THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER)

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

YEAR ENDED JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7-12
ADDITIONAL INFORMATION	13-15
ADDITIONAL REPORTS	16-23

INDEPENDENT AUDITORS' REPORT

September 24, 2009

Board of Trustees
The English Center
Oakland, California

We have audited the accompanying statements of financial position as of June 30, 2009 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of The English Center management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from The English Center's June 30, 2008 financial statements and, in our report dated September 8, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The English Center as of June 30, 2009, and the changes in its net assets, functional expenses and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

1200 CONCORD AVENUE, SUITE 250, CONCORD, CA 94520 • (925) 603-0800 • (925) 603-0804 FAX
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS,
THE CENTER FOR PUBLIC COMPANY AUDIT FIRMS,
AND THE CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS.
REGISTERED WITH THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2009 on our consideration of The English Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of The English Center taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bedinger & Company
Certified Public Accountants
Concord, California

BEDINGER & COMPANY

MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS,
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AND THE CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS.
REGISTERED WITH THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD.

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2008)

	Total All Funds	
	2009	2008
ASSETS		
Cash and cash equivalents	$ 137,198	$ 157,633
Certificate of deposit (Note B)	21,340	50,932
Investments (Note B)	157,744	163,014
Accounts receivable, net (Note A)	48,069	25,054
Grants receivable	96,114	52,045
Prepaid expenses	10,022	19,402
Inventories	6,170	5,437
TOTAL CURRENT ASSETS	476,657	473,517
Property, and equipment, net of accumulated depreciation (Note C)	46,120	45,733
Deposits and other assets	14,345	14,959
TOTAL ASSETS	$ 537,122	$ 534,209
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 51,446	$ 95,533
Deferred tuition (Note A)	100,064	56,966
Deferred revenue	5,588	19,122
TOTAL LIABILITIES	157,098	171,621
Net assets:		
Unrestricted	380,024	362,588
Total net assets	380,024	362,588
TOTAL LIABILITIES AND NET ASSETS	$ 537,122	$ 534,209

See Notes to Financial Statements

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)

	Unrestricted	Temporarily Restricted	Total All Funds 2009	Total All Funds 2008
REVENUES				
Tuition	$ 38,731	$ -	$ 38,731	$ 119,236
Room and Board/Homestay	1,800		1,800	57,734
Fees	92,059		92,059	44,741
Federal Title IV Grants	.	456,410	456,410	399,088
WIA Grant		52,629	52,629	53,181
EDD NAFTA Grant		24,465	24,465	25,641
WIA One Stop Funding		150,000	150,000	150,000
Vocational Insurance	7,324		7,324	16,904
English Literacy and Civics Grant		44,321	44,321	40,237
Cal Grants		10,368	10,368	2,592
Investment income	(5,270)		(5,270)	(110)
Grants and donations	12,840	102,144	114,984	82,416
Interest income	608		608	4,856
Other	14,030		14,030	7,947
Net assets released from restrictions	840,337	(840,337)	-	-
Total Revenue	1,002,459	-	1,002,459	1,004,463
EXPENSES				
Program services	807,657		807,657	844,810
Support services	177,366		177,366	153,856
	985,023	-	985,023	998,666
Increase<decrease> in Net Assets	17,436	-	17,436	5,797
Net Assets, beginning of year	362,588	-	362,588	356,791
Net Assets, end of year	$ 380,024	$ -	$ 380,024	$ 362,588

See Notes to Financial Statement

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)

	Program	Services	Total All Funds 2009	Total All Funds 2008
Personnel Costs				
Salaries and wages	$ 504,029	$ 112,609	$ 616,638	$ 631,098
Employee benefits and payroll taxes	107,298	26,943	134,241	138,900
Total personnel costs	611,327	139,552	750,879	769,998
Operating Expenses				
Books & material	6,008		6,008	4,192
Equipment	26,082		26,082	22,016
Student Activities	778		778	2,407
Room & Board/Homestay	1,800		1,800	49,652
Classroom rent	-		-	900
Hospitality	4,508		4,508	4,674
Other student expense	19,423		19,423	7,281
Advertising	4,281		4,281	3,579
Insurance		4,654	4,654	4,454
Accreditation & licensing	8,384		8,384	6,795
Title IV	-		-	-
Recruitment	59		59	89
Office supplies	6,852	979	7,831	6,901
Professional fees	8,460		8,460	10,110
Dues & Subscriptions	3,959		3,959	1,570
Printing & reproduction	9,703	1,386	11,089	7,797
Communications	4,486	641	5,127	8,522
Occupancy expense	80,458	11,494	91,952	60,061
Miscellaneous	7,959		7,959	13,785
Postage	1,519		1,519	2,493
Repairs/Maintenance	610		610	-
Staff development	1,001		1,001	2,368
Casualty loss			-	75
Subtotal	196,330	19,154	215,484	219,721
Depreciation & amortization	-	18,660	18,660	8,947
Total operating expenses	196,330	37,814	234,144	228,668
Total Expenses	$ 807,657	$ 177,366	$ 985,023	$ 998,666

