

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bullis-Purissima Elementary School
dba: Bullis Charter School
Los Altos, California

Report on the Financial Statements

We have audited the accompanying financial statements of Bullis-Purissima Elementary School dba: Bullis Charter School (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Bullis-Purissima Elementary School
dba: Bullis Charter School

Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the School as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 13, 2018

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 626,165
Accounts Receivable - Federal and State	540,088
Accounts Receivable - Other	744,094
Prepaid Expenses and Other Assets	128,107
Total Current Assets	2,038,454

LONG-TERM ASSETS

Property, Plant, and Equipment, Net	103,719
Total Long-Term Assets	103,719

OTHER ASSETS

Loan Receivable - Related Party	250,000
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Total Assets	\$ 2,392,173
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 1,007,681
Total Current Liabilities	1,007,681

LONG-TERM LIABILITIES

Notes Payable - Related Party	250,000
Total Long-Term Liabilities	250,000

NET ASSETS

Unrestricted	1,134,492
Total Net Assets	1,134,492

Total Liabilities and Net Assets	\$ 2,392,173
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See accompanying Notes to Financial Statements.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
 DBA: BULLIS CHARTER SCHOOL
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2018**

REVENUES

State Revenue:	
State Aid	\$ 311,545
Other State Revenue	321,997
Local Revenue:	
In-Lieu Property Tax Revenue	6,341,599
Contributions	3,735,000
Investment Income	5,103
Other Revenue	596,978
Total Revenues	<u>11,312,222</u>

EXPENSES

Program Services	9,750,602
Management and General	<u>1,531,167</u>
Total Expenses	<u>11,281,769</u>

CHANGE IN NET ASSETS

30,453

Net Assets - Beginning of Year

1,104,039

NET ASSETS - END OF YEAR

\$ 1,134,492

See accompanying Notes to Financial Statements.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	30,453
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		69,856
Change in Operating Assets:		
Accounts Receivable - Federal and State		9,719
Accounts Receivable - Other		546,427
Prepaid Expenses and Other Assets		(3,486)
Change in Operating Liabilities:		
Accounts Payable and Accrued Liabilities		(96,693)
Net Cash Provided by Operating Activities		556,276

NET CHANGE IN CASH AND CASH EQUIVALENTS

556,276

Cash and Cash Equivalents - Beginning of Year

69,889

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 626,165

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest

\$ -

See accompanying Notes to Financial Statements.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 6,672,468	\$ 345,385	\$ 7,017,853
Pension Expense	827,785	28,346	856,131
Other Employee Benefits	786,188	26,921	813,109
Payroll Taxes	159,387	5,458	164,845
Management Fees	-	66,783	66,783
Legal Expenses	-	34,271	34,271
Accounting Expenses	-	3,950	3,950
Instructional Materials	395,777	-	395,777
Other Fees for Services	601,919	234,824	836,743
Advertising and Promotion Expenses	-	32,288	32,288
Office Expenses	-	111,919	111,919
Information Technology Expenses	-	126,465	126,465
Occupancy Expenses	164,168	223,841	388,009
Travel Expenses	-	69,626	69,626
Conference and Meeting Expenses	-	63,242	63,242
Interest Expense	-	8,562	8,562
Depreciation Expense	-	69,856	69,856
Insurance Expense	-	58,272	58,272
Other Expenses	142,910	21,158	164,068
	<u>\$ 9,750,602</u>	<u>\$ 1,531,167</u>	<u>\$ 11,281,769</u>
Total			

See accompanying Notes to Financial Statements.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Bullis-Purissima Elementary School dba: Bullis Charter School (the School) was incorporated on February 13, 2003, as a nonprofit corporation under the laws of State of California. The mission of the School is to offer a collaborative, experiential learning environment that emphasizes individual student achievement. As a model of educational innovation, the School inspires children, faculty, and staff to reach beyond themselves to achieve full potential. Using a global perspective to teach about the interconnectedness of communities and their environments, the School's program nurtures mutual respect, civic responsibility, and a lifelong love of learning.

