Citizens Oversight Committee for Parcel Taxes (COCPT)

Meeting Agenda

Monday, February 10, 2020, 5:30 PM to 7:00 PM

Alvarado Adult Education, Room 2, 5625 Sutter Street, Richmond, CA, Room 11

Purpose of Committee: "The Board appoints the Citizens Oversight Committee for Parcel Taxes to ensure that the tax funds are spent according to ballot measure language and to report annually to the Board and to the public regarding the expenditure of such monies. The Board shall receive the report of the Committee at a regular public meeting in January of each year." (WCCUSD Board Policy BP 1221)

1. **Call to Order** – Chairperson Jen Komaromi
2. **Roll Call**

Name	Group (Board Policy BP1221)	Term Start	Term End
Hawi Abraham	WCCUSD Youth Commission	1.17.18	1.16.20
Elisabeth Bundschu-Mooney	United Teachers of Richmond	10.18.17	10.17.22
Genoveva Calloway	West County Mayors Association	10.3.18	10.2.20
Jose DeLeon	West Contra Costa Administrators Association	10.18.18	10.17.22
Ann Guiam	Youth Program Leader	11.14.18	11.13.20
VACANT	Contra Costa Taxpayers Association		
Jen Komaromi	Chamber of Commerce	10.18.18	10.17.22
Francie Kunaniec	Classified Staff Unions	10.18.18	10.17.22
Sarah Salazar	CA Charter Schools Association	11.14.18	11.13.22
Emily Wilson	Parent Teacher Association	1.17.18	1.16.22
VACANT	Parent Teacher Organization		

3. **Approval of Agenda**
4. **Approval of April 22, 2019 Minutes** ***(Packet Pages 4-5)***
5. **Election of Chairperson**
6. **Public Comment**

7. **Review Board Policy 1221** ***(Packet Pages 5-7)*****, Charter Schools Settlement Agreement** ***(Packet Pages 8-20)*****, Parcel Tax Audits** ***(Packet Pages 21-432)*** **and Expenditure Reports FY2018-19** ***(Packet Pages 233-467)***

8. **Review WCCUSD Parcel Tax Audit Report FY2019 and Expenditure Report** ***(Packet Pages 468-479)***

9. **Discuss and Approve Appointment of an Ad Hoc Subcommittee to Draft Annual Report**
   The committee is being asked to appoint members to an Ad Hoc Subcommittee in order to draft the Annual Report FY2018-19.

10. **Approve Meeting Schedule**
    The committee is asked that the following meetings be approved:
    - Monday, March 9, 2020 at 5:30 PM (to approve Annual Report FY2018-19 to be presented at the March 18, 2020 Board Meeting)
    - Monday, January 11, 2021 at 5:30 PM (to review FY2019-20 Parcel Tax Audits and Expenditures)
    - Monday, March 1, 2021 at 5:30 PM (Approve Annual Report FY2019-20 to be presented at the March 24, 2021 Board Meeting)

11. **Good of the Order**

12. **Adjournment**

Attachments:

2. April 22, 2019 Minutes
3. Board Policy 1221
4. Settlement Agreement
5. Charter Schools Parcel Tax Audits and Expenditure Reports FY2018-19
6. Charter School Compliance Status Spreadsheet *(Packet Page 462)*
7. January 2020 Charter Parcel Tax Payment Summary *(Packet Pages 463-466)*
8. WCCUSD Parcel Tax Settlement Agreement Procedures & Results FY2018-19 *(Packet Page 467)*
9. WCCUSD Measure G Audit Report FY2018-19 (including expenditures)

Citizens Oversight Committee for Parcel Taxes (COCPT)
April 22, 2019
Minutes

Alvarado Adult Education, Room 2
5625 Sutter St., Richmond, CA

1. **Call to Order**
   Chairperson Jen Komaromi called the meeting to order at 5:30 P.M.

2. **Roll Call**
   Members Present: Elizabeth Bundschu-Mooney, Jose DeLeon, Anton Jungherr, Jen Komaromi, Francie Kunaniec, Sarah Salazar, Emily Wilson

   Board Member Present: Tom Panas

   Staff Present: Denise Cifelli

   Members Absent: Hawi Abraham, Genoveva Calloway, Ann Guiam

3. **Introduction of Visitors**
   None

4. **Approval of Agenda**
   Chairperson Komaromi asked if anyone wanted to offer changes to the agenda. There were none.

5. **Public Comments**
   None

6. **Approval November 5, 2018 and January 14, 2019 Minutes**
   Motion: Mr. Jungherr moved to approve the November 5, 2018 and January 14, 2019 minutes. Ms. Bundschu-Mooney seconded. Ms. Kunaniec abstained. Motion passed 6-0-0-1.

7. **Discussion of Parcel Tax Framing Documents**
   Chairperson Komaromi introduced the report and asked Ms. Cifelli if all charter information had been received, which she replied it had been. Members reviewed the document, there was no further discussion.

8. **Review WCCUSD Measure G Parcel Tax Audit Reports, June 30, 2018, June 30, 2017 and June 30, 2016**
   Ms. Cifelli noted the 2016 and 2017 reports should have been removed from the agenda title as those audits had already been reviewed and approved by the committee.

9. **Approve COCPT Annual Board of Education Report FY2016-18**
   Ms. Wilson asked if any additional expenditure detail was received from the charters. Ms. Cifelli stated there was not.

   Members reviewed the report. Ms. Kunaniec asked how it would be presented. Chairperson Komaromi stated she would distribute the report to the board and provide a verbal summary.

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Ms. Salazar stated she reached out to RCP and Manzanita for their unaudited actuals at Mr. Jungherr's request.

Mr. Jungherr stated Measure G information was incomplete as not all charters followed the template provided by the district. Ms. Salazar requested a copy of the template to share with them which Ms. Cifelli agreed to provide. Ms. Wilson stated her agreement with uniformity in reporting. Mr. Jungherr asked Ms. Cifelli to provide a copy of RCP and Manzanita's 2018 unaudited actuals which she agreed to send. Mr. Jungherr stated he would amend the report to include that information.

Motion: Mr. Jungherr moved approval of the Annual Board of Education Report for FY2016-18 as amended to include 2018 unaudited actuals information for RCP and Manzanita. Ms. Kunaniec seconded. Motion approved unanimously, 7-0-0-0.

Mr. Panas left the meeting at 6:03 PM

10. Approve Nomination of COCPT Representative to District Budget Engagement Committee

Mr. Jungherr nominated Chairperson Komaromi as the representative to the District Budget Engagement Committee. Chairperson Komaromi accepted. Ms. Kunaniec seconded the nomination. Motion approved unanimously, 7-0-0-0

11. Review Members Term Expiration Dates

Committee members present were polled as to their willingness to extend their terms an additional two years. All members present agreed to continue for another term. Ms. Cifelli will reach out to the absent members and advise the committee of any vacancies resulting from the inquiries.

12. Schedule Next Meeting – Monday, February 10, 2020 at 5:30 PM

Motion: Ms. Kunaniec moved to approve the next meeting date of February 10, 2020 at 5:30 PM at Alvarado Adult School. Ms. Wilson seconded. Motion passed unanimously, 7-0-0-0.

13. Comments from Members

None

14. Adjournment

Chairperson Komaromi adjourned the meeting at 6:15 PM.

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West Contra Costa USD

Board Policy

Parcel Taxes

BP 1221
Community Relations

Distribution of Parcel Tax Revenue / Citizens Oversight Committee for Parcel Taxes

The Board believes that all public school students who live in the West Contra Costa Unified School District (WCCUSD) boundaries, whether they attend neighborhood schools or public charter schools within the district, should benefit from the proceeds of Measure G of 2012 and further measures that the voters may approve. An equal share of the proceeds from parcel tax measures approved after January 2016 will be distributed on a WCCUSD resident per pupil basis to the charter schools located within the WCCUSD boundaries.

The Board of Education recognizes that public trust depends upon transparent expenditure of voter-approved parcel tax proceeds. The Board appoints the Citizens Oversight Committee for Parcel Taxes to ensure that tax funds are spent according to ballot measure language and to report annually to the Board and to the public regarding the expenditure of such monies.

The membership of the Committee shall represent the diversity of the community and a variety of perspectives. The Committee will be comprised of eleven members appointed by the Board from recommendations of the following groups:

Two parents with one recommended by the Parent Teacher Association (PTA) and one recommended from a Parent Teacher Organization (PTO) organization with one coming from a school with an unduplicated count of greater than 80%. Unduplicated count means the percentage of students who are either Low Income, Foster Youth or English Learners counted once.

* One student recommended by the WCCUSD Youth Commission
* One teacher recommended by the United Teachers of Richmond
* One business person recommended by one of the west county Chambers of Commerce
* One youth program leader recommended by one of the community based organizations in west county serving youth
* One classified employee recommended by the classified employee unions
* One representative recommended by the California Charter Schools Association
* One representative from the Contra Costa Taxpayers Association.
* One principal recommended by the West Contra Costa Administrators Association
* One member representing the West County Mayors Association.

Petition by New Organization

An organization seeking to appoint a member to sit on this committee shall petition the Board of Education Governance Subcommittee for consideration in written format with justification for the request.

The terms of the nominees shall be two years in duration with members eligible to serve two consecutive two-year terms.

If a Committee member resigns before the end of her/his two year term, the recommending group shall provide a new nomination to complete the remainder of the term.

The Board shall approve appointments to the Committee in June of each year, and other times as needed.

A Committee member may be removed by majority vote of the Board for just cause.

The Board shall receive the report of the Committee at a regular public meeting in January of each year.

Staff Responsibility

The annual parcel tax expenditure budget shall be displayed by program as specified in Exhibit B of the Measure G 2012 full ballot text and then by object code for each program. Actual expenditures versus the budget reports and the annual audit report of expenditures shall be displayed in the same manner as the budget.

In advance of each meeting of the Committee, Superintendent or designee shall provide members a copy of this policy, the full ballot language for parcel tax measures currently in effect together with any related Board resolutions, and financial documents related to parcel tax expenditures including actual expenditures with specified allocation of funds. Upon meeting to confer, the Committee may request additional information deemed necessary to fulfill their responsibility to the Board and the community.

Staff shall record summary minutes of meetings, to be approved by the Committee.

Committee membership, meeting minutes and reports to the Board shall be posted on the District website.

Committee Responsibility

The Committee, consisting of eleven (11) members, shall meet to prepare an annual report to the Board that reconciles parcel tax expenditures with programs and positions funded by the tax measure(s). The Committee will review the annual audit of the parcel tax expenditures. The Committee will review enrollment and expenditure data from charter schools to ensure that those schools are also in compliance with authorizing provisions of the measure. The following meeting cycle is recommended, with additional meetings scheduled as needed:

* September: preliminary meeting to review adopted budget and Committee scope of work, and to orient new members
* November: working meeting to analyze data and prepare report to the Board
* January: presentation to Board at a regularly scheduled public meeting

The Committee shall annually appoint a chair from among the citizen members. The chair with assistance from staff will schedule meetings, conduct Committee business, and present the annual report to the Board. The Committee will develop and implement bylaws aligned with Board policy.

The Committee shall serve as a resource to the community for information related to District parcel taxes.

Meetings

To assure a quorum, meetings shall be scheduled with reasonable advance notice and at a time determined to be most convenient for most members. A quorum is required to conduct business.

All meetings shall be conducted in accordance with public meeting laws. Agendas shall be posted and include time, place of meeting, discussion items, and opportunity for public comment. Minutes shall be taken and made publicly available.

Decisions shall be made by majority vote when consensus cannot be achieved. Votes shall be recorded in the minutes.

Policy WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
adopted: May 25, 2016, Richmond, California
revised: June 28, 2017

SETTLEMENT AGREEMENT AND RELEASE AND COVENANT NOT TO SUE

This Settlement Agreement and Release ("Settlement Agreement") is made and entered into as of the 28th day of January, 2016, by and between the California Charter Schools Association ("CCSA"), the West Contra Costa Unified School District, and Bruce Harter (collectively referred to herein as the "District"). CCSA and the District may be referred to herein collectively as "Party" or "Parties."

R E C I T A L S

WHEREAS, voters in the West Contra Costa Unified School District have passed parcel taxes for the benefit of District, including Measure G which is operative at the time this agreement is executed; and,

WHEREAS, a dispute arose between CCSA and District concerning whether charter schools operating within District's boundaries are entitled to shares of parcel tax proceeds received by District; and,

WHEREAS, CCSA filed a Complaint for Violation of Equal Protection and Unlawful Discrimination; Declaratory and Injunctive Relief in Superior Court, County of Contra Costa, Case No. C-14-00901, and a First Amended Complaint on October 31, 2014 ("Action"); and,

WHEREAS, the Parties have negotiated a resolution of this dispute and codified the settlement terms in a Tentative Agreement ("Tentative Agreement") (attached as Exhibit 1 to this Settlement Agreement); and,

WHEREAS, at the time of this Settlement Agreement there are eleven charter schools operating within the District's boundaries that qualify (as defined in the Tentative Agreement each so qualified charter school is referred to as a "Parcel Tax Qualifying Charter School") and as per the terms of this Settlement Agreement (and the attached Tentative Agreement) future charter schools may be approved for operation within the District's boundaries and become eligible for the distribution of parcel tax proceeds; and,

WHEREAS, the Parties have agreed to settle their disputes between them and now enter into this Settlement Agreement.

T E R M S O F S E T T L E M E N T

NOW, THEREFORE, in consideration of the premises and covenants described in Exhibit [1] hereto, which is incorporated herein by reference as though fully set forth herein, the Parties agree as follows:

1. The Parties agree that this Settlement Agreement is contingent upon approval by the District's Board of Education ("Board"). In the event that the Board rejects this Settlement Agreement, none of the Parties shall be deemed to have waived any rights with respect to the matters in dispute.

2. This Settlement Agreement shall become final and binding upon the Parties upon fulfillment of the following conditions following Board approval of this Settlement Agreement:

   (a) CCSA executes this Settlement Agreement; and

(b) Each of the eleven Parcel Tax Qualifying Charter Schools (listed in Exhibit [A] to the Tentative Agreement) approve and execute the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue in the form attached as Exhibit [2].

(c) This Settlement Agreement shall become effective upon the final approval and execution as outlined in this section [2].

3. In the event that any one of the Parcel Tax Qualifying Charter Schools listed in Exhibit [A] to the Tentative Agreement fails to execute the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue in the form attached as Exhibit [2] the Parties shall not be deemed to have waived any rights with respect to the matters in dispute.

4. The Parties further agree that CCSA will dismiss the Action with prejudice within five (5) calendar days after all of the conditions of Section [2] herein have been met.

5. The terms of this Settlement Agreement are only contingent upon execution of this Settlement Agreement between the Parties and the approval of the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue (attached in Exhibit [2]) by the Parcel Tax Qualifying Charter Schools listed in Exhibit [A] to the Tentative Agreement; this Settlement Agreement shall be fully enforceable between the Parties notwithstanding the refusal to execute the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue by any Parcel Tax Qualifying Charter School approved by the District, County Board of Education or the State Board of Education subsequent to the effective date of this Agreement. Any new charter school that refuses to sign the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue shall not be entitled to a distribution of parcel taxes per the terms of this Settlement Agreement and the incorporated Tentative Agreement.

6. CCSA does hereby fully and finally settle, release, relieve, acquit and forever discharge the District and the directors, employees, administrators, assigns, agents, representatives, attorneys, insurers, experts and consultants of the District, from any and all claims, claims for indemnification or contribution, complaints, causes of action, demands, liabilities, losses, or damages, including attorneys' fees and costs, experts' and consultants' fees and costs, known or unknown, which CCSA may now or hereafter have against the District and the directors, employees, administrators, assigns, agents, representatives, trustees, attorneys, insurers, experts and consultants, arising out of the Action. CCSA acknowledges that they are familiar with Section 1542 of the California Civil Code which provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her, must have materially affected his or her settlement with the debtor.

Except as provided for specifically in this Settlement Agreement, CCSA waives and relinquishes any and all rights and benefits which they may have under, or which may be conferred upon them by the provisions of Section 1542 of

the California Civil Code, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the subject matter of this Settlement Agreement. In connection with such waiver and relinquishment, CCSA hereby acknowledges that it is aware that it or its attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of this Settlement Agreement, but that it is the intention of the Parties to this Settlement Agreement to hereby fully, finally and forever waive said claims, whether known or unknown, suspected or unsuspected, which concern or arise out of the Action.

7. Except for proceedings to dismiss the Action with prejudice, enforce the terms of this Settlement Agreement and proceedings related to matters not released by this Settlement Agreement, the Parties covenant and agree that at no time subsequent to the date of their respective executions of this Settlement Agreement will they file or maintain or cause or knowingly permit the filing or maintenance of, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature or character whatsoever, known or unknown, which they may now have, or have ever had, or which they may later discover, against each other, which is based in whole or in part on any act, omission or event relating to the Action. The Parties agree that this Settlement Agreement shall constitute a full and complete defense to, and may be used as a basis for a permanent injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted by any of them in breach of this Settlement Agreement.

8. Any damages suffered by any of the Parties by reason of any breach of the provisions of this Settlement Agreement by any of the other Parties shall include attorneys' fees and costs reasonably incurred in instituting, prosecuting or defending any action, grievance, or proceeding resulting from said breach of this Settlement Agreement.

9. CCSA shall not be responsible nor liable for any current or future Parcel Tax Qualifying Charter School's participation in the parcel tax distribution as outlined in this Settlement Agreement and the Tentative Agreement. In addition, the District recognizes that no Parcel Tax Qualifying Charter School is a necessary party to any action in which CCSA claims breach of this Settlement Agreement.

10. This Settlement Agreement embodies a compromise of disputed issues and is made in good faith. The Parties understand that no Party hereto admits any violation of constitutional or other rights, discrimination or any wrongdoing in connection with the matters herein referred to, and that the compromise embodied in this Settlement Agreement is not an admission of any fault, liability, or culpability by any Party.

11. Each Party bears its own attorneys' fees and costs including, but not limited to costs associated with the services of experts, consultants or other vendors.

12. Each Party represents and warrants that it has full power and authority to enter into and perform this Agreement and that the person executing this Settlement Agreement on behalf of that Party has been properly authorized

and empowered to enter into this Settlement Agreement and bind that Party hereto.

13. This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, provided that no provision of this Settlement Agreement shall be interpreted for or against a Party because that Party or Parties' legal representative drafted such provision, and that this Settlement Agreement shall be construed as if jointly prepared by the Parties.

14. Each of the Parties to this Settlement Agreement warrants that it has, through its representatives, carefully read and understood the terms and conditions of this Settlement Agreement, and that it has not relied upon the representations or advice of any other Party or any attorney not its own.

15. No modification, waiver, or amendment to this Settlement Agreement shall be valid unless the same is in writing and executed by the Party against which the enforcement of such modification, waiver or amendment is or may be sought.

16. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one Settlement Agreement binding all the Parties hereto.

17. Each of the Parties represents that either (1) they are the sole and lawful owners of all right, title and interest in and to every claim and other matter which they purport to release in this Settlement Agreement, including but not limited to all claims currently arising from or related to the Agreements, and represent and warrant that they have not assigned or transferred, or purported to assign or transfer, any such claim or other matter to any person or entity, or (2) that they have obtained the written consent of the assignee to enter into this Settlement Agreement, and such written consent is attached hereto. No Party hereto shall in the future transfer or assign in any manner to any entity or person any claim, cause of action or demand based upon or arising out of or in connection with this Settlement Agreement.

18. The Parties agree that should any provision of this Settlement Agreement, or any portion of any provision, be declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of the provision and the Settlement Agreement shall nonetheless remain binding and in effect, unless this would result in a substantial failure of consideration.

19. Except as may be provided expressly in writing by each Party to be charged, no action or want of action on the part of any Party hereto at any time to exercise any rights or remedies conferred upon it under this Settlement Agreement shall be, or shall be asserted to be, a waiver on the part of any such Party of any of its rights or remedies hereunder.

20. The Parties agree to perform any further acts and execute and deliver any further documents that may reasonably be necessary to carry out the provisions of this Settlement Agreement.

21. There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the Parties hereto relating to the subject matter of this Settlement Agreement that are not fully expressed herein. This Settlement Agreement and Tentative Agreement shall be interpreted according to its own terms, as defined in this Settlement Agreement or otherwise according to their ordinary meaning without any parol evidence. This is an integrated Settlement Agreement.

IN WITNESS HEREOF the Parties have caused this Settlement Agreement to be executed in the day and year first written above.

Date: 1-28, 2016	**CALIFORNIA CHARTER SCHOOLS ASSOCIATION** By Jed Wallace Its President and CEO
Date: _____, 2016	**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT** By _____ Its _____
Date: _____, 2016	**BRUCE HARTER** _____

21. There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the Parties hereto relating to the subject matter of this Settlement Agreement that are not fully expressed herein. This Settlement Agreement and Tentative Agreement shall be interpreted according to its own terms, as defined in this Settlement Agreement or otherwise according to their ordinary meaning without any parol evidence. This is an integrated Settlement Agreement.

IN WITNESS HEREOF the Parties have caused this Settlement Agreement to be executed in the day and year first written above.

Date: _____, 2016	**CALIFORNIA CHARTER SCHOOLS ASSOCIATION** _____ By _____ Its _____
Date: 1-27-16, 2016	**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT** _____ By Randy Enos Its Board President
Date: 1-27, 2016	**BRUCE HARTER** _____

EXHIBIT [1]

TENTATIVE AGREEMENT
CALIFORNIA CHARTER SCHOOLS ASSOCIATION v.
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT,
Superior Court Case No: C14-00901, ADR Case No: 15-3977-RSF

The following is a tentative agreement subject to approval by the California Charter Schools Association (hereafter CCSA), the West Contra Costa Unified School District (hereafter District or WCCUSD), and Bruce Harter:

1. Upon approval and execution of a settlement agreement, that includes the terms noted herein between CCSA, WCCUSD, and Bruce Harter Case No C14-00901 in the Contra Costa Superior Court will be dismissed with prejudice by CCSA and all parties will bear their own attorney's fees and costs;
    a. CCSA and the charter schools listed in Exhibit A (upon execution of a Parcel Tax Qualifying Charter School Release and Covenant Not to Sue) will give up any claim they may have had for parcel tax monies for the years prior to and including the fiscal year 2014-2015;
    b. Notwithstanding any existing provision in any Memorandum of Understanding or any other written agreement entered into between the District and a charter school, the District shall begin sharing Measure G parcel taxes with the charter schools listed in Exhibit A, as outlined herein, beginning with the 2015/2016 school year as follows:
        i. 25% of the charter school proportionate share for the 2015/2016 school year;
        ii. 50% of the charter school proportionate share for the 2016/2017 school year;
        iii. 50% of the charter school proportionate share for the 2017/2018 school year;
        iv. 75% of the charter school proportionate share for the 2018/2019 school year;
        v. The proportionate share for each charter school shall be determined as follows: the applicable enrollment shall be District resident students enrolled in district-operated schools and students who are District residents enrolled in one of the charter schools listed in Exhibit A (or enrolled in a charter school claiming parcel tax proceeds in accordance with section [1][b][ix] below)(referred to as "Parcel Tax Qualifying Charter School") determined by using the CalPADS report for October in each school year. Acknowledging that CalPADS figures do not distinguish between in-district and out-of-district residents, each charter school anticipating receipt of funds pursuant to the terms of this agreement will provide the District with the first and last name and SSID for each enrolled student at least one calendar month prior to each payment due date as established in Paragraph 1(b)(vii) below. The District may use this student information only for purposes of verifying residency of the students. The District shall not use the documents provided pursuant to this paragraph to contact the students or his/her parents without the express written approval of the charter school. The District shall combine the Parcel Tax Qualifying Charter School and District enrollment (of in-district residents, only), and divide this combined enrollment by the total parcel taxes to be received by the District for the applicable school year to derive a per student amount of parcel taxes; the charter school proportionate share shall be the

per student amount of parcel taxes (as determined above) multiplied by the Parcel Tax Qualifying Charter School's in-district students for the applicable school year ("proportionate share")(e.g., for the 2014/2015 school year the calculation would be as follows [This calculation is an example only and assumes that all Parcel Tax Qualifying Charter School and District students are District residents – it is only an example]: District enrollment was 28,717 and Parcel Tax Qualifying Charter School's enrollment was 2,630. The combined enrollment is 31,347. The District's parcel tax proceeds were $9,699,098 for 2014/2015 school year. The per student amount of funding would equal $309 per student. The Parcel Tax Qualifying Charter School proportionate share would be $309 x 2,630);

vi. The District shall pay each Parcel Tax Qualifying Charter School the proportionate share per in-district students as noted in the CalPADS report for the applicable charter school as noted above;

vii. The amounts owed, as calculated herein, shall be made directly to each Parcel Tax Qualifying Charter School as follows: 75% of the payment paid to each Parcel Tax Qualifying Charter School no later than Jan. 15 each school year, except in 2016 when, owing to the timing of negotiations, the payment shall be made within thirty (30) days after the effective date of the Settlement Agreement related to the litigation described hereinabove and all student demographic documentation required by section 1(b)(v) hereinabove; and the remaining 25% paid to each Parcel Tax Qualifying Charter School no later than May15 each school year;

viii. Each Parcel Tax Qualifying Charter School receiving parcel taxes shall be solely and individually responsible for ensuring that the parcel taxes are spent consistent with the purpose of the Measure G parcel tax. In addition, each Parcel Tax Qualifying Charter School receiving parcel taxes shall be solely responsible for having their auditor include in the annual audit provided to the District a separate balance sheet reflecting the revenues and expenses related to the expenditure of parcel tax monies. Additionally, each Parcel Tax Qualifying Charter School shall be solely responsible for providing an annual summary of their expenditures of parcel tax proceeds with titles aligned to applicable parcel tax ballot language so the District may comply with Measure G's obligation to perform an annual independent financial audit; and

ix. All charter schools listed in Exhibit [A] hereto shall be referred to as a "Parcel Tax Qualifying Charter School" as well as any new charter schools that operate within the District, and are chartered by the District, or the Contra Costa County Board of Education on appeal from a charter petition denied by the District or a county-wide charter school, or the State Board of Education on appeal from a charter petition denied by the District or a statewide charter school. Each Parcel Tax Qualifying Charter School shall participate in the parcel tax distribution noted herein upon the non-profit organization operating the respective charter school, if any, executing the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue (attached to the Settlement Agreement) which shall include the obligation to provide enrollment data as required by Paragraph 1(b)(v) hereinabove. Any memorandum of understanding negotiated between the District and a charter school shall include information about this Tentative Agreement and a charter school's right to share in parcel taxes.

c. The District may place a Parcel Tax Measure on the June 7, 2016 or November 8, 2016 ballots. If the District passes a new parcel tax measure during the current parcel tax measure (i.e., Measure G) the District shall provide the Parcel Tax Qualifying Charter Schools identified in Section [b] above with 100% of the proportionate share of the new parcel tax measure funding. If the new parcel tax measure takes effect upon the expiration of the current parcel tax measure (i.e., Measure G) then the District shall continue to share Measure G funding with the Parcel Tax Qualifying Charter Schools per the terms of this agreement and shall share the new parcel tax at 100 % proportionate share. If a new parcel tax measure supersedes the current parcel tax measure then the District shall share the new parcel tax funding at 100% proportionate share and the distribution of current parcel tax measure (Measure G) shall cease upon the effective date of the new parcel tax measure;

d. CCSA shall be allowed to participate in the District planning of any new parcel tax measure that may be put on a ballot during the current parcel tax measure. The District shall provide CCSA advance notice of any meeting in which District staff are gathering as part of District business to discuss any new parcel tax that the District is contemplating submitting to the electorate during the term of the current parcel tax measure;

e. If the parcel tax measure is not placed on the ballot in 2016, CCSA and the District agree to meet and confer about any future parcel tax measures. It is expressly agreed that there shall be no renegotiation of the figures set forth in Paragraph 1(b) hereinabove in the event a 2016 parcel tax measure fails or if no parcel tax measure is placed on a 2016 ballot; and

f. The District agrees to initiate the process, consistent with its bylaws, to adopt a District Board policy providing that charter school in-district students are entitled to an equal share of the distribution of any future parcel tax measures approved by the electorate. The District agrees to provide a draft copy of any proposed Board policy pursuant to this section to CCSA to allow its review and comment before taking action to approve said policy. CCSA acknowledges that future District Boards of Education may choose to amend or withdraw the Board policy approved as described herein.

2. This proposal requires the non-profit organizations operating each of the Parcel Tax Qualifying Charter Schools to agree in writing to the terms of this proposal and their understanding that they are giving up various litigation rights they may individually have regarding the current and all prior parcel taxes in the District.

EXHIBIT A

Charter School Name	Charter School Address
Aspire Richmond Ca. College Preparatory Academy	3040 Hilltop Mall Rd. Richmond, CA 94806
Aspire Richmond Technology Academy	3040 Hilltop Mall Rd. Richmond, CA 94806
Caliber Beta Academy	5100 Potrero Ave. Richmond, CA 94804-4445
John Henry High	251 South 12th St. Richmond, CA 94804-2411
Leadership Public Schools: Richmond	880 Bissell Ave Richmond, CA 94801-2411
Making Waves Academy	4123 Lakeside Dr. Richmond, CA 94806-1942
Manzanita Middle	2925 Technology Ct. Richmond, CA 94806-1952
Richmond Charter Academy	3200 Barrett Ave. Richmond, CA 94804-1718
Richmond College Preparatory	214 South 11th St. Richmond, CA 94804-2474
Richmond Charter Elementary – Benito Juarez	777 Sonoma St. Richmond, CA 94805-1534
Summit Public School K2	1800 Elm St. El Cerrito, CA 94530-1925

PARCEL TAX QUALIFYING CHARTER SCHOOL
RELEASE AND COVENANT NOT TO SUE

This Release and Covenant Not To Sue ("Release and Covenant") is made as of the _____ day of _____, 2016, by [**name of non-profit**], the non-profit entity operating [**name of school**], for purposes of effectuating the terms of the Settlement Agreement and Release and Covenant Not To Sue ("Settlement Agreement") entered into by the California Charter Schools Association ("CCSA") on the one hand, and the West Contra Costa Unified School District and Bruce Harter (collectively referred to herein as the "District"), on the other. CCSA and the District may be referred to herein individually and/or collectively as "Party" or "Parties."

RECITALS

WHEREAS, [**name of school**], operated by [**name of non-profit**], is one of eleven charter schools operating within the boundaries of the District that qualify as a Parcel Tax Qualifying Charter School under the terms of the Parties' Settlement agreement; and,

WHEREAS, in its capacity as representative plaintiff for each Parcel Tax Qualifying Charter School, CCSA sued the District In Contra Costa County Superior Court (Case No. C-14-00901) to assert each Parcel Tax Qualifying Charter Schools' rights to certain parcel tax proceeds collected by the District ("Action"); and,

WHEREAS, the Parties have since negotiated a settlement of the lawsuit and memorialized its terms into their Settlement Agreement; and,

WHEREAS, the Parties made the execution of this Release and Covenant Not To Sue by the operators of each of the Parcel Tax Qualifying Charter Schools a necessary condition for securing each Parcel Tax Qualifying Charter School's rights under the Settlement Agreement; and,

WHEREAS, under the terms of the Settlement Agreement, the District has obliged itself to initiate a policy of sharing certain parcel tax proceeds with each Parcel Tax Qualifying Charter School, including [**name of school**]; and,

WHEREAS, [**name of non-profit**] regards the District's promises to initiate a policy of sharing certain parcel tax proceeds with [**name of school**], as memorialized in the Settlement, to be sufficient consideration for this Release and Covenant;

NOW, THEREFORE, [**name of non-profit**], agrees as follows:

TERMS

1. [**Name of non-profit**] does hereby fully and finally settle, release, relieve, acquit, and forever discharge the District and the directors, employees, administrators, assigns, agents, representatives, attorneys, insurers, experts, and consultants of the District, from any and all claims, claims for indemnification or contribution, complaints, causes of action, demands, liabilities, losses, or damages, including attorneys' fees and costs, experts' and consultants' fees and costs, known or unknown, which [**name of non-profit**] may now or hereafter have against the District and the directors,

employees, administrators, assigns, agents, representatives, trustees, attorneys, insurers, experts and consultants, that relate to the Action.

2. [**Name of non-profit**] acknowledges that it is familiar with Section 1542 of the California Civil Code which provides as follows:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her, must have materially affected his or her settlement with the debtor.**

Except as provided herein and in the Parties' Settlement Agreement, [**name of non-profit**] waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred upon it by the provisions of Section 1542 of the California Civil Code, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the subject matter of the Action. In connection with such waiver and relinquishment, [**name of non-profit**] hereby acknowledges that it is aware that it or its attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of the Action, but that it is the intention of [**name of non-profit**] to hereby fully, finally and forever waive said claims, whether known or unknown, suspected or unsuspected.

3. [**Name of non-profit**] covenants and agrees that at no time subsequent to the date of the execution of the Parties' Settlement Agreement will it file or maintain or cause or knowingly permit the filing or maintenance of, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature or character whatsoever, known or unknown, which they may now have, or have ever had, or which they may later discover, against the District, which is based on any act, omission, or event directly relating to the subjects of the Action. [**Name of non-profit**] agrees that this Release and Covenant shall constitute a full and complete defense to, and may be used as a basis for a permanent injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted by [**name of non-profit**]against the District that relates to the subjects of the Action.

4. [**Name of non-profit**]'s covenant not to sue shall be conditioned on the satisfactory performance, by the District, of its obligations under the Parties' Settlement Agreement that relate to the rights of [**name of school**].

[**Name of non-profit**]'s covenant not to sue does not pertain to any matters other than those expressly specified herein. [**Name of non-profit**] reserves and this Release and Covenant is without prejudice to, all rights it has against the District with respect to all matters outside the scope of the Action, the Parties' Settlement Agreement, and this Release and Covenant.

5. [**Name of non-profit**] represents and warrants that it has full power and authority to enter into this Release and Covenant and that the person executing this Release and Covenant on behalf of [**name of non-profit**] has been properly authorized and empowered to execute this Release and Covenant and bind [**name of non-profit**] hereto.

6. [**Name of non-profit**] warrants that it has, through its representatives, carefully read and understood the terms and conditions of this Release and Covenant, and that it has not relied upon the representations or advice of any Party or any attorney not its own.

7. Subject to the conditions contained in the Parties' Settlement Agreement and this Release and Covenant, this Release and Covenant shall be binding upon and shall inure to the benefit of the Parties and [**name of non-profit**] as well as their respective officers and directors, the respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, principals, agents, employees, assigns, representatives, and all persons, firms, associations, and/or corporations connected with them, including, without limitation, their sureties and/or attorneys, except as otherwise provided by the Parties' Settlement Agreement and this Release and Covenant.

8. This Release and Covenant is executed and shall be interpreted in accordance with the laws of the State of California.

9. [**Name of non-profit**] is not a party to the Settlement Agreement between the Parties and shall be solely responsible for fulfilling its obligations under the terms and conditions of the Settlement Agreement in order to be entitled to parcel tax proceeds.

IN WITNESS HEREOF [**name of non-profit**] has caused this Release and Covenant to be executed in the day and year first written above.

NAME OF NON-PROFIT

Date: _____, 2016

_____

By _____

Its _____



Certified Public Accountants
and Financial Advisors

Amethod Public Schools
Measure G Parcel Tax
Performance Audit
June 30, 2019

MEASURE G PARCEL TAX PERFORMANCE AUDIT
TABLE OF CONTENTS
JUNE 30 2019

Independent Auditor's Report on Performance 1

Background Information 2

Objectives, Scope, Methodology and Conclusion 4

Schedule of Findings and Questioned Costs 5

Summary Schedule of Prior Audit Findings and Questioned Costs 6

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Board of Directors
Amethod Public Schools
Oakland, California

Report on Performance

We were engaged to conduct a performance audit of the Amethod Public Schools (the Organization) Measure G Parcel Tax proceeds for the years ended June 30, 2019.

We conducted these performance audits in accordance with the standards applicable to performance audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives.

Our audit was limited to the objectives listed within the report which include determining the Organization's compliance with the performance requirements of the voter approved ballot measure referred to as Measure G. Management is responsible for the Organization's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the Organization's internal control in order to determine if the internal controls were adequate to help ensure the Organization's compliance with the requirements of Ballot Measure as approved by the voters. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

The results of our tests indicated the Organization expended the 2019 Measure G Parcel Tax proceeds in accordance with the voter approved ballot measure referred to as Measure G.

SQUAR MILNER LLP

Squar Milner LLP

San Diego, California
December 16, 2019

BACKGROUND INFORMATION

Summary

1. Measure G was authorized by an election of the registered voters of West Contra Costa Unified School District. Measure G was approved to protect core academic- reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around district campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property within the District or a tax of $7.20 per unimproved parcel of taxable real property.

2. Total proceeds from parcel taxes for Measure G were $210,952 for the fiscal years ending June 30, 2019.

3. For the fiscal years ending June 30, 2019, the Organization recorded expenditures of Measure G parcel tax revenues of $210,952.

Summary of Revenues and Expenditures

	2019			
	John Henry High School	Benito Juarez Elementary	Richmond Charter Academy	Total
REVENUES				
Other local revenue	$ 65,929	$ 88,497	$ 56,526	$ 210,952
Total Revenues	$ 65,929	$ 88,497	$ 56,526	$ 210,952
EXPENDITURES				
Certificated salaries	$ 50,050	$ 70,000	$ 34,719	$ 154,769
Services and other operating expenditures	15,879	18,497	21,807	56,183
Total Expenditures	$ 65,929	$ 88,497	$ 56,526	$ 210,952

OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION

Objectives

The objective of our performance audit was to determine that the Organization expended Measure G Parcel Tax proceeds for the year ended June 30, 2019, only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G Parcel Tax proceeds.

Scope

The Organization provided to us a list of all Measure G Parcel Tax expenditures for the year ended June 30, 2019. There were $210,952 in expenditures that were identified.

Methodology

1. Verified that the Measure G Parcel Tax expenditures were accounted for separately in the accounting records of the Organization.

2. Verified that the net revenues received from the parcel taxes were deposited in total into the Organization's Measure G Parcel Tax Fund.

3. Tested expenditures of each resource code ensuring that such expenditures were spent in accordance with the scope of the published material specifying the intended use of proceeds for the Measure G Parcel Tax Proceeds.

4. Testing performed included selecting a sample of both payroll and non-payroll employee expenditures for each of the years within the scope of our audit and reviewing supporting documentation to ensure that such funds were properly accounted for and expended in accordance with the provisions in the approved ballot text.

Conclusion

The results of our procedures indicated that, in all significant respects, the Organization expended Measure G Parcel Tax proceeds for the years ended June 30, 2019, only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G Parcel Tax proceeds.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

There are no findings for the years ended June 30, 2019.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings in prior years.



Certified Public Accountants
and Financial Advisors

Amethod Public Schools
Charter Schools:
Oakland Charter Academy #0014
Oakland Charter High #0883
Richmond Charter Academy #1441
Benito Juarez Elementary #1660,
Downtown Charter Academy #1661
John Henry High School #1741
Financial Statements
June 30, 2019

INDEX TO THE FINANCIAL STATEMENTS

Independent Auditor's Report 2

Financial Statements
- Statement of Financial Position 4
- Statement of Activities 5
- Statement of Functional Expenses 6
- Statement of Cash Flows 7
- Notes to Financial Statements 8

Supplementary Information
- Organization 18
- Schedule of Average Daily Attendance 19
- Schedule of Instructional Time 21
- Schedule of Expenditures of Federal Awards 23
  - Reconciliation of Charter School Unaudited Actuals Financial Report -- Alternative Form With Audited Financial Statements 25
- Combining Schedule of Financial Position 28
- Combining Schedule of Activities 29
- Combining Schedule of Functional Expenses 30
- Combining Schedule of Cash Flows 31

Other Independent Auditor's Report Section
- 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* 32
- Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by The OMB Uniform Guidance 34
- Independent Auditor's Report on State Compliance 36

Findings and Recommendations Section
- Schedule of Findings and Questioned Costs 38
- Summary Schedule of Prior Findings 40

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Amethod Public Schools
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of Amethod Public Schools' (a nonprofit organization), 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.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

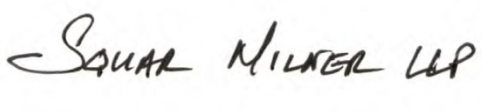
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the index to the financial statements is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 our report dated December 16, 2019, on our consideration of Amethod Public Schools' 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 Amethod Public Schools' 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 Amethod Public Schools' internal control over financial reporting and compliance.

SQUAR MILNER LLP



San Diego, California
December 16, 2019

AMETHOD PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
June 30, 2019

ASSETS		
Current assets:		
Cash	$	1,402,532
Accounts receivable		4,842,531
Prepaid expenses		415,173
Total current assets		6,660,236
Fixed assets, net		9,521,034
Deposits		403,834
TOTAL ASSETS	$	16,585,104
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$	648,061
Accrued expenses		550,427
Deferred rent		2,264,013
Notes payable, current portion		520,463
Total current liabilities		3,982,964
Notes payable, net of current portion		5,482,259
Total liabilities		9,465,223
Net assets:		
Net assets without donor restrictions		
Undesignated		6,544,017
Net assets with donor restrictions		575,864
Total net assets		7,119,881
TOTAL LIABILITIES AND NET ASSETS	$	16,585,104

AMETHOD PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES			
Revenue limit sources:			
State aid	$ 13,722,189	$ -	$ 13,722,189
Education protection account	1,801,204	-	1,801,204
In-lieu of property taxes	5,106,969	-	5,106,969
Federal revenues	1,692,612	-	1,692,612
State revenues	4,826,318	67,795	4,894,113
Local revenues	3,559,006	-	3,559,006
Total revenues before releases	30,708,298	67,795	30,776,093
Net assets released from restrictions	9,294	(9,294)	-
Total revenues	30,717,592	58,501	30,776,093
EXPENSES			
Program services:			
Education	22,324,882	-	22,324,882
Support services:			
Management and general	9,669,152	-	9,669,152
Total expenses	31,994,034	-	31,994,034
CHANGE IN NET ASSETS	(1,276,442)	58,501	(1,217,941)
NET ASSETS, BEGINNING OF YEAR	7,915,249	517,363	8,432,612
NET ASSETS, END OF YEAR	$ 6,638,807	$ 575,864	$ 7,214,671

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

AMETHOD PUBLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
For the fiscal year ended June 30, 2019

	Program Services	Support Services	
	Education	Management and General	Total
Certificated salaries	$ 7,089,176	$ 296,767	$ 7,385,943
Classified salaries	5,427,918	466,238	5,894,156
Employee benefits	2,381,208	112,150	2,493,358
Books and supplies	1,510,258	339,854	1,850,112
Travel and conferences	109,981	-	109,981
Dues and memberships	26,712	-	26,712
Operation and housekeeping services	813,922	199,822	1,013,744
Rental, leases, repairs and non-capitalized improvements	840,007	4,124,476	4,964,483
Professional/consulting services and operating expenditures	3,911,309	2,654,254	6,565,563
Communications	214,391	2,115	216,506
Depreciation	-	850,260	850,260
Direct support/indirect cost charges	-	285,927	285,927
Interest, long-term debt	-	337,289	337,289
Total expenses	$ 22,324,882	$ 9,669,152	$ 31,994,034

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

AMETHOD PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ (1,312,731)
Adjustments to reconcile change in net assets	
to net cash flows provided by operating activities:	
Depreciation	850,260
(Increase) decrease in operating assets:	
Accounts receivable	245,336
Prepaid expenses	114,047
Increase (decrease) in operating liabilities:	
Accounts payable	231,875
Accrued expenses	56,154
Deferred rent	32,970
Net cash flows provided by operating activities	217,911
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(632,610)
Disposal of fixed assets	25,921
Net cash flows used in investing activities	(606,689)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from notes payable	448,558
Payment on notes payable	(360,467)
Net cash flows provided by financing activities	88,091
NET DECREASE IN CASH	(300,687)
CASH, BEGINNING OF YEAR	1,703,219
CASH, END OF YEAR	$ 1,402,532
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for interest	$ 337,269

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

1. ORGANIZATION AND MISSION

Amethod Public Schools (Organization) is a non-profit public benefit corporation. The Organization was incorporated on November 11, 2010, and was designed to promote the academic advancement of disenfranchised middle school and high school aged youth from East Oakland, California. Formerly known as Oakland Charter Academy, Inc., the Organization first opened in 1993.