See Notes to Financial Statement

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)

	Total All Funds	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase <decrease>in Net Assets	$ 17,436	$ 5,797
Adjustment to reconcile excess (deficiency) of revenue over expenses to cash provided by operating activities:		
Depreciation and amortization	18,660	8,947
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES:		
(Increase) decrease in accounts receivable	(67,084)	37,615
(Increase) decrease in prepaid expenses and deposits	9,380	(5,160)
(Increase) decrease in inventories	(733)	(2,337)
(Increase) decrease in other assets	614	(8,921)
Increase (decrease) in accounts payable and accrued expenses	(44,087)	49,211
Increase (decrease) in deferred tuition	43,098	(25,956)
Increase (decrease) in deferred revenue	(13,534)	(4,337)
NET CASH PROVIDED <USED> BY OPERATING ACTIVITIES	(36,250)	54,859
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in investments	34,862	49,546
Equipment purchases	(19,047)	(30,631)
NET CASH PROVIDED BY <USED> INVESTING ACTIVITIES	15,815	18,915
NET INCREASE (DECREASE) IN CASH	(20,435)	73,774
CASH, beginning of period	157,633	83,859
CASH, end of period	$ 137,198	$ 157,633

See Notes to Financial Statements

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)

NOTE A - SUMMARY OF BUSINESS AND ACCOUNTING POLICIES

The English Center (the Center), formerly known as The English Center for International Women, was incorporated in California in 1977 as a non-profit public benefit corporation. During the fiscal year ended June 30, 2009 The Center changed its name from The English Center for International Women to The English Center. The Center provides instruction in English as a Second Language to individuals from various countries in two main programs: the regular Intensive Program and the Career Advancement Program. The Center also offers instruction to individual groups in Special Programs throughout the year.

The financial statements include those funds over which the Center maintains direct operational control.

Following is a description of the funds included in the financial statements:

Unrestricted Fund

This fund contains the unrestricted resources available for the support of the Center's overall operations. Within each operating budget, a portion of these funds are designated for specific uses as approved by the Board of Trustees. These funds are considered designated funds within the context of each operating budget. These funds, if unused for their designated purpose, may be redesigned by the Board of Trustees.

The total number of students who received English Center scholarships was 174. The average amount awarded in English Center scholarships to these students was **$3,323**. The Center uses these funds to award scholarships on a discretionary basis.

Temporarily Restricted Fund

Operating Funds restricted by the donor, grantor or other outside party for particular operating purposes are deemed to be earned and reported revenues of operating funds when the Center has incurred expenditures in compliance with specific restrictions.

Fund Accounting

The accounts of the Center are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by fund groups.

NOTE A - SUMMARY OF BUSINESS AND ACCOUNTING POLICIES (Continued)

Accrual Basis

The financial statements of the Center have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, rather than when they are received, and expenses are recognized when they are incurred, rather than when they are paid.

Revenue Recognition

The Center recognizes revenue when earned, that is, when the deadline for a student's application for refund of tuition for a certain instructional term is passed (approximately 60% through the term), that revenue is then recognized. Until that specific time, all receipts from students are classified as deferred (unearned) tuition, a current liability.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Tax Exempt Status

The Center has been granted tax-exempt status by the Internal Revenue Service and the California Franchise Tax Board under sections 501(c)(3) and 23701(d), respectively.

Cash and Cash Equivalents

Cash and cash equivalents include monies in banks and petty cash accounts with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable

Accounts receivable are reported at the student's outstanding balance less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable. The Center evaluates receivables on a regular basis for potential reserve. During the years ended June 30, 2009 and 2008, the allowance for doubtful accounts was $2,000 for both years.

NOTE A - SUMMARY OF BUSINESS AND ACCOUNTING POLICIES (Continued)

Inventory

Inventory is accounted for on the first-in first-out basis.

