund Balance - Beginning	<u>1,981,122</u>
Fund Balance - Ending	<u><u>\$ 1,964,108</u></u>

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

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

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, 2015

Total Net Change in Fund Balances - Governmental Funds	\$ (17,014)
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 expenses in the Statement of Activities.	
This is the amount of depreciation in the period.	
Depreciation expense	(287,683)
Change in Net Position of Governmental Activities	<u>\$ (304,697)</u>

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

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Center for Advanced Research and Technology (CART) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of CART conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

Financial Reporting Entity

The Center for Advanced Research and Technology was established in April 1997 by a Joint Exercise of Powers Agreement pursuant to the provision of Title I, Division 7, Chapter 5, Articles 1 through 4 of the *California Government Code*. Its purpose is to provide the financing and operation of a joint technical center for high school age students.

Participants for the year ended June 30, 2015, are as follows:

Clovis Unified School District
Fresno Unified School District

The relationship between CART and its members is such that none of the members is a component unit of CART for financial reporting purposes. CART is governed by a board consisting of representatives from the member public educational agencies and related associations. The Board controls the operations of CART, independent of any influence by the member public educational agencies beyond their representation on the board. Payment of the costs of operating and maintaining CART will be shared by the member districts on an equal basis.

Basis of Presentation - Fund Accounting

The accounts of CART are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. CART resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. CART has one major fund.

Major Governmental Funds

General Fund The General Fund is the chief operating fund of CART. It is used to account for all financial resources except those required to be accounted for in another fund.

The Special Reserve Fund is used to account for monies received from the sale of certain real property. Due to the implementation of GASB Statement No. 54, the Special Revenue Fund has been consolidated with the General Fund.

As a result, the General Fund reflects an increase in assets, fund balance, and revenues of \$1,307,207, \$1,307,207, and \$19,766, respectively.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting; which differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, of CART and for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. CART does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of CART.

Fund Financial Statements Fund financial statements report detailed information about CART. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column.

Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: charges for services, interest, and other local sources.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 60 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Investments

Investments held at June 30, 2015, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of CART. CART maintains a capitalization threshold of \$25,000. CART does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 10 to 35 years; equipment, 5 to 15 years.

Accounts Payable

Accounts payable are reported in the government-wide financial statements. In general, governmental fund accounts payable that are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Fund Balances - Governmental Funds

As of June 30, 2015, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. CART currently does not have any nonspendable funds.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. CART currently does not have any restricted funds.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for CART. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. CART currently does not have any committed funds.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under CART's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Net Position

Net position represents the difference between assets and liabilities. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. CART has no related debt outstanding as of June 30, 2015. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by CART or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. CART first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements do not have restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For CART, these revenues are premiums charged to the operating funds to support the health and welfare and workers' compensation coverage. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Data

The budgetary process is prescribed by provisions of the *California Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. CART governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier implementation is permitted.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 1,317,996
Total Deposits and Investments	<u>\$ 1,317,996</u>

Deposits and investments as of June 30, 2015, consist of the following:

Investments with County Treasury	\$ 1,317,996
Total Deposits and Investments	<u>\$ 1,317,996</u>

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Policies and Practices

CART is authorized under *California Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - CART is considered to be an involuntary participant in an external investment pool as CART is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of CART's investment in the pool is reported in the accounting financial statements at amounts based upon CART's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Segmented Time Distribution

Information about the sensitivity of the fair values of CART's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of CART's investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>13 - 36 Months</u>	<u>37 - 60 Months</u>	<u>More Than 60 Months</u>
County Pool	<u>\$ 1,326,054</u>	<u>\$ -</u>	<u>\$ 1,326,054</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2015, consist of local sources. All receivables are considered collectible in full.