The Organization currently operates six charter schools: Oakland Charter Academy (OCA), Oakland Charter High School (OCHS), Richmond Charter Academy (RCA), Downtown Charter Academy (DCA), Richmond Charter Elementary – Benito Juarez Elementary (BJE) and John Henry High School (JHHS).

Oakland Charter Academy was both petitioned and approved through the Oakland Unified School District, and serves grades 6 through 8. OCA commenced operations in 1993 and was granted a charter renewal that expires on June 30, 2023.

Oakland Charter High School was petitioned and approved through the Oakland Unified School District, and commenced operations in 2007 and was granted a charter renewal that expires on June 30, 2022.

Richmond Charter Academy was petitioned and approved through the West Contra Costa Unified School District and began operations in the 2013. RCA serves grades 6 through 8 and was granted a renewal that expires on June 30, 2022.

Downtown Charter Academy was petitioned and approved through the Oakland Unified School District and began operations in 2014. DCA serves grades 6 through 8 and was granted a charter that expires on June 30, 2023.

Richmond Charter Elementary – Benito Juarez Elementary was petitioned and approved through the West Contra Costa Unified School District and began operations in 2014. BJE serves grades Kindergarten through grade 5 and was granted a charter that expires on June 30, 2022.

John Henry High School was petitioned and approved through the West Contra Costa Unified School District and began operations in 2015 and was granted a charter that expires on June 30, 2020. JHHS currently serves grades 9 through grade 12.

The Organization's home office is operated to provide support services to the each of the charter schools.

The mission of the Organization is to provide a fundamental and rigorous college preparatory education to any student that chooses one of its schools.

It is the Organization's belief that successful life in modern society can be achieved through college education, especially for historically disenfranchised populations. All graduates of the Organization will have gone through a challenging academic and character development program that will ready graduates to enter and succeed in college, and provide options for future endeavors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*, which the Organization adopted as of the beginning of the fiscal year ended June 30, 2019, The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Net asset available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated none of these net assets for operating reserves and future program development.

Net assets with donor restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed 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 imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restrictions expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2019, the Organization had $575,864 net assets with donor restrictions.

Accounting Method - Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Organization uses the same accounting methods for tax and financial reporting.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Functional Allocation of Expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

Fixed Assets

Fixed assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets, sold or retired, and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing $5,000 or more; all other assets are charged to expense in the year incurred.

Revenue Sources and Recognition

The Organization primarily receives funds from the California Department of Education (CDE). Revenue limit sources and state revenues received from the CDE are determined based on the Organization's average daily attendance (ADA) of students and recognized in the period the ADA occurs.

In addition, the Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Revenue that is restricted is recorded as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). Topic 842 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 present value of payments to be made to lessor, on its statement of financial position for all leases greater than 12 months. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments-Credit Losses, Derivatives and Hedging, and Leases,* which deferred the effective date of Topic 842 for the Organization until fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 31, 2021. Although the full impact of this new guidance on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases (See Note 10).

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 changes presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 became effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. The Organization adopted ASU no. 2016-14 for the fiscal year ended June 30, 2019. Net assets at the beginning of the fiscal year end June 30, 2019 have been reclassified due to the adoption of ASU 2016-14 as follows:

	Before Adoption of ASU 2016-14	After Adoption of ASU 2016-14
Unrestricted net assets	$ 7,915,249	$ -
Net assets without donor restrictions	-	7,915,249
Temporarily restricted net assets	517,363	-
Net assets with donor restrictions	-	517,363
Total net assets	$ 8,432,612	$ 8,432,612

3. CASH

Cash at June 30, 2019, consisted of the following:

Cash in banks	$ 1,402,532
Total cash	$ 1,402,532

Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At June 30, 2019, the Organization had $1,934,255 of uninsured funds.

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment with continue to be met, ensuring the sustainability of the Organization.

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

Cash	$ 1,402,532
Accounts receivable	4,842,531
Total financial assets available within one year	$ 6,245,063

5. ACCOUNTS RECEIVABLE

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

Revenue limit sources:	
State aid	$ 1,083,673
In-lieu of property taxes	513,257
Federal revenues	572,130
State revenues	2,760,500
Local revenues	7,761
Total accounts receivable	$ 4,937,321

6. FIXED ASSETS, NET

Fixed assets, net at June 30, 2019, consisted of the following:

Leasehold improvements	$ 11,092,415
Construction in progress	97,268
Equipment	307,015
Buildings	1,961,079
Less: accumulated depreciation	(3,936,743)
Total fixed assets, net	$ 9,521,034

During the fiscal year ended June 30, 2019, a total of $850,260 was charged to depreciation expense.

7. NOTES PAYABLE

Charter School Revolving Loan (DCA)

On June 18, 2014, the Organization entered into a loan agreement with Charter School Finance Authority in the principal amount of $250,000, with interest at 0.22% per annum. The principal was due September 20, 2018, along with any accrued unpaid interest. The loan was fully paid as of June 30, 2019.

Charter School Revolving Loan (BJE)

On June 18, 2014, the Organization entered into a loan agreement with Charter School Finance Authority in the principal amount of $250,000, with interest at 0.22% per annum. The principal was due September 20, 2018, along with any accrued unpaid interest. The loan was fully paid as of June 30, 2019.

7. NOTES PAYABLE (continued)

Charter School Revolving Loan (JHHS)

On June 26, 2015, the Organization entered into a loan agreement with Charter School Finance Authority in the principal amount of $250,000, with interest at 0.30% per annum. The principal is due September 20, 2020, along with any accrued unpaid interest. Required payments of principal on the long-term notes payable as of June 30, 2019, including maturities, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 66,668	$ 107	$ 66,775
	$ 66,668	$ 107	$ 66,775

Capital Impact Partners

On June 22, 2016, the Organization entered into a loan agreement with Capital Impact Partners in the principal amount of $3,000,000, with interest at 6.00% per annum. The principal is due July 1, 2026, along with any accrued unpaid interest. Required payments of principal on the long-term notes payable as of June 30, 2019, including maturities, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 285,782	$ 141,985	$ 427,767
2021	304,044	123,723	427,767
2022	323,067	104,700	427,767
2023	343,269	84,498	427,767
2024	363,471	64,286	427,757
Thereafter	838,340	55,252	893,592
	$ 2,457,973	$ 574,444	$ 3,032,417

7. NOTES PAYABLE (continued)

New Resource Bank Loans

On December 18, 2017, the Organization entered into loan agreements with New Resource Bank in the principal amount of $3,800,000, with interest at 5.25% per annum. The loans mature December 18, 2032, along with any accrued unpaid interest. Required payments of principal on the long-term notes payable as of June 30, 2019, including maturities, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 184,681	$ 187,571	$ 372,252
2021	195,269	176,983	372,252
2022	205,922	166,333	372,255
2023	215,853	162,346	378,199
2024	225,784	108,483	334,267
Thereafter	2,265,354	468,128	2,733,482
	$ 3,292,863	$ 1,269,844	$ 4,562,707

Changes in obligations under notes payable for the fiscal year ended June 30, 2019, are as follows:

	Balance June 30, 2018	Additions	Payments	Balance June 30, 2019	Due in one year
Charter School Revolving Loan (DCA)	$ 8	$ -	$ (8)	$ -	$ -
Charter School Revolving Loan (BJE)	8	-	(8)	-	-
Charter School Revolving Loan (JHHS)	100,001	-	(33,333)	66,668	50,000
Capital Lease Payable	-	188,948	(3,730)	185,218	-
Capital Impact Partners	2,726,346	-	(268,373)	2,457,973	285,782
New Resource Bank Loans	3,088,268	259,610	(55,015)	3,292,863	184,681
Total	$ 5,914,631	$ 448,558	$ (360,467)	$ 6,002,722	$ 520,463

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2019 consisted of the following:

California Clean Energy Jobs Act	$ 575,864
Total net assets with donor restrictions	$ 575,864

9. EMPLOYEE RETIREMENT PLAN

The Organization established a defined contribution plan called Amethod Public Schools 401(k) Retirement Plan (Plan) under the provisions of the Employee Retirement Security Act of 1974 (ERISA). The Organization is a sponsor of the Plan.

Participation in the Plan is open to all employees who have reached age 21 and completed two months of service, as defined by the Plan. The Organization may make a discretionary matching contribution equal to 100% of the participant's elective deferrals up to 3.0% of the participant's salary. The Organization's contribution to the Plan for the fiscal year ending June 30, 2019, was $162,252.

10. OPERATING LEASES

The Organization leases its facilities under lease arrangements that are for more than one year ending in 2030. The future minimum lease payments are as follows:

Year Ending June 30,	Lease Payments
2020	$ 3,574,292
2021	3,678,007
2022	3,894,864
2023	3,891,064
2024	3,877,264
Thereafter	4,258,562
Total future lease payments	$ 23,174,053

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with these leases. For the fiscal year ended June 30, 2019, operating lease expense was $4,373,321.

11. COMMITMENTS AND CONTINGENCIES

State Allowances, Awards, and Grants

The Organization has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

12. SUBSEQUENT EVENTS

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 16, 2019, which is the date the financial statements were available to be issued. Except as noted below, management believes there are no events, which requires adjustments to, or disclosures in, the accompanying financial statements.

In November 2019, the Organization had a new Chief Executive Officer the position.

SUPPLEMENTARY INFORMATION

AMETHOD PUBLIC SCHOOLS
ORGANIZATION
JUNE 30, 2019

Amethod Public Schools consists of six charter schools: Oakland Charter Academy, Oakland Charter High School, Richmond Charter Academy, Richmond Charter Elementary, Downtown Charter Academy, and John Henry High School. Amethod Public Schools has since opened an elementary school and now serves grades TK-12. The Organization's home office is operated to provide support services to each of the charter schools.

Oakland Charter Academy [#0014] is a grade 6-8 Charter School and was granted its charter renewal by the Oakland Unified School District in January 10, 2018, pursuant to the Charter School Act of 1992, as amended.

Oakland Charter High School [#0883] is a grade 9-12 Charter School and was granted its charter renewal by the Oakland Unified School District on February 8, 2017, pursuant to the Charter School Act of 1992, as amended.

Richmond Charter Academy [#1441] is a grade 6-8 Charter School and was granted its charter by the West Contra Costa Unified School District on March 21, 2012, pursuant to the Charter School Act of 1992, as amended.

Benito Juarez Elementary [#1660] is a Kindergarten – grade 5 Charter School and was granted its charter by the West Contra Costa Unified School District on November 6, 2013, pursuant to the Charter School Act of 1992, as amended.

Downtown Charter Academy [#1661] is a grade 6-8 Charter School and was granted its charter by the Oakland Unified School District on January 29, 2013, pursuant to the Charter School Act of 1992, as amended.

John Henry High School [#1741] is a grade 9-12 Charter School and was granted its charter renewal by the West Contra Costa Unified School District, pursuant to the Charter School Act of 1992, as amended.

Name	Office	Term	Term Expiration
Edgar Quiroz	Board Chair	4	January 1, 2022
Maribel Gonzalez	Board Vice Chair	4	January 1, 2023
Hernan Vargas	Treasurer	4	January 1, 2021

Administration

Name	Position
Jorge Lopez	Chief Executive Officer
Wil Mendoza	Chief Operating Officer

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the fiscal year ended June 30, 2019

Oakland Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	76.24	75.81
Grades 7 - 8	151.01	150.87
Total	227.25	226.68

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Oakland Charter High School

	Second Period Report	Annual Report
Grades 9 - 12	436.12	435.34
Total	436.12	435.34

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Richmond Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	85.24	85.24
Grades 7 - 8	171.23	170.29
Total	256.47	255.53

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the fiscal year ended June 30, 2019

Downtown Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	105.02	104.31
Grades 7 - 8	189.45	189.07
Total	294.47	293.38

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Benito Juarez Elementary

	Second Period Report	Annual Report
TK/K - 3	265.27	265.17
Grades 4 - 6	138.64	138.64
Total	403.91	403.81

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

John Henry High School

	Second Period Report	Annual Report
Grades 9 - 12	298.48	297.30
Total	298.48	297.30

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
For the Fiscal Year Ended June 30, 2019

Oakland Charter Academy

Grade Level	Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	64,347	175	In compliance
Grade 7	54,000	64,347	175	In compliance
Grade 8	54,000	64,347	175	In compliance

Oakland Charter High School

Grade Level	Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	65,400	175	In compliance
Grade 10	64,800	65,400	175	In compliance
Grade 11	64,800	65,400	175	In compliance
Grade 12	64,800	65,400	175	In compliance

Richmond Charter Academy

Grade Level	Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	65,800	175	In compliance
Grade 7	54,000	65,800	175	In compliance
Grade 8	54,000	65,800	175	In compliance

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
For the Fiscal Year Ended June 30, 2019

Downtown Charter Academy

Grade Level	Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	64,880	175	In compliance
Grade 7	54,000	64,880	175	In compliance
Grade 8	54,000	64,880	175	In compliance

Benito Juarez Elementary

Grade Level	Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	51,750	175	In compliance
Grade 1	50,400	54,480	175	In compliance
Grade 2	50,400	54,480	175	In compliance
Grade 3	50,400	59,720	175	In compliance
Grade 4	54,000	59,720	175	In compliance
Grade 5	54,000	59,720	175	In compliance

John Henry High School

Grade Level	Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	70,140	175	In compliance
Grade 10	64,800	70,140	175	In compliance
Grade 11	64,800	65,580	175	In compliance
Grade 12	64,800	65,580	175	In compliance

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
NCLB: Title I, Part A, Basic Grants			
Low-Income and Neglected	84.010	14329	
Oakland Charter Academy			$ 138,952
Oakland Charter High School			139,977
Richmond Charter Academy			91,032
Downtown Charter Academy			85,689
Benito Juarez Elementary			158,303
John Henry High School			74,039
			687,992
NCLB: Title II, Part A, Teacher Quality	84.367	14341	
Oakland Charter Academy			6,971
Oakland Charter High School			11,028
Richmond Charter Academy			5,434
Downtown Charter Academy			8,152
Benito Juarez Elementary			10,417
John Henry High School			6,965
			48,967
NCLB: Title III, Limited English Proficient (LEP)			
Student Program	84.365	14346	
Richmond Charter Academy			68,152
			68,152
Special Education: IDEA Basic Local Assistance			
Entitlement, Part B, Sec 611	84.027	13379	
Oakland Charter Academy			32,469
Oakland Charter High School			57,412
Richmond Charter Academy			30,378
Downtown Charter Academy			38,321
Benito Juarez Elementary			58,109
John Henry High School			35,813
			252,502

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Charter School Facility Grant Program	N/A	24945	
Downtown Charter Academy			47,500
Richmond Charter Academy			47,500
			95,000
Replication and Expansion	N/A	N/A	
Oakland Charter Academy			10,343
Oakland Charter High School			10,404
Richmond Charter Academy			10,000
Benito Juarez Elementary			12,458
Downtown Charter Academy			10,000
John Henry High School			10,000
			63,205
Student Support and Academic Enrichment	84.424	15391	
Oakland Charter Academy			43,111
Total U.S. Department of Education			1,258,929
U.S. Department of Agriculture			
Child Nutrition Program	10.555	13755	
Oakland Charter Academy			58,064
Oakland Charter High School			98,295
Richmond Charter Academy			77,051
Downtown Charter Academy			64,386
Benito Juarez Elementary			72,648
John Henry High School			63,239
Total U.S. Department of Agriculture			433,683
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,692,612

1. NOTE BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards included the federal grant activity of Amethod Public Schools and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Amethod Public Schools has elected to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

AMETHOD PUBLIC SCHOOLS
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

Oakland Charter Academy

June 30, 2019, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	$ 2,376,720
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash understatement	(27,108)
Accounts receivable overstatement	242,482
Prepaid expenses overstatement	924
Fixed assets overstatement	111,665
Deposits understatement	2,327
Accounts payable overstatement	(38,632)
Notes payable understatement	(15,355)
Net adjustments and reclassifications	281,505
June 30, 2019, audited financial statement net assets	$ 2,658,225

Oakland Charter High School

June 30, 2019, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	$ 4,656,075
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash understatement	900,694
Accounts receivable overstatement	120,048
Prepaid expenses overstatement	2,658
Fixed assets understatement	48,891
Deposits understatement	6,795
Accounts payable understatement	(28,611)
Notes payable understatement	(75,178)
Net adjustments and reclassifications	975,297
June 30, 2019, audited financial statement net assets	$ 5,631,372

AMETHOD PUBLIC SCHOOLS
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

Richmond Charter Academy

June 30, 2019, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	$ 895,009
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash overstatement	138,226
Related party receivable/(payable) overstatement	300,000
Fixed assets understatement	(27,974)
Deposits understatement	853
Accounts payable overstatement	(83,623)
Deferred rent overstatement	157,898
Notes payable understatement	(55,482)
Net adjustments and reclassifications	178,399
June 30, 2019, audited financial statement net assets	$ 1,073,408

Downtown Charter Academy

June 30, 2019, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	$ 2,029,378
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash overstatement	307,753
Accounts receivable understatement	(4,467)
Prepaid expenses overstatement	(241)
Fixed assets overstatement	75,341
Deposits understatement	2,630
Accounts payable overstatement	(9,759)
Net adjustments and reclassifications	333,475
June 30, 2019, audited financial statement net assets	$ 2,362,853

AMETHOD PUBLIC SCHOOLS
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

Benito Juarez Elementary

June 30, 2019, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	$ 1,140,175
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash understatement	885,993
Accounts receivable understatement	(287,922)
Related party receivable/(payable) understatement	(300,000)
Fixed assets understatement	(166,151)
Deposits understatement	(345)
Accounts payable overstatement	(51,100)
Deferred rent overstatement	(50,352)
Notes payable understatement	(102,738)
Net adjustments and reclassifications	(70,956)
June 30, 2019, audited financial statement net assets	$ 1,069,219

John Henry High School

June 30, 2019, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	$ 477,670
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Cash overstatement	37,433
Accounts receivable understatement	72,129
Prepaid expenses overstatement	7,994
Fixed assets overstatement	(1,662)
Deposits understatement	5,529
Accounts payable understatement	(64,329)
Notes payable overstatement	(90,758)
Net adjustments and reclassifications	(86,521)
June 30, 2019, audited financial statement net assets	$ 391,149

AMETHOD PUBLIC SCHOOLS
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2019

	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	Downtown Charter Academy	Benito Juarez Elementary	John Henry High School	Home Office	Total
ASSETS								
Current assets:								
Cash	$ 532,062	$ 2,195,998	$ 1,952,867	$ 1,569,962	$ 1,169,982	$ 427,177	$ (6,445,516)	$ 1,402,532
Accounts receivable	753,905	1,165,578	619,964	569,381	835,257	993,236	(94,790)	4,842,531
Related party receivable/(payable)	1,170,121	1,625,000	-	300,000	(1,380,000)	(615,121)	(1,100,000)	-
Prepaid expenses	36,345	73,596	51,887	47,193	83,632	55,275	67,245	415,173
Total current assets	2,492,433	5,060,172	2,624,718	2,486,536	708,871	860,567	(7,573,061)	6,660,236
Fixed assets, net	532,646	845,290	726,668	86,671	2,715,883	804,223	3,809,653	9,521,034
Deposits	62,050	19,000	25,000	45,000	-	50,000	202,784	403,834
TOTAL ASSETS	$ 3,087,129	$ 5,924,462	$ 3,376,386	$ 2,618,207	$ 3,424,754	$ 1,714,790	$ (3,560,624)	$ 16,585,104
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	$ 107,349	$ 152,329	$ 100,452	$ 89,577	$ 121,545	$ 83,279	$ (6,470)	$ 648,061
Accrued expenses	45,324	65,583	205,982	127,987	80,687	77,995	(53,131)	550,427
Deferred rent	47,641	-	1,028,747	-	891,375	296,250	-	2,264,013
Notes payable, current portion	-	-	-	-	-	50,000	470,463	520,463
Total current liabilities	200,314	217,912	1,335,181	217,564	1,093,607	507,524	410,862	3,982,964
Notes payable, net of current portion	228,590	75,178	967,797	37,790	1,261,928	816,117	2,094,859	5,482,259
Total liabilities	428,904	293,090	2,302,978	255,354	2,355,535	1,323,641	2,505,721	9,465,223
Net assets (deficit):								
Net assets without donor restrictions								
Undesignated	2,412,265	5,378,849	1,063,822	2,362,853	1,069,219	323,354	(6,066,345)	6,544,017
Net assets with donor restrictions	245,960	252,523	9,586	-	-	67,795	-	575,864
Total net assets (deficit)	2,658,225	5,631,372	1,073,408	2,362,853	1,069,219	391,149	(6,066,345)	7,119,881
TOTAL LIABILITIES AND NET ASSETS	$ 3,087,129	$ 5,924,462	$ 3,376,386	$ 2,618,207	$ 3,424,754	$ 1,714,790	$ (3,560,624)	$ 16,585,104

See accompanying Independent Auditor's Report.

AMETHOD PUBLIC SCHOOLS
COMBINING SCHEDULE OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

	Oakland Charter Academy		Oakland Charter High School		Richmond Charter Academy		Downtown Charter Academy		Benito Juarez Elementary		John Henry High School			
	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Home Office	Total
REVENUES														
Revenue limit sources:														
State aid	$ 1,330,852	$ -	$ 3,308,462	$ -	$ 1,401,299	$ -	$ 2,089,543	$ -	$ 2,942,599	$ -	$ 2,649,434	$ -	$ -	$ 13,722,189
Education protection account	365,047	-	822,916	-	413,945	-	58,894	-	80,706	-	59,696	-	-	1,801,204
In-lieu of property taxes	580,158	-	1,113,393	-	713,119	-	751,767	-	1,117,712	-	830,820	-	-	5,106,969
Federal revenues	289,910	-	317,116	-	329,547	-	254,048	-	311,935	-	190,056	-	-	1,692,612
State revenues	683,101	-	989,289	-	713,535	-	802,314	-	989,287	-	554,002	67,795	-	4,799,323
Local revenues	94,624	-	98,874	-	83,881	-	66,932	-	112,760	-	68,387	-	3,033,548	3,559,006
Total revenues before releases	3,343,692	-	6,650,050	-	3,655,326	-	4,023,498	-	5,554,999	-	4,352,395	67,795	3,033,548	30,681,303
Net assets released from restrictions	-	-	-	-	9,294	(9,294)	-	-	-	-	-	-	-	-
Total revenues	3,343,692	-	6,650,050	-	3,664,620	(9,294)	4,023,498	-	5,554,999	-	4,352,395	67,795	3,033,548	30,681,303
EXPENSES														
Program services:														
Education	2,129,608	-	4,187,712	-	2,607,314	-	2,652,461	-	4,523,968	-	3,533,621	-	2,690,198	22,324,882
Support services:														
Management and general	917,613	-	1,495,625	-	942,802	-	1,068,752	-	1,271,739	-	868,768	-	3,103,853	9,669,152
Total expenses	3,047,221	-	5,683,337	-	3,550,116	-	3,721,213	-	5,795,707	-	4,402,389	-	5,794,051	31,994,034
CHANGE IN NET ASSETS	296,471	-	966,713	-	114,504	(9,294)	302,285	-	(240,708)	-	(49,994)	67,795	(2,760,503)	(1,312,731)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	2,115,794	245,960	4,412,136	252,523	949,318	18,880	2,060,568	-	1,215,137	-	373,348	-	(3,211,052)	8,432,612
NET ASSETS (DEFICIT), END OF YEAR	$ 2,412,265	$ 245,960	$ 5,378,849	$ 252,523	$ 1,063,822	$ 9,586	$ 2,362,853	$ -	$ 974,429	$ -	$ 323,354	$ 67,795	$ (5,971,555)	$ 7,119,881

See accompanying Independent Auditor's Report.

AMETHOD PUBLIC SCHOOLS
COMBINING SCHEDULE OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2019

	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	Downtown Charter Academy	Benito Juarez Elementary	John Henry High School	Home Office	Total
Program Services: Education								
Certificated salaries	$ 685,745	$ 1,660,789	$ 792,616	$ 1,146,970	$ 1,514,368	$ 1,286,625	$ 2,063	$ 7,089,176
Classified salaries	510,111	800,985	558,122	538,593	829,891	470,054	1,720,162	5,427,918
Employee benefits	235,117	468,622	241,240	294,985	499,920	321,100	320,224	2,381,208
Books and supplies	173,941	299,392	191,087	225,257	356,245	260,338	3,998	1,510,258
Travel and conferences	4,131	20,741	2,620	4,507	14,995	9,105	53,882	109,981
Dues and memberships	3,569	5,611	3,675	3,421	5,831	4,238	367	26,712
Operation and housekeeping services	51,656	106,834	197,739	54,554	247,027	120,069	36,043	813,922
Rental, leases, repairs and non-capitalized improvements	17,552	22,695	70,505	21,835	386,423	314,383	6,614	840,007
Professional/consulting services and operating expenditures	407,945	755,049	526,275	322,716	646,618	709,368	543,338	3,911,309
Total program services	$ 2,129,608	$ 4,187,712	$ 2,607,314	$ 2,652,461	$ 4,523,968	$ 3,533,621	$ 2,690,198	$ 22,324,882
Student Support Services: Management and General								
Certificated salaries	$ 20,959	$ 68,631	$ 40,061	$ 53,232	$ 66,206	$ 47,678	$ -	$ 296,767
Classified salaries	-	930	3,690	-	2,321	29,138	430,159	466,238
Employee benefits	5,657	16,456	9,650	11,200	18,294	12,932	37,961	112,150
Books and supplies	27,969	68,244	45,440	41,464	51,205	52,044	53,488	339,854
Travel and conferences	-	-	-	-	-	-	-	-
Dues and memberships	-	-	-	-	-	-	-	-
Operation and housekeeping services	37,939	30,500	27,467	20,936	45,450	28,697	8,833	199,822
Rental, leases, repairs and non-capitalized improvements	366,593	703,279	314,410	508,270	227,180	187,092	1,817,652	4,124,476
Professional/consulting services and operating expenditures	265,200	518,900	290,471	394,779	564,340	400,705	219,859	2,654,254
Communications	180	544	203	79	403	451	255	2,115
Depreciation	146,717	39,551	65,284	6,765	182,993	42,789	366,161	850,260
Direct support/indirect cost charges	25,254	48,590	28,538	31,827	44,770	33,100	73,848	285,927
Interest, long-term debt	21,145	-	117,588	200	68,577	34,142	95,637	337,289
Total student support services	$ 917,613	$ 1,495,625	$ 942,802	$ 1,068,752	$ 1,271,739	$ 868,768	$ 3,103,853	$ 9,669,152

See accompanying Independent Auditor's Report.

AMETHOD PUBLIC SCHOOLS
COMBINING SCHEDULE OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	Downtown Charter Academy	Benito Juarez Elementary	John Henry High School	Home Office	Total
CASH FLOWS FROM OPERATING ACTIVITIES:								
Change in net assets	$ 296,471	$ 966,713	$ 105,210	$ 302,285	$ (240,708)	$ 17,801	$ (2,760,503)	$ (1,312,731)
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:								
Depreciation	146,717	39,551	65,284	6,765	182,993	42,789	366,161	850,260
(Increase) decrease in operating assets:								
Accounts receivable	(242,806)	(120,050)	252,409	8,300	382,714	(43,256)	8,025	245,336
Related party receivable/(payable)	-	-	-	-	-	-	-	-
Prepaid expenses	(1,024)	(3,118)	(910)	(354)	(1,659)	(8,132)	129,244	114,047
Deposits	-	-	-	-	-	-	-	-
Increase (decrease) in operating liabilities:								
Accounts payable	54,382	22,357	68,249	36,459	83,450	11,690	(44,712)	231,875
Accrued expenses	5,399	7,839	23,660	9,251	13,116	26,898	(30,009)	56,154
Deferred rent	(28,898)	-	(83,237)	-	92,248	52,857	-	32,970
Net cash flows provided by (used in) operating activities	230,241	913,292	430,665	362,706	512,154	100,647	(2,331,794)	217,911
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of fixed assets	(261,382)	(88,441)	(34,310)	(82,106)	(47,762)	(118,609)	-	(632,610)
Disposal of fixed assets	-	-	-	-	25,921	-	-	25,921
Net cash flows used in investing activities	(261,382)	(88,441)	(34,310)	(82,106)	(21,841)	(118,609)	-	(606,689)
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from notes payable	401	75,178	86,537	37,789	86,537	162,116		448,558
Payment on notes payable	(17,360)	-	(125,305)	(8)	(23,437)	(33,333)	(161,024)	(360,467)
Net cash flows provided by (used in) financing activities	(16,959)	75,178	(38,768)	37,781	63,100	128,783	(161,024)	88,091
NET INCREASE (DECREASE) IN CASH	(48,100)	900,029	357,587	318,381	553,413	110,821	(2,492,818)	(300,687)
CASH, BEGINNING OF YEAR	580,162	1,295,969	1,595,280	1,251,581	616,569	316,356	(3,952,698)	1,703,219
CASH, END OF YEAR	$ 532,062	$ 2,195,998	$ 1,952,867	$ 1,569,962	$ 1,169,982	$ 427,177	$ (6,445,516)	$ 1,402,532
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION								
Cash paid for interest	$ 21,145	$ -	$ 117,588	$ 200	$ 68,557	$ 34,142	$ 95,637	$ 337,269

See accompanying Independent Auditor's Report.

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION

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
Amethod Public Schools
Oakland, 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 Amethod Public Schools (a nonprofit organization), 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 year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amethod Public Schools' 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 Amethod Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Amethod Public Schools' 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 entity'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.

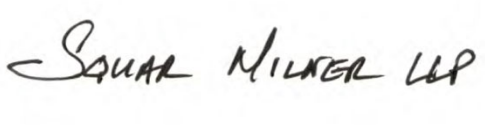
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amethod Public Schools' 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SQUAR MILNER LLP



San Diego, California
December 16, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Amethod Public Schools
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Amethod Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Amethod Public Schools' major federal programs for the fiscal year ended June 30, 2019. Amethod Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Amethod Public Schools major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Amethod Public Schools' 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 compliance for each major federal program. However, our audit does not provide a legal determination of Amethod Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Amethod Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Amethod Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Amethod Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Amethod Public Schools' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SQUAR MILNER LLP

Squar Milner LLP

San Diego, California
December 16, 2019

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
Amethod Public Schools
Oakland, California

Report on Compliance for Each State Program

We have audited Amethod Public Schools' compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* published by the Education Audit Appeals Panel, that could have a direct and material effect on each of Amethod Public Schools' state programs for the fiscal year ended June 30, 2019. Amethod Public Schools' state programs are identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Amethod Public Schools' state programs based on our audit of the types of compliance requirements referred to above. 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 State's Audit Guide, *2018-19 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 types of compliance requirements referred to above that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about Amethod Public Schools' 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 compliance for each state program. However, our audit does not provide a legal determination of Amethod Public Schools' compliance. In connection with the audit referred to above, we selected transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Yes

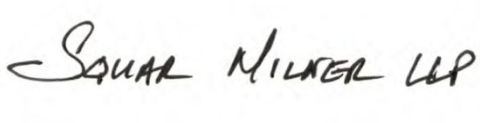
The term "Not Applicable" is used above to mean either that the Organization did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

Opinion on State Programs

In our opinion, Amethod Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2019.

The purpose of this report on state compliance is solely to describe the scope of our testing of state compliance and the results of that testing based on the requirements of the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

SQUAR MILNER LLP



San Diego, California
December 16, 2019

FINDINGS AND RECOMMENDATIONS SECTION

AMETHOD PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
One or more material weaknesses identified?	____ Yes	_X_ No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None reported	
Noncompliance material to financial statements noted?	____ Yes	_X_ No	

2. Federal Awards

Internal control over major programs:			
One or more material weaknesses identified?	____ Yes	_X_ No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported under section 200.516 Audit Findings paragraph (a) of OMB Uniform Guidance?	____ Yes	_X_ No	

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555	Child Nutrition Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	_X_ Yes	____ No	

A. Summary of Auditor's Results (Continued)

3. State Awards

Internal control over state programs:

One or more material weaknesses identified?	____ Yes	_X_ No
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None reported

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

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

None

AMETHOD PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR FINDINGS
For the Fiscal Year Ended June 30, 2019

Findings/Recommendations	Current Status	Explanation If Not Implemented
None	N/A	N/A

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED
JUNE 30, 2019 AND 2018

ASPIRE PUBLIC SCHOOLS

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	
Organization, Governing Board, and Administration	31
Schedule of Average Daily Attendance	32
Schedule of Instructional Time	38
Consolidating Statement of Financial Position, by Region	43
Consolidating Statement of Activities, by Region	45
Consolidating Statement of Financial Position	47
Consolidating Statement of Activities	53
Consolidating Schedule of Functional Expenses	59
Schedule of Expenditures of Federal Awards	62
Notes to Schedule of Expenditures of Federal Awards	63
OTHER INDEPENDENT AUDITOR'S REPORTS	
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*	64
Report on Compliance with Applicable Requirements in Accordance with 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting	66
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	68
FINDINGS AND QUESTIONED COSTS	
Schedule of Findings and Questioned Costs	70
Status of Prior Year Findings	73

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aspire Public Schools
Oakland, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Aspire Public Schools, a non-profit public benefit corporation, and affiliates (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, the related consolidated statement of functional expenses for the year ended June 30, 2019, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 *2018-19 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 the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated 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 consolidated financial statements.

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

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aspire Public Schools and affiliates as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Supplementary Information, as listed in the Table of Contents, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 consolidated financial statements as a whole.

Adoption of New Accounting Standards

As discussed in Note 1 to the consolidated financial statements, in 2019 the Organization adopted new accounting guidance, Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities; Topic 606, Revenue from Contracts with Customers; and ASU 2018-08, Topic 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019 on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 13, 2019

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	$ 37,422,237	$ 41,008,458
Restricted cash and cash equivalents	4,295,780	4,014,247
Accounts receivable	27,020,706	22,773,247
Contributions receivable, current portion	439,625	3,919,091
Prepaid expenses and deposits	1,357,147	1,628,013
Total current assets	70,535,495	73,343,056
NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	9,667,526	10,338,704
Investments	50,756	136,619
Contributions receivable, net	-	24,358
Property and equipment, net	183,179,872	168,981,244
Other assets, net	344,018	380,877
TOTAL ASSETS	$ 263,777,667	$ 253,204,858

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$ 8,983,390	$ 5,772,805
Accrued expenses	12,138,610	10,847,195
Deferred revenue	333,111	-
Line of credit	2,800,000	2,200,000
Debt, current	2,577,117	2,392,336
Total current liabilities	26,832,228	21,212,336
LONG-TERM LIABILITIES:		
Deferred rent	893,174	866,452
Capital lease	17,937,179	-
Debt, net	133,243,848	136,240,239
Total liabilities	178,906,429	158,319,027
NET ASSETS:		
Without donor restrictions	73,414,525	79,729,026
With donor restrictions	11,456,713	15,156,805
Total net assets	84,871,238	94,885,831
TOTAL LIABILITIES AND NET ASSETS	$ 263,777,667	$ 253,204,858

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018

NET ASSETS WITHOUT DONOR RESTRICTIONS:	2019	2018
SUPPORT AND REVENUE:		
Private grants and contributions	$ 3,091,633	$ 2,689,082
Donated equipment, materials, and services	5,000	-
Federal revenue	19,867,626	20,567,652
California state revenue:		
State aid portion of general purpose funding	99,279,995	91,329,707
All other state revenue	18,652,594	18,819,928
Tennessee state revenue:		
Basic education program funding	15,874,909	14,010,357
All other state revenue	531,931	382,149
Local revenue:		
Cash in-lieu of property taxes	31,063,727	28,616,003
Interest income	646,200	397,397
All other local revenue	3,199,805	2,600,053
Subtotal	192,213,420	179,412,328
Net assets released from restrictions	35,303,647	41,036,373
Total support and revenue	227,517,067	220,448,701
EXPENSES AND LOSSES		
PROGRAM EXPENSES:		
Educational programs	213,665,508	185,782,127
SUPPORTING SERVICES:		
Site support	12,735,144	15,774,016
Development and expansion	1,054,027	8,491,465
Administration and general	4,092,814	6,427,130
Total supporting services	17,881,985	30,692,611
Total expenses	231,547,493	216,474,738
Settlement expense	2,100,000	-
Return of grant funds	184,075	-
Loss on deconsolidation	-	301,198
Total expenses and losses	233,831,568	216,775,936
Increase (Decrease) in Net Assets without Donor Restrictions	(6,314,501)	3,672,765
NET ASSETS WITH DONOR RESTRICTIONS:		
Private grants and contributions	1,030,227	4,747,000
Federal and state revenue	30,576,059	27,394,309
Return of grant funds	(2,731)	-
Loss on deconsolidation	-	(2,595,975)
Net assets released from restrictions	(35,303,647)	(41,036,373)
Decrease in Net Assets with Donor Restrictions	(3,700,092)	(11,491,039)
DECREASE IN NET ASSETS	(10,014,593)	(7,818,274)
NET ASSETS - Beginning of Year	94,885,831	102,704,105
NET ASSETS - End of Year	$ 84,871,238	$ 94,885,831

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Expenses	Supporting Services			
	Educational Programs	Site Support	Development and Expansion	Administration and General	Total
Salaries and wages	$ 114,653,951	$ 6,329,506	$ 470,487	$ 1,810,037	$ 123,263,981
Employee benefits	37,591,987	2,134,083	137,126	610,054	40,473,250
Books and supplies	11,667,124	557,342	33,033	159,246	12,416,745
Rents and occupancy	11,684,136	533,003	-	533,003	12,750,142
Professional services	19,295,008	1,775,987	379,741	507,425	21,958,161
Bonds and loan interest	6,912,856	258,455	-	73,844	7,245,155
Depreciation and amortization	8,693,987	103,710	-	103,710	8,901,407
Travel and meetings	2,824,772	376,286	29,774	107,531	3,338,363
Other expenses	341,687	666,772	3,866	187,964	1,200,289
Total	$ 213,665,508	$ 12,735,144	$ 1,054,027	$ 4,092,814	$ 231,547,493

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	$ (10,014,593)	$ (7,818,274)
Adjustments to reconcile to net cash provided (used) by operating activities:		
Loss on investments	86,402	-
Depreciation	8,864,548	7,477,303
Amortization	36,859	44,840
Loss on disposal of property and equipment	202,338	-
Forgiveness of debt	-	(700,000)
Amortization of long-term debt costs	(339,002)	(339,001)
(Increase) decrease in assets:		
Accounts receivable	(4,247,459)	(3,036,054)
Contributions receivable	3,503,824	3,544,890
Prepaid expenses and deposits	270,866	(955,275)
Increase (decrease) in liabilities:		
Accounts payable	3,123,915	(2,650,807)
Accrued expenses	1,291,415	308,249
Deferred revenue	333,111	-
Deferred rent	26,722	26,001
Net cash provided (used) by operating activities	3,138,946	(4,098,128)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(539)	-
Proceeds from the sale of investments	-	9,967,877
Purchases of property and equipment	(5,241,665)	(7,112,637)
Net cash provided (used) in investing activities	(5,242,204)	2,855,240
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from line of credit	600,000	2,000,000
Proceeds from debt	-	824,165
Principal payments on debt	(2,472,608)	(2,187,497)
Net cash provided (used) by financing activities	(1,872,608)	636,668
Net decrease in cash and cash equivalents	(3,975,866)	(606,220)
Cash and cash equivalents, beginning of year	55,361,409	55,967,629
Cash and cash equivalents, end of year	$ 51,385,543	$ 55,361,409
Cash and cash equivalents	$ 37,422,237	$ 41,008,458
Restricted cash and cash equivalents	13,963,306	14,352,951
Total	$ 51,385,543	$ 55,361,409
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Property and equipment financed through accounts payable	$ 86,670	$ 1,191,423
Property and equipment financed through capital lease	$ 17,937,179	$ -
Forgiveness of debt	$ -	$ 700,000
CASH PAID FOR INTEREST (net of capitalized amount)	$ 6,866,918	$ 6,366,369

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

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Aspire Public Schools, a non-profit public benefit corporation, was formed to manage, guide, direct, and promote charter schools that provide quality education to youth in primary and secondary grades. The Organization was founded in 1998. The Organization's support is derived primarily from public education monies, individual and foundation contributions, and government agency grants.

In addition to managing school operations, Aspire Public Schools controls three affiliated organizations that were created to facilitate ownership of certain school facilities and support development of charter schools. The facilities are owned and managed by two single-member limited liability companies, College for Certain, LLC (CFC LLC), and College for Certain II, LLC (CFC II LLC). The sole member of both LLCs is College for Certain, Inc. (CFC INC) which was created as a supporting organization of Aspire Public Schools to facilitate and support the development of charter schools. CFC INC is controlled by, and for the benefit of, Aspire Public Schools. CFC LLC and CFC II LLC are disregarded entities for federal income tax purposes.

Aspire Public Schools TN, LLC (TN LLC) is a Tennessee non-profit limited liability company created in July 2013, whose sole member is Aspire Public Schools. TN LLC incorporated pursuant to the Tennessee Nonprofit Corporation Act and is a disregarded entity for federal income tax purposes. TN LLC was formed to manage, guide, direct, and promote charter schools that provide quality education to Tennessee youth in primary and secondary grades. TN LLC's support is derived primarily from State of Tennessee public education monies, foundation contributions, and various government agency grants.

The Aspire Public Schools' board determined in December 2018 that it is in the best interest of the four Tennessee based schools to become an independently operated Tennessee-based charter management organization (CMO) entity with a tentative effective date of July 1, 2020. At that time there will be a net asset transfer from Aspire TN, LLC to a new entity that will no longer be under the control of Aspire Public Schools.

Alder Graduate School of Education (Alder) (formerly Aspire University, Inc.) was consolidated with the Organization as of June 30, 2017 since Aspire Public Schools was its sole corporate member. Alder is a separate California non-profit public benefit corporation that was founded in July 2015 with a mission to develop a high-caliber teacher, principal, and leader pipeline for the Organization and other education organizations. On July 1, 2017, Alder revised its bylaws to remove Aspire Public Schools as the sole corporate member and therefore, was deconsolidated from the Organization as of June 30, 2018, resulting in a loss of $2,897,173 that is reflected in the *Consolidated Statement of Activities.*

Aspire Pubic Schools Foundation was created in July 2019 as a non-profit public benefit corporation to be organized and operated as a supporting organization of Aspire Public Schools to perform fundraising for the benefit of and on behalf of Aspire Public Schools. Aspire Public Schools Foundation is controlled by, and for the benefit of, Aspire Public Schools. Foundation support will come primarily from private donations and foundation grants.

