

BRIDGES CHARTER SCHOOL

**Independent Auditor's Report
and Financial Statements
For the Year Ended
June 30, 2017**

BRIDGES CHARTER SCHOOL

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
BRIDGES Charter School
Thousand Oaks, California

Report on the Financial Statements

We have audited the accompanying financial statements of BRIDGES Charter School (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities 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 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 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 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.

Board of Directors
BRIDGES Charter School

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 on page one present fairly, in all material respects, the financial position of the School as of June 30, 2017, 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 12, 2017 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 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.



CliftonLarsonAllen LLP
Glendora, California
December 12, 2017

FINANCIAL SECTION

BRIDGES CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,119,515
Accounts receivable - federal and state	83,480
Accounts receivable - other	140,713
Prepaid expenditures	14,268
Total current assets	<u>1,357,976</u>

Long-term Assets:

Building	25,055
Equipment	23,536
Less accumulated depreciation	<u>(8,542)</u>
Total property, plant & equipment	<u>40,049</u>

Total assets \$ 1,398,025

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	<u>\$ 143,496</u>
Total current liabilities	<u>143,496</u>

Net Assets:

Unrestricted	1,203,800
Temporarily restricted	<u>50,729</u>
Total net assets	<u>1,254,529</u>

Total liabilities and net assets \$ 1,398,025

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

BRIDGES CHARTER SCHOOL

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Revenues:			
State revenue:			
State aid	\$ 1,069,310	\$ -	\$ 1,069,310
Other state revenue	168,057	-	168,057
Federal revenue:			
Grants and entitlements	67,092	-	67,092
Local revenue:			
In-lieu property tax revenue	1,848,166	-	1,848,166
Interest income	9,940	-	9,940
Other revenue	337,999	-	337,999
Total revenues	<u>3,500,564</u>	<u>-</u>	<u>3,500,564</u>
EXPENSES:			
Instructional services	2,152,150	-	2,152,150
Instruction - related services	736,359	-	736,359
Pupil services	48,594	-	48,594
General administration	214,524	-	214,524
Plant services	237,659	-	237,659
Total expenses	<u>3,389,286</u>	<u>-</u>	<u>3,389,286</u>
Change in net assets	111,278	-	111,278
Beginning net assets	<u>1,092,522</u>	<u>50,729</u>	<u>1,143,251</u>
Ending net assets	<u>\$ 1,203,800</u>	<u>\$ 50,729</u>	<u>\$ 1,254,529</u>

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

BRIDGES CHARTER SCHOOL

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017**

Cash Flows from Operating Activities

Change in net assets	\$	111,278
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation		7,058
Change in operating assets:		
Accounts receivable - federal and state		(20,682)
Accounts receivable - other		(46,712)
Prepaid expenditures		5,742
Change in operating liabilities:		
Accounts payable		52,259
Net cash flows from operating activities		<u>108,943</u>

Cash Flows from Investing Activities

Purchases of property, plant and equipment		<u>(6,187)</u>
Net cash flows from investing activities		<u>(6,187)</u>

Net change in cash and cash equivalents 102,756

Cash and cash equivalents at the beginning of the year 1,016,759

Cash and cash equivalents at the end of the year \$ 1,119,515

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

BRIDGES CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – BRIDGES Charter School (the “School”) is a not-for-profit public charter school approved by the Ventura County Office of Education, which started operations in September 2010. The Board of Directors is elected independent of any Ventura County Office of Education appointments. The School Board is responsible for approving their own budgets and accounting related activities.

The School is funded principally through State of California public education monies received through the California Department of Education (CDE).

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 summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

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

Revenue Recognition – Amounts received from the CDE 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.

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 consist of the following:

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

BRIDGES CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes.
- 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.

Receivables – Accounts receivable consists of funds due from federal and state governments as of June 30, 2017. Management believes that all receivables are fully collectible; therefore no provisions for uncollectible accounts were recorded.

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 assets. The School capitalizes all expenditures for land, buildings and equipment in excess of \$5,000. Depreciation expense for the year ended June 30, 2017 was \$7,058.

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 is 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.

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.

Income Taxes – The School is a non-profit 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. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Evaluation of Subsequent Events – The School has evaluated subsequent events through December 12, 2017, the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

BRIDGES CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 2: CONCENTRATION OF CREDIT RISK

The School maintains substantially all of its cash in the Ventura County Treasury (the County). The County pools these funds with those of other educational organizations in the county and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. As of June 30, 2017, the School was not exposed to any such credit risk.

NOTE 3: ACCOUNTING SERVICES

The Ventura County Schools Business Services Authority charges the School an administration fee for accounting services. The administrative fee as of June 30, 2017 was \$221,648.

NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

The School's temporarily restricted net assets at June 30, 2017 consisted of the following:

California Clean Energy Jobs Act	\$ 50,729
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NOTE 5: EMPLOYEE RETIREMENT

Multi-employer Defined Benefit Pension Plans

Qualified employees are covered under multi-employer defined benefit pension plans maintained by agencies of the State of California.

The risks of participating in this multi-employer defined benefit pension plan 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.

