



Financial Statements
June 30, 2020

Bullis Purissima Elementary School
dba Bullis Charter School
Charter No. 0615

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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, 2020, and the related statements of activities, functional expenses, and cash flows 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. 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, 2020, 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 8, 2020, 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.



San Mateo, California
December 8, 2020

Bullis Purissima Elementary School

Statement of Financial Position

June 30, 2020

Assets		
Current assets		
Cash and cash equivalents		\$ 648,695
Accounts receivable		3,521,638
Loan receivable - related party		250,000
Prepaid expenses		<u>72,687</u>
Total current assets		<u>4,493,020</u>
Non-current assets		
Property and equipment, net		<u>1,040,229</u>
Total assets		<u>\$ 5,533,249</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		\$ 2,513,237
Current portion of PPP loan		<u>798,691</u>
Total current liabilities		<u>3,311,928</u>
Long-term liabilities		
Notes payable		250,000
PPP loan, less current portion		<u>1,228,740</u>
Total long-term liabilities		<u>1,478,740</u>
Total liabilities		<u>4,790,668</u>
Net Assets		
Without donor restrictions		
Undesignated		734,411
With donor restrictions		<u>8,170</u>
Total net assets		<u>742,581</u>
Total liabilities and net assets		<u>\$ 5,533,249</u>

Bullis Purissima Elementary School

Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Local control funding formula			
State apportionment	\$ 325,972	\$ -	\$ 325,972
In-lieu property taxes	8,262,913	-	8,262,913
Other state revenue	169,226	75,083	244,309
Local revenues			
Contributions	4,489,153	129,515	4,618,668
Investment income	6,415	-	6,415
Other revenue	807,350	-	807,350
Net assets released from restrictions	66,913	(66,913)	-
Total support and revenues	<u>14,127,942</u>	<u>137,685</u>	<u>14,265,627</u>
Expenses			
Program services	13,369,775	129,515	13,499,290
Management and general	1,207,528	-	1,207,528
Total expenses	<u>14,577,303</u>	<u>129,515</u>	<u>14,706,818</u>
Change in Net Assets	(449,361)	8,170	(441,191)
Net Assets, Beginning of Year	<u>1,183,772</u>	-	<u>1,183,772</u>
Net Assets, End of Year	<u>\$ 734,411</u>	<u>\$ 8,170</u>	<u>\$ 742,581</u>

Bullis Purissima Elementary School
Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services	Management and General	Total Expenses
Salaries and wages	\$ 9,178,374	\$ 191,085	\$ 9,369,459
Other employee benefits	2,474,937	50,047	2,524,984
Books and supplies	488,688	218,156	706,844
Travel and conferences	36,855	36,856	73,711
Dues and memberships	-	69,772	69,772
Operations and housekeeping services	369,001	19,421	388,422
Rental, leases, and repairs	211,267	59,619	270,886
Depreciation	185,087	9,741	194,828
Communications	22,047	22,047	44,094
Professional/consulting services and operating expenses	533,034	446,536	979,570
Direct support/indirect cost charges	-	84,248	84,248
	<u>\$ 13,499,290</u>	<u>\$ 1,207,528</u>	<u>\$ 14,706,818</u>

Bullis Purissima Elementary School

Statement of Cash Flows

Year Ended June 30, 2020

Operating Activities	
Change in net assets	\$ (441,191)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation expense	194,828
Changes in operating assets and liabilities	
Accounts receivable	(2,001,125)
Prepaid expenses	(30,096)
Accounts payable	57,367
Accrued liabilities	974,799
Interest payable	10,637
Refundable advance - PPP	<u>2,027,431</u>
Net Cash from Operating Activities	792,650
Cash Flows used for Investing Activities	
Purchases of property and equipment	<u>(1,186,378)</u>
Net Change in Cash and Cash Equivalents	(393,728)
Cash and Cash Equivalents, Beginning of Year	<u>1,042,423</u>
Cash and Cash Equivalents, End of Year	<u>\$ 648,695</u>

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. The School opened in August 2004 and currently serves approximately 1,040 students in grades K-8. On June 1, 2016, the Charter School was renewed by Santa Clara County Office of Education for five years ending June 30, 2022.

The school number authorized by the State: 0615

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.