For financial reporting purposes, CFC LLC, CFC II LLC, CFC INC, and TN LLC, are consolidated with Aspire Public Schools for the years ended June 30, 2019 and 2018.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Aspire Public Schools and its controlled affiliated organizations, collectively the "Organization". All significant intercompany accounts and transactions have been eliminated in consolidation. Listed below are the affiliated organizations included in these financial statements:

- **Aspire Public Schools** – Aspire Public Schools operates thirty-six schools in California under thirty-five charters which are chartered by twelve charter authorizers (sponsoring districts) in seven counties. Charters were granted for each school for up to five years, with an opportunity for renewal. Charters may be revoked by the sponsoring district for material violations of the charter, failure to meet or make progress toward student outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. As of June 30, 2019, the charter schools operated by Aspire Public Schools were as follows:

Charter School Name	Charter School Number	Sponsoring District	*Charter Granted/ Renewed	Charter Expiration
Aspire Alexander Twilight College Preparatory Academy	1554	San Juan Unified	Nov 2015	6/30/21
Aspire Alexander Twilight Secondary Academy	1555	San Juan Unified	Nov 2015	6/30/21
Aspire Antonio Maria Lugo Academy	694	Los Angeles County Office of Education	April 2019	6/30/24
Aspire APEX Academy	1552	Stockton Unified	Jan 2018	6/30/23
Aspire Benjamin Holt College Preparatory Academy	565	Lodi Unified	Oct 2017	6/30/23
Aspire Benjamin Holt Middle School	1782	Lodi Unified	Nov 2015	6/30/21
Aspire Berkley Maynard Academy	726	Oakland Unified	Jan 2015	6/30/20
Aspire Capitol Heights Academy	598	Sacramento City Unified	Apr 2018	6/30/23
Aspire Centennial College Preparatory Academy	1436	Los Angeles Unified	Nov 2017	6/30/23
Aspire College Academy	1577	Oakland Unified	Jan 2018	6/30/23
Aspire East Palo Alto Charter School	125	Ravenswood City	Aug 2018	6/30/24
Aspire ERES Academy	1115	Oakland Unified	Nov 2018	6/30/24
Aspire Firestone Academy	1214	Los Angeles Unified	Oct 2014	6/30/20
Aspire Gateway Academy	1213	Los Angeles Unified	Oct 2014	6/30/20
Aspire Golden State College Preparatory Academy	1023	Oakland Unified	Jan 2018	6/30/23
Aspire Inskeep Academy	1332	Los Angeles Unified	Oct 2015	6/30/21
Aspire Junior Collegiate Academy	1551	Los Angeles Unified	Nov 2017	6/30/23
Aspire Langston Hughes Academy	1048	Stockton Unified	Jan 2018	6/30/23
Aspire Lionel Wilson College Preparatory Academy	465	Oakland Unified	Dec 2016	6/30/22
Aspire Monarch Academy	252	Oakland Unified	Nov 2018	6/30/24
Aspire Ollin University Prep	693	Los Angeles County Office of Education	April 2019	6/30/24
Aspire Pacific Academy	1230	Los Angeles Unified	Oct 2014	6/30/20
Aspire Port City Academy	1553	Stockton Unified	Jan 2018	6/30/23

Charter School Name	Charter School Number	Sponsoring District	*Charter Granted/ Renewed	Charter Expiration
Aspire Richmond California College Preparatory Academy	1739	West Contra Costa Unified	Dec 2014	6/30/20
Aspire Richmond Technology Academy	1740	West Contra Costa Unified	Dec 2014	6/30/20
Aspire River Oaks Charter School	364	Lodi Unified	Feb 2016	6/30/21
Aspire Rosa Parks Academy	554	Stockton Unified	Jan 2015	6/30/20
Aspire Slauson Academy	1330	Los Angeles Unified	Oct 2015	6/30/21
Aspire Summit Charter Academy	812	Ceres Unified	Jan 2016	6/30/21
Aspire Tate Academy	1331	Los Angeles Unified	Oct 2015	6/30/21
Aspire Titan Academy	1550	Los Angeles Unified	Nov 2017	6/30/23
Aspire Triumph Technology Academy	1663	Oakland Unified	Nov 2018	6/30/24
Aspire University Charter School	1026	Modesto City Schools	Jan 2018	6/30/23
Aspire Vanguard College Preparatory Academy	1125	Modesto City Schools	Dec 2018	6/30/24
Aspire Vincent Shalvey Academy	178	Lodi Unified	Dec 2018	6/30/24

* Charter issuance date or the most recent renewal date.

All sponsoring districts receive up to 1% of the annual charter revenue for supervisory oversight. Ravenswood City School District, the sponsoring district for Aspire East Palo Alto Charter receives up to 3% for supervisory oversight because the district provides facilities substantially rent-free.

Through June 30, 2019, the Organization had separately negotiated with all sponsoring districts for administrative fees and other services. Additionally, for some schools, transportation expenses and/or special education encroachment are paid by the Organization to the sponsoring districts.

- **Aspire Public Schools TN, LLC** – TN LLC operates four schools under four charters in Shelby County, Tennessee. Charters were granted for each school for ten years, with an opportunity for renewal. Charters may be revoked by the charter authorizer (sponsoring district) for material violations of the charter, failure to meet or make progress toward student outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. As of June 30, 2019, the charter schools operated by TN LLC were as follows:

Charter School Name	Charter School Number	Sponsoring District	Charter Granted/ Renewed	Charter Expiration
Aspire Hanley Middle School	8024	TN Achievement School District	April 2013	6/30/23
Aspire Hanley Elementary School	8025	TN Achievement School District	April 2013	6/30/23
Aspire Coleman Elementary School	8050	TN Achievement School District	May 2014	6/30/24
Aspire East Academy	8175	Shelby County Schools	November 2014	6/30/26

- **College for Certain, LLC** – CFC LLC holds title to properties that are financed through the CSFA Charter School Revenue Refunding Bonds Series 2016 (2016 Bonds) where Aspire Public Schools operates ten charter schools (seven locations) and manages, operates, and leases the properties.

- **College for Certain II, LLC** – CFC II LLC holds title to properties that are financed through the CSFA Charter School Revenue Refunding Bonds Series 2015 (2015 Bonds) where Aspire Public Schools operates three charter schools (two locations) and manages, operates, and leases the properties.

- **College for Certain, Inc.** – CFC INC is a supporting organization of Aspire Public Schools in that it facilitates and supports the development of charter schools for Aspire Public Schools. CFC INC is the sole member of CFC LLC and CFC II LLC and is the named borrower of the 2015 and 2016 Bonds outstanding.

Basis of presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and cash equivalents – For financial statement purposes, the Organization considers investments with maturity at purchase of three months or less to be cash equivalents.

Accounts receivable represent amounts of which the Organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance.

Contributions receivable–Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. In subsequent years, amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Management determines the allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections and are written off when deemed uncollectable. Management has determined that no allowance is deemed necessary as of June 30, 2019 and 2018.

Investments – Investments with readily determinable fair values are stated at fair value and held for long-term purposes. Other investments without readily determinable fair values are stated at the lower of cost or market and evaluated periodically for impairment.

Intangible assets – The Organization has intangible assets for product and service discounts to be used in future periods. The Organization amortizes certain intangibles over their estimated useful lives, while intangible assets determined to have indefinite useful lives are assessed annually for impairment.

Property and equipment with a value greater than $5,000 are capitalized at cost or fair market value on the date of receipt, in the case of donated property, and depreciated using the straight-line method over their estimated useful lives, which range from two to thirty years. Leasehold improvements are depreciated over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, with the resulting gain or loss reflected in the statement of activities.

Revenue recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable federal or state grants received in advance are deferred to the applicable period in which the related services are performed, or the qualifying expenditures are incurred, respectively.

Contributions are recognized when cash, or other assets, or an unconditional promise to give is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Restricted contributions that were initially classified as conditional due to a qualifying expense barrier are recognized as net assets without donor restrictions since the restriction is met simultaneously when the condition is released and the revenue is recognized.

Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service.

Donated equipment, materials, services, and facilities – In-kind contributions of equipment, materials, and services are recorded at their estimated fair values at the date of donation. Donated services are recorded when they create or enhance non-financial assets or require a specialized skill that the Organization would otherwise need to purchase. During the years ended June 30, 2019 and 2018, in-kind contributions of $5,000 and $0 were received, respectively.

Income taxes – The Organization has been granted tax-exempt status as provided by Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. In addition, the Internal Revenue Service has determined the Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

Functional allocation of expenses – The cost of providing educational programs and other activities has been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include rent and occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, employee benefits, professional services, and other, which are allocated on the basis of estimates of time and effort.

Program development and expansion – The Organization continually explores potential opportunities for expansion and growth; thus, costs are incurred to research the possibility of establishing new sites. The Organization capitalizes these preacquisition costs into 'Construction in progress' (Note 8) at the time incurred. If it is determined that a formal contractual commitment will not be entered into, the expenses are included in program development and expansion in the period that the determination is made.

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the asset or liability.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant management estimates included in the financial statements are the collectability of the receivables and contributions receivables, estimate of net present value of the contributions receivable, the valuation of investments, the estimated useful lives of property and equipment, the net present value of intangibles, and the functional allocation of expenses.

Recent accounting pronouncements – In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been

applied retrospectively to all periods presented, with the exception of the functional expense statement, which has not been applied for the year ended June 30, 2018 as allowed by the transition guidance of this ASU. A list of expenses for the year ended June 30, 2018 is presented in Note 18.

In May 2014, the FASB issued Topic 606, *Revenue from Contracts with Customers*. The new accounting standard develops a common standard that will remove inconsistencies in revenue requirements, improve comparability of revenue recognition practices, provide more useful information to users of financial statements and simplify the preparation of financial statements. The Organization has adjusted the presentation of these consolidated financial statements accordingly with no effect on net assets.

In June 2018, the FASB issued ASU 2018-08, Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization has implemented the provisions in the accompanying consolidated financial statements under the modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The new accounting standard requires lessees to recognize a lease liability measured on a discounted basis and a right-of-use asset for all leases with terms longer than 12 months. Application of this statement is effective for the year ending June 30, 2020. The Organization is currently evaluating the impact this pronouncement will have on the financial statements.

Reclassification - Beginning net assets with donor restrictions were decreased by $1,242,711 to $15,156,805 and beginning net assets without donor restrictions were increased by $1,242,711 to $79,729,026 on July 1, 2018 due to net assets with purpose restrictions that were met prior to June 30, 2018 and were not released in error. This restatement between net asset classes did not impact the overall beginning net assets of $94,885,831 as of July 1, 2018.

The impacts of these adjustments as of and for the year ended June 30, 2018 presented are as follows:

	As Previously Issued	As Restated
Net assets without donor restrictions, ending	$ 78,486,315	$ 79,729,026
Net assets with donor restrictions, ending	16,399,516	15,156,805
Net assets released from restrictions	(39,793,662)	(41,036,373)
Change in net assets without donor restrictions	2,430,054	3,672,765
Change in net assets with donor restrictions	(10,248,328)	(11,491,039)

Subsequent events have been reviewed through December 13, 2019, the date the financial statements were available to be issued. Management concluded that a subsequent event has occurred since June 30, 2019 that requires recognition and disclosure in the financial statements (see Note 19).

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows at June 30:

	2019	2018
Cash and cash equivalents	$ 37,422,237	$ 41,008,458
Accounts receivable	27,020,706	22,773,247
Contributions receivable	439,625	3,919,091
Total financial assets, available within one year	64,882,568	67,700,796
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors for purpose	(6,000,814)	(9,450,906)
Total financial assets available for general expenditures within one year	$ 58,881,754	$ 58,249,890

The Organization's goal is to maintain or exceed financial assets at a level sufficient to protect its schools against program cuts arising from unanticipated state revenue or enrollment shortfalls, unexpected cost increases, and economic uncertainties, such that it can meet 5-6 weeks of operating expenses (approximately $23.0 million) and its bond covenants. As part of its liquidity plan, school sites also have target reserves to cover repairs, maintenance and minor capital improvements. The Organization has a $20,000,000 line of credit available to meet cash flow needs.

3. CONCENTRATIONS OF CASH

The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash. At June 30, 2019, the Organization held deposits with three financial institutions in excess of federal depository insurance limits of $51,921,720. Management believes the Organization is not exposed to any significant credit risk related to cash.

4. RESTRICTED CASH

Restricted cash consists of amounts that are required to be held for debt service reserves and for principal and interest payments with respect to the bond outstanding; and contributions restricted to investment in property and equipment. The total restricted cash at June 30, 2019 and 2018 was $13,963,306 and $14,352,951, respectively. The current portion of $4,295,780 and $4,014,247 as of June 30, 2019 and 2018, respectively, was restricted for current bond debt obligations. The noncurrent portion of $9,667,526 at June 30, 2019 consisted of $6,640,351 for debt service reserves and $3,027,175 for investment in property and equipment. The noncurrent portion of $10,338,704 at June 30, 2018 consisted of $6,627,387 for debt service reserves and $3,711,317 for investment in property and equipment.

5. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2019 and 2018 were $27,020,706 and $22,773,247, respectively. The June 30, 2019 balance was due entirely from grantor government agencies, aside from $251,006 due from Alder for administrative services performed in 2019. Management deems all receivables to be collectible as of June 30, 2019. The June 30, 2018 balance was due entirely from grantor government agencies, aside from $126,349 due from Alder for administrative services performed in 2018.

6. CONTRIBUTIONS RECEIVABLE

The Organization recognizes unconditional contributions receivable at their estimated fair value using estimated prevailing interest rates, on a nonrecurring basis, at the time the pledge is made. Fair value is determined by calculating the net present value of the estimated future cash flows. The discount rate used in determining the net present value of new pledges receivable was 2.69% and 2.64% at June 30, 2019 and 2018, respectively. All contributions receivable are judged by management to be collectible, and were as follows as of June 30:

	2019	2018
Gross contributions receivable	$ 439,625	$ 3,944,091
Less: Unamortized discount	-	(642)
Contributions receivable, net	$ 439,625	$ 3,943,449

Contributions receivable are due to be collected as follows:

	2019	2018
Within one year	$ 439,625	$ 3,919,091
One to five years	-	24,358
Contributions receivable, net	$ 439,625	$ 3,943,449

Conditional promises to give, which depend on the occurrence of specified future and uncertain events, are not recorded until the conditions are met. Approximate outstanding conditional promises to give for the purposes of opening schools in specific locations were $2,400,000 and $6,400,000 at June 30, 2019 and 2018, respectively, and will be recognized as revenue as the conditions are met.

7. INVESTMENTS

Investments consist of the following at June 30:

	2019	2018
Equity securities invested in education technology	$ 6,098	$ 93,000
Pooled funds with community foundation	44,658	43,619
Investments	$ 50,756	$ 136,619

Equity securities are invested with a privately held business and are recorded at the lower of cost or fair value and are not subject to the fair value hierarchy. Pooled funds are classified as level 2 of the fair value hierarchy, as the fair value is quoted by the community foundation and based on prices in active markets for the pooled investments as a whole.

The Organization also owns common stock of Schoolzilla, Inc. (Schoolzilla). Schoolzilla is a for-profit company that develops web-based data management platforms allowing teachers to synthesize data from multiple sources and create reports presenting their students' academic performances. The Organization owned more than 20% of the common stock until 2015. In 2016, ownership was further diluted and management did not have significant influence and therefore accounted for the investment under the cost method. As of June 30, 2019 and 2018, the investment was reflected at $0 value due to losses previously recognized under the equity method. Schoolzilla did not declare any dividends as of June 30, 2019 and 2018.

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2019	2018
Land	$ 37,459,639	$ 34,819,639
Buildings and improvements	174,785,046	157,943,806
Construction in progress	4,554,581	4,886,429
Leasehold improvements	13,011,962	9,778,919
Equipment	10,798,164	11,010,451
Automobiles	81,091	81,091
Subtotal	240,690,483	218,520,335
Less accumulated depreciation	(57,510,611)	(49,539,091)
Property and equipment, net	$ 183,179,872	$ 168,981,244

Depreciation expense was $8,864,548 and $7,477,303 for the years ended June 30, 2019 and 2018, respectively. Various components of the land, buildings, and schools under construction shown above are pledged as collateral for the debt disclosed in Note 10, and the capital lease disclosed in Note 12.

9. OTHER ASSETS

Other assets consisted of the following at June 30:

	2019	2018
Indefinite-lived intangible assets	$ 316,372	$ 316,372
Amortizable intangible assets, net	27,646	64,505
Other assets, net	$ 344,018	$ 380,877

Intangible Assets

The Organization holds an indefinite-life intangible asset for product and technology discount benefits valued at $316,372. Management assesses the carrying value of the indefinite-life intangible asset annually, or more often if facts and circumstances suggest it may be impaired. If this review indicates that the carrying value may not be recoverable, then the carrying value would be reduced to its estimated fair value. No impairment losses were recognized as a result of this review for the years ended June 30, 2019 and 2018, respectively.

Amortizable intangible assets consist of the following as of June 30, 2019:

	Gross Carrying Amount	Accumulated Amortization	Net
Product and technology discount benefits	$ 438,922	$ 411,276	$ 27,646
Rights to use certain assets	53,200	53,200	-
Service discount benefits	14,263	14,263	-
Total	$ 506,385	$ 478,739	$ 27,646

Amortizable intangible assets consist of the following as of June 30, 2018:

	Gross Carrying Amount	Accumulated Amortization	Net
Product and technology discount benefits	$ 438,922	$ 374,417	$ 64,505
Rights to use certain assets	53,200	53,200	-
Service discount benefits	14,263	14,263	-
Total	$ 506,385	$ 441,880	$ 64,505

The product and technology discount benefits, rights to use certain assets, and service discount benefits are amortized on a straight-line basis over a seven, five, and three-year period, respectively. These lives are based on the periods in which the Organization is eligible for such discounts. Amortization expense on intangible assets for the years ended June 30, 2019 and 2018 was $36,859 and $44,840, respectively.

The expected future amortization expense of intangible assets is $27,646 in 2020.

10. DEBT

	2019	2018
College for Certain Series 2016 School Facility Revenue Refunding Bonds (2016 Bonds) in the amount of $83,170,000 were issued effective February 1, 2016; with 4 bonds and bearing interest rates ranging from 2.00% - 5.00%. The bond proceeds were used for the refunding of the outstanding principal of the College for Certain Series 2010 School Facility Revenue Bonds. Associated with this bond is a premium of $10,618,415 and debt issuance costs of $1,410,454, which are being amortized to interest expense over the term of the bonds. Principal and interest payments are due annually. Final maturity is in August 2046.	$ 79,280,000	$ 80,550,000
College for Certain Series 2015 School Facility Revenue Refunding Bonds (2015 Bonds) in the amount of $20,535,000 were issued effective December 1, 2015; with 4 bonds and bearing interest rates ranging from 2.00% - 5.00%. The bond proceeds were used for the payoff of a capital lease. Associated with this bond is a premium of $2,005,317 and debt issuance costs of $767,482, which are being amortized to interest expense over the term of the bonds. Principal and interest payments are due annually. Final maturity is in August 2045.	19,805,000	20,145,000
Charter Fund, Inc. $3,500,000 loan, effective October 15, 2012, bearing interest at 1%, to provide general support for the management of the organization. Principal payments of $700,000 were due in 3 annual installments beginning in 2020 through 2022. This loan had the potential to be forgiven annually through 2017/18, if specific milestones are met. $700,000 of this note was forgiven in 2018, resulting in $0 outstanding as of June 30, 2018.	-	-
California School Finance Authority $4,758,509 loan, effective June 27, 2007, bearing interest at 2.202%, for the construction of Rosa Parks Academy campus in Stockton under Proposition 47. Interest only payments of varying amounts are due annually. Principal and interest payments totaling $231,795 are due annually. Final maturity is in 2037.	3,414,149	3,567,390

	2019	2018
California School Finance Authority $9,834,913 loan ($457,251 issued in 2009/10, $5,262,400 issued in 2010/11, and $4,115,262 issued in 2012/13), bearing interest at 2%, for the construction of Aspire Ollin University College Preparatory campus in Los Angeles under Proposition 55. Interest only payments of varying amounts are due annually. In addition, a principal and interest payment of $462,139 is due annually. Final maturity is in 2042.	7,991,627	8,263,249
California School Finance Authority $8,229,438 loan ($3,459,764 issued in 2013/14 and $4,769,674 issued in 2015/16), bearing interest at 2%, for the construction of the Aspire Antonio Maria Lugo Academy campus in Los Angeles under Proposition 1D. Beginning July 2017, interest and principal payments of $376,730 are due annually. Final Maturity is in 2045.	7,525,635	7,811,078
California School Finance Authority $3,706,191 loan issued in 2015/16 for a new campus to be built for Aspire ERES Academy in Oakland under Proposition 1D. The interest rate will be approximately the state's borrowing rate and repayment will commence starting one-year after the new facility is opened. The principal will then be amortized over 30 years. Interest is not charged until the repayment period begins. The school is expected to be completed in the 2019/20 fiscal year.	3,706,191	3,706,191
Boston Community Loan Fund loan not to exceed $4,595,331 issued in March 2017 to TN LLC, to be used for the construction of Aspire East Academy, bearing interest at a fixed rate of 5.50% until February 2027, at which time interest will reset based on the 10-year U.S Daily Treasury Yield Curve Rate. Principal and interest payments due monthly and are calculated based the total amount drawn on the loan. Associated with this loan is $72,458 of issuance costs that are being amortized to interest expense over the term of the loan. As of June 30, 2018, $4,547,736 has been drawn from the loan. Repayments are expected to begin in March 2019 with final maturity in February 2037.	4,495,430	4,547,736
California School Finance Authority Charter School Revolving Fund Program $250,000 loan, effective September 25, 2017, for supporting the operations of Aspire Richmond Technology Academy. Interest rate is 1.12%, due annually. Principal payments of $50,000 are due annually beginning in the 2018/19 fiscal year. Final maturity is 2023.	200,002	250,000

	2019	2018
California School Finance Authority Charter School Revolving Fund Program $250,000 loan, effective September 25, 2017, for supporting the operations of Aspire Richmond California College Preparatory Academy. Interest rate is 1.12%, due annually. Principal payments of $50,000 are due annually beginning in the 2018/19 fiscal year. Final maturity is 2023.	200,002	250,000
Subtotal	126,618,040	129,090,644
Unamortized premiums and debt issuance costs	9,202,925	9,541,931
Less current portions	(2,577,117)	(2,392,336)
Total Long-Term Debt	$ 133,243,848	$ 136,240,239

On February 25, 2016, the Organization issued $83,170,000 of bonds (2016 Bonds), as mentioned above. The proceeds, in addition to the net premium of $9,207,961, were used to advance refund $83,360,000 of outstanding 2010 Bonds. The proceeds were deposited in an irrevocable trust with an escrow agent to pay the future debt service on the refunded bonds. As a result, the 2010 Bonds were considered defeased and the liability for those bonds was removed from the Consolidated Statement of Financial Position. The remaining proceeds were used to fund required reserve accounts. The reacquisition price (amount placed in escrow to repay the 2010 Bonds) exceeded the net carrying amount of those bonds and the unamortized portion of debt issuance costs, by $15,753,640, which was reflected as a loss in 2016. At June 30, 2019 and 2018, the outstanding balance of the defeased 2010 Bonds were $0 and $85,247,918, respectively. The bonds were redeemed on their January 1, 2019 call date.

Future payments relating to debt are as follows as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	$ 2,577,117	$ 5,665,517	$ 8,242,634
2021	2,680,762	5,441,543	8,122,305
2022	2,792,404	5,327,823	8,120,227
2023	2,909,784	5,208,722	8,118,506
2024	2,932,335	5,084,902	8,017,237
Thereafter	112,725,638	66,126,695	178,852,333
Total	$ 126,618,040	$ 92,855,202	$ 219,473,242

Aspire Public Schools (the Obligated Group under the 2015 Bonds and 2016 Bonds) must meet several financial covenants as a requirement of the Bonds. The Organization was in compliance with all covenants as of June 30, 2019.

Revolving Line of Credit

On October 28, 2014, the Organization obtained a $10,000,000 revolving line of credit. Advances on the credit line were payable on demand and carried an interest rate equal to the greater of the Prime Rate or 3.25%. On December 12, 2016, the Organization modified the line of credit to $15,000,000, with the interest rate modified to the greater of the Prime Rate or 3.5%, and a maturity date of October 31, 2017. The maturity date was extended to January 2019. In September 2018, the line was amended to increase the maximum borrowing amount to $20,000,000 and extend the maturity date to October 2019 with a one time option to extend the line by a further six months should the financing be needed to support specific facility projects. The interest rate was 5.5% and 5% at June 30, 2019 and 2018, respectively. The line had an outstanding balance of $2,800,000 and $2,200,000 as of June 30, 2019 and 2018, respectively. The credit line is secured by school revenues of select schools which are not already secured by other debt.

In November 2019, the Organization extended the $20,000,000 line of credit to a maturity date of January 31, 2021. The line of credit carries an interest rate equal to the Prime Rate.

11. CAPITALIZATION OF CONSTRUCTION DEBT INTEREST

While a facility is under construction, a portion of interest is capitalized into its cost. In summary, the capitalization of interest is applicable to the amount of interest that could have been avoided had the Organization not undertaken the building of a capital asset. The Organization evaluates capitalization of interest at the individual site level since the cash from one site would not be used to pay down the debt on another site.

The amount of capitalizable interest is determined by applying the debt interest rate to the average amount of accumulated expenditures for the building during the year. Interest costs of $7,234,060 and $5,594,515 were incurred related to debt during the years ended June 30, 2019 and 2018, respectively. During the years ended June 30, 2019 and 2018, $0 and $127,226 of interest was capitalized, respectively.

12. LEASE COMMITMENTS

Operating leases

The Organization leases buildings for administrative offices in Oakland, Huntington Park, and Stockton and leases land and buildings for school sites in Berkeley, East Palo Alto, Empire, Los Angeles, Modesto, Oakland, Sacramento, Stockton, and Memphis under various operating leases. The Organization also leases copiers at various school sites. It is unlikely that the Organization will cancel any of these leases before they expire. The aggregate minimum rental payments required under the terms of all operating leases as of June 30, 2019 are as follows:

Year Ending June 30,	Minimum Payments
2020	$ 4,465,853
2021	2,404,293
2022	2,106,564
2023	1,168,424
2024	1,161,725
Thereafter	10,219,713
Total	$ 21,526,572

Rental expense under operating leases was $4,435,312 and $4,700,358 for the years ended June 30, 2019 and 2018, respectively.

Capital lease

The Organization entered into a capital lease TA Modesto 819 LP (TA) from August 8, 2018 through June 30, 2047. The property under capital lease is separately disclosed in Note 8 and consists of the Aspire Vanguard Academy and Aspire University Charter School campuses in Modesto. The assets and liabilities under capital leases are recorded at the fair value of the assets. The leased property is being depreciated over the term of the lease and depreciation expense for the leased property is included in the total depreciation expense.

Following is a summary of property held under capital lease:

Land	$ 2,640,000
Buildings and improvements	15,297,179
Accumulated depreciation	(934,828)
	$ 17,002,351

Minimum future lease payments under capital lease as of June 30, 2019 were as follows:

Year Ending June 30,	Payment
2020	$ 1,467,587
2021	1,467,587
2022	1,602,116
2023	1,614,346
2024	1,659,320
Thereafter	50,652,013
Net minimum lease payments	58,462,969
Less amount representing interest	(40,525,790)
Present value of net minimum lease payments	$ 17,937,179

The interest rate on the capitalized lease is 9.64% and is imputed based on the lessor's implicit rate of return.

13. EMPLOYEE BENEFIT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California and Tennessee. Classified employees in California are members of the California Public Employees' Retirement System (CalPERS), and certificated employees working at California Schools are members of the California State Teachers' Retirement System (CalSTRS). Certificated employees working at Tennessee schools are members of the Tennessee Consolidated Retirement System (TCRS). The Organization also has three 403(b) plans as of the year ended June 30, 2019.

California Public Employees' Retirement System (CalPERS)

Plan name:	California Public Employees' Retirement System (CalPERS) State & Schools
Plan's EIN:	94-6207465
Market value of assets:	$64,796
Actuarial accrued liability:	$91,459
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2018, the most recent information available.

Plan Description

The Organization participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Classic plan members, defined as a member who joined CalPERS prior to January 1, 2013, are required to contribute 7% of their salary. New members who joined CalPERS for the first time on or after January 1, 2013 are required to contribute 7% of their salary. The required employer contribution rate for fiscal years ended June 30, 2019 and 2018 were 18.062% and 15.531% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. For the fiscal year 2020, the Organization is required to contribute 19.721% of annual payroll.

Senate Bill 90, which was signed on June 27, 2019, appropriated for 2018-19 contributions on-behalf of school employers of $904 million for CalPERS. Contributions of $1,953,905 were made by the state on behalf of the Organization's eligible employees in 2019.

California State Teachers' Retirement System (CalSTRS):

Plan name:	California State Teachers' Retirement System (CalSTRS)
Plan's EIN:	94-6291617
Actuarial value of assets:	$190,451
Actuarial accrued liability:	$297,603
Funded status:	50-65% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2018, the most recent actuarial valuation date.

Plan Description

The Organization participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 19.1% of covered payroll over the seven-year period. Active plan members are required to contribute 10.205% or 10.25 % of their salary, depending on when they were hired. The required employer contribution rates for the fiscal years ended June 30, 2019 and 2018 were 16.28% and 14.43% of annual payroll, respectively. For the fiscal year 2020, the Organization is required to contribute 18.13% of annual payroll.

Senate Bill 90, which was signed on June 27, 2019, appropriated for 2018-19 contributions on-behalf of school employers of $2,246 million for CalSTRS. Contributions of $4,006,175 were made by the state on behalf of the Organization's eligible employees in 2019.

Tennessee Consolidated Retirement System (TCRS):

Legacy Plan:

Plan name:	Tennessee Consolidated Retirement System (TCRS) Legacy Plan: Teachers
Plan's EIN:	62-6001445
Actuarial value of assets:	$23,173
Actuarial accrued liability:	$23,677
Funded status:	At least 80% funded

The actuarial value of assets and accrued liability are expressed in billions and are valued as of June 30, 2018, the most recent actuarial valuation date.

Plan Description

The Organization contributes to the Tennessee Consolidated Retirement System (TCRS) Legacy Plan, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan for all employees hired on or before June 30, 2014 administered by the Tennessee Department of Treasury. 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. TCRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the TCRS annual financial report may be obtained from the State of Tennessee Treasury Department, 502 Deaderick Street, Nashville, Tennessee, 37243.

Funding Policy

Active plan members are required to contribute 5% of their salary and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the TCRS Board of Trustees. The required employer contribution rate for the fiscal years ended June 30, 2019 and 2018 was 10.46% and 9.08% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. For the fiscal year 2020, the Organization is required to contribute 10.63% of annual payroll. The required employer contribution rate for TCRS Legacy support staff members covered by Shelby County School District regulations was 6% of annual payroll for the fiscal years ended June 30, 2019 and 2018. For fiscal year 2020, the Organization is required to contribute 6%.

Hybrid Plan:

Plan name:	TCRS Hybrid Pension Plan with Cost Controls
Plan's EIN:	62-6001445
Actuarial value of assets:	$159,936
Actuarial accrued liability:	$168,190
Funded status:	At least 80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2018, the most recent actuarial valuation date.

Plan Description

In the fiscal year ended June 30, 2015, TCRS created a new Hybrid Pension Plan with Cost Controls for all eligible new hires hired on or after July 1, 2014. This plan is a combination of a Defined Benefit and Defined Contribution plan to help provide a sustainable plan going forward, control employer pension cost, and control unfunded liabilities related to pension plans.

Contributions

Under the defined benefit portion of this plan, active plan members are required to contribute 5% of their salary and the Organization is required to contribute 4% of plan member's annual payroll for those members who are not federally funded. For federally funded active plan members the Organization contributes 1.94% to TCRS and 2.06% to the TCRS stabilization reserve. Under the defined contribution portion of this plan, employees contribute 2% of their salary, which employees can opt out of if they choose, and the Organization is required to contribute 5% of active member's annual payroll.

The Organization's contributions to these employee benefits plans were as follows:

	2019	2018
CalPERS	$ 4,955,321	$ 4,686,931
CalSTRS	$ 12,532,753	$ 9,742,655
TCRS Legacy	$ 358,564	$ 355,718
TCRS Hybrid	$ 419,986	$ 360,688

Contributions to all plans equal 100% of the required contributions for each year.

Other Defined Contribution Plans:

The Organization offers a 403(b) retirement plan for California classified employees who are not eligible to participate in CalPERS, the Aspire Public Schools 403(b) CA Plan (CA Plan). Classified employees of Aspire Junior Collegiate Academy, Aspire Titan Academy, Aspire Centennial College Preparatory Academy, Aspire Richmond California College Preparatory Academy, and Aspire Richmond Technology Academy working 20 or more hours per week, and not eligible for CalSTRS, CalPERS or covered by another retirement plan, are eligible to receive discretionary employer contributions, determined on an annual basis. The Organization contributed $67,562 and $108,968 to the CA Plan in the years ended June 30, 2019 and 2018, respectively.

The Organization offers a 403(b) retirement plan for TN LLC employees, the Aspire Public Schools 403(b) TN Plan (TN Plan). All employees who normally work 20 or more hours per week and are based in Tennessee are eligible to participate in the plan, with those not already enrolled in the TCRS retirement plan eligible to receive discretionary employer contributions, determined on an annual basis. The Organization contributed $40,915 and $56,317 to the TN Plan for the years ended June 30, 2019 and 2018, respectively.

The Organization also offers a 403(b) plan, the Aspire Public Schools 403(b) Plan, for all employees working 20 or more hours per week, and who are not already participating in another 403(b) Plan within the Organization. This plan does not allow employer contributions.

14. NET ASSETS

At June 30, 2019 and 2018, net assets with restrictions consisted of unexpended grants restricted for various purposes. Net assets with donor restrictions are to be used for the following purposes:

	2019	2018
Construction of facilities	$ 5,455,899	$ 4,465,919
School expansion	1,429,384	4,703,419
Clean energy projects	3,830,405	5,172,173
Low performing student block grant	525,475	
School improvement programs and other	215,550	815,294
Total	$ 11,456,713	$ 15,156,805

15. JOINT VENTURES

For their California schools, the Organization participated in a joint venture under a joint powers agreement (JPAs) with the California Charter School Joint Powers Authority, doing business as charterSAFE (SAFE) through June 30, 2019. Effective July 1, 2019, the Organization obtains their insurance coverage through a private party and no longer participates in charterSAFE.

SAFE arranges for and provides workers' compensation, property, and liability insurance coverage for their members, respectively. The JPA is governed by boards consisting of a representative from each member. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member beyond their representation on the board. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

SUMMARY OF JPA COVERAGE

1. **General Liability**

JPA's SIR:	$1,000,000
Excess Insurance:	To statutory limits

2. **Property**

Organization	
Deductible:	$1,000
Coverage:	
Building:	$148,951,804
Contents:	$5,244,965
Data processing:	$7,321,643
Extra expense:	$5,000,000
Business income:	$5,000,000
Excess Insurance:	None

3. **Liability**

Organization	
Deductible:	$0 - $5,000
Coverage	
(SAFE- SIR)	$1,000,000
(Insurance Company of the State of PA)	
	$1,000,001 to $5,000,000
(SAFE)	$5,000,001 to $25,000,000

Complete separate financial statements for the JPA may be obtained from:

SAFE 250 E. 1st Street, Suite 1000, Los Angeles, California 90012

The latest condensed financial information available for SAFE are as follows:

	June 30, 2019 (Unaudited)
Total Assets	$ 32,797,313
Total Liabilities	$ 23,196,967
Net Assets	9,600,346
Total Liabilities and Equity	$ 32,797,313
Total Revenues	$ 27,319,573
Total Expenses	24,829,057
Net Increase in Net Assets	$ 2,490,516

16. CONTINGENCIES

The Organization 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.

The Organization has funds held in net assets with donor restrictions that were received through funding from the California Clean Energy Jobs Act that may potentially need to be returned to the California Department of Education in the event that all funds are not spent prior to June 30, 2020. No provision has been made in the accompanying consolidated financial statements since the potential liability cannot be reasonably estimated.

The Organization has various outstanding claims and litigation. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Organization's financial position or results of operations.

17. RELATED-PARTY TRANSACTIONS

The Organization's acting CFO in 2018 was a Board Member of charterSAFE (See Note 15). The Organization paid $1,323,682 in premiums to charterSAFE during the year ended June 30, 2018.

18. EXPENSES

Expenses for the year ended June 30, 2018 are as follows:

	Total
Salaries and wages	$ 119,452,386
Employee benefits	37,299,070
Books and supplies	11,594,176
Rents and occupancy	12,452,677
Professional services	19,768,257
Bonds and loan interest	5,255,612
Depreciation and amortization	7,522,143
Travel and meetings	3,005,584
Other expenses	124,833
Total	$ 216,474,738

19. SUBSEQUENT EVENT

Subsequent to June 30, 2019, the Organization reached a resolution regarding a legal matter for which the terms of the resolution will result in the payment of $2,100,000 by the Organization to parties involved in the matter. Management has recognized the expense and liability related to the resolution as of June 30, 2019.

SUPPLEMENTARY INFORMATION

ASPIRE PUBLIC SCHOOLS

ORGANIZATION, GOVERNING BOARD, AND ADMINISTRATION
YEAR ENDED JUNE 30, 2019

ORGANIZATION

Aspire Public Schools (the Organization) was formed to manage, guide, direct, and promote charter schools that provide quality education to youth in pre-K, primary, and secondary grades. The Organization was founded in California in 1998. See Note 1 for a list of charter schools managed by Aspire Public Schools.

GOVERNING BOARD

Name	Office	Term Expires
Jonathan Garfinkel	Board Chair	2020
Beth Hunkapiller	Member	2022
Warren Felson	Member	2020
Jim Boyd	Member	2021
Leslie Parker Hume	Member	2021
Kay Hong	Member	2020
Nisa Frank	Member	2022

ADMINISTRATION

Mala Batra
Interim Chief Executive Officer

Mary Cha-Caswell
Chief Operating Officer

Jeanine Hawk
Chief Financial Officer

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

Classroom-based ADA:	Second Period Report	Annual Report
Aspire Monarch Academy:		
Grades K through 3	271.39	271.56
Grades 4 through 6	126.87	126.74
Total	398.26	398.30
Aspire Lionel Wilson College Preparatory Academy:		
Grades 4 through 6	76.61	75.27
Grades 7 and 8	173.82	172.58
Grades 9 through 12	258.68	255.37
Total	509.11	503.22
Aspire East Palo Alto Charter School:		
Grades K through 3	282.58	283.59
Grades 4 through 6	204.26	204.15
Grades 7 and 8	110.45	109.03
Grades 9 through 12	19.83	18.42
Total	617.12	615.19
Aspire Triumph Technology Academy:		
Grades K through 3	175.67	172.71
Grades 4 through 6	89.73	85.21
Total	265.40	257.92
Aspire Berkley Maynard Academy:		
Grades K through 3	279.34	281.35
Grades 4 through 6	166.45	171.38
Grades 7 and 8	99.58	99.79
Total	545.37	552.52
Aspire Richmond California College Preparatory Academy:		
Grade 6	86.80	86.86
Grades 7 and 8	173.59	173.68
Grades 9 through 12	259.34	257.38
Total	519.73	517.92

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report	Annual Report
Aspire Golden State College Preparatory Academy:		
Grades 4 through 6	93.31	93.11
Grades 7 and 8	180.47	180.08
Grades 9 through 12	313.46	309.63
Total	587.24	582.82
Aspire ERES Academy:		
Grades K through 3	87.98	88.29
Grades 4 through 6	81.19	80.98
Grades 7 and 8	51.26	50.88
Total	220.43	220.15
Aspire College Academy:		
Grades K through 3	182.54	181.68
Grades 4 through 6	83.50	82.84
Total	266.04	264.52
Aspire Richmond Technology Academy:		
Grades K through 3	214.20	213.89
Grades 4 through 6	114.88	114.72
Total	329.08	328.61
Aspire Vincent Shalvey Academy:		
Grades K through 3	253.64	253.86
Grades 4 through 6	120.35	120.48
Total	373.99	374.34
Aspire University Charter School:		
Grades K through 3	249.26	245.46
Grades 4 through 6	79.72	78.61
Total	328.98	324.07
Aspire Summit Charter Academy:		
Grades K through 3	288.05	289.73
Grades 4 through 6	109.81	110.26
Total	397.86	399.99

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report	Annual Report
Aspire River Oaks Charter School:		
Grades K through 3	308.51	296.97
Grades 4 through 6	122.21	121.62
Total	430.72	418.59
Aspire Benjamin Holt Middle School:		
Grades 4 through 6	186.42	185.92
Grades 7 and 8	370.53	369.05
Total	556.95	554.97
Aspire Benjamin Holt College Preparatory Academy:		
Grades 9 through 12	444.93	442.95
Total	444.93	442.95
Aspire Capitol Heights Academy:		
Grades K through 3	154.27	153.42
Grades 4 through 6	65.76	65.55
Total	220.03	218.97
Aspire Rosa Parks Academy:		
Grades K through 3	261.10	260.11
Grades 4 through 6	111.11	111.02
Total	372.21	371.13
Aspire Langston Hughes Academy:		
Grades 4 through 6	122.56	122.34
Grades 7 and 8	236.26	234.48
Grades 9 through 12	357.40	351.12
Total	716.22	707.94
Aspire Port City Academy:		
Grades K through 3	265.56	264.19
Grades 4 through 6	123.80	123.16
Total	389.36	387.35

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report	Annual Report
Aspire Vanguard College Preparatory Academy:		
Grades 4 through 6	76.47	75.65
Grades 7 and 8	148.93	148.20
Grades 9 through 12	151.75	148.67
Total	377.15	372.52
Aspire Alexander Twilight College Preparatory Academy:		
Grades K through 3	289.51	289.07
Grades 4 through 6	122.47	121.85
Total	411.98	410.92
Aspire Alexander Twilight Secondary Academy:		
Grades 4 through 6	90.50	88.89
Grades 7 and 8	176.87	175.53
Grades 9 through 12	180.02	177.74
Total	447.39	442.16
Aspire APEX Academy:		
Grades K through 3	204.39	207.44
Grades 4 through 6	116.63	116.71
Total	321.02	324.15
Aspire Antonio Maria Lugo Academy:		
Grades K through 3	231.51	231.51
Grades 4 through 6	153.34	153.28
Total	384.85	384.79
Aspire Ollin College Preparatory Academy:		
Grade 6	64.18	64.07
Grades 7 and 8	127.38	127.10
Grades 9 through 12	383.22	380.62
Total	574.78	571.79
Aspire Junior Collegiate Academy:		
Grades K through 3	199.73	199.53
Grades 4 through 6	114.91	114.55
Total	314.64	314.08

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report	Annual Report
Aspire Titan Academy:		
Grades K through 3	200.68	200.65
Grades 4 through 6	117.10	117.10
Total	317.78	317.75
Aspire Pacific Academy:		
Grades 4 through 6	61.65	61.42
Grades 7 and 8	147.82	147.03
Grades 9 through 12	342.74	337.96
Total	552.21	546.41
Aspire Firestone Academy:		
Grades K through 3	261.68	260.61
Grades 4 through 6	122.41	122.49
Total	384.09	383.10
Aspire Gateway Academy:		
Grades K through 3	233.36	232.92
Grades 4 through 6	153.59	154.14
Total	386.95	387.06
Aspire Tate Academy:		
Grades K through 3	193.63	193.12
Grades 4 through 6	173.29	172.87
Total	366.92	365.99
Aspire Inskeep Academy:		
Grades K through 3	216.37	215.86
Grades 4 through 6	148.92	148.34
Total	365.29	364.20
Aspire Slauson Academy:		
Grades K through 3	183.81	183.35
Grades 4 through 6	137.29	137.09
Total	321.10	320.44

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report	Annual Report
Aspire Centennial College Preparatory Academy:		
Grades 4 through 6	166.25	167.20
Grades 7 through 8	350.70	350.13
Total	516.95	517.33
Combined Totals:		
Grades K through 3	5,488.76	5,470.87
Grades 4 through 6	3,984.34	3,975.87
Grades 7 and 8	2,347.66	2,337.56
Grades 9 through 12	2,711.37	2,679.86
Total	14,532.13	14,464.16

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

		2018-19 Minutes		
	Instructional Days – Traditional Calendar	**Requirement**	**Offered**	**Status**
Aspire Monarch Academy:				
Kindergarten	181 days	36,000	57,900	In Compliance
Grades 1 through 3	181 days	50,400	59,500	In Compliance
Grades 4 through 5	181 days	54,000	59,500	In Compliance
Aspire Lionel Wilson College Preparatory Academy:				
Grades 6 through 8	180 days	54,000	63,805	In Compliance
Grades 9 through 12	180 days	64,800	66,950	In Compliance
Aspire East Palo Alto Charter School:				
Kindergarten	181 days	36,000	56,225	In Compliance
Grades 1 through 3	181 days	50,400	58,645	In Compliance
Grades 4 through 5	181 days	54,000	59,440	In Compliance
Grades 6 through 8	181 days	54,000	65,068	In Compliance
Grades 9 through 12	181 days	64,800	65,068	In Compliance
Aspire Triumph Technology Academy:				
Kindergarten	181 days	36,000	58,500	In Compliance
Grades 1 through 3	181 days	50,400	60,000	In Compliance
Grades 4 through 5	181 days	54,000	60,000	In Compliance
Aspire Berkley Maynard Academy:				
Kindergarten	181 days	36,000	57,820	In Compliance
Grades 1 through 3	181 days	50,400	58,420	In Compliance
Grades 4 through 5	181 days	54,000	58,420	In Compliance
Grades 6 through 8	181 days	54,000	60,220	In Compliance
Aspire Richmond California College Preparatory Academy:				
Grades 6 through 8	182 days	54,000	63,345	In Compliance
Grades 9 through 12	182 days	64,800	64,860	In Compliance
Aspire Golden State College Preparatory Academy:				
Grades 6 through 8	180 days	54,000	64,875	In Compliance
Grades 9 through 12	180 days	64,800	64,875	In Compliance