Local Sources	<u>General Fund</u> <u>\$ 687,276</u>
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CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, are as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Balance June 30, 2015</u>
Governmental Activities			
Capital Assets not being depreciated			
Land	\$ 2,748,484	\$ -	\$ 2,748,484
Total Capital Assets Not Being			
Depreciated	<u>2,748,484</u>	<u>-</u>	<u>2,748,484</u>
Capital Assets being depreciated			
Land improvements	951,973	-	951,973
Buildings and improvements	11,504,358	-	11,504,358
Furniture and equipment	<u>1,612,786</u>	<u>-</u>	<u>1,612,786</u>
Total Capital Assets Being			
Depreciated	<u>14,069,117</u>	<u>-</u>	<u>14,069,117</u>
Less Accumulated Depreciation			
Land improvements	791,102	46,753	837,855
Buildings and improvements	5,670,889	238,555	5,909,444
Furniture and equipment	<u>1,580,133</u>	<u>2,375</u>	<u>1,582,508</u>
Total Accumulated Depreciation	<u>8,042,124</u>	<u>287,683</u>	<u>8,329,807</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,775,477</u>	<u>\$ (287,683)</u>	<u>\$ 8,487,794</u>

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Unallocated Depreciation Expenses	<u>\$ 287,683</u>

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2015, consist of the following:

Vendor payables	<u>\$ 27,622</u>
JPA personnel expense	<u>13,542</u>
Total	<u>\$ 41,164</u>

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 6 - FUND BALANCES

Fund balances are composed of the following elements:

	<u>General Fund</u>
Assigned	
Technology refresh plan	\$ 1,307,207
Total Assigned	<u>1,307,207</u>
Unassigned	656,901
Total	<u>\$ 1,964,108</u>

REQUIRED SUPPLEMENTARY INFORMATION

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Favorable (Unfavorable)
				Final to Actual
REVENUES				
Other local sources	\$ 2,126,835	\$ 2,282,743	\$ 2,302,510	\$ 19,767
Total Revenues ¹	<u>2,126,835</u>	<u>2,282,743</u>	<u>2,302,510</u>	<u>19,767</u>
EXPENDITURES				
Current				
Books and supplies	322,267	301,417	301,417	-
Services and operating expenditures	<u>1,987,725</u>	<u>2,018,107</u>	<u>2,018,107</u>	<u>-</u>
Total Expenditures ¹	<u>2,309,992</u>	<u>2,319,524</u>	<u>2,319,524</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(183,157)	(36,781)	(17,014)	19,767
Fund Balance -Beginning	<u>1,981,122</u>	<u>1,981,122</u>	<u>1,981,122</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,797,965</u>	<u>\$ 1,944,341</u>	<u>\$ 1,964,108</u>	<u>\$ 19,767</u>

¹ Due to the consolidation of Fund 17, Special Reserve Non-Capital Fund, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the actual revenues and expenditures, however, are not included in the original and final General Fund budgets.

SUPPLEMENTARY INFORMATION

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2015

ORGANIZATION

The Center for Advanced Research and Technology was established in April 1997 by a Joint Exercise of Powers Agreement between Clovis Unified School District and Fresno Unified School District.

In partnerships with education, business and community agencies, CART (formerly Charter No. 280) educates students in a cross curricular, project-based environment that is academically rigorous and facilitated through a business-based instruction model. The focus is specifically on eleventh and twelfth grade high school students.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Sam Geil	Chairperson	2015
Betsy Sandoval	Vice Chairperson	2015
Brooke Ashjian	Member	2015
Mike Betts	Member	2015
Michael Hanson	Member	Tenure as Superintendent
Michael Der Manouel, Jr.	Member	2015
Janet Young, Ed.D.	Member	Tenure as Superintendent

ADMINISTRATION

Rick Watson	Chief Operating Officer
Bethany Garoupa	Dean, Curriculum and Instruction
Michael Clear	Assistant Superintendent of Business Services, Clovis Unified School District

See accompanying note to supplementary information.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

There were no adjustments to the Unaudited Actual Financial Report which required reconciliation to the audited financial statements at June 30, 2015.

See accompanying note to supplementary information.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

	(Budget)			
	2016 ¹	2015	2014	2013
GENERAL FUND				
Revenues	\$ 2,171,130	\$ 2,282,744	\$ 2,182,317	\$ 2,147,009
Other sources and transfers in	-	119,528	-	-
Total Revenues ³	<u>2,171,130</u>	<u>2,402,272</u>	<u>2,182,317</u>	<u>2,147,009</u>
Expenditures	2,271,672	2,319,524	2,199,459	2,377,320
Total Expenditures and Other Uses ³	<u>2,271,672</u>	<u>2,319,524</u>	<u>2,199,459</u>	<u>2,377,320</u>
INCREASE/(DECREASE) IN FUND BALANCE	\$ (100,542)	\$ 82,748	\$ (17,142)	\$ (230,311)
ENDING FUND BALANCE	<u>\$ 556,359</u>	<u>\$ 656,901</u>	<u>\$ 574,153</u>	<u>\$ 591,295</u>
AVAILABLE RESERVES ²	<u>\$ 556,359</u>	<u>\$ 656,901</u>	<u>\$ 574,073</u>	<u>\$ 535,378</u>
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	<u>24.5%</u>	<u>28.3%</u>	<u>26.1%</u>	<u>22.5%</u>
LONG-TERM OBLIGATIONS	<u>Not Available</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,690</u>