The Bullis Charter School (the School) has a charter granted by the Santa Clara County Board of Education. The School is economically dependent on the state and federal funding.

Cash and Cash Equivalents

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

Use of Estimates

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

Basis of Accounting

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

Functional Allocation of Expenses

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

Basis of Presentation

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

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the School are defined as:

Unrestricted

All resources over which the governing board has discretionary control to use in carrying on the general operations of the School.

Temporarily Restricted

These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.

Permanently Restricted

These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments and Bullis-Purissima Elementary School Foundation (the Foundation) as of June 30, 2018. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Property Taxes

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

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The useful lives range varies from 3 to 5 years.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files informational returns in the U.S. federal jurisdiction, and the State of California.

Subsequent Events

The School has evaluated subsequent events through December 13, 2018, the date these financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

The School maintains an interest bearing cash account with a financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash in this account exceeds the maximum insured amount. The School has not experienced any losses regarding this account and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements is presented net of accumulated depreciation. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000. Depreciation expense for the year ended June 30, 2018 was \$69,856.

The components of property, plant, and equipment as of June 30, 2018 are as follows:

Furniture, Fixtures, and Equipment	\$	736,483
Leasehold Improvements		667,065
Total		1,403,548
Less: Accumulated Amortization		(1,299,829)
Total Property, Plant, and Equipment	\$	103,719

NOTE 4 EMPLOYEE RETIREMENT

Teachers' Retirement System (STRS)

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2017, total STRS plan net assets are \$210 billion, the total actuarial present value of accumulated plan benefits is \$362 billion, contributions from all employers totaled \$4.2 billion, and the plan is 62.6% funded. The School did not contribute more than 5% of the total contributions to the plan.

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

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 9.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020-21. The required employer contribution rate for year ended June 30, 2018 was 14.43% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)

Teachers' Retirement System (STRS) (Continued)

Funding Policy (Continued)

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

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2016	\$ 502,638	100 %
2017	657,255	100
2018	856,131	100

NOTE 5 OPERATING LEASES

In July 2014, the School entered into a five-year facilities use agreement, through June 2019, with Los Altos School District (LASD). Future payments for the agreement are as follows:

Facilities use payments for the year ended June 30, 2019 totals \$225,101.

NOTE 6 RELATED PARTY TRANSACTIONS

Loan Receivable

In May 2010, the Superintendent/Principal signed a note secured by Deed of Trust to the School for \$250,000. This note carries an annual interest rate of 1.2%. The interest is paid monthly and deducted from the employee's paycheck. The principal and any unpaid accrued interest will be paid by the maturity date of the note of October 31, 2020. There is no accrued interest balance at June 30, 2018.

Note Payable

In May 2010, the School signed a \$250,000 loan with the Foundation. The note carries an annual interest rate of 2.85%. The principal and any unpaid accrued interest are due at maturity on May 12, 2019. The accrued interest balance at June 30, 2018 was \$58,995.

NOTE 7 CONTINGENCIES

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

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 JOINT POWERS AGREEMENT

The School entered into a Joint Powers Agreement (JPA) known as the “California Charter Schools Association Joint Powers Authority (CCSA-JPA),” a self-insurance plan for workers’ compensation, property/casualty, and school board liability insurance. The CCSA-JPA is governed by a board consisting of a representative from each member organization. The board controls the operation of the CCSA-JPA including selection of management and approval of operating budgets, independent of any influence by the number of organizations beyond their representation on the board. Each member organization pays a premium commensurate with the level of coverage requested and share surpluses and deficits proportionate to their participation in the CCSA-JPA. The CCSA-JPA is a separate entity which is audited by an independent accounting firm.

The CCSA-JPA has budgeting and financial reporting requirements independent of member units and therefore the CCSA-JPA’s financial statements are not presented in these financial statements; however, transactions between the CCSA-JPA and the School are included in these statements. Audited financial statements are available upon request from the respective agency.