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

		2018-19 Minutes		
	Instructional Days – Traditional Calendar	Requirement	Offered	Status
Aspire ERES Academy:				
Kindergarten	180 days	36,000	56,620	In Compliance
Grades 1 through 3	180 days	50,400	56,620	In Compliance
Grades 4 through 5	180 days	54,000	56,620	In Compliance
Grades 6 through 8	180 days	54,000	62,325	In Compliance
Aspire College Academy:				
Kindergarten	180 days	36,000	61,465	In Compliance
Grades 1 through 3	180 days	50,400	61,465	In Compliance
Grades 4 through 5	180 days	54,000	61,465	In Compliance
Aspire Richmond Technology Academy:				
Kindergarten	181 days	36,000	49,880	In Compliance
Grades 1 through 3	181 days	50,400	58,915	In Compliance
Grades 4 through 5	181 days	54,000	58,915	In Compliance
Aspire Vincent Shalvey Academy:				
Kindergarten	186 days	36,000	57,910	In Compliance
Grade 1	186 days	50,400	58,430	In Compliance
Grades 2 through 3	186 days	50,400	59,740	In Compliance
Grades 4 through 5	186 days	54,000	59,740	In Compliance
Aspire University Charter School:				
Kindergarten	186 days	36,000	56,260	In Compliance
Grades 1 through 3	186 days	50,400	57,380	In Compliance
Grades 4 through 5	186 days	54,000	57,380	In Compliance
Aspire Summit Charter Academy:				
Kindergarten	186 days	36,000	52,540	In Compliance
Grade 1	186 days	50,400	54,880	In Compliance
Grades 2 through 3	186 days	50,400	54,880	In Compliance
Grades 4 through 5	186 days	54,000	56,180	In Compliance

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

		2018-19 Minutes		
	Instructional Days – Traditional Calendar	Requirement	Offered	Status
Aspire River Oaks Charter School:				
Kindergarten	186 days	36,000	53,070	In Compliance
Grade 1	186 days	50,400	56,700	In Compliance
Grades 2 through 3	186 days	50,400	58,635	In Compliance
Grades 4 through 5	186 days	54,000	59,735	In Compliance
Aspire Benjamin Holt College Middle School:				
Grades 6 through 8	186 days	54,000	64,050	In Compliance
Aspire Benjamin Holt College Preparatory Academy:				
Grades 9 through 12	186 days	64,800	65,000	In Compliance
Aspire Capitol Heights Academy:				
Kindergarten	186 days	36,000	57,960	In Compliance
Grade 1	186 days	50,400	60,480	In Compliance
Grades 2 through 3	186 days	50,400	62,965	In Compliance
Grades 4 through 5	186 days	54,000	64,785	In Compliance
Aspire Rosa Parks Academy:				
Kindergarten	186 days	36,000	57,900	In Compliance
Grade 1	186 days	50,400	57,900	In Compliance
Grades 2 through 3	186 days	50,400	59,740	In Compliance
Grades 4 through 5	186 days	54,000	59,740	In Compliance
Aspire Langston Hughes Academy:				
Grades 6 through 8	186 days	54,000	66,735	In Compliance
Grades 9 through 12	186 days	64,800	66,735	In Compliance
Aspire Port City Academy:				
Kindergarten	186 days	36,000	56,570	In Compliance
Grade 1	186 days	50,400	58,820	In Compliance
Grades 2 through 3	186 days	50,400	60,800	In Compliance
Grades 4 through 5	186 days	54,000	60,800	In Compliance

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

		2018-19 Minutes		
	Instructional Days – Traditional Calendar	**Requirement**	**Offered**	**Status**
Aspire Vanguard College Preparatory Academy:				
Grades 6 through 8	186 days	54,000	64,829	In Compliance
Grades 9 through 12	186 days	64,800	64,829	In Compliance
Aspire Alexander Twilight College Preparatory Academy:				
Kindergarten	186 days	36,000	53,720	In Compliance
Grade 1	186 days	50,400	54,470	
Grades 2 through 3	186 days	50,400	60,450	In Compliance
Grades 4 through 5	186 days	54,000	62,400	In Compliance
Aspire Alexander Twilight Secondary Academy:				
Grades 6 through 8	186 days	54,000	65,290	In Compliance
Grades 9 through 12	186 days	64,800	65,290	In Compliance
Aspire APEX Academy:				
Kindergarten – Grade 1	186 days	36,000	61,020	In Compliance
Grades 2 through 3	186 days	50,400	62,190	In Compliance
Grades 4 through 5	186 days	54,000	62,190	In Compliance
Aspire Antonio Maria Lugo Academy:				
Kindergarten	180 days	36,000	58,450	In Compliance
Grades 1 through 3	180 days	50,400	59,660	In Compliance
Grades 4 through 5	180 days	54,000	59,660	In Compliance
Aspire Ollin University Preparatory Academy:				
Grades 7 through 8	180 days	54,000	65,020	In Compliance
Grades 9 through 12	180 days	64,800	65,020	In Compliance
Aspire Junior Collegiate Academy:				
Kindergarten	180 days	36,000	60,485	In Compliance
Grades 1 through 3	180 days	50,400	60,485	In Compliance
Grades 4 through 5	180 days	54,000	60,485	In Compliance

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

		2018-19 Minutes		
	Instructional Days – Traditional Calendar	Requirement	Offered	Status
Aspire Titan Academy:				
Kindergarten	180 days	36,000	57,420	In Compliance
Grades 1 through 3	180 days	50,400	58,410	In Compliance
Grades 4 through 5	180 days	54,000	58,410	In Compliance
Aspire Pacific Academy:				
Grades 6 through 8	180 days	54,000	65,052	In Compliance
Grades 9 through 12	180 days	64,800	65,052	In Compliance
Aspire Firestone Academy:				
Kindergarten	180 days	36,000	58,440	In Compliance
Grades 1 through 3	180 days	50,400	58,440	In Compliance
Grades 4 through 5	180 days	54,000	58,440	In Compliance
Aspire Gateway Academy:				
Kindergarten	180 days	36,000	58,440	In Compliance
Grades 1 through 3	180 days	50,400	58,440	In Compliance
Grades 4 through 5	180 days	54,000	58,440	In Compliance
Aspire Tate Academy:				
Kindergarten	180 days	36,000	61,260	In Compliance
Grades 1 through 3	180 days	50,400	61,260	In Compliance
Grades 4 through 6	180 days	54,000	61,260	In Compliance
Aspire Inskeep Academy:				
Kindergarten	180 days	36,000	61,260	In Compliance
Grades 1 through 3	180 days	50,400	61,260	In Compliance
Grades 4 through 6	180 days	54,000	61,260	In Compliance
Aspire Slauson Academy:				
Kindergarten	180 days	36,000	61,260	In Compliance
Grades 1 through 3	180 days	50,400	61,260	In Compliance
Grades 4 through 6	180 days	54,000	61,260	In Compliance
Aspire Centennial College Preparatory Academy:				
Grades 6 through 8	180 days	54,000	64,786	In Compliance

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION
JUNE 30, 2019

	School Operations				Administration	
	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	National Office	Total School Activity
CURRENT ASSETS:						
Cash and cash equivalents	$ 9,747,431	$ 9,674,030	$ 13,476,247	$ 4,236,111	$ 288,418	$ 37,422,237
Restricted cash and cash equivalents	-	-	-	-	-	-
Accounts receivable	8,804,182	9,282,709	7,019,174	1,827,553	87,088	27,020,706
Contributions receivable, current portion	-	-	10,000	-	429,625	439,625
Prepaid expenses and deposits	276,019	578,637	136,615	57,849	308,027	1,357,147
Intercompany receivable	-	645,000	1,583,315	52,316	930,780	3,211,411
Total current assets	18,827,632	20,180,376	22,225,351	6,173,829	2,043,938	69,451,126
NON-CURRENT ASSETS:						
Restricted cash and cash equivalents	3,027,175	-	-	-	-	3,027,175
Investments	-	-	-	-	50,756	50,756
Deferred rent	341,741	567,298	183,823	-	-	1,092,862
Property and equipment, net	13,672,529	34,040,184	32,610,953	6,192,628	297,556	86,813,850
Other assets, net	-	-	-	-	344,018	344,018
TOTAL ASSETS	$ 35,869,077	$ 54,787,858	$ 55,020,127	$ 12,366,457	$ 2,736,268	$ 160,779,787
CURRENT LIABILITIES:						
Accounts payable	$ 1,109,458	$ 1,746,875	$ 1,157,364	$ 469,993	$ 4,499,700	$ 8,983,390
Accrued expenses	1,968,012	2,107,131	2,992,942	798,104	2,208,150	10,074,339
Deferred revenue	333,111	-	-	-	-	333,111
Line of credit	-	-	-	-	2,800,000	2,800,000
Debt, current	100,000	156,616	496,893	138,608	-	892,117
Intercompany payable	-	668,448	928,250	51,482	1,563,231	3,211,411
Total current liabilities	3,510,581	4,679,070	5,575,449	1,458,187	11,071,081	26,294,368
LONG-TERM LIABILITIES:						
Deferred rent	-	219,942	1,068,780	-	-	1,288,722
Capital lease	-	17,937,179	-	-	-	17,937,179
Debt, net	4,006,195	3,257,533	15,020,369	4,291,732	-	26,575,829
Total liabilities	7,516,776	26,093,724	21,664,598	5,749,919	11,071,081	72,096,098
NET ASSETS:						
Without donor restrictions	22,037,357	27,148,913	31,188,360	5,187,159	(8,334,813)	77,226,976
With donor restrictions	6,314,944	1,545,221	2,167,169	1,429,379	-	11,456,713
Total net assets	28,352,301	28,694,134	33,355,529	6,616,538	(8,334,813)	88,683,689
TOTAL LIABILITIES AND NET ASSETS	$ 35,869,077	$ 54,787,858	$ 55,020,127	$ 12,366,457	$ 2,736,268	$ 160,779,787

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION
JUNE 30, 2019

	CFC, Inc.	Eliminations	Total Consolidated
CURRENT ASSETS:			
Cash and cash equivalents	$ -	$ -	$ 37,422,237
Restricted cash and cash equivalents	4,295,780	-	4,295,780
Accounts receivable	-	-	27,020,706
Contributions receivable, current portion	-	-	439,625
Prepaid expenses and deposits	-	-	1,357,147
Intercompany receivable	-	(3,211,411)	-
Total current assets	4,295,780	(3,211,411)	70,535,495
NON-CURRENT ASSETS:			
Restricted cash and cash equivalents	6,640,351	-	9,667,526
Investments	-	-	50,756
Deferred rent	15,995	(1,108,857)	-
Property and equipment, net	97,398,150	(1,032,128)	183,179,872
Other assets, net	-	-	344,018
TOTAL ASSETS	$ 108,350,276	$ (5,352,396)	$ 263,777,667
CURRENT LIABILITIES:			
Accounts payable	$ -	$ -	$ 8,983,390
Accrued expenses	2,064,271	-	12,138,610
Deferred revenue	-	-	333,111
Line of credit	-	-	2,800,000
Debt, current	1,685,000	-	2,577,117
Intercompany payable	-	(3,211,411)	-
Total current liabilities	3,749,271	(3,211,411)	26,832,228
LONG-TERM LIABILITIES:			
Deferred rent	713,309	(1,108,857)	893,174
Capital lease	-	-	17,937,179
Debt, net	106,668,019	-	133,243,848
Total liabilities	111,130,599	(4,320,268)	178,906,429
NET ASSETS:			
Without donor restrictions	(2,780,323)	(1,032,128)	73,414,525
With donor restrictions	-	-	11,456,713
Total net assets	(2,780,323)	(1,032,128)	84,871,238
TOTAL LIABILITIES AND NET ASSETS	$ 108,350,276	$ (5,352,396)	$ 263,777,667

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION
YEAR ENDED JUNE 30, 2019

	School Operations				Administration	
NET ASSETS WITHOUT DONOR RESTRICTIONS:	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	National Office	Total School Activity
SUPPORT AND REVENUE:						
Private grants and contributions	$ 435,218	$ 47,666	$ 48,719	$ 94,180	$ 2,465,850	$ 3,091,633
Donated equipment, materials, and services	5,000	-	-	-	-	5,000
Federal revenue	5,318,801	5,093,089	6,187,549	3,165,333	102,854	19,867,626
California State revenue						
State aid portion of general purpose funding	29,687,131	38,616,646	30,976,218	-	-	99,279,995
All other state revenue	5,952,076	7,975,371	4,725,123	-	24	18,652,594
Tennessee State revenue						
Basic education program funding	-	-	-	15,874,909	-	15,874,909
All other state revenue	-	-	-	531,931	-	531,931
Local revenue:						
Cash in-lieu of property taxes	9,952,294	9,666,488	11,444,945	-	-	31,063,727
Interest income	105,272	158,188	179,364	12,313	4,330	459,467
All other local revenue	1,630,907	1,074,535	397,309	53,626	893,679	4,050,056
Subtotal	53,086,699	62,631,983	53,959,227	19,732,292	3,466,737	192,876,938
Net assets released from restrictions	10,270,931	9,381,028	10,301,216	2,031,325	3,319,147	35,303,647
Total support and revenue	63,357,630	72,013,011	64,260,443	21,763,617	6,785,884	228,180,585
EXPENSES AND LOSSES						
PROGRAM EXPENSES:						
Educational programs	59,998,372	66,929,662	60,119,270	19,164,671	7,018,268	213,230,243
SUPPORTING SERVICES:						
Site support	45,887	41,089	106,926	1,709,478	10,831,764	12,735,144
Development and expansion	-	-	-	-	1,054,027	1,054,027
Administration and general	45,887	41,090	106,925	531,216	3,367,696	4,092,814
Cost allocations	4,074,060	4,934,795	4,445,363	-	(13,454,218)	-
Total supporting services	4,165,834	5,016,974	4,659,214	2,240,694	1,799,269	17,881,985
Total expenses	64,164,206	71,946,636	64,778,484	21,405,365	8,817,537	231,112,228
Settlement expense	-	-	-	-	2,100,000	2,100,000
Return of grant funds	7,252	107,277	69,546	-	-	184,075
Total expenses and losses	64,171,458	72,053,913	64,848,030	21,405,365	10,917,537	233,396,303
TRANSFERS BETWEEN AFFILIATES	(16,620)	195,802	(16,620)	-	(1,082,532)	(919,970)
Increase (Decrease) in Net Assets without Donor Restrictions	(830,448)	154,900	(604,207)	358,252	(5,214,185)	(6,135,688)
NET ASSETS WITH DONOR RESTRICTIONS:						
Private grants and contributions	-	159,606	94,500	-	776,121	1,030,227
Federal and state revenue	10,504,701	9,976,440	10,055,835	-	39,083	30,576,059
Return of grant funds	-	-	(2,731)	-	-	(2,731)
Interfund transfers	(688,763)	(931,793)	(384,962)	-	2,005,518	-
Net assets released from restrictions	(10,270,931)	(9,381,028)	(10,301,216)	(2,031,325)	(3,319,147)	(35,303,647)
Increase (Decrease) in Net Assets with Donor Restrictions	(454,993)	(176,775)	(538,574)	(2,031,325)	(498,425)	(3,700,092)
INCREASE (DECREASE) IN NET ASSETS	(1,285,441)	(21,875)	(1,142,781)	(1,673,073)	(5,712,610)	(9,835,780)
NET ASSETS - Beginning of Year	29,637,742	28,716,009	34,498,310	8,289,611	(2,622,203)	98,519,469
NET ASSETS - End of Year	$ 28,352,301	$ 28,694,134	$ 33,355,529	$ 6,616,538	$ (8,334,813)	$ 88,683,689

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION
YEAR ENDED JUNE 30, 2019

	CFC, Inc.	Eliminations	Total Consolidated
NET ASSETS WITHOUT DONOR RESTRICTIONS:			
SUPPORT AND REVENUE:			
Private grants and contributions	$ -	$ -	$ 3,091,633
Donated equipment, materials, and services	-	-	5,000
Federal revenue	-	-	19,867,626
California State revenue			
State aid portion of general purpose funding	-	-	99,279,995
All other state revenue	-	-	18,652,594
Tennessee State revenue			
Basic education program funding	-	-	15,874,909
All other state revenue	-	-	531,931
Local revenue:			
Cash in-lieu of property taxes	-	-	31,063,727
Interest income	186,733	-	646,200
All other local revenue	6,713,758	(7,564,009)	3,199,805
Subtotal	6,900,491	(7,564,009)	192,213,420
Net assets released from restrictions	-	-	35,303,647
Total support and revenue	6,900,491	(7,564,009)	227,517,067
EXPENSES AND LOSSES			
PROGRAM EXPENSES:			
Educational programs	7,999,274	(7,564,009)	213,665,508
SUPPORTING SERVICES:			
Site support	-	-	12,735,144
Development and expansion	-	-	1,054,027
Administration and general	-	-	4,092,814
Cost allocations	-	-	-
Total supporting services	-	-	17,881,985
Total expenses	7,999,274	(7,564,009)	231,547,493
Settlement expense	-	-	2,100,000
Return of grant funds	-	-	184,075
Total expenses and losses	7,999,274	(7,564,009)	233,831,568
TRANSFERS BETWEEN AFFILIATES	919,970	-	-
Increase (Decrease) in Net Assets without Donor Restrictions	(178,813)	-	(6,314,501)
NET ASSETS WITH DONOR RESTRICTIONS:			
Private grants and contributions	-	-	1,030,227
Federal and state revenue	-	-	30,576,059
Return of grant funds	-	-	(2,731)
Interfund transfers	-	-	-
Net assets released from restrictions	-	-	(35,303,647)
Increase (Decrease) in Net Assets with Donor Restrictions	-	-	(3,700,092)
INCREASE (DECREASE) IN NET ASSETS	(178,813)	-	(10,014,593)
NET ASSETS - Beginning of Year	(2,601,510)	(1,032,128)	94,885,831
NET ASSETS - End of Year	$ (2,780,323)	$ (1,032,128)	$ 84,871,238

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Aspire Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy
CURRENT ASSETS:									
Cash and cash equivalents	$ 818,748	$ 574,048	$ 1,234,405	$ 308,591	$ 1,158,606	$ 425,810	$ 27,089	$ 1,015,029	$ 3,498,900
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	798,316	1,241,011	1,579,293	596,242	846,655	818,436	717,718	1,159,596	443,443
Contributions receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	51,579	-	35,260	31,638	19,909	48,092	30,658	14,536	12,360
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	1,668,643	1,815,059	2,848,958	936,471	2,025,170	1,292,338	775,465	2,189,161	3,954,703
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	875,000	-	-	-	-	1,277,175
Investments	-	-	-	-	-	-	-	-	-
Deferred rent	-	106,877	83,015	-	-	-	-	151,849	-
Property and equipment, net	580,448	628,769	5,537,196	52,785	837,370	255,132	505,487	2,734,189	2,457,015
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 2,249,091	$ 2,550,705	$ 8,469,169	$ 1,864,256	$ 2,862,540	$ 1,547,470	$ 1,280,952	$ 5,075,199	$ 7,688,893
CURRENT LIABILITIES:									
Accounts payable	$ 48,551	$ 175,269	$ 342,158	$ 31,645	$ 71,326	$ 66,959	$ 85,332	$ 73,460	$ 129,924
Accrued expenses	173,473	150,101	241,229	126,340	217,141	327,336	190,180	222,176	97,444
Deferred revenue	22,870	-	-	22,870	22,870	-	-	-	61,031
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	-	-	-	-	-	50,000	50,000	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	244,894	325,370	583,387	180,855	311,337	444,295	325,512	295,636	288,399
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-
Debt, net	-	-	-	-	-	150,002	150,002	-	3,706,191
Total liabilities	244,894	325,370	583,387	180,855	311,337	594,297	475,514	295,636	3,994,590
NET ASSETS:									
Without donor restrictions	1,793,131	2,205,719	7,628,631	736,276	2,516,305	874,588	744,300	4,754,024	(18,082)
With donor restrictions	211,066	19,616	257,151	947,125	34,898	78,585	61,138	25,539	3,712,385
Total net assets	2,004,197	2,225,335	7,885,782	1,683,401	2,551,203	953,173	805,438	4,779,563	3,694,303
TOTAL LIABILITIES AND NET ASSETS	$ 2,249,091	$ 2,550,705	$ 8,469,169	$ 1,864,256	$ 2,862,540	$ 1,547,470	$ 1,280,952	$ 5,075,199	$ 7,688,893

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Aspire College Academy	Bay Area Regional Office	Total Bay Area Region	Aspire Vincent Shalvey Academy	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School
CURRENT ASSETS:									
Cash and cash equivalents	$ 100,199	$ 586,006	$ 9,747,431	$ 1,016,725	$ 13,776	$ 866,360	$ 321,760	$ 1,408,900	$ 553,949
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	555,130	48,342	8,804,182	597,476	529,209	319,841	595,467	820,971	888,958
Contributions receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	31,987	-	276,019	26,026	181,766	43,055	17,433	9,514	-
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	687,316	634,348	18,827,632	1,640,227	724,751	1,229,256	934,660	2,239,385	1,442,907
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	875,000	-	3,027,175	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Deferred rent	-	-	341,741	-	-	-	203,948	-	-
Property and equipment, net	71,312	12,826	13,672,529	644,118	7,262,441	574,532	634,757	697,609	314,758
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 1,633,628	$ 647,174	$ 35,869,077	$ 2,284,345	$ 7,987,192	$ 1,803,788	$ 1,773,365	$ 2,936,994	$ 1,757,665
CURRENT LIABILITIES:									
Accounts payable	$ 55,264	$ 29,570	$ 1,109,458	$ 87,146	$ 116,356	$ 147,592	$ 70,157	$ 199,777	$ 58,721
Accrued expenses	127,854	94,738	1,968,012	113,458	213,025	123,380	127,989	151,921	142,405
Deferred revenue	22,870	180,600	333,111	-	-	-	-	-	-
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	-	-	100,000	-	-	-	-	-	-
Intercompany payable	-	-	-	-	60,000	-	-	-	-
Total current liabilities	205,988	304,908	3,510,581	200,604	389,381	270,972	198,146	351,698	201,126
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	14,744	205,198
Capital lease	-	-	-	-	7,174,872	-	-	-	-
Debt, net	-	-	4,006,195	-	-	-	-	-	-
Total liabilities	205,988	304,908	7,516,776	200,604	7,564,253	270,972	198,146	366,442	406,324
NET ASSETS:									
Without donor restrictions	544,467	257,998	22,037,357	2,026,596	422,938	1,466,462	1,525,702	2,549,575	1,222,947
With donor restrictions	883,173	84,268	6,314,944	57,145	1	66,354	49,517	20,977	128,394
Total net assets	1,427,640	342,266	28,352,301	2,083,741	422,939	1,532,816	1,575,219	2,570,552	1,351,341
TOTAL LIABILITIES AND NET ASSETS	$ 1,633,628	$ 647,174	$ 35,869,077	$ 2,284,345	$ 7,987,192	$ 1,803,788	$ 1,773,365	$ 2,936,994	$ 1,757,665

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep Academy	Aspire Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office
CURRENT ASSETS:									
Cash and cash equivalents	$ 127,409	$ 1,560,698	$ 1,627,813	$ 1,741,464	$ 13,317	$ 10,866	$ 19,566	$ 16,042	$ 375,385
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	332,123	564,816	1,648,196	752,658	266,139	605,168	613,786	686,509	61,392
Contributions receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	16,176	-	865	25,000	207,924	23,443	6,043	21,392	-
Intercompany receivable	-	285,000	-	-	-	-	-	-	360,000
Total current assets	475,708	2,410,514	3,276,874	2,519,122	487,380	639,477	639,395	723,943	796,777
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Deferred rent	-	-	137,736	113,390	-	111,762	462	-	-
Property and equipment, net	544,318	8,556,039	736,515	366,069	10,767,865	1,227,644	1,139,344	491,668	82,507
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 1,020,026	$ 10,966,553	$ 4,151,125	$ 2,998,581	$ 11,255,245	$ 1,978,883	$ 1,779,201	$ 1,215,611	$ 879,284
CURRENT LIABILITIES:									
Accounts payable	$ 111,151	$ 79,958	$ 255,094	$ 82,724	$ 96,970	$ 139,709	$ 137,976	$ 137,700	$ 25,844
Accrued expenses	72,410	145,774	195,765	137,321	282,417	120,733	113,561	73,687	93,285
Deferred revenue	-	-	-	-	-	-	-	-	-
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	-	156,616	-	-	-	-	-	-	-
Intercompany payable	-	-	-	-	68,006	125,000	235,000	180,442	-
Total current liabilities	183,561	382,348	450,859	220,045	447,393	385,442	486,537	391,829	119,129
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	10,762,307	-	-	-	-
Debt, net	-	3,257,533	-	-	-	-	-	-	-
Total liabilities	183,561	3,639,881	450,859	220,045	11,209,700	385,442	486,537	391,829	119,129
NET ASSETS:									
Without donor restrictions	584,640	7,162,728	3,628,979	2,679,196	17,770	1,387,525	1,092,880	620,820	760,155
With donor restrictions	251,825	163,944	71,287	99,340	27,775	205,916	199,784	202,962	-
Total net assets	836,465	7,326,672	3,700,266	2,778,536	45,545	1,593,441	1,292,664	823,782	760,155
TOTAL LIABILITIES AND NET ASSETS	$ 1,020,026	$ 10,966,553	$ 4,151,125	$ 2,998,581	$ 11,255,245	$ 1,978,883	$ 1,779,201	$ 1,215,611	$ 879,284

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin University Preparatory Academy	Aspire Junior Collegiate Academy	Aspire Titan Academy	Aspire Pacific Academy	Aspire Firestone Academy	Aspire Gateway Academy	Aspire Tate Academy
CURRENT ASSETS:									
Cash and cash equivalents	$ 9,674,030	$ 882,178	$ 893,580	$ 1,278,828	$ 913,846	$ 267,400	$ 1,602,201	$ 1,597,487	$ 1,209,865
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	9,282,709	639,799	1,084,411	508,069	523,901	903,248	531,243	527,759	533,915
Contributions receivable, current portion	-	-	5,000	-	-	-	-	-	-
Prepaid expenses and deposits	578,637	500	2,500	14,755	-	16,202	10,741	5,142	-
Intercompany receivable	645,000	289,068	497,542	-	-	-	-	-	-
Total current assets	20,180,376	1,811,545	2,483,033	1,801,652	1,437,747	1,186,850	2,144,185	2,130,388	1,743,780
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Deferred rent	567,298	-	-	90,783	93,040	-	-	-	-
Property and equipment, net	34,040,184	14,843,736	16,263,425	226,868	265,883	405,517	44,836	49,672	13,965
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 54,787,858	$ 16,655,281	$ 18,746,458	$ 2,119,303	$ 1,796,670	$ 1,592,367	$ 2,189,021	$ 2,180,060	$ 1,757,745
CURRENT LIABILITIES:									
Accounts payable	$ 1,746,875	$ 94,321	$ 183,542	$ 39,210	$ 41,843	$ 88,997	$ 123,298	$ 99,096	$ 95,219
Accrued expenses	2,107,131	356,041	363,403	267,314	241,112	237,667	186,791	172,649	201,583
Deferred revenue	-	-	-	-	-	-	-	-	-
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	156,616	219,839	277,054	-	-	-	-	-	-
Intercompany payable	668,448	383,930	534,825	-	-	9,350	-	-	-
Total current liabilities	4,679,070	1,054,131	1,358,824	306,524	282,955	336,014	310,089	271,745	296,802
LONG-TERM LIABILITIES:									
Deferred rent	219,942	-	-	-	-	175,605	-	-	-
Capital lease	17,937,179	-	-	-	-	-	-	-	-
Debt, net	3,257,533	7,305,796	7,714,573	-	-	-	-	-	-
Total liabilities	26,093,724	8,359,927	9,073,397	306,524	282,955	511,619	310,089	271,745	296,802
NET ASSETS:									
Without donor restrictions	27,148,913	8,177,405	9,654,755	1,574,378	1,287,319	1,069,161	1,584,311	1,629,626	1,184,537
With donor restrictions	1,545,221	117,949	18,306	238,401	226,396	11,587	294,621	278,689	276,406
Total net assets	28,694,134	8,295,354	9,673,061	1,812,779	1,513,715	1,080,748	1,878,932	1,908,315	1,460,943
TOTAL LIABILITIES AND NET ASSETS	$ 54,787,858	$ 16,655,281	$ 18,746,458	$ 2,119,303	$ 1,796,670	$ 1,592,367	$ 2,189,021	$ 2,180,060	$ 1,757,745

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Preparatory Academy	LA Regional Office	Total LA Region	National Office	Total Aspire Public Schools	Aspire Hanley Middle	Aspire Hanley Elementary
CURRENT ASSETS:									
Cash and cash equivalents	$ 730,216	$ 1,254,972	$ 1,988,121	$ 857,553	$ 13,476,247	$ 288,418	$ 33,186,126	$ 937,745	$ 1,114,549
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	509,805	444,157	755,459	57,408	7,019,174	87,088	25,193,153	219,421	662,338
Contributions receivable, current portion	-	-	5,000	-	10,000	429,625	439,625	-	-
Prepaid expenses and deposits	5,176	4,328	54,216	23,055	136,615	308,027	1,299,298	3,493	15,138
Intercompany receivable	-	-	-	796,705	1,583,315	930,780	3,159,095	-	12,043
Total current assets	1,245,197	1,703,457	2,802,796	1,734,721	22,225,351	2,043,938	63,277,297	1,160,659	1,804,068
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	3,027,175	-	-
Investments	-	-	-	-	-	50,756	50,756	-	-
Deferred rent	-	-	-	-	183,823	-	1,092,862	-	-
Property and equipment, net	11,371	11,306	438,368	36,006	32,610,953	297,556	80,621,222	173,844	135,399
Other assets, net	-	-	-	-	-	344,018	344,018	-	-
TOTAL ASSETS	$ 1,256,568	$ 1,714,763	$ 3,241,164	$ 1,770,727	$ 55,020,127	$ 2,736,268	$ 148,413,330	$ 1,334,503	$ 1,939,467
CURRENT LIABILITIES:									
Accounts payable	$ 97,800	$ 106,946	$ 163,710	$ 23,382	$ 1,157,364	$ 4,499,700	$ 8,513,397	$ 25,995	$ 117,290
Accrued expenses	217,244	127,900	547,590	73,648	2,992,942	2,208,150	9,276,235	72,590	131,598
Deferred revenue	-	-	-	-	-	-	333,111	-	-
Line of credit	-	-	-	-	-	2,800,000	2,800,000	-	-
Debt, current	-	-	-	-	496,893	-	753,509	-	-
Intercompany payable	-	-	-	145	928,250	1,563,231	3,159,929	8,783	-
Total current liabilities	315,044	234,846	711,300	97,175	5,575,449	11,071,081	24,836,181	107,368	248,888
LONG-TERM LIABILITIES:									
Deferred rent	-	-	893,175	-	1,068,780	-	1,288,722	-	-
Capital lease	-	-	-	-	-	-	17,937,179	-	-
Debt, net	-	-	-	-	15,020,369	-	22,284,097	-	-
Total liabilities	315,044	234,846	1,604,475	97,175	21,664,598	11,071,081	66,346,179	107,368	248,888
NET ASSETS:									
Without donor restrictions	665,006	1,204,862	1,483,448	1,673,552	31,188,360	(8,334,813)	72,039,817	804,878	1,659,025
With donor restrictions	276,518	275,055	153,241	-	2,167,169	-	10,027,334	422,257	31,554
Total net assets	941,524	1,479,917	1,636,689	1,673,552	33,355,529	(8,334,813)	82,067,151	1,227,135	1,690,579
TOTAL LIABILITIES AND NET ASSETS	$ 1,256,568	$ 1,714,763	$ 3,241,164	$ 1,770,727	$ 55,020,127	$ 2,736,268	$ 148,413,330	$ 1,334,503	$ 1,939,467

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Aspire Coleman Elementary	Aspire East Academy	Tennessee Regional Office	Total Aspire TN, LLC	CFC, Inc.	Eliminations	Total Consolidated
CURRENT ASSETS:							
Cash and cash equivalents	$ 449,688	$ 930,237	$ 803,892	$ 4,236,111	$ -	$ -	$ 37,422,237
Restricted cash and cash equivalents	-	-	-	-	4,295,780	-	4,295,780
Accounts receivable	711,188	175,662	58,944	1,827,553	-	-	27,020,706
Contributions receivable, current portion	-	-	-	-	-	-	439,625
Prepaid expenses and deposits	22,268	10,050	6,900	57,849	-	-	1,357,147
Intercompany receivable	16,733	-	23,540	52,316	-	(3,211,411)	-
Total current assets	1,199,877	1,115,949	893,276	6,173,829	4,295,780	(3,211,411)	70,535,495
NON-CURRENT ASSETS:							
Restricted cash and cash equivalents	-	-	-	-	6,640,351	-	9,667,526
Investments	-	-	-	-	-	-	50,756
Deferred rent	-	-	-	-	15,995	(1,108,857)	-
Property and equipment, net	527,234	5,281,514	74,637	6,192,628	97,398,150	(1,032,128)	183,179,872
Other assets, net	-	-	-	-	-	-	344,018
TOTAL ASSETS	$ 1,727,111	$ 6,397,463	$ 967,913	$ 12,366,457	$108,350,276	$ (5,352,396)	$263,777,667
CURRENT LIABILITIES:							
Accounts payable	$ 83,243	$ 103,274	$ 140,191	$ 469,993	$ -	$ -	$ 8,983,390
Accrued expenses	163,941	100,320	329,655	798,104	2,064,271	-	12,138,610
Deferred revenue	-	-	-	-	-	-	333,111
Line of credit	-	-	-	-	-	-	2,800,000
Debt, current	-	138,608	-	138,608	1,685,000	-	2,577,117
Intercompany payable	-	1,269	41,430	51,482	-	(3,211,411)	-
Total current liabilities	247,184	343,471	511,276	1,458,187	3,749,271	(3,211,411)	26,832,228
LONG-TERM LIABILITIES:							
Deferred rent	-	-	-	-	713,309	(1,108,857)	893,174
Capital lease	-	-	-	-	-	-	17,937,179
Debt, net	-	4,291,732	-	4,291,732	106,668,019	-	133,243,848
Total liabilities	247,184	4,635,203	511,276	5,749,919	111,130,599	(4,320,268)	178,906,429
NET ASSETS:							
Without donor restrictions	1,388,058	1,322,222	12,976	5,187,159	(2,780,323)	(1,032,128)	73,414,525
With donor restrictions	91,869	440,038	443,661	1,429,379	-	-	11,456,713
Total net assets	1,479,927	1,762,260	456,637	6,616,538	(2,780,323)	(1,032,128)	84,871,238
TOTAL LIABILITIES AND NET ASSETS	$ 1,727,111	$ 6,397,463	$ 967,913	$ 12,366,457	$108,350,276	$ (5,352,396)	$263,777,667

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

NET ASSETS WITHOUT DONOR RESTRICTIONS:	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Aspire Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy
SUPPORT AND REVENUE:									
Private grants and contributions	$ 507	$ 2,600	$ 375,177	$ -	$ 12,000	$ 5,291	$ 8,318	$ 1,125	$ 250
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	727,753	588,217	1,274,139	335,326	496,745	332,788	459,600	536,970	282,258
California State revenue:									
State aid portion of general purpose funding	2,473,181	3,354,028	5,273,786	1,995,752	3,180,081	3,827,244	2,330,812	3,910,362	1,328,787
All other state revenue	614,799	874,939	648,307	446,242	365,520	708,008	561,836	979,527	339,511
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	1,016,824	1,299,842	435,200	677,613	1,392,426	1,462,811	926,215	1,499,317	562,797
Interest income	9,048	6,777	32,488	13,530	12,740	1,554	-	9,321	204
All other local revenue	112,450	316,937	99,381	55,056	176,765	88,335	171,280	480,812	55,313
Subtotal	4,954,562	6,443,340	8,138,478	3,523,519	5,636,277	6,426,031	4,458,061	7,417,434	2,569,120
Net assets released from restrictions	766,858	1,625,077	1,845,350	807,594	1,466,724	316,078	480,311	1,326,868	782,351
Total support and revenue	5,721,420	8,068,417	9,983,828	4,331,113	7,103,001	6,742,109	4,938,372	8,744,302	3,351,471
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	5,304,372	7,393,283	8,768,604	4,171,696	6,595,953	6,115,581	4,444,821	7,776,187	3,377,327
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	-	-	-	-	-	-	-	-
Cost allocations	554,990	739,235	852,662	341,902	712,024	701,544	456,819	871,223	260,509
Total supporting services	554,990	739,235	852,662	341,902	712,024	701,544	456,819	871,223	260,509
Total expenses	5,859,362	8,132,518	9,621,266	4,513,598	7,307,977	6,817,125	4,901,640	8,647,410	3,637,836
Settlement expense	-	-	-	-	-	-	-	-	-
Return of grant funds	-	-	-	-	-	-	-	7,252	-
Total expenses and losses	5,859,362	8,132,518	9,621,266	4,513,598	7,307,977	6,817,125	4,901,640	8,654,662	3,637,836
TRANSFERS BETWEEN AFFILIATES	-	(5,540)	(5,540)	-	-	-	-	(5,540)	-
Increase (Decrease) in Net Assets without Donor Restrictions	(137,942)	(69,641)	357,022	(182,485)	(204,976)	(75,016)	36,732	84,100	(286,365)
NET ASSETS WITH DONOR RESTRICTIONS:									
Private grants and contributions									
Federal and state revenue	756,634	1,620,205	1,959,251	714,529	1,571,315	426,492	542,091	1,434,546	815,218
Return of grant funds	-	-	-	-	-	-	-	-	-
Interfund transfers	(58,968)	(81,958)	(99,035)	(42,945)	(88,826)	(84,473)	(52,622)	(95,177)	(36,271)
Net assets released from restrictions	(766,858)	(1,625,077)	(1,845,350)	(807,594)	(1,466,724)	(316,078)	(480,311)	(1,326,868)	(782,351)
Increase (Decrease) in Net Assets with Donor Restrictions	(69,192)	(86,830)	14,866	(136,010)	15,765	25,941	9,158	12,501	(3,404)
INCREASE (DECREASE) IN NET ASSETS	(207,134)	(156,471)	371,888	(318,495)	(189,211)	(49,075)	45,890	96,601	(289,769)
NET ASSETS - Beginning of Year	2,211,331	2,381,806	7,513,894	2,001,896	2,740,414	1,002,248	759,548	4,682,962	3,984,072
NET ASSETS - End of Year	$ 2,004,197	$ 2,225,335	$ 7,885,782	$ 1,683,401	$ 2,551,203	$ 953,173	$ 805,438	$ 4,779,563	$ 3,694,303

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Aspire College Academy	Bay Area Regional Office	Total Bay Area Region	Aspire Vincent Shalvey Academy	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School
NET ASSETS WITHOUT DONOR RESTRICTIONS:									
SUPPORT AND REVENUE:									
Private grants and contributions	$ 250	$ 29,700	$ 435,218	$ 18,149	$ -	$ -	$ 3,092	$ 2,269	$ 3,708
Donated equipment, materials, and services	-	5,000	5,000	-	-	-	-	-	-
Federal revenue	285,005	-	5,318,801	218,095	570,613	320,105	318,276	211,001	275,469
California State revenue:									
State aid portion of general purpose funding	2,013,098	-	29,687,131	2,035,270	2,857,205	2,801,158	2,724,599	2,926,372	3,588,237
All other state revenue	413,387	-	5,952,076	398,599	444,296	520,376	693,679	570,501	665,192
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	679,249	-	9,952,294	670,037	388,906	381,615	771,674	797,132	997,826
Interest income	13,213	6,397	105,272	19,824	3,533	7,633	3,293	20,156	3,551
All other local revenue	74,578	-	1,630,907	96,632	11,774	78,162	48,419	133,980	120,705
Subtotal	3,478,780	41,097	53,086,699	3,456,606	4,276,327	4,109,049	4,563,032	4,661,411	5,654,688
Net assets released from restrictions	752,559	101,161	10,270,931	786,004	160,877	1,034,506	649,012	738,847	95,230
Total support and revenue	4,231,339	142,258	63,357,630	4,242,610	4,437,204	5,143,555	5,212,044	5,400,258	5,749,918
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	4,282,172	1,768,376	59,998,372	3,677,578	4,531,105	4,676,397	4,582,041	4,624,644	4,541,275
SUPPORTING SERVICES:									
Site support	-	45,887	45,887	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	45,887	45,887	-	-	-	-	-	-
Cost allocations	323,749	(1,740,597)	4,074,060	394,103	394,319	470,676	516,161	537,938	567,770
Total supporting services	323,749	(1,648,823)	4,165,834	394,103	394,319	470,676	516,161	537,938	567,770
Total expenses	4,605,921	119,553	64,164,206	4,071,681	4,925,424	5,147,073	5,098,202	5,162,582	5,109,045
Settlement expense	-	-	-	-	-	-	-	-	-
Return of grant funds	-	-	7,252	-	-	-	-	-	-
Total expenses and losses	4,605,921	119,553	64,171,458	4,071,681	4,925,424	5,147,073	5,098,202	5,162,582	5,109,045
TRANSFERS BETWEEN AFFILIATES	-	-	(16,620)	-	-	-	(5,224)	108,981	114,205
Increase (Decrease) in Net Assets without Donor Restrictions	(374,582)	22,705	(830,448)	170,929	(488,220)	(3,518)	108,618	346,657	755,078
NET ASSETS WITH DONOR RESTRICTIONS:									
Private grants and contributions	-	-	-	-	-	-	-	-	-
Federal and state revenue	664,420	-	10,504,701	657,731	214,571	903,342	738,397	820,116	260,420
Return of grant funds	-	-	-	-	-	-	-	-	-
Interfund transfers	(48,488)	-	(688,763)	(60,329)	(53,694)	(63,664)	(69,322)	(71,510)	(89,403)
Net assets released from restrictions	(752,559)	(101,161)	(10,270,931)	(786,004)	(160,877)	(1,034,506)	(649,012)	(738,847)	(95,230)
Increase (Decrease) in Net Assets with Donor Restrictions	(136,627)	(101,161)	(454,993)	(188,602)	-	(194,828)	20,063	9,759	75,787
INCREASE (DECREASE) IN NET ASSETS	(511,209)	(78,456)	(1,285,441)	(17,673)	(488,220)	(198,346)	128,681	356,416	830,865
NET ASSETS - Beginning of Year	1,938,849	420,722	29,637,742	2,101,414	911,159	1,731,162	1,446,538	2,214,136	520,476
NET ASSETS - End of Year	$ 1,427,640	$ 342,266	$ 28,352,301	$ 2,083,741	$ 422,939	$ 1,532,816	$ 1,575,219	$ 2,570,552	$ 1,351,341