The General Fund balance has increased by \$65,606 over the past two years. The fiscal year 2015-2016 budget projects a decrease of \$100,542.

CART has incurred an operating surplus in one of the past three years, but anticipates incurring an operating deficit during the 2015-2016 fiscal year. Total long-term obligations have decreased \$233,690 over the past two years.

¹ Budget 2015 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances.

³ General Fund amounts do not include activity related to the consolidation of the Special Reserve Non-Capital Fund as required by GASB Statement No. 54.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

NOTE TO SUPPLEMENTARY INFORMATION

JUNE 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about CART's organization, members of the governing board, and members of the administration.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses CART's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate CART's ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORTS



**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***

Governing Board
Center for Advanced Research and Technology
Fresno, 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 the governmental activities, the major fund, and the aggregate remaining fund information of Center for Advanced Research and Technology (the Agency) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Center for Advanced Research and Technology's basic financial statements, and have issued our report thereon dated November 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Center for Advanced Research and Technology'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 Center for Advanced Research and Technology's internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Advanced Research and Technology'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 Agency'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 Center for Advanced Research and Technology'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannink, Trine, Day & Co., LLP

Fresno, California
November 24, 2015



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Center for Advanced Research and Technology
Fresno, California

Report on State Compliance

We have audited Center for Advanced Research and Technology's compliance with the types of compliance requirements as identified in the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Center for Advanced Research and Technology's State government programs as noted below for the year ended June 30, 2015.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Center for Advanced Research and Technology's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2014-2015 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Center for Advanced Research and Technology'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 opinions. Our audit does not provide a legal determination of Center for Advanced Research and Technology's compliance with those requirements.

Unmodified Opinion

In our opinion, Center for Advanced Research and Technology complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2015.

In connection with the audit referred to above, we selected and tested transactions and records to determine the Center for Advanced Research and Technology's compliance with the State laws and regulations applicable to the following items:

	<u>Procedures Performed</u>
Attendance Accounting:	
Attendance Reporting	No [1]
Teacher Certification and Misassignments	No [1]
Kindergarten Continuance	No [1]
Independent Study	No [1]
Continuation Education	No [1]
Instructional Time	No [1]
Instructional Materials	No [1]
Ratios of Administrative Employees to Teachers	No [1]
Classroom Teacher Salaries	No [1]
Early Retirement Incentive	No [1]
Gann Limit Calculation	No [1]
School Accountability Report Card	No [1]
Juvenile Court Schools	No [1]
Middle or Early College High Schools	No [1]
K-3 Grade Span Adjustment	No [1]
Transportation Maintenance of Effort	No [1]
Regional Occupational Centers or Programs Maintenance of Effort	No [1]
Adult Education Maintenance of Effort	No [1]
California Clean Energy Jobs Act	No [1]
After School Education and Safety Program:	
General Requirements	No [1]
After School	No [1]
Before School	No [1]
Proper Expenditure of Education Protection Account Funds	No [1]
Common Core Implementation Funds	No [1]
Unduplicated Local Control Funding Formula Pupil Counts	No [1]
Local Control Accountability Plan	No [1]
Charter Schools:	
Attendance	No [1]
Mode of Instruction	No [1]
Non Classroom-Based Instruction/Independent Study	No [1]
Determination of Funding for Non Classroom-Based Instruction	No [1]
Annual Instruction Minutes Classroom-Based	No [1]
Charter School Facility Grant Program	No [1]

[1] None of the above State compliance requirements apply to CART.

Vannink, Trine, Day & Co., LLP

Fresno, California
November 24, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

The District's expenditures relating to Federal Awards were under the Single Audit threshold.

STATE AWARDS

Type of auditor's report issued on compliance for programs: Not applicable

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

There were no audit findings reported in the prior year's schedule of financial statement findings.