NOTE 9 BULLIS-PURISSIMA ELEMENTARY SCHOOL FOUNDATION

The Bullis-Purissima Elementary School Foundation (the Foundation) is a nonprofit public benefit corporation. The Foundation raises a significant portion of money to support the School. For the year ended June 30, 2018, the Foundation made contributions to the School totaling \$3,687,000.

SUPPLEMENTARY INFORMATION

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2018**

The Bullis-Purissima Elementary School dba: Bullis Charter School (the School) is a California nonprofit public benefit corporation. The School began serving students in August 2004 and is chartered by the Santa Clara County Board of Education.

Charter School number authorized by the State: 615

The Board of Directors and the Administrators as of the year ended June 30, 2018 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires (3 year term)</u>
John Phelps	Board Chair	June 30, 2018
Ann Waterman Roy	Board Vice Chair	June 30, 2019
Joe Hurd	Board Vice Chair	June 30, 2018
Andrea Eyring	Treasurer	June 30, 2019
Francis La Poll	Secretary	June 30, 2018
David Jaques	Member	June 30, 2018
Clara Roa	Member	June 30, 2020
Trenna Sutcliffe	Member	June 30, 2020
Rich Ying	Member	June 30, 2019

ADMINISTRATORS

Wanny Hersey	Superintendent/Principal
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**BULLIS-PURISSIMA ELEMENTARY SCHOOL
 DBA: BULLIS CHARTER SCHOOL
 SCHEDULE OF INSTRUCTIONAL TIME
 YEAR ENDED JUNE 30, 2018**

	Instructional Minutes		Traditional Calendar Days	Status
	Requirement	Actual		
Kindergarten	36,000	41,980	180	In compliance
Grade 1	50,400	61,200	180	In compliance
Grade 2	50,400	61,200	180	In compliance
Grade 3	50,400	61,200	180	In compliance
Grade 4	54,000	61,200	180	In compliance
Grade 5	54,000	61,200	180	In compliance
Grade 6	54,000	75,420	180	In compliance
Grade 7	54,000	75,420	180	In compliance
Grade 8	54,000	75,420	180	In compliance

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
 DBA: BULLIS CHARTER SHOOOL
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 YEAR ENDED JUNE 30, 2018**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grades TK/K-3	404.61	406.02	405.67	406.29
Grades 4-6	295.63	297.39	296.11	296.49
Grades 7-8	148.31	150.99	147.13	147.29
ADA Totals	848.55	854.40	848.91	850.07

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

June 30, 2018 Annual Financial Report Fund Balances (Net Assets)	\$ 1,143,053
Adjustments and Reclassifications:	
Increase (Decrease) of Fund Balance (Net Assets):	
Accounts Receivable - Federal and State	(963)
Accounts Payable and Accrued Liabilities	<u>(7,598)</u>
Net Adjustments and Reclassifications	<u>(8,561)</u>
June 30, 2018 Audited Financial Statement Fund Balances (Net Assets)	<u><u>\$ 1,134,492</u></u>

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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



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

Board of Directors
Bullis-Purissima Elementary School
dba: Bullis Charter School
Los Altos, 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 Bullis-Purissima Elementary School dba: Bullis Charter School (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the 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.

Board of Directors
Bullis-Purissima Elementary School
dba: Bullis Charter School

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 13, 2018

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Bullis-Purissima Elementary School
dba: Bullis Charter School
Los Altos, California

We have audited Bullis-Purissima Elementary School's (the School) compliance with the types of compliance requirements described in the *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2018. The School's state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the School's compliance.

Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Not applicable
Before and After School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instructional/Independent Study	No ¹
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom-Based	Yes
Charter School Facility Grant Program	Not applicable

¹ Nonclassroom ADA was under the threshold that required testing.

Opinion on State Compliance

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2018.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
 December 13, 2018

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

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

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* or the *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
DBA: BULLIS CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

There were no findings in the prior year.