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

NET ASSETS WITHOUT DONOR RESTRICTIONS:	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep Academy	Aspire Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office
SUPPORT AND REVENUE:									
Private grants and contributions	$ 626	$ 500	$ 2,820	$ 1,243	$ 368	$ 890	$ 10,000	$ -	$ 4,001
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	398,723	307,119	633,166	237,022	498,543	439,923	367,708	297,326	-
California State revenue:									
State aid portion of general purpose funding	1,403,630	2,919,127	5,412,638	2,706,488	2,043,113	2,258,709	2,598,468	2,341,632	-
All other state revenue	321,901	257,486	1,094,895	661,149	580,280	670,752	724,871	371,394	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	454,378	457,671	874,192	485,143	1,007,322	953,195	1,032,487	394,910	-
Interest income	1,929	31,098	31,329	24,605	398	-	-	3,094	7,745
All other local revenue	47,240	53,991	177,040	81,702	63,643	10,521	67,376	27,095	56,255
Subtotal	2,628,427	4,026,992	8,226,080	4,197,352	4,193,667	4,333,990	4,800,910	3,435,451	68,001
Net assets released from restrictions	391,994	570,953	1,213,005	592,494	655,498	705,827	1,064,605	562,570	159,606
Total support and revenue	3,020,421	4,597,945	9,439,085	4,789,846	4,849,165	5,039,817	5,865,515	3,998,021	227,607
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	2,914,904	4,317,712	8,494,756	4,216,927	4,970,460	4,554,543	5,185,111	3,768,521	1,873,688
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	-	41,089
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	-	-	-	-	-	-	-	41,090
Cost allocations	183,511	484,157	932,696	472,786	436,121	484,038	525,396	403,985	(1,868,862)
Total supporting services	183,511	484,157	932,696	472,786	436,121	484,038	525,396	403,985	(1,786,683)
Total expenses	3,098,415	4,801,869	9,427,452	4,689,713	5,406,581	5,038,581	5,710,507	4,172,506	87,005
Settlement expense	-	-	-	-	-	-	-	-	-
Return of grant funds	103,971	-	-	2,648	-	658	-	-	-
Total expenses and losses	3,202,386	4,801,869	9,427,452	4,692,361	5,406,581	5,039,239	5,710,507	4,172,506	87,005
TRANSFERS BETWEEN AFFILIATES	-	-	(5,540)	(5,540)	-	(5,540)	(5,540)	-	-
Increase (Decrease) in Net Assets without Donor Restrictions	(181,965)	(203,924)	6,093	91,945	(557,416)	(4,962)	149,468	(174,485)	140,602
NET ASSETS WITH DONOR RESTRICTIONS:									
Private grants and contributions	-	-	-	-	-	-	-	-	159,606
Federal and state revenue	416,201	641,555	1,368,167	688,327	743,146	798,938	1,169,311	556,218	-
Return of grant funds	-	-	-	-	-	-	-	-	-
Interfund transfers	(35,508)	(59,851)	(115,452)	(62,815)	(59,874)	(66,233)	(72,300)	(51,838)	-
Net assets released from restrictions	(391,994)	(570,953)	(1,213,005)	(592,494)	(655,498)	(705,827)	(1,064,605)	(562,570)	(159,606)
Increase (Decrease) in Net Assets with Donor Restrictions	(11,301)	10,751	39,710	33,018	27,774	26,878	32,406	(58,190)	-
INCREASE (DECREASE) IN NET ASSETS	(193,266)	(193,173)	45,803	124,963	(529,642)	21,916	181,874	(232,675)	140,602
NET ASSETS - Beginning of Year	1,029,731	7,519,845	3,654,463	2,653,573	575,187	1,571,525	1,110,790	1,056,457	619,553
NET ASSETS - End of Year	$ 836,465	$ 7,326,672	$ 3,700,266	$ 2,778,536	$ 45,545	$ 1,593,441	$ 1,292,664	$ 823,782	$ 760,155

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin College Prep Academy	Aspire Junior Collegiate Academy	Aspire Titan Academy	Aspire Pacific Academy	Aspire Firestone Academy	Aspire Gateway Academy	Aspire Tate Academy
NET ASSETS WITHOUT DONOR RESTRICTIONS:									
SUPPORT AND REVENUE:									
Private grants and contributions	$ 47,666	$ -	$ 5,000	$ -	$ 15,000	$ 22,029	$ -	$ 730	$ -
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	5,093,089	590,805	622,557	445,372	436,721	601,356	506,327	522,161	606,479
California State revenue:									
State aid portion of general purpose funding	38,616,646	2,530,241	4,354,029	2,082,129	2,103,579	3,973,798	2,534,886	2,523,200	2,414,211
All other state revenue	7,975,371	270,710	414,631	538,579	516,104	786,487	276,486	280,308	300,420
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	9,666,488	981,835	1,466,673	802,794	810,761	1,408,015	979,928	987,280	936,064
Interest income	158,188	11,328	6,350	16,325	12,108	1,831	24,412	25,741	16,245
All other local revenue	1,074,535	92,797	54,433	20,488	8,665	86,148	20,087	32,365	9,092
Subtotal	62,631,983	4,477,716	6,923,673	3,905,687	3,902,938	6,879,664	4,342,126	4,371,785	4,282,511
Net assets released from restrictions	9,381,028	1,028,046	1,626,217	669,213	671,754	1,452,938	817,875	824,130	777,744
Total support and revenue	72,013,011	5,505,762	8,549,890	4,574,900	4,574,692	8,332,602	5,160,001	5,195,915	5,060,255
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	66,929,662	5,429,183	7,157,446	4,280,829	4,280,492	7,465,700	4,823,929	4,791,041	4,473,566
SUPPORTING SERVICES:									
Site support	41,089	-	-	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	41,090	-	-	-	-	-	-	-	-
Cost allocations	4,934,795	598,448	953,133	483,343	487,654	897,364	589,911	585,881	571,595
Total supporting services	5,016,974	598,448	953,133	483,343	487,654	897,364	589,911	585,881	571,595
Total expenses	71,946,636	6,027,631	8,110,579	4,764,172	4,768,146	8,363,064	5,413,840	5,376,922	5,045,161
Settlement expense	-	-	-	-	-	-	-	-	-
Return of grant funds	107,277	67,204	-	-	2,342	-	-	-	-
Total expenses and losses	72,053,913	6,094,835	8,110,579	4,764,172	4,770,488	8,363,064	5,413,840	5,376,922	5,045,161
TRANSFERS BETWEEN AFFILIATES	195,802	-	-	(5,540)	(5,540)	(5,540)	-	-	-
Increase (Decrease) in Net Assets without Donor Restrictions	154,900	(589,073)	439,311	(194,812)	(201,336)	(36,002)	(253,839)	(181,007)	15,094
NET ASSETS WITH DONOR RESTRICTIONS:									
Private grants and contributions	159,606	-	-	-	-	-	-	-	-
Federal and state revenue	9,976,440	915,294	1,452,580	728,940	725,561	1,473,441	898,942	889,669	840,901
Return of grant funds	-	(2,731)	-	-	-	-	-	-	-
Interfund transfers	(931,793)	(62,004)	(93,406)	(50,861)	(51,236)	(89,641)	(61,876)	(62,092)	(59,138)
Net assets released from restrictions	(9,381,028)	(1,028,046)	(1,626,217)	(669,213)	(671,754)	(1,452,938)	(817,875)	(824,130)	(777,744)
Increase (Decrease) in Net Assets with Donor Restrictions	(176,775)	(177,487)	(267,043)	8,866	2,571	(69,138)	19,191	3,447	4,019
INCREASE (DECREASE) IN NET ASSETS	(21,875)	(766,560)	172,268	(185,946)	(198,765)	(105,140)	(234,648)	(177,560)	19,113
NET ASSETS - Beginning of Year	28,716,009	9,061,914	9,500,793	1,998,725	1,712,480	1,185,888	2,113,580	2,085,875	1,441,830
NET ASSETS - End of Year	$ 28,694,134	$ 8,295,354	$ 9,673,061	$ 1,812,779	$ 1,513,715	$ 1,080,748	$ 1,878,932	$ 1,908,315	$ 1,460,943

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

NET ASSETS WITHOUT DONOR RESTRICTIONS:	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Prep Academy	LA Regional Office	Total LA Region	National Office	Total Aspire Public Schools	Aspire Hanley Middle	Aspire Hanley Elementary
SUPPORT AND REVENUE:									
Private grants and contributions	$ 720	$ 240	$ 5,000	$ -	$ 48,719	$ 2,465,850	$ 2,997,453	$ -	$ 3,410
Donated equipment, materials, and services	-	-	-	-	-	-	5,000	-	-
Federal revenue	593,265	561,002	701,504	-	6,187,549	102,854	16,702,293	438,401	1,221,022
California State revenue:									
State aid portion of general purpose funding	2,421,149	2,126,752	3,912,244	-	30,976,218	-	99,279,995	-	-
All other state revenue	292,827	284,688	763,883	-	4,725,123	24	18,652,594	-	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	2,239,204	5,127,349
All other state revenue	-	-	-	-	-	-	-	90,494	127,509
Local revenue:									
Cash in-lieu of property taxes	931,655	818,789	1,321,151	-	11,444,945	-	31,063,727	-	-
Interest income	6,620	17,879	27,779	12,746	179,364	4,330	447,154	2,450	2,594
All other local revenue	11,893	20,729	40,562	50	397,309	893,679	3,996,430	261	7,895
Subtotal	4,258,129	3,830,079	6,772,123	12,796	53,959,227	3,466,737	173,144,646	2,770,810	6,489,779
Net assets released from restrictions	793,446	693,305	513,031	433,517	10,301,216	3,319,147	33,272,322	233,264	903,994
Total support and revenue	5,051,575	4,523,384	7,285,154	446,313	64,260,443	6,785,884	206,416,968	3,004,074	7,393,773
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	4,754,459	4,013,786	6,773,223	1,875,616	60,119,270	7,018,268	194,065,572	2,681,746	5,752,722
SUPPORTING SERVICES:									
Site support	-	-	-	106,926	106,926	10,831,764	11,025,666	-	-
Program development and expansion	-	-	-	-	-	1,054,027	1,054,027	-	-
Administration and general	-	-	-	106,925	106,925	3,367,696	3,561,598	-	-
Cost allocations	564,103	498,201	773,606	(2,557,876)	4,445,363	(13,454,218)	-	303,988	662,586
Total supporting services	564,103	498,201	773,606	(2,344,025)	4,659,214	1,799,269	15,641,291	303,988	662,586
Total expenses	5,318,562	4,511,987	7,546,829	(468,409)	64,778,484	8,817,537	209,706,863	2,985,734	6,415,308
Settlement expense	-	-	-	-	-	2,100,000	2,100,000	-	-
Return of grant funds	-	-	-	-	69,546	-	184,075	-	-
Total expenses and losses	5,318,562	4,511,987	7,546,829	(468,409)	64,848,030	10,917,537	211,990,938	2,985,734	6,415,308
TRANSFERS BETWEEN AFFILIATES	-	-	-	-	(16,620)	(1,082,532)	(919,970)	-	-
Increase (Decrease) in Net Assets without Donor Restrictions	(266,987)	11,397	(261,675)	914,722	(604,207)	(5,214,185)	(6,493,940)	18,340	978,465
NET ASSETS WITH DONOR RESTRICTIONS:									
Private grants and contributions	-	-	-	94,500	94,500	776,121	1,030,227	-	-
Federal and state revenue	856,055	748,188	526,264	-	10,055,835	39,083	30,576,059	-	-
Return of grant funds	-	-	-	-	(2,731)	-	(2,731)	-	-
Interfund transfers	(58,817)	(51,516)	(83,392)	339,017	(384,962)	2,005,518	-	-	-
Net assets released from restrictions	(793,446)	(693,305)	(513,031)	(433,517)	(10,301,216)	(3,319,147)	(33,272,322)	(233,264)	(903,994)
Increase (Decrease) in Net Assets with Donor Restrictions	3,792	3,367	(70,159)	-	(538,574)	(498,425)	(1,668,767)	(233,264)	(903,994)
INCREASE (DECREASE) IN NET ASSETS	(263,195)	14,764	(331,834)	914,722	(1,142,781)	(5,712,610)	(8,162,707)	(214,924)	74,471
NET ASSETS - Beginning of Year	1,204,719	1,465,153	1,968,523	758,830	34,498,310	(2,622,203)	90,229,858	1,442,059	1,616,108
NET ASSETS - End of Year	$ 941,524	$ 1,479,917	$ 1,636,689	$ 1,673,552	$ 33,355,529	$ (8,334,813)	$ 82,067,151	$ 1,227,135	$ 1,690,579

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

NET ASSETS WITHOUT DONOR RESTRICTIONS:	Aspire Coleman Elementary	Aspire East Academy	Tennessee Regional Office	Total Aspire TN, LLC	CFC, Inc.	Eliminations	Total Consolidated
SUPPORT AND REVENUE:							
Private grants and contributions	$ 16,220	$ -	$ 74,550	$ 94,180	$ -	$ -	$ 3,091,633
Donated equipment, materials, and services	-	-	-	-	-	-	5,000
Federal revenue	1,137,945	367,965	-	3,165,333	-	-	19,867,626
California State revenue:							
State aid portion of general purpose funding	-	-	-	-	-	-	99,279,995
All other state revenue	-	-	-	-	-	-	18,652,594
Tennessee State revenue:							
Basic education program funding	5,834,133	2,674,223	-	15,874,909	-	-	15,874,909
All other state revenue	269,652	44,276	-	531,931	-	-	531,931
Local revenue:							
Cash in-lieu of property taxes	-	-	-	-	-	-	31,063,727
Interest income	798	2,402	4,069	12,313	186,733	-	646,200
All other local revenue	9,634	34,452	1,384	53,626	6,713,758	(7,564,009)	3,199,805
Subtotal	7,268,382	3,123,318	80,003	19,732,292	6,900,491	(7,564,009)	192,213,420
Net assets released from restrictions	347,401	378,024	168,642	2,031,325	-	-	35,303,647
Total support and revenue	7,615,783	3,501,342	248,645	21,763,617	6,900,491	(7,564,009)	227,517,067
EXPENSES AND LOSSES							
PROGRAM EXPENSES:							
Educational programs	6,346,376	3,477,748	906,079	19,164,671	7,999,274	(7,564,009)	213,665,508
SUPPORTING SERVICES:							
Site support	-	-	1,709,478	1,709,478	-	-	12,735,144
Program development and expansion	-	-	-	-	-	-	1,054,027
Administration and general	-	-	531,216	531,216	-	-	4,092,814
Cost allocations	743,384	336,098	(2,046,056)	-	-	-	-
Total supporting services	743,384	336,098	194,638	2,240,694	-	-	17,881,985
Total expenses	7,089,760	3,813,846	1,100,717	21,405,365	7,999,274	(7,564,009)	231,547,493
Settlement expense	-	-	-	-	-	-	2,100,000
Return of grant funds	-	-	-	-	-	-	184,075
Total expenses and losses	7,089,760	3,813,846	1,100,717	21,405,365	7,999,274	(7,564,009)	233,831,568
TRANSFERS BETWEEN AFFILIATES	-	-	-	-	919,970	-	-
Increase (Decrease) in Net Assets without Donor Restrictions	526,023	(312,504)	(852,072)	358,252	(178,813)	-	(6,314,501)
NET ASSETS WITH DONOR RESTRICTIONS:							
Private grants and contributions	-	-	-	-	-	-	1,030,227
Federal and state revenue	-	-	-	-	-	-	30,576,059
Return of grant funds	-	-	-	-	-	-	(2,731)
Interfund transfers	-	-	-	-	-	-	-
Net assets released from restrictions	(347,401)	(378,024)	(168,642)	(2,031,325)	-	-	(35,303,647)
Increase (Decrease) in Net Assets with Donor Restrictions	(347,401)	(378,024)	(168,642)	(2,031,325)	-	-	(3,700,092)
INCREASE (DECREASE) IN NET ASSETS	178,622	(690,528)	(1,020,714)	(1,673,073)	(178,813)	-	(10,014,593)
NET ASSETS - Beginning of Year	1,301,305	2,452,788	1,477,351	8,289,611	(2,601,510)	(1,032,128)	94,885,831
NET ASSETS - End of Year	$ 1,479,927	$ 1,762,260	$ 456,637	$ 6,616,538	$ (2,780,323)	$ (1,032,128)	$ 84,871,238

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Expenses									
	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy	Aspire College Academy
Salaries and wages	$ 2,859,414	$ 4,007,651	$ 4,424,097	$ 2,333,234	$ 3,865,153	$ 3,433,898	$ 2,398,452	$ 4,267,492	$ 2,027,570	$ 2,486,393
Employee benefits	924,311	1,255,806	1,473,590	721,721	1,357,235	1,116,247	711,007	1,267,782	635,761	788,004
Books and supplies	196,740	416,037	301,314	144,371	364,075	254,033	207,337	402,979	223,075	137,539
Rents and occupancy	520,771	815,543	840,397	517,367	345,813	833,316	515,962	943,642	233,650	498,652
Professional services	383,306	784,134	1,333,043	291,230	419,755	352,887	451,259	619,101	215,633	317,600
Bonds and loan interest	-	-	1,210	-	-	5,142	4,960	3,493	-	-
Depreciation and amortization	383,078	70,210	341,321	133,686	216,341	85,307	136,304	212,497	24,551	31,890
Travel and meetings	19,498	41,938	51,457	28,032	26,520	33,011	18,211	57,490	16,581	21,787
Other expenses	17,254	1,964	2,175	2,055	1,061	1,740	1,329	1,711	506	307
Total	$ 5,304,372	$ 7,393,283	$ 8,768,604	$ 4,171,696	$ 6,595,953	$ 6,115,581	$ 4,444,821	$ 7,776,187	$ 3,377,327	$ 4,282,172

	Program Expenses									
	Bay Area Regional Office	Total Bay Area Region	Aspire Vincent Shalvey Academy	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy
Salaries and wages	$ 1,105,375	$33,208,729	$ 2,051,067	$ 1,967,964	$ 2,666,754	$ 2,399,320	$ 2,320,338	$ 2,445,588	$ 1,549,402	$ 2,308,759	$ 4,131,784
Employee benefits	377,284	10,628,748	687,154	661,944	876,930	851,985	839,849	863,307	575,718	810,142	1,449,668
Books and supplies	54,327	2,701,827	185,085	357,465	281,845	227,610	246,462	222,211	168,225	311,265	824,119
Rents and occupancy	-	6,065,113	326,044	302,076	420,222	670,898	767,151	686,122	197,841	183,027	1,139,324
Professional services	150,161	5,318,109	239,074	319,013	253,478	348,675	347,425	240,258	256,141	184,522	805,495
Bonds and loan interest	-	14,805	-	635,551	-	-	-	84	675	78,554	-
Depreciation and amortization	-	1,635,185	152,390	239,884	143,018	62,017	64,967	58,414	134,102	387,415	47,115
Travel and meetings	81,229	395,754	25,920	17,123	30,172	17,674	33,554	24,149	28,335	50,643	97,039
Other expenses	-	30,102	10,844	30,085	3,978	3,862	4,898	1,142	4,465	3,385	212
Total	$ 1,768,376	$59,998,372	$ 3,677,578	$ 4,531,105	$ 4,676,397	$ 4,582,041	$ 4,624,644	$ 4,541,275	$ 2,914,904	$ 4,317,712	$ 8,494,756

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Expenses										
	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep	Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin College Prep Academy	Aspire Junior Collegiate Academy	Aspire Titan Academy
Salaries and wages	$ 2,363,966	$ 2,171,294	$ 2,359,009	$ 2,533,179	$ 2,103,633	$ 994,575	$ 34,366,632	$ 2,854,957	$ 3,881,408	$ 2,194,516	$ 2,176,711
Employee benefits	809,591	750,839	836,601	899,705	707,044	367,355	11,987,832	974,712	1,313,725	738,577	742,625
Books and supplies	228,006	262,241	192,006	366,834	219,000	145,337	4,237,711	255,635	392,853	264,164	239,075
Rents and occupancy	609,669	176,673	636,088	759,071	324,464	-	7,198,670	165,123	214,767	535,981	542,210
Professional services	149,518	228,046	390,759	463,120	291,046	165,588	4,682,158	442,785	499,775	468,308	495,713
Bonds and loan interest	-	952,817	1,841	2,425	-	-	1,671,947	153,951	162,548	-	-
Depreciation and amortization	30,456	353,108	88,644	89,179	58,117	-	1,908,826	521,590	608,314	25,214	43,114
Travel and meetings	25,139	27,788	44,443	65,583	61,741	200,833	750,136	42,316	78,722	53,522	34,981
Other expenses	582	47,654	5,152	6,015	3,476	-	125,750	18,114	5,334	547	6,063
Total	$ 4,216,927	$ 4,970,460	$ 4,554,543	$ 5,185,111	$ 3,768,521	$ 1,873,688	$ 66,929,662	$ 5,429,183	$ 7,157,446	$ 4,280,829	$ 4,280,492

	Program Expenses										
	Aspire Pacific Academy	Aspire Firestone Academy	Aspire Gateway Academy	Aspire Tate Academy	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Prep Academy	LA Regional Office	Total LA Region	National Office	Aspire Public Schools Program Expenses
Salaries and wages	$ 3,975,609	$ 2,741,123	$ 2,705,579	$ 2,682,154	$ 2,787,917	$ 2,303,603	$ 3,555,831	$ 1,109,533	$ 32,968,941	$ 4,676,852	105,221,154
Employee benefits	1,290,034	904,594	934,873	868,858	886,474	777,048	1,300,292	392,424	11,124,236	759,125	34,499,941
Books and supplies	450,109	405,037	377,801	237,321	240,068	291,375	359,234	132,603	3,645,275	232,397	10,817,210
Rents and occupancy	923,639	241,040	228,338	130,293	142,276	130,177	687,187	-	3,941,031	-	17,204,814
Professional services	632,432	447,945	451,837	461,995	543,527	456,353	698,588	116,288	5,715,546	599,928	16,315,741
Bonds and loan interest	639	-	-	-	-	-	-	-	317,138	36,922	2,040,812
Depreciation and amortization	63,644	12,936	13,552	8,519	9,110	8,530	75,505	-	1,390,028	-	4,934,039
Travel and meetings	104,762	68,691	76,557	82,502	143,169	44,775	87,488	124,768	942,253	607,241	2,695,384
Other expenses	24,832	2,563	2,504	1,924	1,918	1,925	9,098	-	74,822	105,803	336,477
Total	$ 7,465,700	$ 4,823,929	$ 4,791,041	$ 4,473,566	$ 4,754,459	$ 4,013,786	$ 6,773,223	$ 1,875,616	$ 60,119,270	$ 7,018,268	$194,065,572

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Expenses								
	Aspire Hanley School #1	Aspire Hanley School #2	Aspire Coleman Elementary School	Aspire East Academy	TN Regional Office	Total Aspire TN, LLC Program Expenses	CFC Inc.	Eliminations	Total Program Expenses
Salaries and wages	$ 1,397,699	$ 2,845,621	$ 3,305,381	$ 1,479,367	$ 404,729	$ 9,432,797	$ -	$ -	114,653,951
Employee benefits	444,150	908,271	1,106,420	496,107	137,098	3,092,046	-	-	37,591,987
Books and supplies	122,314	212,148	275,764	218,599	21,089	849,914	-	-	11,667,124
Rents and occupancy	193,217	350,305	365,624	283,934	-	1,193,080	-	(6,713,758)	11,684,136
Professional services	440,015	1,355,223	1,204,358	526,403	303,519	3,829,518	-	(850,251)	19,295,008
Bonds and loan interest	-	-	-	255,128	-	255,128	4,616,916	-	6,912,856
Depreciation and amortization	70,181	62,465	69,131	175,813	-	377,590	3,382,358	-	8,693,987
Travel and meetings	14,021	18,689	19,658	38,700	38,320	129,388	-	-	2,824,772
Other expenses	149	-	40	3,697	1,324	5,210	-	-	341,687
Total	$ 2,681,746	$ 5,752,722	$ 6,346,376	$ 3,477,748	$ 906,079	$19,164,671	$ 7,999,274	$(7,564,009)	$ 213,665,508

	Supporting Services									
	Aspire Public Schools				Aspire TN LLC					
	Site support	Development and expansion	Administrative and general	Total Aspire Public Schools Supporting Expenses	Site support	Development and expansion	Administrative and general	Total Aspire TN LLC Supporting Expenses	CFC Inc	Eliminations	Total Supporting Services
Salaries and wages	$ 5,545,757	$ 470,487	$ 1,586,109	$ 7,602,353	$ 783,749	$ -	$ 223,928	$ 1,007,677	$ -	$ -	$ 8,610,030
Employee benefits	1,889,148	137,126	540,072	2,566,346	244,935	-	69,982	314,917	-	-	2,881,263
Books and supplies	488,810	33,033	139,665	661,508	68,532	-	19,581	88,113	-	-	749,621
Rents and occupancy	488,784	-	488,784	977,568	44,219	-	44,219	88,438	-	-	1,066,006
Professional services	1,343,481	379,741	383,852	2,107,074	432,506	-	123,573	556,079	-	-	2,663,153
Bonds and loan interest	258,455	-	73,844	332,299	-	-	-	-	-	-	332,299
Depreciation and amortization	88,019	-	88,019	176,038	15,692	-	15,692	31,384	-	-	207,422
Travel and meetings	265,708	29,774	75,937	371,419	110,578	-	31,594	142,172	-	-	513,591
Other expenses	657,504	3,866	185,316	846,686	9,267	-	2,647	11,914	-	-	858,600
Total	$11,025,666	$ 1,054,027	$ 3,561,598	$15,641,291	$ 1,709,478	$ -	$ 531,216	$ 2,240,694	$ -	$ -	$ 17,881,985

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education:			
Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	$ 589,367
Passed Through California Department of Education (CDE):			
Title I, Part A, Basic Grant	84.010	14329	5,443,719
Special Education: IDEA Basic Local Assistance, Part B	84.027	13379	2,583,689
IASA Title II, Part A, Teacher Quality	84.367	14341	675,636
IASA Title III, Limited English Proficiency	84.365	14346	409,762
ESSA Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	411,761
Total Dept of Education Passed Through CDE			9,524,567
Passed Through California School Finance Authority:			
State Charter Schools Facilities Incentive Grant	84.282D	N/A	1,030,884
U.S. Department of Agriculture:			
Passed Through California Department of Education (CDE):			
Child Nutrition Cluster:			
Child Nutrition: National School Lunch Program	10.555	13391	4,021,330
Child Nutrition: School Programs (School Breakfast Basic)	10.553	13390	803,526
Total Child Nutrition Cluster			4,824,856
Child & Adult Care Food Program	10.558	13666	544,998
Fresh Fruit and Vegetable Program	10.582	14968	84,780
Total Dept of Agriculture Passed Through CDE			5,454,634
U.S. Department of Health and Human Services:			
Passed Through California Department of Education (CDE):			
Medical Assistance Program	93.778	10013	102,961
Total Expenditures of Federal Awards			$ 16,702,413

The accompanying notes to the schedule of federal awards are an integral part of this statement.

ASPIRE PUBLIC SCHOOLS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Aspire Public Schools, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The expenditures of federal awards issued directly to Aspire Public Schools TN, LLC (TN LLC) in the amount of $3,165,331 are not included on the accompanying schedule of expenditures of federal awards. These expenditures are presented with TN LLC's separately issued financial statements which is required by the Tennessee Department of Education.

2. INDIRECT COST RATE

Aspire Public Schools did not elect to use the 10% de minimis indirect cost rate for federal programs.

OTHER INDEPENDENT AUDITOR'S REPORTS

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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*

Independent Auditor's Report

To the Board of Directors
Aspire Public Schools
Oakland, 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 consolidated financial statements of Aspire Public Schools, a non-profit public benefit corporation, and affiliates (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization'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 entity'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.

2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Phone 916.646.6464 • Fax 916.929.6836 • GilbertCPA.com

Compliance and Other Matters

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

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 13, 2019

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REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH 2018-19 GUIDE FOR ANNUAL AUDITS OF K-12 LOCAL EDUCATION AGENCIES AND STATE COMPLIANCE REPORTING

Independent Auditor's Report

To the Board of Directors
Aspire Public Schools
Oakland, California

Report on State Compliance

We have audited Aspire Public Schools' (the Organization) compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the Organization's programs identified in the below schedule for the school year ended June 30, 2019.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Organization's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* published by the Education Audit Appeals Panel. Those standards and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination on the Organization's compliance with those requirements.

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In connection with the requirements referred to above, we selected and tested transactions and records to determine the Organization's compliance with the applicable programs identified below:

Compliance Requirements	Procedures Performed
SCHOOL DISTRICTS, COUNTY OFFICE OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non-classroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Non-classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Opinion on State Compliance

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the State programs for the school year ended June 30, 2019.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

December 13, 2019

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Aspire Public Schools
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Aspire Public Schools' (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Aspire Public Schools' basic financial statements include the operations of Aspire Public Schools TN, LLC, which received $3,165,331 in federal awards which is not included in the schedule during the year ended June 30, 2019. Our audit described below did not include the operations of Aspire Public Schools TN, LLC because a separate audit was performed in accordance with Uniform Guidance as required by the Tennessee Department of Education.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAS
Sacramento, California

December 13, 2019

FINDINGS AND QUESTIONED COSTS

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	____Yes	✓ No
• Significant deficiencies identified?	____Yes	✓ None Reported
Noncompliance material to financial statements noted?	____Yes	✓ No

Federal Awards

Internal control over major programs:		
• Material weaknesses identified?	____Yes	✓ No
• Significant deficiencies identified?	____Yes	✓ None reported
Type of auditor's report issued:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	____Yes	✓ No

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Title I, Part A, Basic Grant	84.010
Special Education: IDEA Basic Local Assistance, Part B	84.027

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	✓ Yes	____No

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

State Awards

Internal control over state programs:		
• Material weaknesses identified?	_____Yes	✓ No
• Significant deficiencies identified?	_____Yes	✓ None reported
Type of auditor's report issued on compliance for state programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Audits of California K-12 Local Education Agencies?	_____Yes	✓ No

ASPIRE PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2019.

SECTION III - STATE COMPLIANCE FINDINGS

There were no findings for the year ended June 30, 2019.

SECTION IV - FEDERAL COMPLIANCE FINDINGS

There were no findings for the year ended June 30, 2019.

ASPIRE PUBLIC SCHOOLS

STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019

SECTION V - STATUS OF PRIOR YEAR FINDINGS:

FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2018.

STATE COMPLIANCE FINDINGS

There were no findings for the year ended June 30, 2018.

FEDERAL COMPLIANCE FINDINGS

There were no findings for the year ended June 30, 2018.

ASPIRE PUBLIC SCHOOLS
MEASURE G FUNDING

PERFORMANCE AUDIT

YEARS ENDED JUNE 30, 2019

ASPIRE PUBLIC SCHOOLS
MEASURE G FUNDING

TABLE OF CONTENTS
JUNE 30, 2019

	PAGE
Independent Auditor's Report	1
Objectives	2
Scope of the Audit	2
Background Information	3
Procedures Performed	3
Conclusion	3
Findings and Recommendations	3

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Aspire Public Schools
Oakland, California

We have conducted a performance audit of the Aspire Public Schools' (the Organization) Measure G funds for the year ended June 30, 2019.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 2 of this report, which includes determining the compliance with the performance requirements for the Measure G Funds under the applicable provisions approved by voters in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds. Management is responsible for the Organization's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the Organization to determine if internal controls were adequate to help ensure the Organization's compliance with the requirements of Measure G. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that the Organization expended Measure G funds for the year ended June 30, 2019 only for the specific purposes approved by the voters in accordance with the requirements of Measure G.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

October 29, 2019

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ASPIRE PUBLIC SCHOOLS
MEASURE G FUNDING

PERFORMANCE AUDIT REPORT
JUNE 30, 2019

OBJECTIVES

The objective of our performance audit was to determine that Aspire Public Schools (the Organization) expended Measure G funds for the year ended June 30, 2019 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds.

SCOPE OF THE AUDIT

The scope of our audit covered the Organization's expenses funded by Measure G during the fiscal year ended June 30, 2019. A summary of revenue and expenses for those charter schools the received Measure G funds and spent on the required purposes are as follows:

Aspire Richmond California College Preparatory Academy

Revenues:	
Parcel tax revenue	$ 76,877
Expenses:	
Supporting the preparation of students for college and the workforce	76,877
Net income	$ -

Aspire Richmond Technology Academy

Revenues:	
Parcel tax revenue	$ 95,569
Expenses:	
Supporting the preparation of students for college and the workforce	95,569
Net income	$ -

ASPIRE PUBLIC SCHOOLS
MEASURE G FUNDING

PERFORMANCE AUDIT REPORT
JUNE 30, 2019

BACKGROUND INFORMATION

Measure G was authorized by an election of the registered voters of Contra Costa county. Measure G was approved to protect core academic – reading, writing, math and science; attract and retain qualified teachers; prepare students for college and the workforce; provide smaller class sizes for the youngest children; provide classroom computers and technology; improve safety on and around district campuses; support after-school programs to keep kids away from gangs and drugs; support science laboratories, materials and activities; and support libraries for schools. The Measure is supported by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property within the district or a tax of $7.20 per unimproved parcel of taxable real property.

PROCEDURES PERFORMED

We obtained the Measure G parcel tax funds general ledger detail prepared by Aspire Public Schools for the fiscal year ended June 30, 2019. We obtained the actual invoices and other supporting documentation for all expenses to ensure compliance with Measure G Parcel Tax funding. We performed the following procedures:

- Verified that the Measure G expenses were accounted for separately in the account records of the Organization.
- Tested expenses of each resource code ensuring that such expenses were spent in accordance with the scope of the published material specifying the intended use of proceeds for the Measure G funds.
- Testing performed (including those items above) included 100% of expenses.

CONCLUSION

Based upon the procedures performed, we found that, in all significant respects, the Organization expended Measure G funds for the year ended June 30, 2019, only for purposes approved by the voters, in accordance with the requirements of the published election specifying the intended use of Measure G proceeds.

FINDINGS AND RECOMMENDATIONS

None

CALIBER PUBLIC SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2018)

OPERATING:

Caliber Beta Academy: #1622
Caliber ChangeMakers Academy: #1779

CLAconnect.com

WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

CALIBER PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

INDEPENDENT AUDITORS' REPORT	**1**
BASIC FINANCIAL STATEMENT	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**3**
CONSOLIDATED STATEMENT OF ACTIVITIES	**4**
CONSOLIDATED STATEMENT OF CASH FLOWS	**5**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	**6**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	**7**
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**14**
SCHEDULE OF INSTRUCTIONAL TIME	**16**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**17**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**18**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**19**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION	**20**
CONSOLIDATING STATEMENT OF ACTIVITIES BY LOCATION	**21**
CONSOLIDATING STATEMENT OF CASH FLOWS BY LOCATION	**22**
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY	**23**
NOTES TO SUPPLEMENTARY INFORMATION	**24**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**25**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE	**27**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	**29**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**31**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**33**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Caliber Public Schools
Richmond, California

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Caliber Public Schoolsl (the School), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to on page 1 present fairly, in all material respects, the 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School's consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The accompanying other 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 consolidated 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 consolidated 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the School's 2018 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated November 2, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 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 on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 9, 2019

CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 7,410,893	$ 4,015,466
Accounts Receivable - Federal and State	2,336,159	2,014,118
Accounts Receivable - Other	638	-
Pledges Receivable	509,825	300,000
Prepaid Expenses and Other Assets	122,148	186,419
Total Current Assets	10,379,663	6,516,003
LONG-TERM ASSETS		
Pledges Receivable	448,953	-
Property, Plant, and Equipment, Net	2,684,555	2,271,723
Total Long-Term Assets	3,133,508	2,271,723
Total Assets	$ 13,513,171	$ 8,787,726
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 1,253,091	$ 1,046,725
Total Current Liabilities	1,253,091	1,046,725
LONG-TERM LIABILITIES		
Notes Payable	1,299,607	-
Total Long-Term Liabilities	1,299,607	-
NET ASSETS		
Without Donor Restriction	8,954,755	7,741,001
With Donor Restriction	2,005,718	-
Total Net Assets	10,960,473	7,741,001
Total Liabilities and Net Assets	$ 13,513,171	$ 8,787,726

See accompanying Notes to Consolidated Financial Statements.

CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019	2018
REVENUES, WITHOUT DONOR RESTRICTION		
State Revenue:		
State Aid	$ 10,439,629	$ 8,400,010
Other State Revenue	1,339,712	1,618,247
Federal Revenue:		
Grants and Entitlements	1,429,057	1,299,964
Local Revenue:		
In-Lieu Property Tax Revenue	3,731,013	3,057,631
Investment Income	49,834	11,930
Other Revenue	2,086,491	2,858,930
Amounts released from restrictions	215,695	636,275
Total Revenues, Without Donor Restriction	19,291,431	17,882,987
EXPENSES		
Program Services	15,152,627	13,976,637
Management and General	2,948,334	1,520,878
Total Expenses	18,100,961	15,497,515
CHANGE IN NET ASSETS, WITHOUT DONOR RESTRICTION	1,190,470	2,385,472
REVENUES, WITH DONOR RESTRICTION		
Other Revenue	2,244,697	-
Amounts released from restrictions	(215,695)	(636,275)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	2,029,002	(636,275)
CHANGE IN NET ASSETS	3,219,472	1,749,197
Net Assets, Beginning of Year	7,741,001	5,991,804
NET ASSETS, END OF YEAR	$ 10,960,473	$ 7,741,001

See accompanying Notes to Consolidated Financial Statements.

CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 3,196,188	$ 1,749,197
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	26,656	30,164
(Increase) Decrease in Assets:		
Accounts Receivable - Federal and State	(322,041)	(224,610)
Accounts Receivable - Other	(500,638)	(186,511)
Pledges Receivable	(635,494)	-
Prepaid Expenses and Other Assets	66,989	86,439
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	206,366	71,693
Net Cash Provided by Operating Activities	2,038,026	1,526,372
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant, and Equipment	(442,206)	(274,052)
Net Cash Used by Investing Activities	(442,206)	(274,052)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Debt	1,799,607	-
Net Cash Provided by Financing Activities	1,799,607	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,395,427	1,252,320
Cash and Cash Equivalents, Beginning of Year	4,015,466	2,763,146
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,410,893	$ 4,015,466
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 2,095	$ 7,819

See accompanying Notes to Consolidated Financial Statements.

CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Program Services	Management and General	2019 Total	2018 Total
Salaries and Wages	$ 8,557,606	$ 1,334,273	$ 9,891,879	$ 8,097,930
Pension Expense	159,021	27,046	186,067	242,913
Other Employee Benefits	918,960	135,102	1,054,062	831,551
Payroll Taxes	649,806	100,927	750,733	606,262
Management Fees	-	149,331	149,331	117,839
Legal Expenses	-	86,623	86,623	32,216
Accounting Expenses	-	30,090	30,090	16,790
Instructional Materials	577,932	-	577,932	908,308
Other Fees for Services	1,597,652	353,252	1,950,904	493,152
Office Expenses	-	340,063	340,063	394,763
Occupancy Expenses	1,672,863	-	1,672,863	1,048,969
Travel Expenses	137,755	31,599	169,354	184,292
Interest Expense	-	2,095	2,095	7,819
Depreciation Expense	26,656	-	26,656	30,164
Insurance Expense	-	82,222	82,222	69,355
Other Expenses	854,376	275,711	1,130,087	2,415,192
Total Expenses by Function	$ 15,152,627	$ 2,948,334	$ 18,100,961	$ 15,497,515

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Caliber Public Schools (the School) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools. The School is funded principally through State of California public education monies received through the California Department of Education. The charters may be revoked by the Sponsor for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Caliber: Beta Academy (CBA), Caliber: ChangeMakers Academy (CCMA), Caliber Schools Charter Management (CMO), and Caliber East Bay Real Estate (CEBRE), a separate 501(c)(3) nonprofit corporation and sole member of Valle Vista Education, LLC (VVE). All significant intracompany and intercompany accounts and transactions between these entities have been eliminated in the consolidated financial statements.

Basis of Accounting

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

Basis of Presentation

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

Use of Estimates

The preparation of consolidated 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.

Functional Allocation of Expenses

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2019. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Pledges Receivable

Unconditional promises to give expected to be received in one year or less are recorded as pledges receivable at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded as pledges receivable at fair market value at the date of the promise.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings, and equipment in excess of $5,000. The useful lives range vary from 3 to 40 years.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

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.

Compensated Absences

The School does not allow employees to carry over unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2019.

Comparative Totals

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2018, from which the summarized information was derived. Certain prior year totals have been adjusted to conform to the June 30, 2019 presentation.

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocations between Charter Schools and CMO

For the year ended June 30, 2019, the School has chosen to identify each charter school and the CMO separately within the basic financial statements. In cases where specific identification of each charter's activities was not possible, items were allocated based upon identified criteria.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

Evaluation of Subsequent Events

The School has evaluated subsequent events through December 9, 2019, the date these consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and grants receivable for the total amount of $9,636,214. As part of the School's liquidity management plan, the School invests cash in excess of daily requirements in short term investments and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School also maintains cash balances held in banks and revolving funds which are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 4 PLEDGES RECEIVABLE

Unconditional promises to give expected to be received in one year or less are recorded as pledges receivable at net realizable value, which approximates fair market value. Unconditional promises to give expected to be received after one year are recorded as pledges receivable at fair value using estimated future cash flows discounted by 2 percent. At June 30, 2019, the School had pledges receivable expected to be received in the following periods:

In One Year or Less	$	580,000
Between One and Five Years		470,000
Total Gross Pledges Receivable		1,050,000
Less: Discount and Allowance on Pledges Receivable		(91,222)
Net Pledges Receivable	$	958,778

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment in the accompanying consolidated financial statements are presented net of accumulated depreciation. Depreciation expense was $26,656 as of June 30, 2019.

The components of property, plant, and equipment as of June 30, 2019 are as follows:

Building and Improvements	$	2,261,806
Furniture, Fixtures, and Equipment		26,270
Other and Construction in Progress		461,408
Total		2,749,484
Less: Accumulated Depreciation and Amortization		(64,929)
Total Property, Plant, and Equipment	$	2,684,555

NOTE 6 LINE OF CREDIT

The School has a 1.8 million dollar revolving line of credit from Heritage Bank of Commerce at an approximately 5.75% interest rate. The line had no outstanding balance at June 30, 2019.

NOTE 7 EMPLOYEE RETIREMENT

Defined Contribution Plan

The School offers an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employer matching contributions are made at the rate equal 3% of salary for each employee who is eligible for employer contributions. The amount of employer contributions for the year ended June 30, 2019 was $186,067.

NOTE 8 CMO FEES

In consideration for the provision of administration and management services, each active charter school pays a monthly "Services Fee" equal to 10% of certain state revenues of the School.

Caliber: Beta Academy paid a Service Fee of $758,444 for the year ended June 30, 2019.

Caliber: ChangeMakers Academy paid a Service Fee of $641,725 for the year ended June 30, 2019.

NOTE 9 MEASURE G PARCEL TAX REVENUE

The Measure "G" was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure "G" was approved to protect core academics – reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property.

A summary of revenue and expenses for those charter schools that received these funds and spent on the required purposes is as follows:

	Caliber Beta				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	Total
REVENUE					
Parcel Tax Revenue	$ 44,221	$ 106,966	$ 107,743	$ 162,239	$ 421,169
EXPENSES					
Provide Classroom Computers and Technology Instructional Supplies	-	-	67,953	-	67,953
Total	-	-	67,953	-	67,953
Preparing Student for College and the Workforce					
Classified Salaries				123,708	123,708
Employee Benefits				20,719	20,719
Books and Supplies				712	712
Services and Other Operating Expenses	-	-	-	3,600	3,600
Total	-	-	-	148,739	148,739
Supporting After-School Program					
Services and Other Operating Expenses	44,221	106,966	26,775	13,500	191,462
Total	44,221	106,966	26,775	13,500	191,462
Supporting Libraries					
Instructional Supplies	-	-	13,015	-	13,015
Total	-	-	13,015	-	13,015
Total Expenses	44,221	106,966	107,743	162,239	421,169
Net Income	$ -	$ -	$ -	$ -	$ -

NOTE 10 CONTINGENCIES

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

NOTE 11 OPERATING LEASE

The School leases various facilities under an operating leases, of which the latest expires in June 2022. Rent expense for the year ended June 30, 2019 totaled $720,000. The minimum lease payments under the agreement is as follows:

Year Ending June 30,	Caliber: ChangeMakers Academy
2020	$ 810,000
2021	810,000
2022	810,000
Total	$ 2,430,000

NOTE 12 LONG TERM DEBT

Related Party Note

The CMO made a loan to CEBRE in the amount of $500,000. The note bears no interest rate and was made to help secure property.

Prop 55 Note

The School received $1,299,607 pursuant a funding agreement between the State Allocation Board and the California School Finance Authority collectively referred to as the State. The School applied to the State for financing of its charter school facilities project under the Charter School Facilities Program (CSFP) established pursuant to Article 12 of Chapter 12.5 of Part 10 of the California Education code. The preliminary apportionment in the amount of for the project has been approved by the state. The advance represents preliminary apportionment, for project design has been approved and disbursed by the state.

NOTE 13 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.

SUPPLEMENTARY INFORMATION

CALIBER PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019

Caliber Schools (the School) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools.

The School began serving students at Caliber: Beta Academy in August 2014. Caliber: Beta Academy (#1622) is sponsored by the Contra Costa County Office of Education. The current charter expires June 30, 2024.

The School began serving students at Caliber: ChangeMakers Academy in August 2016. Caliber: ChangeMakers Academy (#1779) is sponsored by Vallejo City United School District. The current charter expires June 30, 2021.

