



**Annual Financial Statements with
Independent Auditor's Reports
June 30, 2019**

Bullis-Purissima Elementary School
dba Bullis Charter School

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

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INDEPENDENT AUDITOR'S REPORT

Governing Board
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 doing business as Bullis Charter School (the "School") (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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; and the *2018-2019 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 School'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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. Such 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 accompanying supplementary 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 our report dated December 15, 2019, 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 of 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.

Eide Bailly LLP

Palo Alto, California
December 15, 2019

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,042,423
Accounts receivable	1,520,513
Prepaid expenses	42,591
Total Current Assets	<u>2,605,527</u>

Non-Current Assets

Property, plant and equipment, net	48,679
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Other Assets

Loan receivable - related party	250,000
Total Non-Current Assets	<u>298,679</u>
Total Assets	<u>\$ 2,904,206</u>

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,470,434
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Long-Term Obligations

Note payable - related party	250,000
Total Liabilities	<u>1,720,434</u>

Net Assets

Without Donor Restrictions

Undesignated	1,183,772
Total Liabilities and Net Assets	<u>\$ 2,904,206</u>

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

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Local Control Funding Formula			
State apportionment	\$ 306,408	\$ -	\$ 306,408
In-lieu property taxes	7,042,208	-	7,042,208
Other State revenue	329,670	79,574	409,244
Local Revenue:			
Contributions	3,929,189	-	3,929,189
Investment Income	5,786	-	5,786
Other Revenue	1,042,450	-	1,042,450
Net assets released from restrictions	79,574	(79,574)	-
Total Revenues	<u>12,735,285</u>	<u>-</u>	<u>12,735,285</u>
EXPENSES			
Program services	10,477,797	-	10,477,797
Management and general	2,208,208	-	2,208,208
Total Expenses	<u>12,686,005</u>	<u>-</u>	<u>12,686,005</u>
CHANGE IN NET ASSETS	49,280	-	49,280
Net Assets, Beginning of Year	1,134,492	-	1,134,492
Net Assets, End of Year	<u>\$ 1,183,772</u>	<u>\$ -</u>	<u>\$ 1,183,772</u>

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

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 49,280
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	55,040
Changes in operating assets and liabilities	
Increase in accounts receivable	(236,331)
Decrease in prepaid expenses and other assets	85,516
Increase in accounts payable and accrued liabilities	462,753
Net Cash Provided by Operating Activities	<u>416,258</u>
Cash and Cash Equivalents - Beginning of Year	<u>626,165</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,042,423</u></u>

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

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Total Expenses
Salaries and Wages	\$ 7,104,580	\$ 750,872	\$ 7,855,452
Other Employee Benefits	1,960,545	129,584	2,090,129
Books and Supplies	387,282	128,579	515,861
Travel and Conferences	65,622	65,621	131,243
Dues and Memberships	-	57,389	57,389
Operation and Housekeeping Services	-	353,086	353,086
Rental, Leases, and Repairs	191,336	57,365	248,701
Depreciation	-	55,040	55,040
Communications	17,226	17,226	34,452
Professional/Consulting Services and Operating Expenses	751,206	520,170	1,271,376
Direct Support/Indirect Cost Charges	-	73,276	73,276
Total Functional Expenses	<u>\$ 10,477,797</u>	<u>\$ 2,208,208</u>	<u>\$ 12,686,005</u>

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

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Bullis-Purissima Elementary School dba Bullis Charter School (the School) was incorporated in the State of California on February 13, 2003 as a nonprofit public benefit corporation that is organized under the Nonprofit Public Benefit Corporation Law exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law.

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.

Cash and Cash Equivalents

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Prepaid Expenses

Prepaid expenses represent amounts paid in advance of receiving goods or services. The School has reported prepaid items either when purchased or during the benefiting period.

Property, Plant and Equipment

Property, plant and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation expense for the year ended June 30, 2019, was \$55,040.