Fair Value

Substantially all of the assets, excluding fixed assets which are stated at historical cost, and all of the liabilities of the Center approximate fair value.

Property, Plant and Equipment

Property and equipment are recorded at cost. Depreciation is generally provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method.

Maintenance and repairs which do not materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in operations as incurred.

Advertising

The Center expenses all advertising as incurred. For the years ended June 30, 2009 and 2008, the Center charged advertising expenses to operations in the amounts of $3,579 and $3,041, respectively.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

NOTE B - INVESTMENTS

The Center held $157,744 and $163,014 at June 30, 2009 and 2008, respectively, in stock and bond mutual fund investments. These investments are stated at fair market value as of June 30, 2009 and 2008. The following schedules summarize the nature of the investments and the investment return and its classification on the Statement of Activities for the years ended June 30, 2009 and 2008, respectively.

Unrestricted Investments:	2009	2008
Fair Market Value	$157,744	$163,014
Carrying Value	$157,744	$163,014

	Total 2009	Total 2008
Dividend Income	$5,896	$7,758
Net Unrealized Gain (Loss)	(11,166)	(7,668)
	($5,270)	($110)

At June 30, 2009, the Center had a certificate of deposit with a four month term with an annual rate of 1%. The certificate of deposit was stated at fair value of $21,340 in accompanying financial statements at June 30, 2009.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2009 and 2008 consisted of the following:

	2009	2008
Furniture	$51,506	$49,599
Equipment	144,791	140,518
Software	42,771	42,771
Leasehold Improvements	19,482	6,615
	258,550	239,503
Less: Accumulated Depreciation and Amortization	212,430	193,770
	$46,120	$45,733

NOTE C - PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended June 30, 2009 and 2008 was $13,238 and $8,947, respectively. Amortization expense was $5,422 and $0 for the years ended June 30, 2009 and 2008, respectively.

NOTE D – PENSION PLAN

Retirement benefits are provided for Center employees through a 403(B) plan administered by an independent organization. There are no past service costs, and pension costs are paid as incurred. Pension expense for the years ended June 30, 2009 and 2008 amounted to $28,880 and $30,393, respectively.

NOTE E – WORKFORCE INVESTMENT ACT

The Center has received grants under Title I from the Department of Labor as a sub-contractor. For the year and year ended June 30, 2009 and 2008 total awards amounted to $52,629 and $53,181, respectively. These contracts are administered by the Oakland Private Industry Council.

NOTE F – COMMITMENT AND CONTINGENCY

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Center deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grants. The Center's management is of the opinion that the organization has complied with the terms of all grants.

During June 2009, the Center entered into a new lease for office space. The lease runs from July 1, 2009 through September 30, 2010. The monthly rent expense is $7,650. The monthly rent expense adjusts annually on the anniversary date by an amount not to exceed the Consumer Price Index for all urban consumers in San Francisco/Oakland/San Jose C.P.I. as published by the U.S. Department of Labor, but no less than 3% or more than 6% annually.

Future minimum lease payments for the year ended June 30 are as follows:

Year ended June 30,	
2010	$94,560
2011	24,348
	$118,908

Total office rental expense for the years ended June 30, 2009 and 2008 was $91,800 and $56,990, respectively.

NOTE G – CONCENTRATION OF CREDIT RISK

The Center has deposits of $0 and $285,904 in banks and other financial institutions in excess of federally insured limits at June 30, 2009 and 2008, respectively. Such amounts have not been reduced by items recorded in the accounts not yet clearing the bank.

NOTE H – TEMPORARILY RESTRICTED NET ASSETS

The Center has $0 in temporarily restricted net assets at June 30, 2009 and 2008, respectively.

NOTE I – CREDIT LINE

During the year, the Center opened a line of credit with the Bank of America to finance short-term working capital needs. The maximum amount available on the line is $25,000 and bears the interest at 4.875% plus prime and renews annually. In the case of default, the bank has the right to offset any amounts owed to it by appropriating funds on deposit with the bank equal to the balance owed at the time of any default. The line had no balance at June 30, 2009 and 2008.

ADDITIONAL INFORMATION

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2008)

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of *The English Center.*

2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Organization's Compliance and Internal Control over Financial Reporting.

3. No instances of noncompliance material to the financial statements of *The English Center* were disclosed during the audit.

4. No reportable condition relating to the audit of the major federal award programs is reported in the Compliance with Specific Requirements Applicable to Major Programs.

5. The auditor's report on compliance for the major federal awards programs for *The English Center* expresses an unqualified opinion.