CALIBER PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
YEAR ENDED JUNE 30, 2019

The Board of Directors and the Administrators as of the year ended June 30, 2019 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (3 year term)
Ron Beller	Co-Founder and Secretary	2020
Jennifer Moses	Co-Founder and Board Chair	2021
Anthony Adams	Member	2021
Carolyn Hack	Member	2021
Jonathan Mariner	Treasurer/CFO	2020
Robin De Gracia	Parent Member	2020

ADMINISTRATORS

Terence Johnson	CEO
Ric Zappa	Chief Schools Officer
Markus Mullarkey	Chief Operating Officer

CALIBER PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

	Instructional Minutes		Traditional Instructional Days	Status
	Requirement	Actual		
Caliber: Beta Academy				
Kindergarten	36,000	55,450	179	In compliance
Grade 1	50,400	57,950	179	In compliance
Grade 2	50,400	57,950	179	In compliance
Grade 3	50,400	59,200	179	In compliance
Grade 4	54,000	59,200	179	In compliance
Grade 5	54,000	59,200	179	In compliance
Grade 6	54,000	60,252	179	In compliance
Grade 7	54,000	60,252	179	In compliance
Grade 8	54,000	60,252	179	In compliance
Caliber: ChangeMakers Academy				
TK/Kindergarten	36,000	50,430	179	In compliance
Grade 1	50,400	55,875	179	In compliance
Grade 2	50,400	59,860	179	In compliance
Grade 3	50,400	60,755	179	In compliance
Grade 4	54,000	60,020	179	In compliance
Grade 5	54,000	58,070	179	In compliance
Grade 6	54,000	62,545	179	In compliance
Grade 7	54,000	62,545	179	In compliance
Grade 8	54,000	62,545	179	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Caliber: Beta Academy				
K-Grade 3	369.54	372.44	371.10	373.50
Grades 4-6	270.21	272.57	272.00	273.81
Grades 7-8	109.92	111.11	109.77	110.73
ADA Totals	749.67	756.12	752.87	758.04
Caliber: ChangeMakers Academy				
TK-Grade 3	348.95	350.49	348.31	350.04
Grades 4-6	174.64	175.11	173.87	174.50
Grades 7-8	134.23	134.56	132.86	133.35
ADA Totals	657.82	660.16	655.04	657.89
ADA Totals	1,407.49	1,416.28	1,407.91	1,415.93

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

There were no differences between the Annual Financial Report and the Audited Financial Statements.

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Caliber: Beta Academy	Caliber: ChangeMakers Academy	Total
U.S. Department of Education					
Pass-Through Program From					
California Department of Education:					
No Child Left Behind Act					
Title I, Part A, Basic Grants:					
Low-Income and Neglected	84.010	14329	$ 292,540	$ 162,106	$ 454,646
Title II, Part A, Teacher Quality	84.367	14341	35,402	24,714	60,116
Title III, Part A, Limited English Proficiency	84.365	N/A	25,637	11,323	36,960
Special Education - IDEA Cluster	84.027	13379	160,943	78,020	238,963
Total U.S Department of Education			514,522	276,163	790,685
U.S. Department of Health and Human Services					
Pass-Through Program From					
California Department of Education:					
Title IV	93.658	N/A	21,242	10,000	31,242
Total U.S Department of Agriculture			21,242	10,000	31,242
U.S. Department of Agriculture					
Pass-Through Program From					
California Department of Education:					
Child Nutrition Programs Cluster	10.555	N/A	378,729	228,401	607,130
Total U.S Department of Agriculture			378,729	228,401	607,130
Total Federal Expenditures			$ 914,493	$ 514,564	$ 1,429,057

N/A - Pass-through entity number not readily available or not applicable.

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY LOCATION
JUNE 30, 2019

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2019 Consolidated
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 4,055,086	$ 340,055	$ 2,440,010	$ 575,742	$ -	$ 7,410,893
Accounts Receivable - Federal and State	1,202,394	1,133,765	-	-	-	2,336,159
Accounts Receivable - Other	12	-	500,626	-	(500,000)	638
Pledges Receivable		100,000	386,541	23,284	-	509,825
Prepaid Expenses and Other Assets	11,577	72,009	36,197	2,365	-	122,148
Total Current Assets	5,269,069	1,645,829	3,363,374	601,391	(500,000)	10,879,663
LONG-TERM ASSETS						
Pledges Receivable	-	-	448,953	-	-	448,953
Property, Plant, and Equipment, Net	546,332	118,187	-	2,020,036	-	2,684,555
Total Long-Term Assets	546,332	118,187	448,953	2,020,036	-	3,133,508
Total Assets	$ 5,815,401	$ 1,764,016	$ 3,812,327	$ 2,621,427	$ (500,000)	$ 14,013,171
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable and Accrued Liabilities	$ 638,541	$ 525,463	$ 81,105	7,982	-	1,253,091
Total Current Liabilities	638,541	525,463	81,105	7,982	-	1,253,091
LONG-TERM LIABILITIES						
Notes Payable	1,299,607	-	-	500,000	(500,000)	1,299,607
Total Long-Term Liabilities	1,299,607	-	-	500,000	(500,000)	1,799,607
NET ASSETS						
Without Donor Restriction	2,807,029	1,138,553	2,895,728	2,113,445	-	8,954,755
With Donor Restriction	1,070,224	100,000	835,494	-	-	2,005,718
Total Net Assets	3,877,253	1,238,553	3,731,222	2,113,445	-	10,960,473
Total Liabilities and Net Assets	$ 5,815,401	$ 1,764,016	$ 3,812,327	$ 2,621,427	$ (500,000)	$ 14,013,171

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF ACTIVITIES BY LOCATION
YEAR ENDED JUNE 30, 2019

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2019 Consolidated	2018 Consolidated
REVENUES, WITHOUT DONOR RESTRICTION							
State Revenue:							
State Aid	$ 5,537,357	$ 4,902,272	$ -	$ -	$ -	$ 10,439,629	$ 8,400,010
Other State Revenue	926,124	1,372,366	(958,778)	-	-	1,339,712	1,618,247
Federal Revenue:							
Grants and Entitlements	914,493	514,564	-	-	-	1,429,057	1,299,964
Local Revenue:							
In-Lieu Property Tax Revenue	2,205,862	1,525,151	-	-	-	3,731,013	3,057,631
Investment Income	-	38,593	11,229	12	-	49,834	11,930
Other Revenue	213,283	38,109	3,209,298	25,970	(1,400,169)	2,086,491	2,858,930
Amounts released from restrictions	215,695	-	-	-	-	215,695	636,275
Total Revenues Without Donor Restriction	10,012,814	8,391,055	2,261,749	25,982	(1,400,169)	19,291,431	17,882,987
EXPENSES							
Program Services	7,688,050	6,845,509	619,068	-	-	15,152,627	13,976,637
Management and General	1,461,711	1,346,445	1,526,779	13,568	(1,400,169)	2,948,334	1,520,878
Total Expenses	9,149,761	8,191,954	2,145,847	13,568	(1,400,169)	18,100,961	15,497,515
CHANGE IN NET ASSETS, WITHOUT DONOR RESTRICTION	863,053	199,101	115,902	12,414	-	1,190,470	2,385,472
REVENUES, WITH DONOR RESTRICTION							
Local Revenue:							
Other Revenue	1,285,919	100,000	835,494	23,284	-	2,244,697	-
Amounts released from restrictions	(215,695)	-	-	-	-	(215,695)	(636,275)
CHANGE IN NET ASSETS, WITH DONOR RESTRICTION	1,070,224	100,000	835,494	23,284	-	2,029,002	(636,275)
CHANGE IN NET ASSETS	1,933,277	299,101	951,396	35,698	-	3,219,472	1,749,197
Net Assets, Beginning of Year	1,943,976	939,452	2,779,826	2,077,747	-	7,741,001	5,991,804
NET ASSETS, END OF YEAR	$ 3,877,253	$ 1,238,553	$ 3,731,222	$ 2,113,445	$ -	$ 10,960,473	$ 7,741,001

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF CASH FLOWS BY LOCATION
YEAR ENDED JUNE 30, 2019

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	2019 Consolidated	2018 Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in Net Assets	$ 1,933,277	$ 299,101	$ 951,396	$ 12,414	$ 3,196,188	$ 1,749,197
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:						
Depreciation	26,656	-	-	-	26,656	30,164
(Increase) Decrease in Assets:						
Accounts Receivable - Federal and State	(18,276)	(303,765)	-	-	(322,041)	(224,610)
Accounts Receivable - Other	(12)	-	(500,626)	-	(500,638)	(186,511)
Pledges Receivable	-	(100,000)	(535,494)	-	(635,494)	-
Prepaid Expenses and Other Assets	55,989	35,437	(24,398)	(39)	66,989	86,439
Increase (Decrease) in Liabilities:						
Accounts Payable and Accrued Liabilities	106,090	68,221	24,098	7,957	206,366	71,693
Net Cash Provided (Used) by Operating Activities	2,103,724	(1,006)	(85,024)	20,332	2,038,026	1,526,372
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Property, Plant, and Equipment	(412,188)	-	-	(30,018)	(442,206)	(274,052)
Net Cash Provided (Used) by Investing Activities	(412,188)	-	-	(30,018)	(442,206)	(274,052)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds of Debt	1,299,607	-	-	500,000	1,799,607	-
Net Cash Provided (Used) by Financing Activities	1,299,607	-	-	500,000	1,799,607	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,991,143	(1,006)	(85,024)	490,314	3,395,427	1,252,320
Cash and Cash Equivalents, Beginning of Year	1,063,943	341,061	2,525,034	85,428	4,015,466	2,763,146
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,055,086	$ 340,055	$ 2,440,010	$ 575,742	$ 7,410,893	$ 4,015,466
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Cash Paid for Interest	$ 2,073	$ -	$ -	$ 22	$ 2,095	$ 7,819

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES BY ENTITY
YEAR ENDED JUNE 30, 2019

	Program Services		Management and General				
	Schools and CMO	Total	Schools and CMO	CEBRE	Total	2019 Total	2018 Total
Salaries and Wages	$ 8,557,606	$ 8,557,606	$ 1,334,273	$ -	$ 1,334,273	$ 9,891,879	$ 8,097,930
Pension Expense	159,021	159,021	27,046	-	27,046	186,067	242,913
Other Employee Benefits	918,960	918,960	135,102	-	135,102	1,054,062	831,551
Payroll Taxes	649,806	649,806	100,927	-	100,927	750,733	606,262
Management Fees	-	-	149,331	-	149,331	149,331	117,839
Legal Expenses	-	-	78,641	7,982	86,623	86,623	32,216
Accounting Expenses	-	-	27,775	2,315	30,090	30,090	16,790
Instructional Materials	577,932	577,932	-	-	-	577,932	908,308
Other Fees for Services	1,597,652	1,597,652	353,252	-	353,252	1,950,904	1,631,793
Office Expenses	-	-	339,876	187	340,063	340,063	394,763
Occupancy Expenses	1,672,863	1,672,863	-	-	-	1,672,863	1,048,969
Travel Expenses	137,755	137,755	31,584	15	31,599	169,354	184,292
Interest Expense	-	-	2,073	22	2,095	2,095	7,819
Depreciation Expense	26,656	26,656	-	-	-	26,656	30,164
Insurance Expense	-	-	79,895	2,327	82,222	82,222	69,355
Other Expenses	854,376	854,376	1,675,160	720	1,675,880	2,530,256	2,415,192
Total Before Eliminations	15,152,627	15,152,627	4,334,935	13,568	4,348,503	19,501,130	16,636,156
Eliminations	-	-	(1,400,169)	-	(1,400,169)	(1,400,169)	(1,138,641)
Total Expenses by Function	$ 15,152,627	$ 15,152,627	$ 2,934,766	$ 13,568	$ 2,948,334	$ 18,100,961	$ 15,497,515

See accompanying Auditors' Report and the Notes to Supplementary Information

CALIBER PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

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

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal governmental for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected to use a rate other than the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

NOTE 5 SUPPLEMENTARY STATEMENTS BY LOCATION AND ENTITY

The supplementary consolidating statements of financial position, activities, cash flows, and functional expenses are presented as required by the state.



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

Board of Directors
Caliber Public Schools
Richmond, 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 of America, the consolidated financial statements of Caliber Public Schools (the School), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated 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 consolidated 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 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

CliftonLarsonAllen LLP
Glendora, California
December 9, 2019



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE

Board of Directors
Caliber Public Schools
Richmond, California

Report on Compliance for Each Major Federal Program

We have audited the compliance of Caliber Public Schools (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019 The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. 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 of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, California
December 9, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Caliber Public Schools
Richmond, California

We have audited Caliber Public Schools's (the School) compliance with the types of compliance requirements described in the *2018-2019 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, 2019. The School's state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and the *2018-2019 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:

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
Before/After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes

Description	Procedures Performed
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	No[1]
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Yes

[1] We did not perform testing for independent study because the independent study ADA was under the level which requires testing.

Opinion on State Compliance

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

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 *2018-2019 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

CliftonLarsonAllen LLP
Glendora, California
December 9, 2019

CALIBER PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ Yes ____x____ No
   - Significant deficiency(ies) identified? _____ Yes ____x____ None reported
3. Noncompliance material to financial statements noted? _____ Yes ____x____ No

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ Yes ____x____ No
   - Significant deficiency(ies) identified? _____ Yes ____x____ None reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes ____x____ No

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
10.555	Child Nutrition Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____x____ Yes _____ No

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

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

CALIBER PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

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an SEC-registered investment advisor. | CliftonLarsonAllen LLP

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INVICTUS ACADEMY, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

Operating:

INVICTUS ACADEMY OF RICHMOND
CHARTER SCHOOL NUMBER: 1933

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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

INVICTUS ACADEMY, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT	**1**
BASIC FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	**3**
STATEMENT OF ACTIVITIES	**4**
STATEMENT OF FUNCTIONAL EXPENSES	**6**
NOTES TO FINANCIAL STATEMENTS	**7**
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**12**
SCHEDULE OF INSTRUCTIONAL TIME	**13**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**14**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**15**
NOTES TO SUPPLEMENTARY INFORMATION	**16**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**17**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	**19**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**22**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Invictus Academy, Inc.
Richmond, California

Report on the Financial Statements

We have audited the accompanying financial statements of Invictus Academy, Inc. (the Academy), 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the Academy 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Academy'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 15, 2019 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the Organization'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 Organization's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 15, 2019

INVICTUS ACADEMY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	444,003
Accounts Receivable		123,329
Prepaid Expenses and Other Assets		25,596
Total Current Assets		592,928
Total Assets	$	592,928

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$	116,748
Deferred Revenue		984
Revolving Loan, Current Portion		62,502
Total Current Liabilities		180,234
LONG-TERM LIABILITIES		
Revolving Loan		187,498
Total Long-Term Liabilities		187,498
NET ASSETS		
Without Donor Restriction		225,196
Total Net Assets		225,196
Total Liabilities and Net Assets	$	592,928

See accompanying Notes to Financial Statements.

INVICTUS ACADEMY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

REVENUES, WITHOUT DONOR RESTRICTION		
State Revenue:		
State Aid	$	529,568
Other State Revenue		89,713
Federal Revenue:		
Grants and Entitlements		344,014
Local Revenue:		
In-Lieu Property Tax Revenue		215,117
Contributions		330,886
Other Revenue		3,458
Total Revenues		1,512,756
EXPENSES		
Program Services		1,082,607
Management and General		258,489
Total Expenses		1,341,096
CHANGE IN NET ASSETS		171,660
Net Assets Without Donor Restriction, Beginning of Year		53,536
NET ASSETS WITHOUT DONOR RESTRICTION, END OF YEAR	$	225,196

See accompanying Notes to Financial Statements.

INVICTUS ACADEMY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	171,660
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Change in Operating Assets:		
Accounts Receivable		(123,329)
Prepaid Expenses and Other Assets		(24,412)
Change in Operating Liabilities:		
Accounts Payable and Accrued Liabilities		113,371
Deferred Revenues		(199,016)
Net Cash Used by Operating Activities		(59,318)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debt		250,000
Net Cash Provided by Financing Activities		250,000
NET CHANGE IN CASH AND CASH EQUIVALENTS		188,274
Cash and Cash Equivalents, Beginning of Year		255,729
CASH AND CASH EQUIVALENTS, END OF YEAR	$	444,003

See accompanying Notes to Financial Statements.

INVICTUS ACADEMY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Total Expenses
Salaries and Wages	$ 517,657	$ 25,200	$ 542,857
Pension Expenses	9,674	529	10,203
Other Employee Benefits	47,537	3,322	50,859
Payroll Taxes	42,070	2,988	45,058
Legal Expenses	-	20,407	20,407
Accounting Expenses	18,081	50,190	68,271
Instructional Materials	52,441	-	52,441
Other Fees for Services	188,725	9,710	198,435
Advertising	25,202	-	25,202
Office Expenses	57,472	16,254	73,726
Information Technology Expenses	33,616	1,145	34,761
Occupancy Expenses	-	66,690	66,690
Travel Expenses	533	-	533
Conferences and Meetings	2,408	-	2,408
Insurance Expense	13,941	-	13,941
Other Expenses	73,250	62,054	135,304
Total expense by function	$ 1,082,607	$ 258,489	$ 1,341,096

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Invictus Academy, Inc. (the Academy), operating Invictus Academy of Richmond, is a California nonprofit public benefit corporation and is organized to manage and operate a public charter school. The Academy began serving students in August 2018 and is funded principally through State of California public education monies received through the California Department of Education.

The charter may be revoked by the Contra Costa County Office of Education for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Cash and Cash Equivalents

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

Basis of Presentation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivables

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2019. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by the Academy based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

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 increases in net assets with donor restriction. Restricted contributions that are received and released in the same period are reported as increase in net assets without donor restriction. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Academy is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Academy is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Academy files and exempt Academy return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Subsequent Events

The Academy has evaluated subsequent events through December 15, 2019, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of $567,332.

As part of the liquidity management plan, the Academy will invest cash in excess of daily requirements in short term investments, CDs, and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Academy maintains an interest bearing cash account with a financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC). The Academy 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 4 COMMITMENTS

The Academy has a Facilities Use Agreement with the West Contra Costa Unified School District (WCCUSD) through June 30, 2020. The agreement requires the Academy to pay Pro-Rata Share Charges (lease payments) based on the projected enrolled students and amount of space used. This Pro-Rata Share Charge is negotiated annually for each site and therefore cannot be estimated for future years. For the year ended June 30, 2019, the Academy paid to WCCUSD total Pro-Rata Share Charges of $55,266.

NOTE 5 LONG-TERM DEBT

The Academy received a revolving loan from the California School Finance Authority in the amount of $250,000. The loan has a term of four years and carries an interest rate of 2.33%.

The loan repayment schedule by year is as follows:

Year Ending June 30,	Amount
2020	$ 62,502
2021	62,502
2022	62,502
2023	62,494
Total	$ 250,000

NOTE 6 EMPLOYEE RETIREMENT

The Academy has a 403(b) defined contribution plan for those employees who meet the eligibility criteria set forth in the plan. The Academy matches employee contributions based on criteria set forth in the plan up to 3% of compensation. Contributions to the plan for the year ended June 30, 2019 totaled $10,203.

NOTE 7 CONTINGENCIES

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

NOTE 8 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, and information technology which are allocated on the basis of estimates of time and effort.

NOTE 9 CONDITIONAL CONTRIBUTIONS RECEIVABLE

The School has conditional pledges not recorded in these financial statements amounting to $200,000, which is expected to be received within the next fiscal year.

NOTE 10 MEASURE G PARCEL TAX REVENUE

The Measure "G" was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure "G" was approved to protect core academics – reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property.

A summary of revenue and expenses for charter school, Invictus Academy of Richmond, that received these funds and spent them on the required purposes are as follows:

	June 30, 2019
Revenue:	
Parcel tax revenue	$ 17,835
Expenses:	
Improving safety on and around our campuses	
Services and other operating expenses	17,835
Total	17,835
Total expenses	17,835
Net income	$ -

SUPPLEMENTARY INFORMATION

INVICTUS ACADEMY, INC.
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019

Invictus Academy, Inc. (the Academy) is a California nonprofit public benefit corporation and is organized to manage and operate a public charter school. The Academy began serving students in August 2018 and is funded principally through State of California public education monies received through the California Department of Education. The Academy is sponsored by the Contra Costa County Office of Education (the Sponsor).

Charter School number for Invictus Academy of Richmond is 1933.

The Board of Directors and the Administrator as of the year ended June 30, 2019 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (3-Year Term)
Jeff Manassero	Board Chair	June 2022
Chris Kelly	Vice Chair	June 2023
Ashwin Ravi	Treasurer	June 2022
Karen Norwood	Secretary	June 2022
Tana Monteiro	Member	June 2023
Nora Martin	Member	June 2023
Caroline Kusin	Member	June 2022
Rhonda Burton	Member	June 2019

ADMINISTRATOR

Gautam Thapar	Executive Director

INVICTUS ACADEMY, INC.
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

	Instructional Minutes		Traditional Calendar	
	Requirement	Actual	Days	Status
Grade 7	54,000	70,595	182	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information

INVICTUS ACADEMY, INC.
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grade 7	76.43	76.43	76.80	76.80
ADA Totals	76.43	76.43	76.80	76.80

See accompanying Auditors' Report and the Notes to Supplementary Information

INVICTUS ACADEMY, INC.
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

June 30, 2019 Annual Financial Report		
Fund Balances (Net Assets)	$	225,196
Adjustments and Reclassifications:		
Increase (Decrease) of Fund Balance (Net Assets):		
Accounts Payable and Accrued Liabilities		(984)
Deferred Revenue		984
Net Adjustments and Reclassifications		-
June 30, 2019 Audited Financial Statement		
Fund Balances (Net Assets)	$	225,196

See accompanying Auditors' Report and the Notes to Supplementary Information

INVICTUS ACADEMY, INC.
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

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

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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

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

Board of Directors
Invictus Academy, Inc.
Richmond, 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 Invictus Academy, Inc. (the Academy), a nonprofit California 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, 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 Academy 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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

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

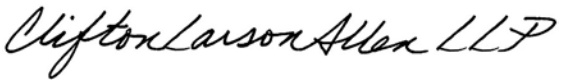
Board of Directors
Invictus Academy, Inc.

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Glendora, California
December 15, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Invictus Academy, Inc.
Richmond, California

We have audited Invictus Academy, Inc.' (the Academy) compliance with the types of compliance requirements described in the *2018-2019 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, 2019. The Academy's state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Academy'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 *2018-2019 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 Academy'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 Academy's compliance.

Compliance Requirements Tested

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

Description	Procedures Performed
School Districts, County Offices of Education, and Charter School:	
California Clean Energy Jobs Act	Not applicable
After School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes

Board of Directors
Invictus Academy, Inc.

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

Opinion on State Compliance

In our opinion, the Academy complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

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 *2018-2019 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

CliftonLarsonAllen LLP

Glendora, California
December 15, 2019

INVICTUS ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

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

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* or the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.*

INVICTUS ACADEMY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

There were no prior year findings.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

A member of Nexia International

LEADERSHIP PUBLIC SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

OPERATING:

Richmond Campus
Oakland R & D Campus
Hayward Campus
Home Office

CONSOLIDATED WITH:

Charter Facilities Support Corporation



CLAconnect.com

WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

LEADERSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT	**1**
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**3**
CONSOLIDATED STATEMENT OF ACTIVITIES	**4**
CONSOLIDATED STATEMENT OF CASH FLOWS	**5**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	**6**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	**7**
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**15**
SCHEDULE OF INSTRUCTIONAL TIME	**17**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**18**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**19**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**20**
NOTES TO SUPPLEMENTARY INFORMATION	**21**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**22**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	**24**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	**26**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**28**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**30**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Leadership Public Schools
Oakland, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Leadership Public Schools (LPS), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to on page 1 present fairly, in all material respects, the financial position of LPS 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on LPS' consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Local Education Agency Organization Structure, Schedule of Instructional Time, Schedule of Average Daily Attendance, Reconciliation of Annual Financial Report with Audited Financial Statements, and the Notes to Supplementary Information. 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 consolidated 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 consolidated 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Leadership Public Schools' 2018 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated November 21, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2019 on our consideration of LPS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on LPS' 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 LPS' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, California
November 22, 2019

LEADERSHIP PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Richmond Campus	Oakland R&D Campus	Hayward Campus	Home Office	CFSC	Eliminations	2019 Consolidated	2018 Consolidated
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	$ 1,504,388	$ 212,692	$ 1,618,919	$ 2,965,110	$ 1,656,478	$ -	$ 7,957,587	$ 6,968,445
Accounts Receivable	1,116,582	989,935	1,098,436	45,461	17,922	(17,892)	3,250,444	2,606,812
Contribution and Grants Receivable	14,692	10,000	-	43,703	-	-	68,395	89,396
Interfund Receivables	-	-	-	430,000	-	(430,000)	-	-
Prepaid Expenses and Deposits	53,581	21,463	57,704	34,982	-	-	167,730	207,460
Total Current Assets	2,689,243	1,234,090	2,775,059	3,519,256	1,674,400	(447,892)	11,444,156	9,872,113
PROPERTY, PLANT, AND EQUIPMENT								
Improvement of Sites	3,387,666	280,461	2,498,153	367,869	868,050	-	7,402,199	7,395,187
Equipment and Furniture	65,010	13,654	44,625	139,606	-	-	262,895	251,120
Less: Accumulated Depreciation	(720,356)	(159,205)	(1,335,133)	(480,393)	(868,050)	-	(3,563,137)	(3,155,685)
Total Property, Plant, and Equipment, Net	2,732,320	134,910	1,207,645	27,082	-	-	4,101,957	4,490,622
Total Assets	$ 5,421,563	$ 1,369,000	$ 3,982,704	$ 3,546,338	$ 1,674,400	$ (447,892)	$ 15,546,113	$ 14,362,735
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable	$ 55,743	$ 72,260	$ 53,384	$ 62,569	$ -	$ -	$ 243,956	$ 209,249
Accrued Liabilities	430,794	200,383	349,933	285,244	3,493	-	1,269,847	1,190,075
Intercompany Payables	-	130,000	300,000	-	-	(430,000)	-	-
Deferred Revenue	-	-	-	43,413	31,355	-	74,768	62,972
Loan Payable, Current Portion	90,075	-	17,892	-	-	(17,892)	90,075	88,308
Total Current Liabilities	576,612	402,643	721,209	391,226	34,848	(447,892)	1,678,646	1,550,604
LONG-TERM LIABILITIES								
Loan Payable	2,650,161	-	-	-	-	-	2,650,161	2,740,236
Total Long-Term Liabilities	2,650,161	-	-	-	-	-	2,650,161	2,740,236
NET ASSETS								
Without Donor Restriction	2,180,098	956,357	3,261,495	3,059,500	1,639,552	-	11,097,002	9,954,033
With Donor Restriction	14,692	10,000	-	95,612	-	-	120,304	117,862
Total Net Assets	2,194,790	966,357	3,261,495	3,155,112	1,639,552	-	11,217,306	10,071,895
Total Liabilities and Net Assets	$ 5,421,563	$ 1,369,000	$ 3,982,704	$ 3,546,338	$ 1,674,400	$ (447,892)	$ 15,546,113	$ 14,362,735

See accompanying Notes to Consolidated Financial Statements.

LEADERSHIP PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Richmond Campus	Oakland R&D Campus	Hayward Campus	Home Office	CFSC	Eliminations	2019 Consolidated	2018 Consolidated
WITHOUT DONOR RESTRICTIONS:								
REVENUES								
State Revenue:								
State Aid	$ 5,041,266	$ 4,155,117	$ 4,381,783	$ -	$ -	$ -	$ 13,578,166	$ 12,205,727
Property Taxes	1,589,228	1,162,184	1,776,841	-	-	-	4,528,253	3,871,026
Other State Revenue	615,489	542,537	804,276	64,208	-	-	2,026,510	1,986,262
Federal Revenue	579,241	383,841	419,665	72,831	-	-	1,455,578	1,349,575
Local Revenue:								
Other Local Revenue	142,781	473,438	59,162	2,254	368,110	(368,110)	677,635	502,557
Contributions	43,559	968	35,784	646,919	-	-	727,230	660,785
Interest Income	-	-	-	89,639	(28,396)	-	61,243	48,261
Amounts Released from Resrictions	56,812	34,788	26,262	4,500	-	-	122,362	170,589
Total Revenues	8,068,376	6,752,873	7,503,773	880,351	339,714	(368,110)	23,176,977	20,794,782
EXPENSES								
Program Services Expense:								
Instructional Services	5,034,322	4,499,574	4,797,981	149,082	-	(261,358)	14,219,601	12,472,943
Curriculum and Staff Development	372,815	319,511	368,535	103,820	-	(14,724)	1,149,957	1,542,647
Student Services	1,637,481	889,497	1,472,772	310,683	-	(55,217)	4,255,216	5,105,631
Support Services Expense:								
Management and General	826,111	704,381	729,381	(2,944)	25,379	(36,811)	2,245,497	651,175
Fundraising and Development	58,057	45,927	59,753	-	-	-	163,737	147,690
Total Expenses	7,928,786	6,458,890	7,428,422	560,641	25,379	(368,110)	22,034,008	19,920,086
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	139,590	293,983	75,351	319,710	314,335	-	1,142,969	874,696
WITH DONOR RESTRICTIONS:								
Contributions	14,692	10,000	-	100,112	-	-	124,804	7,683
Amounts Released from Resrictions	(56,812)	(34,788)	(26,262)	(4,500)	-	-	(122,362)	(170,589)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	(42,120)	(24,788)	(26,262)	95,612	-	-	2,442	(162,906)
CHANGE IN NET ASSETS	97,470	269,195	49,089	415,322	314,335	-	1,145,411	711,790
Net Assets - Beginning of Year	2,097,320	697,162	3,212,406	2,739,790	1,325,217	-	10,071,895	9,360,105
NET ASSETS - END OF YEAR	$ 2,194,790	$ 966,357	$ 3,261,495	$ 3,155,112	$ 1,639,552	$ -	$ 11,217,306	$ 10,071,895

See accompanying Notes to Consolidated Financial Statements.

LEADERSHIP PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	Richmond Campus	Oakland R&D Campus	Hayward Campus	Home Office	CFSC	2019 Consolidated	2018 Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	$ 97,470	$ 269,195	$ 49,089	$ 415,322	$ 314,335	$ 1,145,411	$ 711,790
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:							
Depreciation	109,212	58,238	231,055	8,947	-	407,452	532,128
(Increase) Decrease in Assets:							
Accounts Receivable	(303,281)	(209,473)	(111,936)	(19,446)	(17,388)	(661,524)	(170,949)
Contribution and Grants Receivable	9,082	17,103	25,478	(30,662)	-	21,001	(53,361)
Prepaid Expenses and Other Assets	(3,699)	(702)	192	41,431	2,508	39,730	(61,766)
Notes Receivable	-	-	-	-	150,402	150,402	96,669
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Liabilities	11,840	29,892	57,511	13,195	2,040	114,478	(71,874)
Deferred Revenue	(15,898)	-	(16,398)	43,413	679	11,796	(110,496)
Net Cash Provided by Operating Activities	(95,274)	164,253	234,991	472,200	452,576	1,228,746	872,141
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property, Plant, and Equipment	-	(7,011)	(11,775)	-	-	(18,786)	(294,541)
Net Cash Used by Investing Activities	-	(7,011)	(11,775)	-	-	(18,786)	(294,541)
CASH FLOWS FROM FINANCING ACTIVITIES							
Change in Debt Reserve	-	-	-	-	-	-	136,600
Repayments of Debt	(88,308)	-	(132,510)	-	-	(220,818)	(324,662)
Net Cash Provided (Used) by Financing Activities	(88,308)	-	(132,510)	-	-	(220,818)	(188,062)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(183,582)	157,242	90,706	472,200	452,576	989,142	389,538
Cash and Cash Equivalents - Beginning of Year	1,687,970	55,450	1,528,213	2,492,910	1,203,902	6,968,445	6,578,907
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,504,388	$ 212,692	$ 1,618,919	$ 2,965,110	$ 1,656,478	$ 7,957,587	$ 6,968,445
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid for Interest	$ 56,571	$ -	$ (28,510)	$ -	$ -	$ 28,061	$ 69,031

See accompanying Notes to Consolidated Financial Statements.

LEADERSHIP PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Expenses				Supporting Expenses		
	Instructional Services	Curriculum and Staff Development	Student Services	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries and Wages	$ 8,637,529	$ 686,452	$ 2,160,431	$ 11,484,412	$ 1,150,443	$ 85,741	$ 12,720,596
Pension Expense	1,212,544	94,016	273,790	1,580,350	45,143	6,859	1,632,352
Other Employee Benefits	1,167,934	67,462	272,759	1,508,155	127,930	13,387	1,649,472
Payroll Taxes	125,300	9,955	31,348	166,603	16,804	1,243	184,650
Legal Expenses	5,353	315	491	6,159	1,688	-	7,847
Accounting Expenses	-	-	-	-	33,050	-	33,050
Instructional Materials	67,503	-	-	67,503	-	-	67,503
Other Fees for Services	756,974	107,351	295,622	1,159,947	340,340	24,408	1,524,695
Printing and Postage Expenses	15,101	244	4,462	19,807	4,849	3,163	27,819
Information Technology Expenses	232,602	14,375	64,603	311,580	38,704	2,851	353,135
Occupancy Expenses	766,840	97,789	220,928	1,085,557	194,921	20,134	1,300,612
Travel Expenses	165,560	9,243	186,727	361,530	4,271	1,024	366,825
Conference and Meeting Expenses	970	3,074	12,025	16,069	5,362	951	22,382
Interest Expense	-	-	-	-	28,061	-	28,061
Depreciation Expense	285,236	19,287	61,244	365,767	41,055	630	407,452
Insurance Expense	59,370	4,408	15,308	79,086	13,591	-	92,677
Other Expenses	982,143	50,713	710,694	1,743,550	236,093	3,347	1,982,990
	$ 14,480,959	$ 1,164,684	$ 4,310,432	$ 19,956,075	$ 2,282,305	$ 163,738	$ 22,402,118

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Leadership Public Schools (LPS) is a nonprofit school development organization founded in 2002 to open and operate a network of outstanding charter high schools (the Schools) in California.

Principles of Consolidation

The consolidated financial statements include the accounts of Leadership Public Schools, Inc. and a related party, Charter Facilities Support Corporation, a California nonprofit public benefit corporation formed to provide facilities support to Leadership Public Schools, and its subsidiary, 28000 Calaroga LLC, a single member limited liability company. All material intercompany transactions have been eliminated.

Basis of Accounting

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

Basis of Presentation

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

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.

Functional Allocation of Expenses

Costs of providing LPS' programs and other activities have been presented in the statement of activities. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, office expenses, printing and postage, information technology, occupancy and other expenses, which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents

LPS 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2019. 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 value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. LPS capitalizes all expenditures for land, buildings, and equipment in excess of $5,000. Depreciation expense was $407,452 for the year ended June 30, 2019.

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 LPS 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.

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by LPS based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Income Taxes

LPS 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 is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files and exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

Evaluation of Subsequent Events

LPS has evaluated subsequent events through November 22, 2019, the date these consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of $11,208,031.

As part of the School's liquidity management plan, LPS invest cash in excess of daily requirements in short term investments and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

LPS also maintains cash balances held in banks and revolving funds which are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. LPS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 4 LONG-TERM DEBT

The Richmond Campus began payments on a loan agreement under the Charter School Facilities Program for its local match in the amount of $3,000,000. Payments are semi-annually in a total amount of $144,879 with an interest rate of 2%. The loan term is 29.16 years. The loan is secured by the facility in that title of the building of the District and it could be reclaimed if LPS defaulted on the agreement.

Future maturities of these loans are as follows:

Year Ending June 30,	Richmond
2020	$ 90,075
2021	91,876
2022	93,714
2023	95,588
2024	97,500
Thereafter	2,271,483
Total	$ 2,740,236

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 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 LPS chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. LPS has no plans to withdraw from this multi-employer plan.

NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS)

Plan Description

LPS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2018 total STRS plan net assets are $225 billion, the total actuarial present value of accumulated plan benefits is $374 billion, contributions from all employers totaled $4.9 billion, and the plan is 64% funded. The School did not contribute more than 5% of the total contributions to the plan.

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

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020-21. The required employer contribution rate for year ended June 30, 2019 was 16.28% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

LPS' contributions to STRS for the past three years are as follows:

Year Ending June 30,	Required Contribution	Percent Contributed
2017	$ 939,228	100 %
2018	1,068,504	100 %
2019	1,350,816	100 %

Defined Contribution Plan

LPS offers a defined contribution plan under Internal Revenue Code Section 401(a) for its classified employees. This plan provides for contributions by LPS for eligible employees. LPS has no liability under the plan. LPS contributions were $281,536 for the year ended June 30, 2019.

NOTE 6 OPERATING LEASES

LPS is obligated under a five-year operating lease agreement for its administration office located in Oakland, California. Monthly payments are $13,503 and the lease expires in 2023.

LPS is obligated under a five-year operating lease agreement with 28000 Calaroga LLC (a related party controlled by LPS) for facilities at one school site located in Hayward, California. Monthly payments are currently $30,675; the lease was renewed and expires June 2023.

Rental expense under the operating leases amounted to $703,820 for the year ended June 30, 2019, of which $368,110 was to a related party.

Future minimum lease payments are as follows:

Year Ending June 30,	Third Party	Related Party	Total
2020	$ 167,314	$ 368,110	$ 535,424
2021	172,334	368,110	540,444
2022	177,504	368,110	545,614
2023	182,829	368,110	550,939
2024	31,307	-	31,307
Total	$ 731,288	$ 1,472,440	$ 2,203,728

NOTE 7 HOME OFFICE SERVICES AND TRANSFERS

The Home Office of LPS distributes administrative expenses to each charter school on a per ADA basis.

The management of LPS may, at its own discretion, make transfers of Home Office reserves in order to provide additional fiscal support for the charter schools. These transfers are reviewed by the LPS board of trustees.

NOTE 8 MEASURE G PARCEL TAX REVENUE

The Measure “G” was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure “G” was approved to protect core academics – reading, writing, math, and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property.

NOTE 8 MEASURE G PARCEL TAX REVENUE (CONTINUED)

A summary of revenue and expenses for the charter school that received these funds and spent on the required purposes are as follows:

	Richmond Total
Revenue:	
Parcel Tax Revenue	$ 125,493
Expenses:	
Preparing students for college and the workforce	
Certificated Salaries	67,320
Classified Salaries	38,512
Employee Benefits	19,661
Total	125,493
Total Expenses	125,493
Net income	$ -

NOTE 9 MEASURE G1 PARCEL TAX REVENUE

The Measure "G1" was authorized by an election of the registered voters of Oakland Unified School District (OUSD). Measure "G1" was approved raises to "school site educators" for OUSD and its sponsored charter school by collecting $120 on each parcel of taxable real property with the District.

A summary of revenue and expenses for the charter school that received these funds and spent on the required purposes are as follows:

	Oakland R&D Total
Revenue:	
Parcel Tax Revenue	$ 62,464
Expenses:	
Preparing students for college and the workforce	
Certificated Salaries and Benefits	62,464
Total	62,464
Total Expenses	62,464
Net income	$ -

NOTE 10 CONTINGENCIES

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

SUPPLEMENTARY INFORMATION

LEADERSHIP PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019

Leadership Public Schools (LPS) is a tax-exempt, nonprofit public-benefit corporation that was established in 2002. LPS manages three charter schools authorized by various sponsors under three separate charters. The Schools and their charter school numbers are as follows:

Active:

- Richmond – Charter Number: 557
  West Contra Costa Unified School District, expires June 30, 2022

- Oakland R&D – Charter Number: 1449
  Oakland Unified School District, expires June 30, 2022

- Hayward – Charter Number: 684
  Hayward Unified School District, expires June 30, 2023

LEADERSHIP PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
YEAR ENDED JUNE 30, 2019

The board of directors and the administration as of the year ended June 30, 2019 were as follows:

Board Member	Committee	Term Beginning	Term Expiration
Kelley Gulley	Chair, Executive and Development	February 12, 2019	June 30, 2021
Kelley Gulley	Vice Chair, Executive and Development	July 1, 2016	February 12, 2019
Luis Chavez	Chair, Executive, Education and Search	July 1, 2018	February 12, 2019
Chuck Bowes	Development and 401a	July 1, 2018	June 30, 2021
Lynn Dantzker	Facilities	July 1, 2017	June 30, 2020
Jesuscita Fischel	Education and Search	November 14, 2016	June 30, 2019
Prasad Ram	Development	July 1, 2018	June 30, 2019
David Schiffman	Development	July 1, 2016	June 30, 2019
Amy Slater	Secretary, Executive, Facilities and Audit	July 1, 2018	June 30, 2021
Christopher Whitmore	Education	July 1, 2016	June 30, 2022
Briggitte Lowe	Facilities	July 1, 2017	June 30, 2022
Sandra Becker	Treasurer, Executive and Facilities	October 7, 2017	June 30, 2020
Brentt Brown	Education	October 7, 2017	June 30, 2020
Sheilagh Andujar	Education and Search	February 12, 2018	June 30, 2019
Louise Waters	President, Executive, and Education	July 1, 2015	January 7, 2019
Patricia Saddler	President and Executive	January 7, 2019	N/A
Tana Monteiro	Parent Representative	June 25, 2017	June 30, 2019
Sophia Thomas	Staff Representative	April 16, 2018	June 30, 2019

Administration	Title
Patricia Saddler	CEO, effective January 2019
Louise Waters	CEO, prior to January 2019
Soo Zee Park	CBO

LEADERSHIP PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

	Instructional Minutes		Traditional Instructional Days	Status
	Requirement	Actual		
Grade 9:				
Richmond Campus	64,800	67,810	177	In Compliance
Oakland R&D Campus	64,800	67,420	176	In Compliance
Hayward Campus	64,800	66,160	176	In Compliance
Grade 10:				
Richmond Campus	64,800	67,810	177	In Compliance
Oakland R&D Campus	64,800	67,420	176	In Compliance
Hayward Campus	64,800	66,160	176	In Compliance
Grade 11:				
Richmond Campus	64,800	67,810	177	In Compliance
Oakland R&D Campus	64,800	67,420	176	In Compliance
Hayward Campus	64,800	66,160	176	In Compliance
Grade 12:				
Richmond Campus	64,800	67,810	177	In Compliance
Oakland R&D Campus	64,800	67,420	176	In Compliance
Hayward Campus	64,800	66,160	176	In Compliance

See accompanying Auditors' Report and the Notes to Supplementary Information

LEADERSHIP PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grades 9-12:				
Richmond Campus	556.22	556.22	553.50	553.50
Oakland R&D Campus	440.35	440.90	436.00	436.54
Hayward Campus	570.66	570.66	557.45	557.45
ADA Totals	1,567.23	1,567.78	1,546.95	1,547.49

See accompanying Auditors' Report and the Notes to Supplementary Information

LEADERSHIP PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

	Richmond Campus	Oakland R&D Campus	Hayward Campus
June 30, 2019 Annual Financial Report			
Fund Balances (Net Assets)	$ 2,251,602	$ 1,005,479	$ 3,255,386
Adjustments and Reclassifications:			
Increase (Decrease) of Fund Balance (Net Assets):			
Cash and Cash Equivalents	-	(3,091)	-
Accounts Receivable	27,215	26,805	680
Contributions and Grants Receivables	(27,215)	(26,805)	-
Accounts Payable and Accrued Liabilities	(56,812)	(36,031)	5,429
Net Adjustments and Reclassifications	(56,812)	(39,122)	6,109
June 30, 2019 Audited Financial Statement			
Fund Balances (Net Assets)	$ 2,194,790	$ 966,357	$ 3,261,495

See accompanying Auditors' Report and the Notes to Supplementary Information

LEADERSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Home Office	Richmond Campus	Oakland R&D Campus	Hayward Campus	Total
U.S. Department of Education							
PBIS - Transforming School Culture Grant	84.184G	N/A	$ 72,831	$ 52,819	$ 58,711	$ 87,848	$ 272,209
Pass-Through Program from							
California Department of Education:							
Every Student Succeeds Act							
Title I, Part A, Basic Grants:							
Low-Income and Neglected	84.010	14329	-	228,959	170,696	139,160	538,815
Title II, Part A, Effective Instruction	84.367	14341	-	27,950	20,339	20,983	69,272
Title III, Part A, Basic Grants:	84.365	14346	-	12,701	13,321	4,956	30,978
Title IV, Part A, Student Support and Academic Enrichment	84.424A	15396		13,789	10,101	10,000	33,890
Federal Mental Health	84.027A	N/A	-	-	52,564	-	52,564
Special Education Cluster	84.027	13379	-	80,405	58,109	82,635	221,149
Total U.S Department of Education			72,831	416,623	383,841	345,582	1,218,877
U.S. Department of Agriculture							
Pass-Through Program from							
California Department of Education:							
Child Nutrition Cluster Programs	10.555	N/A	-	162,618	-	74,083	236,701
Child Nutrition Programs Equipment	10.579	14906	-	-	-	-	-
Total U.S Department of Agriculture			-	162,618	-	74,083	236,701
Total Federal Expenditures			$ 72,831	$ 579,241	$ 383,841	$ 419,665	$ 1,455,578
Reconciliation of Federal Reserves							
Total Federal Expenditures			$ 72,831	$ 579,241	$ 383,841	$ 419,665	$ 1,455,578
Expenditures in Excess of or Less than Revenues Related to Federal Programs:							
Child Nutrition Programs Equipment	10.579	14906	-	-	-	-	-
Federal Mental Health	84.027A	N/A	-	-	-	-	-
Federal Advanced Placement	84.330B	50723	-	-	-	-	-
Total Federal Revenues			$ 72,831	$ 579,241	$ 383,841	$ 419,665	$ 1,455,578

See accompanying Auditors' Report and the Notes to Supplementary Information

LEADERSHIP PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

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

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Schools under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of LPS, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of LPS.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

LPS has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Board of Directors
Leadership Public Schools
Oakland, 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 consolidated financial statements of Leadership Public Schools (LPS), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities and cash flows for the year then ended, the related notes to the consolidated financial statements, and have issued our report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered LPS' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of LPS' internal control. Accordingly, we do not express an opinion on the effectiveness of LPS' 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 consolidated 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 LPS' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, California
November 22, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Leadership Public Schools
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited the compliance of Leadership Public Schools (LPS) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. LPS' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of LPS' major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LPS' 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 compliance for each major federal program. However, our audit does not provide a legal determination of LPS' compliance.