BRIDGES CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 5: EMPLOYEE RETIREMENT

State 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. 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, 2016, total STRS plan net assets are \$189 billion, the total actuarial present value of accumulated plan benefits is \$333 billion, contributions from all employers totaled \$3.4 billion, and the plan is 63.7% 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 December 31, 2012 are required to contribute 9.20% of their salary and those hired after are required to contribute 8.56% 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 up to 19.10% in 2020–21. The required employer contribution rate for year ended June 30, 2017 was 12.58% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

The School 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>
2015	\$ 105,488	100%
2016	\$ 142,635	100%
2017	\$ 174,982	100%

Public Employees' Retirement System (PERS)

Plan Description

The School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement

BRIDGES CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 5: EMPLOYEE RETIREMENT

system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2016, the School Employer Pool total plan net assets are \$62.6 billion, the total pension liability is \$75.7 billion, contributions from all employers totaled \$1.4 billion, and the plan is 73.9% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS' annual financial reports may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 and www.calpers.ca.gov.

Funding Policy

Active plan members brought into PERS membership prior to January 1, 2013 are required to contribute 7.0% of their salary while new members are required to contribute 6.0% 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 CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2017 was 13.888%. The contribution requirements of the plan members are established and may be amended by State statute.

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

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2015	\$ 25,940	100%
2016	\$ 31,632	100%
2017	\$ 37,418	100%

SUPPLEMENTARY INFORMATION

BRIDGES CHARTER SCHOOL

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
For the Year Ended June 30, 2017**

BRIDGES Charter School, (the School) is a not-for-profit public charter school serving students from kindergarten through eighth grade. It commenced operations in the beginning of the 2010-11 fiscal year. The mission of BRIDGES Charter School is to educate the whole child using a combination of innovative curriculum and instruction along with social/emotional education embedded in the program. Students will be enabled to reach their innate intellectual, creative, and leadership potentials, through our commitment to nourish curiosity, compassion, independence, resourcefulness and respect for diversity.

The charter was granted in May 6, 2010 by the Ventura County Office of Education and the California Department of Education.

The charter school number is 1203.

The Board of Directors and the Administrator for the fiscal year ended June 30, 2017 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Marcy Crawford	President	June 2017
Erin Morrissey	Vice President	June 2017
Victoria Clayton	Secretary	June 2018
Brian O’Patry	Treasurer	June 2017
Michael Flaherty	Parliamentarian	June 2018
Terri Childs	Member	June 2017
Margot Parker	Member	June 2018

ADMINISTRATORS

Kelly Simon	Director
Tami Peterson	Chief Business Official

BRIDGES CHARTER SCHOOL

**SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2017**

	Instructional Minutes		Traditional	
	Requirement	Actual	Calendar Days	Status
Grade K	36,000	43,200	180	In compliance
Grade 1	50,400	50,970	180	In compliance
Grade 2	50,400	50,970	180	In compliance
Grade 3	50,400	50,970	180	In compliance
Grade 4	54,000	55,110	180	In compliance
Grade 5	54,000	55,110	180	In compliance
Grade 6	54,000	59,790	180	In compliance
Grade 7	54,000	59,790	180	In compliance
Grade 8	54,000	59,790	180	In compliance

See auditor's report and notes to supplementary information.

BRIDGES CHARTER SCHOOL

**SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2017**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
TK/K-3	164.38	189.74	163.84	189.71
Grades 4-6	120.88	134.27	120.74	134.18
Grades 7-8	56.39	64.89	55.62	64.49
ADA Totals	<u>341.65</u>	<u>388.90</u>	<u>340.20</u>	<u>388.38</u>

See auditor's report and notes to supplementary information.

BRIDGES CHARTER SCHOOL
RECONCILIATION OF ANNUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

There were no differences between the net assets reported on the June 30, 2017 Annual Financial Report and the audited financial statements.

See auditor's report and notes to supplementary information.

BRIDGES CHARTER SCHOOL

**NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017**

NOTE 1: PURPOSE OF SCHEDULES

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 the California Education Code.

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.

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.

OTHER INDEPENDENT AUDITOR'S REPORTS



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**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***

Board of Directors
BRIDGES Charter School
Thousand Oaks, 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 BRIDGES Charter School, a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 12, 2017.

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.

**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***

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 non-compliance 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 12, 2017

INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

Board of Directors
 BRIDGES Charter School
 Thousand Oaks, California

We have audited BRIDGES Charter School’s (the School) compliance with the types of compliance requirements described in the *2016-2017 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, 2017. 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.

Auditor’s 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 *2016-2017 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	No ¹
After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	Yes
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Not applicable

¹Testing was not performed because California Clean Energy Jobs Act funds were not spent during the audit year.

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, 2017.

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 *2016-2017 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 12, 2017

FINDINGS AND RESPONSES

BRIDGES CHARTER SCHOOL

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2017**

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

There were no findings or questioned costs related to the basic financial statements or state awards for June 30, 2017.

BRIDGES CHARTER SCHOOL

**STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
For the Year Ended June 30, 2017**

There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.