6. Audit findings relative to the major federal award programs *The English Center* are reported in Part C. of this schedule.

7. The program tested as a major program included:

   Major Program **84.063**

8. The threshold for distinguishing Types A and B programs was $300,000.

9. *The English Center* was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT
   Prior Year - None
   Current Year – None

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT
   Prior Year – None
   Current Year – None

THE ENGLISH CENTER
(FORMERLY THE ENGLISH CENTER FOR INTERNATIONAL WOMEN)
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2009

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE		Federal CFDA Number	Period	Award Amount	Year Ended June 30, 2008 Revenue	 Expenses
Department of Education						
Office of Student Financial Assistance						
Title IV - Federal Pell Grant Program	*	84.063	7/1/08-6/30/09	$ 436,350	$ 436,350	$ 436,350
Title IV - Federal Work Study Program	*	84.063	7/1/08-6/30/09	9,274	9,274	9,274
Title IV - Federal Supplemental Educational Opportunity Grant	*	84.063	7/1/08-6/30/09	10,786	10,786	10,786
Pass-thru from State of California						
Department of Education						
English Literacy and Civics Education		84.00A	7/1/08-6/30/09	27,536	27,536	27,536
Title II - Workforce Investment Act		84.00A	7/1/08-6/30/09	16,785	16,785	16,785
Pass-thru from Oakland Private Industry Council						
Department of Labor						
Title I - Workforce Investment Act						
One-Stop Funding and Supportive Services		17.258	7/1/08-6/30/09	150,000	150,000	150,000
ITA/OJT		17.258	7/1/08-6/30/09	50,000	52,629	52,629
				$ 700,731	$ 703,360	$ 703,360

* Major program

ADDITIONAL REPORTS

THE ENGLISH CENTER

INDEPENDENT ACCOUNTANTS' AUDIT REPORT

September 24, 2009

Board of Trustees
The English Center
Oakland, California

We have examined management's assertion, included in its representation letter dated September 24, 2009, that The English Center complied with the regulatory requirements contained in 34 CFR 600.5(a)(8) and 600.5(d) and 34 CFR 668, relative to participation in the Federal Student Financial Assistance Program during the year ended June 30, 2009. As discussed in the representation letter, management is responsible for The English Center's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about The English Center's compliance based on our examination.

Our examination was made in accordance with *Governmental Auditing Standards*, issued by the Comptroller General of the United States; standards established by the American Institute of Certified Public Accountants; and the *Audit (Attestation) Guide, Audits/Attestation Engagements of Federal Student Financial Assistance Programs*, issued by the U.S. Department of Education, Office of the Inspector General, June 1995, as updated and accordingly, including examining, on a test basis, evidence about The English Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on The English Center's compliance with specified requirements.

In our opinion, management's assertion that The English Center complied with the aforementioned requirements of the 90 percent rule for the year ended June 30, 2009 is fairly stated, in all material respects.

This report is intended solely for the information of The English Center's Board of Directors, management and the Department of Education. However, this report is a matter of public record and its distribution is not limited.

Certified Public Accountants
Concord, California

THE ENGLISH CENTER

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

September 24, 2009

Board of Trustees
The English Center
Oakland, California

We have audited the financial statements of The English Center as of and for the year ended June 30, 2009 and have issued our report thereon dated September 24, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered The English Center's internal control over financial reporting as a basis for designing our auditing procedures 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 English Center 's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The English Center 's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects The English Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of The English Center 's financial statements that is more than inconsequential will not be prevented or detected by The English Center 's internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information and use of management, Board of Directors, others within the entity and their federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bedinger & Company
Certified Public Accountants

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THE ENGLISH CENTER

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 24, 2009

Board of Trustees
The English Center
Oakland, California

Compliance

We have audited the compliance of The English Center, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The English Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of The English Center 's management. Our responsibility is to express an opinion on The English Center 's compliance with those requirements based on our audit.

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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material 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 English Center s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on The English Center's compliance with those requirements.

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REGISTERED WITH THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD.

In our opinion, The English Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of The English Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The English Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 English Center's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability administer a federal program such that there is more than remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Bedinger & Company
Certified Public Accountants

THE ENGLISH CENTER

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 24, 2009

Board of Trustees
The English Center
Oakland, California

We have audited the financial statements of The English Center as of and for the year ended June 30, 2009 and have issued our report thereon dated September 24, 2009.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for the purposes of additional analysis as required by OMB Circular A-133 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, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bedinger & Company
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