The School reviews the carrying values of property, plant and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2019.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions also include the investment in property and equipment, net of accumulated depreciation.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The School reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2019, the School has no net assets with donor restrictions.

Property Taxes

Secured property taxes are 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 is required by law to provide in-lieu property tax payments on a monthly basis. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Revenue and Revenue Recognition

Revenue is recognized when earned. Operating funds for the School are derived principally from state sources. The School receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Unrestricted support given by the state is recognized as revenue when received. Any such funds received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is earned. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses, excluding depreciation and grant disbursements are allocated on the basis of estimates of time and effort.

Income Taxes

The School is a California nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. It is also exempt from state franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The School has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the School to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Accounting Pronouncements Effective in the Current Year

Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2016-04, *Presentation of Financial Statements for Not-For-Profit Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions). The ASU introduces new disclosure requirements to provide information about what is included or excluded from the School's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the School's liquidity and exposure to risk.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH

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.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprises the following:

Cash and cash equivalents	\$ 1,042,423
Accounts receivable	1,520,513
Total	<u>\$ 2,562,936</u>

NOTE 4 - ACCOUNTS RECEIVABLE

Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded. Receivables at June 30, 2019, consisted of the following:

Local Control Funding Formula	
In-lieu property taxes	\$ 504,361
State receivable	
Lottery	51,191
Other State receivables	4,040
Local receivables	
Contributions	764,343
Other local receivables	196,578
Total Accounts Receivable	<u>\$ 1,520,513</u>

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at June 30, 2019, consisted of the following:

Leasehold improvements	\$ 667,065
Furniture, fixtures, and equipment	736,483
Subtotal	<u>1,403,548</u>
Less: accumulated depreciation	<u>(1,354,869)</u>
Total Property, Plant, and Equipment	<u>\$ 48,679</u>

During the year ended June 30, 2019, \$55,040 was charged to the School for depreciation expense.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables at June 30, 2019 consisted of the following:

Salaries and benefits	\$ 629,682
Vendor payables	772,984
Interest	67,768
Total Accounts Payable	\$ 1,470,434

NOTE 7 - RELATED PARTY TRANSACTIONS

Loan Receivable

In May 2010, the Superintendent/Principal signed a note secured by a 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 unpaid accrued interest will be paid by the maturity date of the note of October 31, 2020. There is no accrued interest balance as of June 30, 2019.

Note Payable

In May 2010, the school signed a \$250,000 loan with the Bullis-Purissima Elementary School Foundation. The note carries an annual interest rate of 2.85%. In May 2019, the school signed an amendment to the loan agreement with interest amended to 2.36%. The principal and any unpaid accrued interest are due at maturity on May 12, 2028. The accrued interest balance as of June 30, 2019 was \$67,768.

NOTE 8 - FACILITIES USE AGREEMENT

In July 2014, the School entered into a five-year facilities use agreement, through June 2019, with Los Altos School District (LASD). Facilities use payments for the year ended June 30, 2019 totals \$225,102.

NOTE 9 - NET ASSETS

Net assets without donor restriction at June 30, 2019 amount to \$1,183,772. There is no balance for net assets with donor restriction at June 30, 2019. Activities of net assets with donor restriction during the year are as follows:

Program	June 30, 2018	Contributions	Released from Restrictions	June 30, 2019
Prop 20 lottery	\$ -	\$ 68,889	\$ (68,889)	\$ -
Low performing students	-	7,992	(7,992)	-
Classified employee professional development	-	2,693	(2,693)	-
	\$ -	\$ 79,574	\$ (79,574)	\$ -

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS).

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

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The School contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:

<http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The School contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required state contribution rate	9.828%	9.828%

Contributions

Required member, School and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the School's total contributions were \$1,051,320.

NOTE 11 - CONTINGENCIES

Grants

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 reimbursement, if required, would not be material.

Litigation

The School is not currently a party to any legal proceedings.