Basis of Accounting

The accompanying financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Support and revenues are recognized as discussed below, and expenses are recognized in the accounting period in which the liability is incurred.

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, 2020, the School has \$8,170 net assets with donor restrictions.

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.

Receivables

Accounts receivable consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the School deems all amounts to be fully collectible. Due from State and other local sources are expected to be collected within a period of less than one year. Substantially all outstanding accounts receivable as of June 30, 2020 are due from Local Control Funding Formula sources and Bullis-Purissima Elementary School Foundation.

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 and Equipment

Property 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, 2020, was \$194,828.

The School reviews the carrying values of property 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, 2020.

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.

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.

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 supports and revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Recent Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. Although the full impact of this update on the School's financial statements has not yet been determined, the future adoption of this guidance will require the School to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

The ASU is effective for the School for the year ended June 30, 2022. Management is evaluating the impact of the adoption of this standard.

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Topic 606 is effective for the School for the year ended June 30, 2021. Management is evaluating the impact of the adoption of this standard.

ASU 2020-05 defers the effective date of FASB ASC 606, *Revenue from Contract with Customers*, for certain entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of FASB ASC 606. Those entities may elect to adopt FASB ASC 606 for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Those entities may elect to follow the original effective date of annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

The effective date for a public business entity, a nonprofit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and an employee benefit plan that files or furnishes financial statements with or to the Securities and Exchange Commission (SEC) is not affected by the amendments in this ASU.

The effective date of FASB ASC 842, *Leases*, is deferred by one year, as follows:

For private companies and private nonprofits, to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

For public nonprofits that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of FASB ASC 842, to fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

Change in Accounting Principle

The School has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received and has early adopted the provisions of contributions made. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the School in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2019, the School has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management has determined that the adoption of this standard did not have a significant impact on the School's financial statements.

On June 3, 2020, the FASB issued Accounting Standards Update (ASU) 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*, as part of its efforts to support and assist stakeholders as they cope with the many challenges and hardships related to the COVID-19 pandemic.

Note 2 - Cash and Cash Equivalents

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	\$ 648,695
Accounts receivable	<u>3,521,638</u>
Total	<u><u>\$ 4,170,333</u></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, 2020, consisted of the following:

Federal Receivable	
Local control funding formula	
In-lieu property taxes	\$ 1,345,829
Other federal receivable	114,852
State Receivable	
Lottery	68,398
Local Receivables	
Contributions	1,613,011
Other local receivables	<u>379,548</u>
Total accounts receivable	<u><u>\$ 3,521,638</u></u>

Note 5 - Property and Equipment

Property and equipment at June 30, 2020, consisted of the following:

Leasehold Improvements	\$ 667,065
Furniture, Fixtures, and Equipment	<u>1,922,861</u>
Subtotal	2,589,926
Less Accumulated Depreciation	<u>(1,549,697)</u>
Total property and equipment	<u><u>\$ 1,040,229</u></u>

During the year ended June 30, 2020, \$194,828 was charged to the School for depreciation expense.

Note 6 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2020 consisted of the following:

Salaries and Benefits	\$ 611,767
Vendor Payables	1,823,065
Interest	<u>78,405</u>
Total accounts payable	<u><u>\$ 2,513,237</u></u>

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 is expected to be collected by the end of next fiscal year. There is no accrued interest balance as of June 30, 2020.

Note 8 - 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, 2020 was \$75,239.

Note 9 - Paycheck Protection Program (PPP) Loan (Refundable Advance)

The School was granted a \$2,027,431 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The School is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The School has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if the School maintains employment levels during its covered period and uses the funds for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended June 30, 2020. The interest rate is 1 percent per year, and will be accrued and deferred for the first 6 months. The School will be required to repay principal and interest payments of \$114,098.75 every month for 18 months beginning December 4, 2020 until the maturity date of May 4, 2022.

Note 10 - Facilities Use Agreement

In July 2014, the School entered into a five-year facilities use agreement, with Los Altos School District (LASD). After the five-year agreement, a two-year agreement was signed on May 9, 2019. The two-year agreement provided more facilities and allowed for more students. In light of the COVID-19 pandemic, the two-year agreement was amended on June 2020 and extended the terms through June 30, 2023. Facilities use payments for the year ended June 30, 2020 totals \$245,833.