Opinion on Each Major Federal Program

In our opinion, LPS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of LPS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LPS' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LPS' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, California
November 22, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Leadership Public Schools
Oakland, California

We have audited Leadership Public Schools' (LPS) compliance with the types of compliance requirements described in the *2018-2019 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, 2019. LPS' state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on LPS' 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 *2018-2019 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 LPS' 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 LPS' compliance.

Compliance Requirements Tested

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

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
Before/After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes

Description	Procedures Performed
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instructional/Independent Study	No*
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

*No testing was performed because the ADA was below the level which requires testing.

Opinion on State Compliance

In our opinion, LPS complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

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 *2018-2019 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

CliftonLarsonAllen LLP
Glendora, California
November 22, 2019

LEADERSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ____x____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A, Basic Grants: Low-Income and Neglected
84.027	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____x____ no

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

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Findings and Questioned Costs – State Compliance

Our audit did not disclose any matters required to be reported in accordance with the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.*

LEADERSHIP PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

There were no findings in the prior year.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

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MAKING WAVES ACADEMY
CHARTER SCHOOL NUMBER: 0868

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019



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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

MAKING WAVES ACADEMY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT	**1**
BASIC FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	**3**
STATEMENT OF ACTIVITIES	**4**
STATEMENT OF CASH FLOWS	**5**
STATEMENT OF FUNCTIONAL EXPENSES	**6**
NOTES TO FINANCIAL STATEMENTS	**7**
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**15**
SCHEDULE OF INSTRUCTIONAL TIME	**16**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**17**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**18**
WCCUSD MEASURE G PARCEL TAX INCOME STATEMENT	**19**
NOTES TO SUPPLEMENTARY INFORMATION	**20**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**21**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	**23**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**25**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**26**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Making Waves Academy
Richmond, California

Report on the Financial Statements

We have audited the accompanying financial statements of Making Waves Academy (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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the School as of June 30, 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

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 September 18, 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 on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 18, 2019

MAKING WAVES ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 2,580,954
Accounts Receivable - Federal and State	1,687,506
Accounts Receivable - Other	4,852
Prepaid Expenses and Other Assets	244,551
Total Current Assets	4,517,863
LONG-TERM ASSETS	
Property, Plant, and Equipment, Net	345,966
Total Long-Term Assets	345,966
Total Assets	$ 4,863,829

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 1,235,995
Total Current Liabilities	1,235,995
NET ASSETS	
Without Donor Restriction	3,627,834
Total Net Assets	3,627,834
Total Liabilities and Net Assets	$ 4,863,829

See accompanying Notes to Financial Statements.

MAKING WAVES ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
REVENUES			
State Revenue:			
Principal Apportionment	$ 6,919,045	$ -	$ 6,919,045
Other State Revenue	2,054,978	-	2,054,978
Federal Revenue:			
Grants and Entitlements	742,865	-	742,865
Local Revenue:			
In-Lieu Property Tax Revenue	2,530,486	-	2,530,486
Contributions	11,287,515	-	11,287,515
In-Kind Contributions from Related Party	87,099	-	87,099
Net Assets Released from Restrictions	18,830	(18,830)	-
Total Revenues	23,640,818	(18,830)	23,621,988
EXPENSES			
Program Services	20,807,679	-	20,807,679
Management and General	2,278,830	-	2,278,830
Total Expenses	23,086,509	-	23,086,509
CHANGE IN NET ASSETS	554,309	(18,830)	535,479
Net Assets - Beginning of Year	3,073,525	18,830	3,092,355
NET ASSETS - END OF YEAR	$ 3,627,834	$ -	$ 3,627,834

See accompanying Notes to Financial Statements.

MAKING WAVES ACADEMY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	535,479
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		23,379
Change in Operating Assets:		
Accounts Receivable - Federal and State		(542,533)
Accounts Receivable - Other		(4,852)
Pledges Receivable - Related Party		1,600,000
Prepaid Expenses and Other Assets		(22,175)
Change in Operating Liabilities:		
Accounts Payable and Accrued Liabilities		199,339
Net Cash Provided by Operating Activities		1,788,637
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,788,637
Cash and Cash Equivalents - Beginning of Year		792,317
CASH AND CASH EQUIVALENTS - END OF YEAR	$	2,580,954

See accompanying Notes to Financial Statements.

MAKING WAVES ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Total Expenses
Salaries and Wages	$ 10,605,264	$ 1,178,363	$ 11,783,627
Pension and Retirement Plan	859,849	95,539	955,388
Other Employee Benefits	1,538,209	170,912	1,709,121
Payroll Taxes	451,900	50,211	502,111
Management Fees	120,461	13,384	133,845
Legal Expenses	104,064	11,563	115,627
Accounting Expenses	10,440	1,160	11,600
Other Fees for Services	2,916,491	324,055	3,240,546
Office Expenses	376,592	41,843	418,435
Information Technology Expenses	363,773	40,419	404,192
Occupancy Expenses	1,884,956	209,439	2,094,395
Advertising and Promotion	-	10,414	10,414
Travel Expenses	86,972	9,664	96,636
Conference and Meeting Expenses	148,025	16,447	164,472
Depreciation Expense	23,379	-	23,379
Insurance Expense	90,215	10,024	100,239
Instructional Materials	378,897	-	378,897
Student Transportation	564,657	-	564,657
Other Expenses	283,535	95,393	378,928
Total	$ 20,807,679	$ 2,278,830	$ 23,086,509

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Making Waves Academy (the School) is a nonprofit public benefit corporation. The School was approved by the Contra Costa County Board of Education for a five-year charter and was approved as a public charter school by the State of California Department of Education on May 9, 2007 (charter #868). On February 15, 2017, the Contra Costa County Board of Education renewed the School's charter through June 30, 2022.

The School started in August 2007, and currently serves approximately 937 students in grades 5 through 12.

The charter may be revoked by the Contra Costa County Board of Education for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Mission

The School commits to rigorously and holistically preparing students to gain acceptance to and graduate from college to ultimately become valuable contributors to the workforce and their communities.

Basis of Accounting

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

Basis of Presentation

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

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.

Functional Allocation of Expenses

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed but not received as of June 30, 2019. Due from federal and state governments consists of funds due as of June 30, 2019. 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 life of the asset. Useful lives range between 5 years for equipment to 39 years for certain leasehold improvements. The School capitalizes all expenditures for land, buildings, and equipment in excess of $25,000. Depreciation expense was $23,380 as of June 30, 2019.

Contributed Assets and Services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the School. The current portion of the liability, if material, is recognized at year-end. The entire compensated absences liability is reported on the statement of financial position. Employees of the School are paid for days or hours worked based upon board-approved schedules which include vacation. Sick leave is accumulated without limit for each employee at the equivalent rate of two-thirds of a day for each full month of service. Sick leave with pay is provided when employees are absent for health reasons.

Governmental Funding Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

Evaluation of Subsequent Events

The School has evaluated subsequent events through September 18, 2019, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of $4,273,312. As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School maintains cash balances held in banks which are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

The School's property, plant, and equipment consisted of the following as of June 30, 2019:

Leasehold Improvements	$	435,813
Equipment, Furniture and Fixtures		83,860
Vehicles		48,299
Total		567,972
Less: Accumulated Amortization		(222,006)
Total Property, Plant, and Equipment	$	345,966

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 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 these multi-employer plans.

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, 2018, total STRS plan net assets are $225 billion, the total actuarial present value of accumulated plan benefits is $374 billion, contributions from all employers totaled $4.9 billion, and the plan is 64% funded. The School did not contribute more than 5% of the total contributions to the plan.

NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)

Plan Description (Continued)

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

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 9.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 18.40% in 2020–21. The required employer contribution rate for year ended June 30, 2018 was 16.28% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Year Ending June 30,	Required Contribution	Percent Contributed
2017	$ 545,561	100%
2018	$ 673,771	100%
2019	$ 842,843	100%

Defined Contribution 403(b) Retirement Plan

The School offers an Internal Revenue Code Section 403(b) Retirement Plan to each of its qualifying employees. Employees may contribute their own amounts to the plan at any time. The employer will match non-instructional staff contributions on the following schedule: after 6 months of service 3%; after 3 years of service 4%; after 5 years of service 5% and after 10 years of service 6%. Employees are fully vested at the time contributions are made. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2019 was $112,545.

NOTE 6 OPERATING LEASES

The School leases it facilities from a related party (see Note 7) under a lease agreement expiring in June of 2019. The School also leases office space from a related party under a separate lease agreement expiring June 2019. Under these lease agreements, the ongoing operating expenses of the facilities are the responsibility of the School. Lease expense under these agreements for the year ended June 30, 2019 was $1,472,564.

Future minimum lease payments are as follows:

Year Ending June 30,	
2020	$ 1,503,543
Total	$ 1,503,543

NOTE 7 RELATED PARTY TRANSACTIONS

The School has a related party nonprofit organization named Making Waves Foundation, Inc. (MWF). MWF is contracted by the School for financial services and support as needed to the School. The contracted amount between MWF and the School is $39,025.

The School received in-kind contributions of $87,099 from MWF related to budgeting and forecasting.

The School also leases facilities from MWF (see Note 6)

NOTE 8 JOINT POWERS AGREEMENT

The School entered into a Joint Powers Agreement (JPA) known as the California Charter School Association Joint Powers Authority (CCSA-JPA): a self-insurance plan for workers' compensation, property/casualty, and school board liability insurance. The CCSA-JPA is governed by a board of five members, two of which represent member organizations. The board controls the operation of the CCSAJPA including selection of management and approval of operating budgets independent of any influence by the member organizations beyond their representation on the board. Each member organization pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the CCSA-JPA. The CCSA-JPA is a 501(c) agency trust, which is audited by an independent accounting firm.

NOTE 9 CONDITIONAL PROMISE TO GIVE

The School has a conditional promise to give from the Phoebe Snow Foundation, Inc. which has legally and irrevocably committed $25 million for the purpose of supplementing the School's operating and capital needs to the extent where these funds cannot be raised elsewhere. This commitment is for five years of the School's operations beginning with the 2018 fiscal year. The School did not receive any amounts under this conditional promise to give for the year ended June 30, 2019.

NOTE 10 CONTINGENCIES

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

The School is subject to a claim that arose in the ordinary course of business. This claim has been forwarded to the School’s insurance provider and legal counsel has been retained. After the fiscal year end, but prior to the release of these financial statements, this case was settled. The School expects the settlement to be fully covered by its insurance policies and therefore no loss has been accrued.

NOTE 11 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, office expenses, printing and postage, information technology, and other expenses, which are allocated on the basis of estimates of time and effort.

SUPPLEMENTARY INFORMATION

MAKING WAVES ACADEMY
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019

Making Waves Academy (the School) was approved by the Contra Costa County Board of Education for a five-year charter and was approved as a public charter school by the State of California Department of Education on May 9, 2007 (charter #868). On February 15, 2017, the Contra Costa County Board of Education renewed the School's charter through June 30, 2022.

The Board of Directors and the Administrator as of the year ended June 30, 2019 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (3 year term)
Alicia Klein	President	December 31, 2021
Daryle Morgan	Director	December 31, 2019
Esther Hugo	Director	December 31, 2021
Maricela Navarro	Director	December 31, 2019
Chad Eatinger	Director	December 13, 2020
Burak Gursel	Director	December 13, 2020
Jessica Wind	Director	December 13, 2020
Margaret Watson	Director	December 31, 2020

ADMINISTRATOR

Alton B. Nelson, Jr.	Chief Executive Officer

MAKING WAVES ACADEMY
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

	Instructional Minutes		Traditional Calendar	
	Requirement	Actual	Days	Status
Grade 5	54,000	65,905	175	In compliance
Grade 6	54,000	65,905	175	In compliance
Grade 7	54,000	65,905	175	In compliance
Grade 8	54,800	65,905	175	In compliance
Grade 9	64,800	65,815	175	In compliance
Grade 10	64,800	65,815	175	In compliance
Grade 11	64,800	65,815	175	In compliance
Grade 12	64,800	65,815	175	In compliance

See accompanying Notes to Supplementary Information

MAKING WAVES ACADEMY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grades 4-6	321.29	321.29	321.78	321.78
Grades 7-8	214.48	214.48	214.49	214.49
Grades 9-12	363.30	363.30	363.86	363.86
ADA Totals	899.07	899.07	900.13	900.13

See accompanying Notes to Supplementary Information

MAKING WAVES ACADEMY
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

There were no reclassifications or adjustments for the year ended June 30, 2019.

See accompanying Notes to Supplementary Information

MAKING WAVES ACADEMY
WCCUSD MEASURE G PARCEL TAX REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 2019

The Measure "G" was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure "G" was approved to protect core academics – reading, writing, math, and science, attract and retain qualified teachers, prepare students for college and workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property.

	Year Ended June 30, 2017	Year Ended June 30, 2018	Year Ended June 30, 2019
REVENUES			
Program Revenue	$ 110,805	$ 110,185	$ 193,208
Total Revenues	110,805	110,185	193,208
EXPENSES			
Salaries and Wages	110,805	88,831	172,911
Other Employee Benefits	-	21,354	20,297
Information Technology Supplies	-	-	-
Total Expenses	110,805	110,185	193,208
EXCESS OF REVENUE OVER EXPENSES	$ -	$ -	$ -

The charter school spent these funds on salaries, wages, and other employee benefits to improve safety on and around campus.

See accompanying Notes to Supplementary Information

MAKING WAVES ACADEMY
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

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

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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

NOTE 4 WCCUSD MEASURE G PARCEL TAX REVENUE AND EXPENSES

This schedule provides the revenues and expenditures for Measure G Parcel Tax for the past three years.

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

Board of Directors
Making Waves Academy
Richmond, 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 Making Waves Academy (the School), a nonprofit California 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, the related notes to the financial statements, and have issued our report thereon dated September 18, 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 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.

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 18, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Making Waves Academy
Richmond, California

We have audited Making Waves Academy's (the School) compliance with the types of compliance requirements described in the *2018-2019 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, 2019. The School's state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2018-2019 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:

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes

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

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, 2019.

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 *2018-2019 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

CliftonLarsonAllen LLP

Glendora, California
September 18, 2019

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

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* or the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel.

MAKING WAVES ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

There were no findings and questioned costs related to the basic financial statements or state awards for June 30, 2018.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

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MANZANITA CHARTER MIDDLE SCHOOL

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2019

Patel & Associates
Certified Public Accountants

MANZANITA CHARTER MIDDLE SCHOOL
TABLE OF CONTENTS

	Page/s
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 14
Supplementary Information	
Organization	15
Schedule of Average Daily Attendance	16
Schedule of Instructional Time	17
Schedule of Functional Expenses	18
Measure G Parcel Tax Revenue and Expenses	19
Reconciliation of Charter School Unaudited Actuals Financial Report – Alternative Form With Audited Financial Statements	20
Other 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*	21 - 22
Independent Auditor's Report on Compliance with Applicable Requirements in Accordance with 2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting	23 - 24
Schedule of Findings and Responses	25 - 27
Summary Schedule of Prior Year Audit Findings	28

Patel & Associates
Certified Public Accountants

7677 Oakport Street, Suite 460
Oakland, California 94621

Telephone: (510) 452-5051
Fax: (510) 452-3432

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Manzanita Charter Middle School
Richmond, California

I have audited the accompanying financial statements of Manzanita Charter Middle School (the Charter School) which comprise the statement of financial position as of June 30, 2019, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the California Education Audit Appeals Panel as regulations. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter 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.

Emphasis of Matter

As discussed in note 2(J) to the financial statements, Manzanita Charter Middle School, adopted new accounting guidance, Accounting Standards Update (ASU) No. 2016-14 – Not-for-profits (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and as required by the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel and is not a required part of the 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 my 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*, I have also issued my report dated December 2, 2019 on my consideration of the Manzanita Charter Middle School's internal control over financial reporting and on my 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 my 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 Charter 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 Manzanita Charter Middle School's internal control over financial reporting and compliance.

Patel & Associates

Oakland, California
December 2, 2019

FINANCIAL STATEMENTS

MANZANITA CHARTER MIDDLE SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS		
Current assets:		
Cash	$	511,369
Accounts receivable		169,845
Prepaid expenses and other current assets		17,430
Total current assets		698,644
Non current assets:		
Property and equipment, net		89,988
Deposits		8,000
Total non current assets		97,988
Total assets	$	796,632
LIABILITIES AND NET ASSETS		
Current liabilities:		
Account payable	$	45,364
Total current liabilities		45,364
NET ASSETS		
Without donor restrictions		644,865
With donor restrictions		106,403
Total net assets		751,268
Total liabilities and net assets	$	796,632

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

MANZANITA CHARTER MIDDLE SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Revenue Limit Sources:			
State Apportionments	$ 583,318	$ -	$ 583,318
Education Protection Account	179,880	-	179,880
In-lieu of property taxes	317,702	-	317,702
Federal revenue	-	82,446	82,446
State revenue	154,823	1,683	156,506
Local revenue:			
Fundraising	-	-	-
Miscellaneous	54,452	25,403	79,855
Net assets released from restriction	150,388	(150,388)	-
Total revenues and support	1,440,563	(40,856)	1,399,707
EXPENSES:			
Program Services:			
Education	942,258	-	942,258
Supporting services:			
Management and general	390,157	-	390,157
Fundraising	8,094	-	8,094
Total expenses	1,340,509	-	1,340,509
Change in net assets	100,054	(40,856)	59,198
Net assets, beginning of year	544,811	147,259	692,070
Net assets, end of year	$ 644,865	$ 106,403	$ 751,268

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

MANZANITA CHARTER MIDDLE SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash flows from operating activities:	
Change in net assets	$ 59,198
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,232
(Increase) decrease in operating assets:	
Accounts Receivable	200,531
Prepaid expenses	(2,266)
Increase in operating liabilities:	
Accounts payable	5,520
Net cash provided by operating activities	281,215
Cash flows from investing activities:	
Purchase of property and Equipment	(33,229)
Net cash flows used in investing activities	(33,229)
Net increase in cash and cash equivalents	247,986
Cash and cash equivalents, beginning of year	263,383
Cash and cash equivalents, end of year	$ 511,369

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

NOTE 1 - ORGANIZATION AND MISSION

Manzanita Charter Middle School (the Charter School) is a nonprofit public benefit corporation and was approved as a public charter school by the State of California on September 6, 2000, and currently serves approximately 117 students in grades 6 through 8.

The Charter School was approved by the West Contra Costa Unified School District for a charter renewal for a five-year period ending June 30, 2020.

The Mission of the Charter School is: "Through active family involvement in self-governed public education, Manzanita Charter Middle School (a cooperative charter), seeks to create a safe, nurturing, and diverse educational community for our children. My vision is to prepare students academically and socially to be well-rounded individuals who contribute positively to themselves, their families, the community, and our world."

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statement Presentation

The financial statements of Charter School have been presented in accordance with U.S. generally accepted accounting principles ("US GAAP"). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Charter School and changes therein are classified as follows:

Net assets without donor restrictions: - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Charter School. The Charter School's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

B. Accounting Method - Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The Charter School uses the accrual basis of accounting, under which revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measure of Operation

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Charter School's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

D. Use of Estimates

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

E. Income Taxes

The Charter School is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Charter School uses the same accounting methods for tax and financial reporting.

Generally accepted accounting principles provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt Charter School tax returns are more likely than not to be sustained upon examination.

The Charter School's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

F. Cash and Cash Equivalents

Cash is from time to time variously composed of cash on hand and in banks. The Charter School considers all highly liquid instruments with maturities of three months or less at time of acquisition to be cash equivalents. As of June 30, 2019, there were no cash equivalents.

G. Property and Equipment

Property and Equipment are recorded at cost and depreciated under the straight-line method over their estimated useful lives of 3 to 20 years. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets, sold or retired, and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing $5,000 or more; all other assets are charged to expense in the year incurred.

H. Revenue Sources and Recognition

The Charter School receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

H. Revenue Sources and Recognition - Cont'd

The Charter School primarily receives the funds from California Department of Education (CDE). Amounts received from the CDE are recognized by the Charter School based on the average daily attendance (ADA) of students and reimbursements for meals served based on the number of meals served.

The Charter School recognizes federal revenue to the extent that eligible expenditures have been incurred. Revenue that is restricted is recorded as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions..

I. Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consisted primarily of salaries and wages expense which was allocated based on time and effort.

J. New Accounting Pronouncements

Adopted

For the year ended June 30, 2019, the organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 – Not-for-profits (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This update addresses the complexity and understandability of net asset classification, deficiencies in formation about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied accordingly. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions.

Not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The adoption of ASU 2016-02 is effective for the Organization for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2016-02 on the financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by identifying the contract(s) with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognizing revenue when (or as) the entity satisfies a performance obligation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

J. New Accounting Pronouncements - Cont'd

In August 2015, the FASB issued ASU No. 2015-14, Deferral of the Effective Date ("ASU 2015-14"), which deferred the effective date of ASU 2014-09 for all entities by one year. In March 2016, the FASB issued ASU No. 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net) ("ASU 2016-08"), which clarifies the implementation guidance on principal versus agent considerations in ASU 2014-09. In April 2016, the FASB issued ASU No. 2016-10, Identifying Performance Obligations and Licensing ("ASU 2016-10"), which clarifies the implementation guidance on identifying performance obligations and the licensing implementation guidance in ASU 2014-09, while retaining the related principles for those areas.

In May 2016, the FASB issued ASU No. 2016-12, Narrow-Scope Improvements and Practical Expedients ("ASU 2016-12"), which provides narrow-scope improvements and practical expedients to ASU 2014-09. ASU 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, and ASU 2016-12 are effective for the Organization for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU No. 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, and ASU 2016-12 on the financial statements.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit-Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit-Entities, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The adoption of ASU 2018-08 is effective for the Organization for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2018-08 on the financial statements.

NOTE 3 - CASH

Cash in banks at June 30, 2019, consisted of the following:

Deposits:	
Cash in Bank	$ 511,369
Total	$ 511,369

Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Charter School maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Charter School has not experienced any losses in such accounts. At June 30, 2019, the Charter School had $333,545 of uninsured funds.

NOTE 4 - ACCOUNTS RECEIVABLE

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

West Contra Costa Unified School District (WCCUSD)	$ 20,706
Contra Costa office of Education	145,940
Federal lunch	3,002
State lunch	197
Total accounts receivable	$ 169,845

NOTE 5 - PROPERTY AND EQUIPMENT, NET

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

Equipment	$ 62,547
Computers	9,713
Lease Hold Improvements	64,082
Total property and equipment, at cost	136,342
Less: accumulated depreciation	(46,354)
Total property and equipment, Net	$ 89,988

During the fiscal year ended June 30, 2019, total additions to property and equipment and depreciation expense were $33,229 and $18,232 respectively.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include funds received but not expended and consist of the following as of June 30, 2019:

	Balance June 30, 2018	Additions	Released from restriction	Balance June 30, 2019
Proposition 39- California Clean Energy Jobs Act Funds	$ 147,259	$ -	$ 40,856	$ 106,403
Federal Revenue	-	82,446	82,446	-
Other State	-	1,683	1,683	-
Other Local	-	25,403	25,403	-
Total	$ 147,259	$ 109,532	$ 150,388	$ 106,403

NOTE 7 - 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) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

California Public Employees' Retirement System (CalPERS)	
Plan name:	California Public Employees' Retirement System (CalPERS) State & Schools
Plan's EIN:	94-6207465
Market value of assets:	$64,796,136
Actuarial accrued liability:	$91,459,284
Funded status:	71% funded
Proportionate share of Charter School	0.00071%

The market value of assets and accrued liability are expressed in millions and are valued as of June 30, 2018, the most recent information available.

Plan Description

The Charter School participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS - CONT'D

Contributions -Cont'd

Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Classic plan members, defined as a member who joined CalPERS prior to January 1, 2013, are required to contribute 7% of their salary (7% of monthly salary over $133.33 if the member participates in Social Security). New members who joined CalPERS for the first time on or after January 1, 2013 are required to contribute 7% of their salary. The required employer contribution rate for fiscal years ended June 30, 2019 and 2018 were 18.062% and 15.531% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. The Charter School's contributions to CalPERS for the fiscal year ending June 30, 2019, was $21,129 and $14,451 is required contribution for the year.

California State Teachers' Retirement System (CalSTRS)	
Plan name:	California State Teachers' Retirement System (CalSTRS)
Plan's EIN:	94-6291617
Market value of assets:	$224,869
Actuarial accrued liability:	$316,776
Funded status:	71% funded
Proportionate share of Charter School	0.001%

The market value of assets and accrued liability are expressed in millions and are valued as of June 30, 2018, the most recent actuarial valuation date.

Plan Description

The State Teachers' Retirement Plan (STRP) is a multiple employer, cost-sharing defined benefit plan comprised of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) 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.

At June 30, 2018, there were 1,740 contributing employers (charter schools, school districts, community college districts, county offices of education and regional occupational programs).

The Charter School participates in the State Teachers' Retirement Plan (the CalSTRS Plan). CalSTRS acts as a common investment and administrative agent for participating entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS - CONT'D

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

The Charter School's contributions (net of State on-behalf contributions) to CalSTRS for the fiscal year ending June 30, 2019, was $129,214 and $57,464 is the required contribution for the year.

NOTE 8 - OPERATING LEASE

The Charter School leased a building under lease arrangements that will expire in June 30, 2025. Future lease payments are as following:

Year ending June 30,	Lease Payments
2020	$ 108,000
2021	108,000
2022	108,000
2023	114,000
Thereafter	228,000
Total	$ 666,000

The Charter School receives no sublease rental revenues nor pays any contingent rentals associated with this lease. For the fiscal year ended June 30, 2019, operating lease expense was $108,000.

NOTE 9 - LIQUIDITY AND AVAILABILITY

Manzanita Charter Middle School monitors liquidity required to meet its operating needs and other contracted commitments. Manzanita has cash and accounts receivable as sources of liquidity at its disposal.

For purposes of analyzing resources available to meet general expenditures over a 12 – month period, Manzanita considers all expenditures related to its ongoing activities and the pattern of income from Federal, State, and Local sources. The board of directors meets monthly to review all financial aspects of the organization.

As of June 30, 2019, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2019
Cash	$ 511,369
Accounts receivables	169,845
Total financial assets	$ 681,214

NOTE 10 - COMMITMENTS AND CONTINGENCIES

State Allowances, Awards, and Grants

The Charter School has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

NOTE 11 - SUBSEQUENT EVENTS

The Charter School's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through December 2, 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

MANZANITA CHARTER MIDDLE SCHOOL
ORGANIZATION
JUNE 30, 2019

Manzanita Charter Middle School [#0333] is a Grade 6 through grade 8 Charter School and was granted its charter renewal by the West Contra Costa Unified School District in 2016, pursuant to the terms of the Charter School Act of 1992, as amended.

The Board of Directors for the fiscal year ended June 30, 2019, was comprised of the following members:

Name	Office	Term	Term Expiration
Amy Bingham	Board Chair	1 Year	June 30, 2019
Titania Buchholdt	Secretary	1 Year	June 30, 2019
Christine Todd	Fiscal Chair	1 Year	June 30, 2019
Ariane Pelley	Board Member	1 Year	June 30, 2019
Guadalupe Ramirez	Board Member	1 Year	June 30, 2019
Sanjuana Villalobos	Board Member	1 Year	June 30, 2019

MANZANITA CHARTER MIDDLE SCHOOL
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Second Period Report	Annual Report
Grade 6	20.17	19.76
Grade 7-8	90.91	90.51
Total	111.08	110.27

The Charter School is 100% classroom-based and does not generate any ADA from a full-time Independent Study program.

MANZANITA CHARTER MIDDLE SCHOOL

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

Grade Level	2018-2019 Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	55,270	176	In Compliance
Grade 7	54,000	55,270	176	In Compliance
Grade 8	54,000	55,270	176	In Compliance

MANZANITA CHARTER MIDDLE SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Support Services		
	Education	Management and General	Fundraising	Total
Certificated salaries	$ 439,851	$ -	$ 243	$ 440,094
Classified salaries	45,000	54,764	162	99,926
Employee benefits	201,571	22,397	-	223,968
Books and supplies	51,530	17,177	-	68,707
Travel and conferences	-	9,087	-	9,087
Insurance	-	25,904	-	25,904
Rental, leases, repairs and non-capitalized improvements	110,988	51,419	-	162,407
Professional/consulting services and operating expenditures	93,318	150,793	7,689	251,800
Communications	-	40,384	-	40,384
Depreciation	-	18,232	-	18,232
Total expenses	$ 942,258	$ 390,157	$ 8,094	$ 1,340,509

MANZANITA CHARTER MIDDLE SCHOOL
MEASURE G PARCEL TAX REVENUE AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018	June 30, 2017
Revenues			
Parcel Tax Revenue	$ 25,303	$ 17,676	$ 14,566
Total Revenue	25,303	17,676	14,566
Expenses			
Provide classroom computers and Technology			
Classified Salaries	25,303	17,676	8,740
Employee Benefits	-	-	5,826
Total Expenses	25,303	17,676	14,566
Excess of Revenue over Expenses	$ -	$ -	$ -

NOTES TO MEASURE G PARCEL TAX REVENUE AND EXPENSES

The Measure "G" was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure “G” was approved to protect core academics — reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 &ants per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property. The Charter School spent the funds on computer and technology salaries in 2018-2019.

MANZANITA CHARTER MIDDLE SCHOOL

RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT - ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

There were no adjustments or reclassifications for the year ended June 30, 2019.

OTHER INDEPENDENT AUDITOR'S REPORTS

Patel & Associates
Certified Public Accountants

7677 Oakport Street, Suite 460
Oakland, California 94621

Telephone: (510) 452-5051
Fax: (510) 452-3432

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
Manzanita Charter Middle School
Richmond, California

I 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 Manzanita Charter Middle School (the Charter School), which comprise statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Charter 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, I do not express an opinion on the effectiveness of the Charter 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Charter 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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Charter School's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter 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 Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patel & Associates

Oakland, California
December 2, 2019

Patel & Associates
Certified Public Accountants

7677 Oakport Street, Suite 460
Oakland, California 94621

Telephone: (510) 452-5051
Fax: (510) 452-3432

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH 2018-19 GUIDE FOR ANNUAL AUDITS OF K-12 LOCAL EDUCATION AGENCIES AND STATE COMPLIANCE REPORTING

To the Board of Directors
Manzanita Charter Middle School
Richmond, California

Report on Compliance for Each State Program

I have audited Manzanita Charter Middle School's compliance with the types of compliance requirements as identified in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of Manzanita Charter Middle School's state programs for the fiscal year ended June 30, 2019. Manzanita Charter Middle School's state programs are identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

My responsibility is to express an opinion on Manzanita Charter Middle School's state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 2018-19 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* published by the Education Audit Appeals Panel. Those standards and the 2018-19 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* require that I 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 Manzanita Charter Middle School's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each state program. However, my audit does not provide a legal determination of Manzanita Charter Middle School compliance. In connection with the audit referred to above, I selected transactions and records to determine the Charter School's compliance with the state laws and regulations applicable to the following items:

Opinion

In my opinion, Manzanita Charter Middle 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.

Procedures Performed

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

Description	Procedures Performed
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable

The term "Not Applicable", is used above to mean either that the Charter School did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

Opinion

In my opinion, Manzanita Charter Middle School complied, in all material respects, with the applicable compliance requirements referred to above that could have a direct and material effect on each of its state programs for the year ended June 30, 2019.

The purpose of this report is solely to describe the scope of my testing of compliance and the results of that testing based on the requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Patel & Associates

Oakland, California
December 2, 2019

MANZANITA CHARTER MIDDLE SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

State Awards

Internal control over state programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None Reported
Type of auditor's report issued on compliance for state programs:	Unmodified

MANZANITA CHARTER MIDDLE SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings related to the financial statements.

MANZANITA CHARTER MIDDLE SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

SECTION III - STATE AWARD FINDINGS

There are no findings related to the state award.

MANZANITA CHARTER MIDDLE SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

The Charter School had no finding noted in prior year that require a status.



Certified Public Accountants
and Financial Advisors

Richmond Elementary School, Inc.
Measure G Parcel Tax Performance Audit
For the fiscal year ended June 30, 2019

MEASURE G PARCEL TAX PERFORMANCE AUDIT
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Independent Auditor's Report on Performance 1

Background Information 2

Objectives, Scope, Methodology and Conclusion 4

Schedule of Findings and Questioned Costs 5

Summary Schedule of Prior Findings and Questioned Costs 6

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Board of Directors
Richmond Elementary School, Inc.
Richmond, California

Report on Performance

We were engaged to conduct a performance audit of the Richmond Elementary School, Inc. (the Organization) Measure G Parcel Tax proceeds for the year ended June 30, 2019.

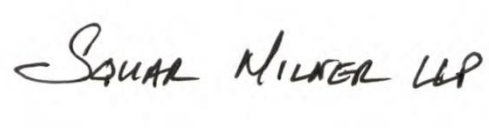
We conducted the performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives.

Our audit was limited to the objectives listed within the report, which include determining the Organization's compliance with the performance requirements of the voter approved ballot measure referred to as Measure G. Management is responsible for the Organization's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the Organization's internal control in order to determine the audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion of the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

The results of our tests indicated the Organization expended the 2019 Measure G Parcel Tax proceeds in accordance with the voter approved ballot measure referred to as Measure G.

SQUAR MILNER LLP



San Diego, California
October 31, 2019

BACKGROUND INFORMATION

SUMMARY

1. Measure G was authorized by an election of the registered voters of West Contra Costa Unified School District. Measure G was approved to protect core academic- reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around district campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property within the District or a tax of $7.20 per unimproved parcel of taxable real property.

2. Total proceeds from parcel taxes for Measure G were $116,007 for the fiscal year ending June 30, 2019.

3. For the fiscal year ending June 30, 2019, the Organization recorded expenditures of Measure G parcel tax revenues of $116,007.

SUMMARY OF REVENUES AND EXPENDITURES

	For the fiscal year ended June 30, 2019
REVENUES	
Other local revenue	$ 116,007
Total Revenues	$ 116,007
EXPENDITURES	
Certificated salaries	$ 116,007
Total Expenditures	$ 116,007

OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION

OBJECTIVES

The objective of our performance audit was to determine that the Organization expended Measure G Parcel Tax proceeds for the year ended June 30, 2019 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G Parcel Tax proceeds.

SCOPE

The Organization provided to us a list of all Measure G Parcel Tax expenditures for the year ended June 30, 2019. There were $116,007 in expenditures from July 1, 2018 through June 30, 2019 that were identified.

METHODOLOGY

1. Verified that the Measure G Parcel Tax expenditures were accounted for separately in the accounting records of the Organization.

2. Verified that the net revenues received from the parcel taxes were deposited in total into the Organization's Measure G Parcel Tax Fund.

3. Tested expenditures of each resource code ensuring that such expenditures were spent in accordance with the scope of the published material specifying the intended use of proceeds, attracting and retaining qualified teachers, for the Measure G Parcel Tax Proceeds.

4. Testing performed included selecting a sample of both payroll and non-payroll employee expenditures for each of the years within the scope of our audit and reviewing supporting documentation to ensure that such funds were properly accounted for and expended in accordance with the provisions in the approved ballot text.

CONCLUSION

The results of our procedures indicated that, in all material respects, the Organization expended Measure G Parcel Tax proceeds for the year ended June 30, 2019 in accordance with the election materials specifying the intended use of Measure G Parcel Tax proceeds.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

There are no findings for the year ended June 30, 2019.

SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

There were no findings in prior years.



Certified Public Accountants
and Financial Advisors

Richmond Elementary School, Inc.
Charter School #0755
Financial Statements
June 30, 2019

INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report 1

Financial Statements
- Statement of Financial Position 3
- Statement of Activities 4
- Statement of Functional Expenses 5
- Statement of Cash Flows 6
- Notes to Financial Statements 7

Supplementary Information
- Organization 16
- Schedule of Average Daily Attendance 17
- Schedule of Instructional Time 18
- Reconciliation of Charter School Unaudited Actuals Financial Report – Alternative Form With Audited Financial Statements 19
- Combining Schedule of Financial Position 20
- Combining Schedule of Activities 21
- Statements of Functional Expenses 22
- Combining Schedule of Cash Flows 23

Other 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* 24
- Independent Auditor's Report on State Compliance 26

Findings and Recommendations
- Schedule of Findings and Questioned Costs 30
- Summary Schedule of Prior Findings 32

squarmilner
Certified Public Accountants
and Financial Advisors

Squar Milner LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Richmond Elementary School, Inc.
Richmond, California

Report on the Financial Statements

We have audited the accompanying financial statements of Richmond Elementary School, Inc. (a nonprofit organization), 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.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

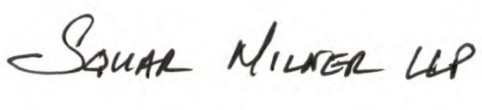
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the index to financial statements is presented for purposes of additional analysis and is not a required part of the 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 our report dated December 14, 2019, on our consideration of Richmond Elementary School, Inc. '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 Richmond Elementary School, Inc.'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 Richmond Elementary School, Inc.'s internal control over financial reporting and compliance.

SQUAR MILNER LLP



San Diego, California
December 14, 2019

RICHMOND ELEMENTARY SCHOOL, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2019

ASSETS		
Current assets:		
Cash and cash equivalents	$	1,602,478
Investments		1,013,348
Accounts receivable		1,084,119
Prepaid expenses		337,045
Total current assets		4,036,990
Fixed assets		264,536
Total assets	$	4,301,526
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$	34,257
Accrued expenses		367,463
Total current liabilities		401,720
Total liabilities		401,720
Net assets:		
Total net assets without donor restrictions		
Undesignated		3,865,404
Total net assets with donor restrictions		34,402
Total net assets		3,899,806
Total liabilities and net assets	$	4,301,526

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

RICHMOND ELEMENTARY SCHOOL, INC.
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

	Net assets without donor restrictions	Net assets with donor restrictions	Total
REVENUES			
Revenue limit sources:			
State aid	$2,890,471	$ -	$2,890,471
Education protection account	801,708	-	801,708
In-lieu of property taxes	1,439,704	-	1,439,704
Federal revenues	429,623	18,418	448,041
State revenues	489,257	15,984	505,241
Local revenues:			
Fundraising	3,823	-	3,823
Donations	74,648	-	74,648
Interest and dividends	9,678	-	9,678
Net unrealized investment gain	86,806	-	86,806
Miscellaneous	486,137	-	486,137
Total revenue before transfers	6,711,855	34,402	6,746,257
Total revenue	6,711,855	34,402	6,746,257
EXPENSES			
Program services:			
Education	5,486,879	-	5,486,879
Support services:			
Management and general	909,466	-	909,466
Total expenses	6,396,345	-	6,396,345
CHANGE IN NET ASSETS	315,510	34,402	349,912
NET ASSETS, BEGINNING OF YEAR	3,549,894	-	3,549,894
NET ASSETS, END OF YEAR	$3,865,404	$ 34,402	$3,899,806

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

RICHMOND ELEMENTARY SCHOOL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2019

	Program Services	Support Services	
	Education	Management and General	Total
Certificated salaries	$ 1,656,266	$ 65,522	$ 1,721,788
Classified salaries	1,282,940	44,981	1,327,921
Employee benefits	771,857	25,342	797,199
Books and supplies	451,598	41,548	493,146
Travel and conferences	1,600	-	1,600
Dues and memberships	280	-	280
Operation and housekeeping services	54,727	101,630	156,357
Rental, leases, repairs, and non-capitalized improvements	2,465	133,480	135,945
Depreciation	-	73,244	73,244
Professional/consulting services and operating expenditures	1,247,547	368,006	1,615,553
Communications	17,599	4,399	21,998
Direct support/indirect cost charges	-	51,314	51,314
Total expenses	$ 5,486,879	$ 909,466	$ 6,396,345

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

RICHMOND ELEMENTARY SCHOOL, INC.
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$	349,912
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation		73,244
Unrealized gain on investments		(86,806)
(Increase) decrease in operating assets:		
Accounts receivable		(339,481)
Prepaid expenses		(242,679)
Increase (decrease) in operating liabilities:		
Accounts payable		(333,354)
Accrued expenses		300,964
Net cash flows used in operating activities		(278,200)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets		(44,189)
Purchase of investments, net of maturities		(162,508)
Net cash flows used in investing activities		(206,697)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(484,897)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		2,087,375
CASH AND CASH EQUIVALENTS, END OF YEAR	$	1,602,478

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

1. ORGANIZATION AND MISSION

Richmond Elementary School, Inc. (Organization) is a non-profit public benefit corporation. The Organization was incorporated on March 11, 2003, and its specific and primary purpose is to engage in educational and charitable activities. The Organization operates the Richmond College Prep Preschool, Richmond College Preparatory and a home office.

Richmond College Prep Preschool (Preschool) is a free Headstart program in the Nystrom area of Richmond, California. The Preschool seeks to provide high level education programs to the children in the underserved community of Richmond, and its Headstart preschool offers Montessori and Highscope curricula.

Richmond College Preparatory (Charter School) is a Kindergarten through Grade 8 Charter School and was granted its charter renewal by the West Contra Costa Unified School District pursuant to the terms of the Charter Schools Act of 1992, as amended, for a five-year period from July 1, 2015 through June 30, 2020. The charter school serves 550 students in Kindergarten through Grade 8 and its mission is to provide intellectually challenging and emotionally nurturing educational environments as a basis for student success and productive citizenship.

The Organization's home office operates to provide support services to the Richmond College Prep Preschool and Richmond College Preparatory charter school.

The Organization is dedicated to providing such an environment so all children in Richmond, California, no matter what their circumstances, can be highly educated and successful citizens if they are provided rigorous educational programs and adequate social support. The Organization primarily serves children in Richmond's Santa Fe and Coronado neighborhoods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not for Profit entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities, which the Organization adopted as of the beginning of the fiscal year ended June 30, 2019, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated none of these net assets for operating reserves and future program development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation (continued)

Net assets with donor restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed 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 imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restrictions expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2019, the Organization had $34,402 in net assets with donor restrictions.

Accounting Method – Basis of Accounting

The financial statements were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Organization uses the same accounting methods for tax and financial reporting.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Cash and Cash Equivalents

Cash and cash equivalents are from time to time variously composed of cash on hand and in banks, and liquid investments with original maturities of three months or less. The Organization had no cash equivalents at June 30, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Organization presents its investments in accordance with the FASB ASC 958-320, *Not-For-Profit Entities - Investments Debt & Equity Securities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. The fair values of these investments are subject to change based on the fluctuations of market values. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized (see Note 5).

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* (ASC 820) establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date. All investments as of June 30, 2019 are categorized as Level 1.