NOTE 12 - SUBSEQUENT EVENTS

The School's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through December 15, 2019, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

SUPPLEMENTARY INFORMATION

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Final Report	
	Second Period Report	Annual Report
Classroom-based ADA		
Transitional kindergarten through third	406.23	405.96
Fourth through sixth	301.34	301.19
Seventh and eighth	174.73	173.49
Total Classroom-based ADA	<u>882.30</u>	<u>880.64</u>
Nonclassroom-based ADA		
Transitional kindergarten through third	1.87	1.52
Fourth through sixth	2.19	1.49
Seventh and eighth	2.73	1.98
Total Nonclassroom ADA	<u>6.79</u>	<u>4.99</u>
Total Regular ADA	<u><u>889.09</u></u>	<u><u>885.63</u></u>

See the accompanying notes to supplementary information.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019

Grade Level	1986-87 Minutes Requirement	2018-19 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	41,980	180	Complied
Grades 1 - 3				
Grade 1	50,400	61,200	180	Complied
Grade 2	50,400	61,200	180	Complied
Grade 3	50,400	61,200	180	Complied
Grades 4 - 6				
Grade 4	50,400	61,200	180	Complied
Grade 5	50,400	61,200	180	Complied
Grade 6	50,400	61,200	180	Complied
Grades 7 - 8				
Grade 7	54,000	75,420	180	Complied
Grade 8	54,000	75,420	180	Complied

See the accompanying notes to supplementary information.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Summarized below are the net assets reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

NET ASSETS

Balance, June 30, 2019, Unaudited Actuals	\$ 1,175,646
Increase in capital assets	8,126
Balance, June 30, 2019, Audited Financial Statements	<u>\$ 1,183,772</u>

See the accompanying notes to supplementary information.

**BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the School operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with provisions of *Education Code* Sections 46200 and 46206. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made through the School.

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 *Education Code* Sections 47612 and 47612.5, if applicable.

The School must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 47612.5.

Reconciliation of Annual Financial Report With Audited Financial Statements

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

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
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) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2019.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Palo Alto, California
December 15, 2019



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Bullis-Purissima Elementary School
dba Bullis Charter School
Los Altos, California

Report on State Compliance

We have audited Bullis-Purissima Elementary School dba Bullis Charter School's (the School) compliance with the types of compliance requirements as identified in the *2018-2019 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 School's State government programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the School'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 *2018-2019 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 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 opinions. Our audit does not provide a legal determination of the School's compliance with those requirements.

Unmodified Opinion

In our opinion, the School 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, 2019.

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

	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	No, see below
Instructional Materials	No, see below
Ratio of Administrative Employees to Teachers	No, see below
Classroom Teacher Salaries	No, see below
Early Retirement Incentive	No, see below
Gann Limit Calculation	No, see below
School Accountability Report Card	No, see below
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	No, see below
District of Choice	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program:	No, see below
General Requirements	No, see below
After School	No, see below
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instruction Minutes - Classroom Based	Yes
Charter School Facility Grant Program	No, see below

Programs listed above for local education agencies are not applicable to charter schools; therefore, we did not perform any related procedures.

The School did not receive funding related to the California Clean Energy Jobs Act; therefore, we did not perform any related procedures.

The School does not operate a before or after school program; therefore, we did not perform any related procedures.

The School does not operate Independent Study – Course Based instruction; therefore, we did not perform any related procedures.

ADA was below the threshold required for testing; therefore, we did not perform any procedures related to Nonclassroom-Based Instruction/Independent Study for Charter Schools or Determination of Funding for Nonclassroom-Based Instruction.

The School did not receive funding for the School Facility Grant Program; therefore, we did not perform any related procedures.

Eide Bailly LLP

Palo Alto, CA
December 15, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness identified?

No

Significant deficiency identified?

None reported

Noncompliance material to financial statements noted?

No

STATE AWARDS

Type of auditor's report issued on compliance for programs:

Unmodified

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None Reported.

BULLIS-PURISSIMA ELEMENTARY SCHOOL
dba Bullis Charter School

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.