Note 11 - Net Assets

Net assets without donor restrictions at June 30, 2020 amount to \$634,411. Net assets with donor restrictions at June 30, 2020 amount to \$8,170. Activities of net assets with donor restriction during the year are as follows:

<u>Program</u>	<u>June 30, 2019</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>June 30, 2020</u>
Prop 20 Lottery	\$ -	\$ 55,348	\$ (55,348)	\$ -
Low Performing Students	-	2,207	(2,207)	-
Covid Response	-	17,528	(9,358)	8,170
	<u>\$ -</u>	<u>\$ 75,083</u>	<u>\$ (66,913)</u>	<u>\$ 8,170</u>

Note 12 - 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, 2018, 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.

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	17.10%	17.10%
Required employer contribution rate	10.328%	10.328%
Required state contribution rate		

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, 2020, are presented above and the School's total contributions were \$1,311,651.

Note 13 - 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 14 - Subsequent Events

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The School is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the School's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.



Supplementary Information
June 30, 2020

Bullis Purissima Elementary School

ORGANIZATION

The Bullis-Purissima Elementary School dba Bullis Charter 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.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Francis La Poll	Board Chair	2021
David Jaques	Vice President	2020
Dorothy An	Secretary	2022
Andrea Eyring	Treasurer	2022
Ben Byon	Member	2021
Clara Roa	Member	2020
Trenna Sutcliffe	Member	2020
Thomas Yih	Member	2020

ADMINISTRATION

Brian Kohn	Interim Superintendent
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Bullis Purissima Elementary School
 Schedule of Average Daily Attendance
 Year Ended June 30, 2020

	Second Period Report	Annual Report
Classroom Based ADA		
Transitional kindergarten through third	489.85	489.85
Fourth through sixth	335.55	335.55
Seventh and eighth	172.08	172.08
Total classroom based ADA	997.48	997.48
Nonclassroom Based ADA		
Transitional kindergarten through third	3.09	3.09
Fourth through sixth	3.82	3.82
Seventh and eighth	4.10	4.10
Total nonclassroom based ADA	11.01	11.01
Total regular ADA	1,008.49	1,008.49

Bullis Purissima Elementary School

Schedule of Instructional Time

Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	41,225	180	N/A	Complied
Grades 1 - 3					
Grade 1	50,400	60,860	180	N/A	Complied
Grade 2	50,400	60,860	180	N/A	Complied
Grade 3	50,400	60,860	180	N/A	Complied
Grades 4 - 8					
Grade 4	54,000	60,860	180	N/A	Complied
Grade 5	54,000	60,860	180	N/A	Complied
Grade 6	54,000	72,316	180	N/A	Complied
Grade 7	54,000	72,316	180	N/A	Complied
Grade 8	54,000	72,316	180	N/A	Complied

Bullis Purissima Elementary School
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2020

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

Net Assets	
Balance, june 30, 2020, unaudited actuals	\$ 809,255
Increase in	
Accounts receivable	148,640
Property and equipment, net	900,000
Accounts payable	<u>(1,115,314)</u>
Balance, june 30, 2020, audited financial statements	<u><u>\$ 742,581</u></u>

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.

Due to school closures caused by COVID-19, the School filed the COVID-19 School Closure Certification certifying that schools were closed for 48 days due to the pandemic. As a result, the District received credit for these 48 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 school Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

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
June 30, 2020

Bullis Purissima Elementary School



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, 2020, 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 8, 2020.

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) as a basis for designing 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 financial statements. 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.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, professional style.

San Mateo, California
December 8, 2020



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 described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion the School's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. 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 audit requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements 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. However, 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 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.

We did not perform California Clean Energy Jobs Act procedures because the School did not receive funding for this program.

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

The School does not offer an Independent Study - Course Based program; therefore, we did not perform any related procedures.

We did not perform procedures for the Nonclassroom-Based Instruction/Independent Study because the ADA was below the level for testing.

We did not perform procedures for the Nonclassroom-Based Instruction/Independent Study for Charter Schools because the ADA was under the level that requires testing.

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

Unmodified Opinion

In our opinion, the School complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eric Sully LLP". The signature is written in black ink and is positioned above the typed name and date.

San Mateo, California
December 8, 2020

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 weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

STATE COMPLIANCE

Type of auditor's report issued on compliance for programs:	Unmodified
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None reported.

None reported.

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