- Level 2 –Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:
    - Quoted prices for similar assets or liabilities in active markets;
    - Quoted prices for identical or similar assets or liabilities in inactive markets;
    - Inputs other than quoted prices that are observable for the asset or liability;
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs that are unobservable inputs for the asset or liability.

Fixed Assets

Fixed assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives of 5 to 10 years. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets, sold or retired, and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing $5,000 or more; all other assets are charged to expense in the year incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Sources and Recognition

The Organization primarily receives funds from the California Department of Education (CDE). Revenue limit sources and state revenues received from the CDE are determined based on the Organization's average daily attendance (ADA) of students and recognized in the period the ADA occurs.

In addition, the Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to legal restrictions.

Revenue that is restricted is recorded as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). Topic 842 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 present value of payments to be made to lessor, on its statement of financial position for all leases greater than 12 months. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments-Credit Losses, Derivatives and Hedging, and Leases*, which deferred the effective date of Topic 842 for the Organization until fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 31, 2021. Although the full impact of this new guidance on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases (See Note 10).

In August 2016, FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 was effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. The Organization adopted ASU no. 2016-14 for the fiscal year ended June 30, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements (continued)

Net assets at the beginning of the fiscal year ended June 30, 2019 have been reclassified due to the adoption of ASU 2016-14 as follows:

	Before adoption of ASU 2016-14	After adoption of ASU 2016-14
Unrestricted net assets	$ 3,549,894	$ -
Net assets without donor restrictions	-	3,549,894.00
Total net assets	$ 3,549,894	$ 3,549,894

Functional Allocation of Expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

3. CASH

Cash at June 30, 2019, consisted of the following:

	Preschool	Home Office	Charter School	Total
Cash in banks	$ (530,742)	$ 620,297	$ 1,512,923	$ 1,602,478
Total cash	$ (530,742)	$ 620,297	$ 1,512,923	$ 1,602,478

Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At June 30, 2019, the Organization had $1,289,380 in excess of FDIC insured limits.

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment with continue to be met, ensuring the sustainability of the Organization.

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

	Total
Cash	$ 1,602,478
Investments	1,013,348
Accounts receiable	1,084,119
Total financial assets available within one year	$ 3,699,945

5. INVESTMENTS

Investments at June 30, 2019, are stated at fair value and consist of the following:

Equity Securities	$ 1,013,348
Total	$ 1,013,348

The investments are classified as Level 1 in the fair value hierarchy because of the Organization's ability to obtain quoted prices and redeem its interest on a daily basis (see Note 2).

Investment income for the year ended June 30, 2019, consisted of the following:

Interest and dividends	$ 9,678
Unrealized gain on investments	86,806
Total investment gain	$ 96,484

6. ACCOUNTS RECEIVABLE

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

	Preschool	Charter School	Total
Revenue limit sources:			
State aid	$ -	$ 183,224	$ 183,224
Education protection account	-	237,747	237,747
In-lieu of property taxes	-	355,998	355,998
Federal revenues	-	45,213	45,213
State revenues	-	183,253	183,253
Local revenues			
Miscellaneous	51,801	26,883	78,684
Total accounts receivable	$ 51,801	$ 1,032,318	$ 1,084,119

7. ACCRUED EXPENSES

Accrued expenses at June 30, 2019, consisted of the following:

	Preschool	Home Office	Charter School	Total
Special education accounts payable	$ -	$ -	$ 270,286	$ 270,286
District oversight fee	-	-	47,128	47,128
Retirement liability	15,655	-	8,714	24,369
Miscellaneous	4,479	-	21,201	25,680
Total accrued expenses	$ 20,134	$ -	$ 347,329	$ 367,463

8. FIXED ASSETS

Fixed assets, net at June 30, 2019, consisted of the following:

Building improvements	$ 243,468
Equipment	105,564
Less: accumulated depreciation	(84,496)
Total fixed assets, net	$ 264,536

9. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2019, net assets with donor restrictions consisted of the following:

	Charter School
Title lll	$ 18,418
Low Performing Student Block Grant	15,984
Total net assets with donor restrictions	$ 34,402

10. OPERATING LEASES

The Organization leases copiers and buildings under lease arrangements for more than one year. The future minimum lease payments as of June 30, 2019 are as follows:

Year Ending June 30,	Lease Payments
2020	$ 86,664
2021	72,220
Total future minimum lease payments	$ 158,884

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with these leases. For the fiscal year ended June 30, 2019, operating lease expense was $123,404.

11. EMPLOYEE RETIREMENT SYSTEMS

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

STRS

Plan Description

The Organization contributes to STRS, a cost-sharing multiple-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 actuarial valuation report as of June 30, 2018, total plan net assets are $211.4 billion, the total actuarial present value of projected plan benefits is $374.4 billion, contributions from all employers totaled $4.7 billion and the plan is 64.0% funded. The Organization did not contribute more than 5% of the total contributions to the plan.

11. EMPLOYEE RETIREMENT SYSTEMS (continued)

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 are required to contribute 10.20% of their salary and the Organization 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. The required employer contribution rate for fiscal year 2018-2019 was 16.28% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions to STRS for the fiscal year ending June 30, 2019, were $222,019 and equal 100% of the required contributions for the year.

12. COMMITMENTS AND CONTINGENCIES

Deferred Compensation Plan

The Organization offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 403(b). The plan, available to all employees that do not contribute to STRS, permits them to defer a portion of their salary until future years. For the fiscal year ended June 30, 2019, the Organization contributed $85,907 towards the deferred compensation plan.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Organization does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or perform the investment function of the plan. Therefore, the fair market value of the plan assets at June 30, 2019, is not included in the Organization's financial statements.

State Allowances, Awards, and Grants

The Organization has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

13. SUBSEQUENT EVENTS

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the statement of financial position date through December 14, 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

RICHMOND ELEMENTARY SCHOOL, INC.
ORGANIZATION
June 30, 2019

Richmond College Preparatory [#0755], currently serves grades K-8 and had its charter renewed by the West Contra Costa Unified School District on July 1, 2015, pursuant to the terms of the Charter Schools Act of 1992, as amended.

The Board of Directors for the fiscal year ended June 30, 2019, was comprised of the following members:

Name	Office	Term	Term Expiration
David Rosenthal	Chair	3 Years	August 2019
Neville Richardson	Vice-Chair	3 Years	August 2019
Patricia Scott	Board Member	2 years	November 2019
Tom Meyer	Board Member	2 years	August 2019
Leonard Pitt	Board Member	2 Years	May 2020
Sylvia Keita	Board Member	2 Years	July 2020
Maria Rosa Keys	Board Member	2 years	February 2021

Administration

Name	Position
Peppina Liano	CEO
Maria Trejo	Business Manager

RICHMOND ELEMENTARY SCHOOL, INC.
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Fiscal Year Ended June 30, 2019

	Second Period Report	
	Classroom Based	**Independent Study**
Grades T/K - 3	239.35	1.34
Grades 4 - 6	167.89	0.83
Grades 7 - 8	101.38	0.73
Total	508.62	2.90

	Annual Report	
	Classroom Based	**Independent Study**
Grades T/K - 3	239.08	1.18
Grades 4 - 6	168.06	0.70
Grades 7 - 8	102.06	0.60
Total	509.20	2.48

The Organization is 99.47% classroom-based and generates 0.53% ADA from a full-time independent study program.

RICHMOND ELEMENTARY SCHOOL, INC.
SCHEDULE OF INSTRUCTIONAL TIME
For the Fiscal Year Ended June 30, 2019

Grade Level	2018-2019 Minutes Requirements	2018-2019 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	75,660	194	In Compliance
Grade 1	50,400	68,870	194	In Compliance
Grade 2	50,400	71,780	194	In Compliance
Grade 3	50,400	71,780	194	In Compliance
Grade 4	54,000	71,780	194	In Compliance
Grade 5	54,000	71,780	194	In Compliance
Grade 6	54,000	71,780	194	In Compliance
Grade 7	54,000	71,780	194	In Compliance
Grade 8	54,000	71,780	194	In Compliance

RICHMOND ELEMENTARY SCHOOL, INC.
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT - - ALTERNATIVE FORM WITH
AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

	Charter School
June 30, 2019, Charter School Unaudited Actual Financial Report -- Alternative Form, Ending Fund Balance	$ 2,731,038
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Rounding	(1)
Net adjustments and reclassifications	(1)
June 30, 2019, audited financial statement net assets	$ 2,731,037

RICHMOND ELEMENTARY SCHOOL, INC.
COMBINING SCHEDULE OF FINANCIAL POSITION
For the Fiscal Year Ended June 30, 2019

	Preschool	Home Office	Charter School	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$(530,742)	$ 620,297	$ 1,512,923	$ 1,602,478
Investments	225,532	787,816	-	1,013,348
Accounts receivable	51,801	-	1,032,318	1,084,119
Prepaid expenses	33,450	-	303,595	337,045
Total current assets	(219,959)	1,408,113	2,848,836	4,036,990
Fixed assets	-	-	264,536	264,536
Total assets	$(219,959)	$1,408,113	$ 3,113,372	$ 4,301,526
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ (749)	$ -	$ 35,006	$ 34,257
Accrued expenses	20,134	-	347,329	367,463
Total current liabilities	19,385	-	382,335	401,720
Total liabilities	19,385	-	382,335	401,720
Net assets:				
Total net assets without donor restrictions				
Undesignated	(239,344)	1,408,113	2,696,635	3,865,404
Total net assets with donor restrictions	-	-	34,402	34,402
Total net assets	(239,344)	1,408,113	2,731,037	3,899,806
Total liabilities and net assets	$(219,959)	$1,408,113	$ 3,113,372	$ 4,301,526

See accompanying Independent Auditor's Report.

RICHMOND ELEMENTARY SCHOOL, INC.
COMBINING SCHEDULE OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

	Preschool	Home Office	Charter School		
	Net assets without donor restrictions	Net assets without donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Total
REVENUES					
Revenue limit sources:					
State aid	$ -	$ -	$ 2,890,471	$ -	$ 2,890,471
Education protection account	-	-	801,708	-	801,708
In-lieu of property taxes	-	-	1,439,704	-	1,439,704
Federal revenues	15,767	-	413,856	18,418	448,041
State revenues	1,095	-	488,162	15,984	505,241
Local revenues:					
Fundraising	-	-	3,823	-	3,823
Donations	-	50,000	24,648	-	74,648
Interest and dividends	-	9,353	325	-	9,678
Net unrealized investment gain	-	86,806	-	-	86,806
Miscellaneous	253,009	-	233,128	-	486,137
Total revenue before transfers	269,871	146,159	6,295,825	34,402	6,746,257
Total revenue	269,871	146,159	6,295,825	34,402	6,746,257
EXPENSES					
Program services:					
Education	475,812	-	5,011,067	-	5,486,879
Support services:					
Management and general	71,815	839	836,812	-	909,466
Total expenses	547,627	839	5,847,879	-	6,396,345
CHANGE IN NET ASSETS	(277,756)	145,320	447,946	34,402	349,912
NET ASSETS, BEGINNING OF YEAR	38,412	1,262,793	2,248,689	-	3,549,894
NET ASSETS, END OF YEAR	$ (239,344)	$ 1,408,113	$ 2,696,635	$ 34,402	$ 3,899,806

See accompanying Independent Auditor's Report.

RICHMOND ELEMENTARY SCHOOL, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2019

PRESCHOOL

	Program Services	Support Services	
	Education	Management and General	Total
Certificated salaries	$ 217,711	$ 28,368	$ 246,079
Classified salaries	143,723	10,696	154,419
Employee benefits	68,048	6,692	74,740
Books and supplies	20,350	-	20,350
Operation and housekeeping services	4,444	18,107	22,551
Rental, leases, repairs, and non-capitalized improvements	-	2,189	2,189
Professional/consulting services and operating expenditures	19,966	5,371	25,337
Communications	1,570	392	1,962
Total expenses	$ 475,812	$ 71,815	$ 547,627

HOME OFFICE

	Program Services	Support Services	
	Education	Management and General	Total
Professional/consulting services and operating expenditures	$ -	$ 839	$ 839
Total expenses	$ -	$ 839	$ 839

CHARTER SCHOOL

	Program Services	Support Services	
	Education	Management and General	Total
Certificated salaries	$ 1,438,555	$ 37,154	$ 1,475,709
Classified salaries	1,139,217	34,285	1,173,502
Employee benefits	703,809	18,650	722,459
Books and supplies	431,248	41,548	472,796
Travel and conferences	1,600	-	1,600
Dues and memberships	280	-	280
Operation and housekeeping services	50,283	83,523	133,806
Rental, leases, repairs, and non-capitalized improvements	2,465	131,291	133,756
Depreciation	-	73,244	73,244
Professional/consulting services and operating expenditures	1,227,581	361,796	1,589,377
Communications	16,029	4,007	20,036
Direct support/indirect cost charges	-	51,314	51,314
Total expenses	$ 5,011,067	$ 836,812	$ 5,847,879

See accompanying Independent Auditor's Report.

RICHMOND ELEMENTARY SCHOOL, INC.
COMBINING SCHEDULE OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

	Preschool	Home Office	Charter School	Total
CASH FLOW FROM OPERATING ACTIVITIES:				
Change in net assets	$ (277,756)	$ 145,320	$ 482,348	$ 349,912
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:				
Depreciation	-	-	73,244	73,244
Unrealized gain on investments	-	(86,806)	-	(86,806)
(Increase) decrease in operating assets:				
Accounts receivable	13,065	-	(352,546)	(339,481)
Prepaid expenses	(29,049)	-	(213,630)	(242,679)
Increase (decrease) in operating liabilities:				
Accounts payable	(5,720)	(16)	(327,618)	(333,354)
Accrued expenses	16,149	-	284,815	300,964
Net cash flows (used in)/provided by operating activities	(283,311)	58,498	(53,387)	(278,200)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed assets	-	-	(44,189)	(44,189)
Purchase of investments, net of maturities	-	(162,508)	-	(162,508)
Net cash flows used in investing activities	-	(162,508)	(44,189)	(206,697)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(283,311)	(104,010)	(97,576)	(484,897)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(247,431)	724,307	1,610,499	2,087,375
CASH AND CASH EQUIVALENTS, END OF YEAR	$ (530,742)	$ 620,297	$ 1,512,923	$ 1,602,478

See accompanying Independent Auditor's Report.

OTHER 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*

Board of Directors
Richmond Elementary School, Inc.
Richmond, 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 Richmond Elementary School, Inc. (a nonprofit Organization), 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 year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Richmond Elementary School, Inc.'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 Richmond Elementary School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Richmond Elementary School, Inc.'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 entity'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 Richmond Elementary School, Inc.'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SQUAR MILNER LLP



San Diego, California
December 14, 2019

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
Richmond Elementary School, Inc.
Richmond, California

Report on Compliance for Each State Program

We have audited Richmond Elementary School, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* published by the Education Audit Appeals Panel, that could have a direct and material effect on each of Richmond Elementary School, Inc.'s state programs for the fiscal year ended June 30, 2019. Richmond Elementary School, Inc.'s state programs are identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Richmond Elementary School, Inc.'s state programs based on our audit of the types of compliance requirements referred to above. 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 State's Audit Guide, *2018-19 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 types of compliance requirements referred to above that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about Richmond Elementary School, Inc.'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 compliance for each state program. However, our audit does not provide a legal determination of Richmond Elementary School, Inc.'s compliance. In connection with the audit referred to above, we selected transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Yes

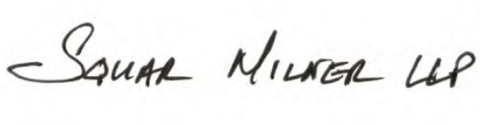
The term "Not Applicable" is used above to mean either that the Organization did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

Opinion on State Programs

In our opinion, Richmond Elementary School, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2019.

The purpose of this report on state compliance is solely to describe the scope of our testing of state compliance and the results of that testing based on the requirements of the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

SQUAR MILNER LLP



San Diego, California
December 14, 2019

FINDINGS AND RECOMMENDATIONS

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? ____ Yes __X__ No

One or more significant deficiencies identified that are not considered to be material weaknesses? ____ Yes __X__ None Reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? ____ Yes __X__ No

One or more significant deficiencies identified that are not considered to be material weaknesses? ____ Yes __X__ None Reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported under section 200.516 Audit Findings paragraph (a) or OMB Uniform Guidance? ____ Yes __X__ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster

The Organization did not have over $750,000 in Federal Expenditures.

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? ____ Yes N/A No

A. Summary of Auditor's Results (continued)

3. State Awards

Internal control over state programs:

One or more material weaknesses identified? ____ Yes __X__ No

One or more significant deficiencies identified that are not considered to be material weaknesses? ____ Yes __X__ None Reported

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

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

None

RICHMOND ELEMENTARY SCHOOL, INC.
SUMMARY SCHEDULE OF PRIOR FINDINGS
For the Fiscal Year Ended June 30, 2019

Findings/Recommendations	Current Status	Explanation If Not Implemented
None	N/A	N/A

SUMMIT PUBLIC SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

California Charter Schools:

Summit Preparatory Charter High
Everest Public High School
Summit Public School: Rainier
Summit Public School: Tahoma
Summit Public School: Shasta
Summit Public School: Denali
Summit Public School: K2
Summit Public School: Tamalpais

Washington Charter Schools:

Summit Public School: Sierra
Summit Public School: Olympus
Summit Public School: Atlas

Community High School Foundation

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WEALTH ADVISORY
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AUDIT, TAX, AND CONSULTING

SUMMIT PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT	**1**
BASIC CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**3**
CONSOLIDATED STATEMENT OF ACTIVITIES	**5**
CONSOLIDATED STATEMENT OF CASH FLOWS	**7**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	**9**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	**10**
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**20**
SCHEDULE OF INSTRUCTIONAL TIME	**22**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**23**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**24**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**25**
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION – OBLIGATED GROUP	**26**
CONSOLIDATING SCHEDULE OF ACTIVITIES – OBLIGATED GROUP	**27**
CONSOLIDATING SCHEDULE OF ACCOUNTS RECEIVABLE – OBLIGATED GROUP	**28**
NOTES TO SUPPLEMENTARY INFORMATION	**29**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**30**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE	**32**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	**34**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**36**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**38**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Summit Public Schools
Redwood City, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Summit Public Schools (SPS), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to on page 1 present fairly, in all material respects, the financial position of SPS 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on SPS' consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The other accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statement. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 14, 2019 on our consideration of SPS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on SPS' 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 SPS' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 14, 2019

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS	SPS	Summit Prep	Everest	Rainer	Tahoma	Shasta	Denali	K2
CURRENT ASSETS								
Cash and Cash Equivalents	$ 20,918,914	$ 3,114,840	$ 1,763,919	$ 1,418,960	$ 924,826	$ 1,762,967	$ 47,434	$ 561,040
Investments	1,091,053	-	-	-	-	-	-	-
Accounts Receivable	536,799	615,778	957,165	355,353	392,778	724,003	1,891,762	832,781
Intercompany Receivables	6,028,034	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	388,555	7,299	4,458	21,798	4,564	15,065	23,074	3,155
Total Current Assets	28,963,355	3,737,917	2,725,542	1,796,111	1,322,168	2,502,035	1,962,270	1,396,976
LONG-TERM ASSETS								
Restricted Cash	-	-	-	-	-	-	-	-
Deferred Rent Assets	-	-	-	-	-	-	-	-
Other Assets	-	-	-	16,667	16,667	-	94,702	-
Property, Plant, and Equipment, Net	-	502,816	461,981	6,515	10,518	9,100	2,719,188	57,769
Total Long-Term Assets	-	502,816	461,981	23,182	27,185	9,100	2,813,890	57,769
Total Assets	$ 28,963,355	$ 4,240,733	$ 3,187,523	$ 1,819,293	$ 1,349,353	$ 2,511,135	$ 4,776,160	$ 1,454,745
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	$ 651,569	$ 174,647	$ 810,148	$ 244,567	$ 45,701	$ 418,465	$ 133,581	$ 448,952
Intercompany Payables	3,000	-	-	-	-	-	3,986,145	-
Deferred Revenue	169,426	-	-	-	-	-	630,000	-
Bonds Payable, Current Portion	-	-	-	-	-	-	-	-
Total Current Liabilities	823,995	174,647	810,148	244,567	45,701	418,465	4,749,726	448,952
LONG-TERM LIABILITIES								
Deferred Rent Liability	380,385	-	-	-	-	1,404,676	1,032,474	214,407
Bonds Payable	-	-	-	-	-	-	-	-
Total Long-Term Liabilities	380,385	-	-	-	-	1,404,676	1,032,474	214,407
Total Liabilities	1,204,380	174,647	810,148	244,567	45,701	1,823,141	5,782,200	663,359
Unrestricted:								
Without Donor Restriction	26,778,422	4,066,086	2,377,375	1,574,726	1,303,652	687,994	(1,006,040)	791,386
With Donor Restriction	980,553	-	-	-	-	-	-	-
Total Net Assets	27,758,975	4,066,086	2,377,375	1,574,726	1,303,652	687,994	(1,006,040)	791,386
Total Liabilities and Net Assets	$ 28,963,355	$ 4,240,733	$ 3,187,523	$ 1,819,293	$ 1,349,353	$ 2,511,135	$ 4,776,160	$ 1,454,745

See accompanying Notes to Consolidated Financial Statements.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2019

ASSETS	Tamalpais	Eliminations	CA Total	Summit WA	CHSF	Eliminations	Consolidated Total
CURRENT ASSETS							
Cash and Cash Equivalents	$ 459	$ -	$ 30,513,359	$ 6,495,418	$ 13,139,457	$ -	$ 50,148,234
Investments	-	-	1,091,053	-	-	-	1,091,053
Accounts Receivable	447,143	-	6,753,562	76,929	75,210	-	6,905,701
Intercompany Receivables	-	(4,038,145)	1,989,889	3,000	-	(1,992,889)	-
Prepaid Expenses and Other Assets	3,479	-	471,447	725,744	-	-	1,197,191
Total Current Assets	451,081	(4,038,145)	40,819,310	7,301,091	13,214,667	(1,992,889)	59,342,179
LONG-TERM ASSETS							
Restricted Cash	-	-	-	-	1,766,426	-	1,766,426
Deferred Rent Assets	-	-	-	-	2,413,062	(2,413,062)	-
Other Assets	-	-	128,036	78,334	26,475	-	232,845
Property, Plant, and Equipment, Net	54,519	-	3,822,406	658,177	31,751,098	-	36,231,681
Total Long-Term Assets	54,519	-	3,950,442	736,511	35,957,061	(2,413,062)	38,230,952
Total Assets	$ 505,600	$ (4,038,145)	$ 44,769,752	$ 8,037,602	$ 49,171,728	$ (4,405,951)	$ 97,573,131
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	$ 378,291	$ -	$ 3,305,921	$ 684,108	$ 597,689	$ -	$ 4,587,718
Intercompany Payables	52,000	(4,038,145)	3,000	1,890,254	99,635	(1,992,889)	-
Deferred Revenue	-	-	799,426	1,876,253	161,876	-	2,837,555
Bonds Payable, Current Portion	-	-	-	-	335,000	-	335,000
Total Current Liabilities	430,291	(4,038,145)	4,108,347	4,450,615	1,194,200	(1,992,889)	7,760,273
LONG-TERM LIABILITIES							
Deferred Rent Liability	-	-	3,031,942	822,058	636,392	(2,413,062)	2,077,330
Bonds Payable	-	-	-	-	29,562,123	-	29,562,123
Total Long-Term Liabilities	-	-	3,031,942	822,058	30,198,515	(2,413,062)	31,639,453
Total Liabilities	430,291	(4,038,145)	7,140,289	5,272,673	31,392,715	(4,405,951)	39,399,726
Unrestricted:							
Without Donor Restriction	75,309	-	36,648,910	2,764,929	17,779,013	-	57,192,852
With Donor Restriction	-	-	980,553	-	-	-	980,553
Total Net Assets	75,309	-	37,629,463	2,764,929	17,779,013	-	58,173,405
Total Liabilities and Net Assets	$ 505,600	$ (4,038,145)	$ 44,769,752	$ 8,037,602	$ 49,171,728	$ (4,405,951)	$ 97,573,131

See accompanying Notes to Consolidated Financial Statements.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	SPS	Summit Prep	Everest	Rainer	Tahoma	Shasta	Denali	K2
REVENUES, WITHOUT DONOR RESTRICTION								
State Revenue:								
State Aid	$ -	$ 427,385	$ 560,095	$ 1,857,472	$ 1,900,268	$ 250,891	$ 1,484,387	$ 3,509,969
Other State Revenue	-	394,720	395,471	377,341	370,064	609,844	1,132,321	817,410
Federal Revenue:								
Grants and Entitlements	-	212,566	221,268	159,799	130,647	125,189	159,835	295,353
Local Revenue:								
In-Lieu Property Tax Revenue	-	3,954,341	3,528,190	1,564,926	1,659,401	4,242,597	3,326,421	1,383,356
Contributions	32,116,762	181,813	61,046	18,037	57,269	627,914	660,194	29,108
Investment Income	708,426	5,777	3,634	-	-	4,862	-	-
Other Revenue	10,368,970	138,115	108,586	52,973	59,268	106,711	82,714	151,648
Amounts released from restriction	110,500	-	-	-	-	-	-	-
Total Revenues	43,304,658	5,314,717	4,878,290	4,030,548	4,176,917	5,968,008	6,845,872	6,186,844
EXPENSES								
Program Services Expense:								
Educational Program	32,739,920	4,672,537	4,098,623	3,563,134	3,493,057	5,567,303	8,077,024	5,654,429
Curriculum Development	-	-	-	-	-	-	-	-
Total Program Services Expense	32,739,920	4,672,537	4,098,623	3,563,134	3,493,057	5,567,303	8,077,024	5,654,429
Support Services Expense:								
Management and General	5,469,744	210,332	417,211	388,318	355,835	383,149	473,585	505,821
Fundraising and Development	313,680	25,069	11,968	10,253	10,180	13,568	17,370	15,190
Total Supporting Services Expense	5,783,424	235,401	429,179	398,571	366,015	396,717	490,955	521,011
Total Expenses	38,523,344	4,907,938	4,527,802	3,961,705	3,859,072	5,964,020	8,567,979	6,175,440
TRANSFERS								
Intracompany Transfers	(793,658)	-	-	-	-	-	-	-
Grants	(295,281)	-	-	-	-	-	245,285	-
	(1,088,939)	-	-	-	-	-	245,285	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	3,692,375	406,779	350,488	68,843	317,845	3,988	(1,476,822)	11,404
NET ASSETS WITH DONOR RESTRICTION								
Local Revenue:								
Investment Income	82,663	-	-	-	-	-	-	-
Amounts released from restriction	(110,500)	-	-	-	-	-	-	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	(27,837)	-	-	-	-	-	-	-
TOTAL CHANGE IN NET ASSETS	3,664,538	406,779	350,488	68,843	317,845	3,988	(1,476,822)	11,404
Net Assets, Beginning of Year	24,094,437	3,659,307	2,026,887	1,505,883	985,807	684,006	470,782	779,982
NET ASSETS, END OF YEAR	$ 27,758,975	$ 4,066,086	$ 2,377,375	$ 1,574,726	$ 1,303,652	$ 687,994	$ (1,006,040)	$ 791,386

See accompanying Notes to Consolidated Financial Statements.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2019

	Tamalpais	Eliminations	CA Total	Summit WA	CHSF	Eliminations	Consolidated Total
REVENUES, WITHOUT DONOR RESTRICTION							
State Revenue:							
State Aid	$ 2,284,333	$ -	$ 12,274,800	$ 8,372,457	$ -	$ -	$ 20,647,257
Other State Revenue	414,054	-	4,511,225	2,050,601	-	-	6,561,826
Federal Revenue:							
Grants and Entitlements	175,464	-	1,480,121	1,609,999	-	-	3,090,120
Local Revenue:							
In-Lieu Property Tax Revenue	929,677	-	20,588,909	-	-	-	20,588,909
Contributions	3,961	-	33,756,104	4,027,711	2,000	-	37,785,815
Investment Income	-	-	722,699	114,140	288,274	-	1,125,113
Other Revenue	124,999	(7,625,199)	3,568,785	76,654	3,540,494	(5,146,223)	2,039,710
Amounts released from restriction	-	-	110,500	-	-	-	110,500
Total Revenues	3,932,488	(7,625,199)	77,013,143	16,251,562	3,830,768	(5,146,223)	91,949,250
EXPENSES							
Program Services Expense:							
Educational Program	3,966,283	(5,906,688)	65,925,622	13,568,419	3,445,463	(4,460,729)	78,478,775
Curriculum Development	-	-	-	-	898,474	-	898,474
Total Program Services Expense	3,966,283	(5,906,688)	65,925,622	13,568,419	4,343,937	(4,460,729)	79,377,249
Support Services Expense:							
Management and General	392,290	(1,624,812)	6,971,473	1,769,696	7,201	(647,411)	8,100,959
Fundraising and Development	12,918	(93,699)	336,497	38,083	-	(38,083)	336,497
Total Supporting Services Expense	405,208	(1,718,511)	7,307,970	1,807,779	7,201	(685,494)	8,437,456
Total Expenses	4,371,491	(7,625,199)	73,233,592	15,376,198	4,351,138	(5,146,223)	87,814,705
TRANSFERS							
Intracompany Transfers	-	-	(793,658)	-	793,658	-	-
Grants	5,000	-	(44,996)	44,996	-	-	-
	5,000	-	(838,654)	44,996	793,658	-	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(434,003)	-	2,940,897	920,360	273,288	-	4,134,545
NET ASSETS WITH DONOR RESTRICTION							
Local Revenue:							
Investment Income	-	-	82,663	-	-	-	82,663
Amounts released from restriction	-	-	(110,500)	-	-	-	(110,500)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	-	-	(27,837)	-	-	-	(27,837)
TOTAL CHANGE IN NET ASSETS	(434,003)	-	2,913,060	920,360	273,288	-	4,106,708
Net Assets, Beginning of Year	509,312	-	34,716,403	1,844,569	17,505,725	-	54,066,697
NET ASSETS, END OF YEAR	$ 75,309	$ -	$ 37,629,463	$ 2,764,929	$ 17,779,013	$ -	$ 58,173,405

See accompanying Notes to Consolidated Financial Statements.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	SPS	Summit Prep	Everest	Rainer	Tahoma	Shasta
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in Net Assets	$ 3,664,538	$ 406,779	$ 350,488	$ 68,843	$ 317,845	$ 3,988
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	167,605	153,994	4,298	5,259	2,275
Amortization of Bond Premium	-	-	-	-	-	-
Amortization of Bond Costs	-	-	-	-	-	-
(Increase) Decrease in Assets:						
Accounts Receivable	4,308,673	(175,717)	(777,452)	(54,809)	(64,878)	(692,613)
Interfund Receivable/Payables	(6,025,034)	-	-	-	-	-
Prepaid Expenses and Other Assets	361,820	82,742	87,413	10,069	26,191	84,983
Other Assets	87,674	-	-	-	-	-
Increase (Decrease) in Liabilities:						
Accounts Payable and Accrued Liabilities	(1,341,609)	71,984	273,773	(20,837)	11,850	(386,597)
Deferred Rent Liability	380,385	-	-	-	-	1,404,676
Deferred Revenue	169,426	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	1,605,873	553,393	88,216	7,564	296,267	416,712
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Investments	(82,663)	-	-	-	-	-
Purchases of Property, Plant, and Equipment	-	(8,004)	(5,600)	(6,650)	(15,777)	(11,375)
Net Cash Used by Investing Activities	(82,663)	(8,004)	(5,600)	(6,650)	(15,777)	(11,375)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,523,210	545,389	82,616	914	280,490	405,337
Cash and Cash Equivalents, Beginning of Year	19,395,704	2,569,451	1,681,303	1,418,046	644,336	1,357,630
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 20,918,914	$ 3,114,840	$ 1,763,919	$ 1,418,960	$ 924,826	$ 1,762,967
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Cash Paid for Interest	$ -	$ -	$ -	$ -	$ -	$ -

See accompanying Notes to Consolidated Financial Statements.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2019

	Denali	K2	Tamalpais	CA Total	Summit WA	CHSF	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	$ (1,476,822)	$ 11,404	$ (434,003)	$ 2,913,060	$ 920,360	$ 273,288	$ 4,106,708
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation	172,399	11,554	27,260	544,644	35,541	802,596	1,382,781
Amortization of Bond Premium	-	-	-	-	-	(70,100)	(70,100)
Amortization of Bond Costs	-	-	-	-	-	51,098	51,098
(Increase) Decrease in Assets:							
Accounts Receivable	(320,916)	(380,483)	236,518	2,078,323	537,016	(15,875)	2,599,464
Interfund Receivable/Payables	3,986,145		52,000	(1,986,889)	1,887,254	99,635	-
Prepaid Expenses and Other Assets	191,953	145,060	110,388	1,100,619	405,991	(2,413,062)	(906,452)
Other Assets	-	-	-	87,674	250	-	87,924
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Liabilities	(3,080,316)	406,187	(19,121)	(4,084,686)	(1,718,022)	(1,677,046)	(7,479,754)
Deferred Rent Liability	1,032,474	214,407	(1)	3,031,941	822,058	636,392	4,490,391
Deferred Revenue	(500,000)	-	-	(330,574)	(3,969,895)	161,876	(4,138,593)
Net Cash Provided (Used) by Operating Activities	4,917	408,129	(26,959)	3,354,112	(1,079,447)	(2,151,198)	123,467
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Investments	-	-	-	(82,663)	-	-	(82,663)
Purchases of Property, Plant, and Equipment	(5,225)	(69,323)	-	(121,954)	(368,332)	(3,831,460)	(4,321,746)
Net Cash Used by Investing Activities	(5,225)	(69,323)	-	(204,617)	(368,332)	(3,831,460)	(4,404,409)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(308)	338,806	(26,959)	3,149,495	(1,447,779)	(5,982,658)	(4,280,942)
Cash and Cash Equivalents, Beginning of Year	47,742	222,234	27,418	27,363,864	7,943,197	20,888,541	56,195,602
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 47,434	$ 561,040	$ 459	$ 30,513,359	$ 6,495,418	$ 14,905,883	$ 51,914,660
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid for Interest	$ -	$ -	$ -	$ -	$ -	$ 1,256,800	$ 1,256,800

See accompanying Notes to Consolidated Financial Statements.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Eliminations	Total
Salaries and Wages	$ 33,791,223	$ 6,450,142	$ 271,871	$ -	$ 40,513,236
Pension Expense	4,907,725	831,521	18,890	-	5,758,136
Other Employee Benefits	3,217,701	546,281	12,468	-	3,776,450
Payroll Taxes	976,025	166,674	2,664	-	1,145,363
Management Fees	660,353	-	-	-	660,353
Legal Expenses	546,988	7,201	-	-	554,189
Accounting Expenses	122,645	-	-	-	122,645
Instructional Materials	3,294,558	-	-	-	3,294,558
Other Fees for Services	12,755,645	2,272,223	138,782	(9,635,277)	5,531,373
Office Expenses	276,412	52,040	1,936	-	330,388
Printing and Postage Expenses	68,840	13,214	582	-	82,636
Information Technology Expenses	1,168,548	-	-	-	1,168,548
Occupancy Expenses	11,140,884	-	-	(3,136,145)	8,004,739
Travel Expenses	7,043,417	-	-	-	7,043,417
Conference and Meeting Expenses	121	-	-	-	121
Interest Expense	1,377,998	-	-	-	1,377,998
Depreciation Expense	1,382,781	-	-	-	1,382,781
Insurance Expense	289,791	-	-	-	289,791
Other Expenses	6,723,011	33,886	21,086	-	6,777,983
Subtotal	89,744,666	10,373,182	468,279	(12,771,422)	87,814,705
Eliminations	(10,367,417)	(2,272,223)	(131,782)	12,771,422	-
Total Expenses by Function	$ 79,377,249	$ 8,100,959	$ 336,497	$ -	$ 87,814,705

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Summit Public Schools (SPS) is a non-profit, California public benefit corporation, designed to train, consult and advise public school teachers and administrators, and to support, operate, guide, direct and promote public charter schools; to manage, operate, guide, direct and promote public charter schools (the Schools); and for other charitable educational purposes as may occur from time to time. SPS is economically dependent on state and federal funding. During the year ended June 30, 2019, SPS administered the Summit Learning Program, which provided teachers and schools across the US with resources they need to bring personalized learning into the classroom.

The charters may be revoked by their authorizers for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Accounting

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

Basis of Presentation

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

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.

Functional Allocation of Expenses

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

Cash and Cash Equivalents

SPS 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed 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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable represent amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed but not received as of June 30, 2019. Due from federal and state governments consists of funds due from federal and state governments as of June 30, 2019. 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 value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset or the length of the related lease. SPS capitalizes all expenditures for land, buildings, and equipment in excess of $5,000. Depreciation expense for the year ended June 30, 2019 was $1,382,781. Property, plant, and equipment as of June 30, 2019 consisted of the following:

Building and Improvements	$ 26,140,535
Furniture, Fixtures, and Equipment	13,185,712
Construction in Progress	1,900,553
Total	41,226,800
Less: Accumulated Depreciation and Amortization	(4,995,119)
Total Property, Plant, and Equipment	$ 36,231,681

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by SPS 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 net assets without donor restriction. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

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

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 Schools 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.

Income Taxes

SPS, Summit Public Schools Washington (Summit WA), and Community High School Foundation (CHSF) are non-profit entities exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and the state taxation code. 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 is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Allocations Between Charter Schools

For the year ended June 30, 2019, SPS has chosen to identify each charter school separately within the basic consolidated financial statements. In cases where specific identification of each charter's activities was not possible, items were allocated according to Average Daily Attendance (ADA).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of SPS, Summit WA (a related party) and Community High School Foundation (CHSF) (a related party). Summit WA and CHSF are separate 501(c)(3) corporations. Summit WA was formed to operate charter schools in the State of Washington and has a fiscal year ending August 31. The balances and transactions included in these consolidated financial statements for Summit WA are for its fiscal year ended August 31, 2019. CHSF was formed to support SPS Schools and provide facilities. All significant intracompany and intercompany accounts and transactions between these entities have been eliminated in the consolidated financial statements.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

Evaluation of Subsequent Events

SPS has evaluated subsequent events through December 14, 2019, the date these consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents, short-term investments and grants receivable for the total amount of $58,144,988.

As part of the liquidity management plan, SPS invests cash in excess of daily requirements in short term investments and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

SPS maintains some of its cash in the 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. The fair value of SPS deposits in this pool as of June 30, 2019, as provided by the pool sponsor was approximately $667,767.

NOTE 3 CONCENTRATION OF CREDIT RISK (CONTINUED)

SPS also maintains cash balances held in banks which are insured by the Federal Depository Insurance Corporation (FDIC) and the Securities Investors Protection Corporation (SIPC). At times, cash in these accounts exceeds the insured amounts. SPS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 4 EMPLOYEE RETIREMENT

Defined Contribution Plan

SPS offers a 401(a) retirement plan to each of its qualifying employees. Employer matching contributions are made at the same rate as the 16-17 State Teachers' Retirement System (STRS) rate of 12.58% for each employee who is eligible for employer contributions. The amount of employer contributions for the year ended June 30, 2019 was $2,078,865.

Multi-employer Defined Benefit Pension Plans - California

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 SPS chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. SPS has no plans to withdraw from this multi-employer plan.

State Teachers' Retirement System (STRS)

Plan Description

SPS contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2018, total STRS plan net assets are $225 billion, the total actuarial present value of accumulated plan benefits is $374 billion, contributions from all employers totaled $4.9 billion, and the plan is 64% 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.

NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 9.205% of their salary. The SPS is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020–21. The required employer contribution rate for the year ended June 30, 2019 was 16.28% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

SPS contributions to STRS for the past three years are as follows:

Year Ended June 30,	Required Contribution	Percent Contributed
2017	$ 1,505,099	100%
2018	2,136,835	100%
2019	2,643,881	100%

Multi-employer Defined Benefit Pension Plans - Washington

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

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 Washington Legislature, and (c) if SPS chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. SPS has no plans to withdraw from this multi-employer plan.

Plan Description

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, prepares a stand-alone comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each pension plan. The pension plan's basic financial statement is accounted for using the accrual basis of accounting.

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS CAFR. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, WA 98504-8380; or online at http://www.drs.wa.gov./administrations/annual-report.

NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)

Multi-employer Defined Benefit Pension Plans - Washington (Continued)

Funding Policy

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution requirements are established under chapters 41.34 and 41.40 RCW for PERS, 41.34 and 41.35 RCW for SERS, and 41.32 and 41.34 RCW for TRS. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The employer and employee contribution rates for the various plans are effective as of the dates shown in the table. The pension plan contribution rates (expressed as a percentage of covered payroll) for 2018 and 2019 are listed below:

Pension Rates			
	2019 Rate	2018 Rate	
PERS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	12.83%	12.83%	
TRS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	15.41%	15.41%	
TRS 2			
Member Contribution Rate	7.06%	7.06%	
Employer Contribution Rate	15.41%	15.41%	
TRS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	15.41%	15.41%	**
SERS 2			
Member Contribution Rate	7.27%	7.27%	
Employer Contribution Rate	13.58%	13.58%	
SERS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	13.58%	13.58%	**
Note: The DRS administrative rate of .0018 is included in the employer rate.			
* = Variable from 5% to 15% based on rate selected by the member.			
** = Defined benefit portion only.			

NOTE 5 OPERATING LEASES

SPS has entered into various facility leases for its Regional Office and its various schools. Lease expense under these agreements for the year ended June 30, 2019 was $8,645,393, of which $1,850,128 was paid to a related parties.

The leases for Summit WA include purchase options that can be exercised commencing on the fourth year of the lease term and ending on the seventh year of the lease term. The purchase price will be the sum of (a) an amount equal to the lessor's outstanding debt on the properties at the time of the closing date not to exceed the initial loan amounts of $11,095,065 plus (b) 15% of the equity initially invested in the projects.

Future minimum lease payments are as follows:

	Related Party (CHSF)					
Year Ending June 30,	SPS	Shasta	Denali	Denali	Summit Prep	Rainier
2020	$ 620,704	$ 926,831	$ 682,706	$ 200,004	$ 192,934	$ 84,127
2021	582,987	924,586	675,320	200,004	192,934	84,127
2022	596,528	919,376	668,001	346,667	192,934	-
2023	596,528	933,184	665,982	360,000	-	-
2024	593,425	931,884	668,711	360,000	-	-
Thereafter	21,176,210	28,575,116	19,319,315	3,990,000	-	-
Total	$ 24,166,382	$ 33,210,977	$ 22,680,035	$ 5,456,675	$ 578,802	$ 168,254

Year Ending June 30,	Tahoma	K-2	Tamalpais	Summit WA	CHSF	Total
2020	$ 65,981	$ 600,000	$ 403,496	$ 963,625	$ 408,625	$ 5,149,033
2021	65,981	600,000	503,670	973,547	408,625	5,211,782
2022	-	-	42,667	983,668	423,025	4,172,866
2023	-	-	-	1,003,342	436,517	3,995,553
2024	-	-	-	1,023,409	438,928	4,016,356
Thereafter	-	-	-	28,170,046	18,182,995	119,413,682
Total	$ 131,962	$ 1,200,000	$ 949,833	$ 33,117,637	$ 20,298,715	$ 141,959,272

NOTE 6 CONTINGENCIES

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

NOTE 7 LONG TERM DEBT

CHSF (a related party) issued bonds to fund facility acquisitions and development with Summit Public Schools (SPS Home Office, Shasta and Denali High School) being the obligated group. $28,640,000 Series 2017 Charter School Revenue Bonds bear an interest rate of 4.5% to 5.0% and the $795,000 Series B Taxable Bonds bear an interest rate of 5.0% were issued under the California School Finance Authority. The bonds mature in June of 2053.

NOTE 7 LONG TERM DEBT (CONTINUED)

Future maturities of the bonds are as follows:

Year Ending June 30,	Amount
2020	$ 335,000
2021	360,000
2022	380,000
2023	400,000
2024	415,000
Thereafter	26,750,000
Subtotal	28,640,000
Premium	2,376,387
Bond Costs	(1,119,264)
Total	$ 29,897,123

The bond premiums and bonds costs are being amortized annually using the effective interest method.

NOTE 8 MEASURE G PARCEL TAX REVENUE

The Measure "G" was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure "G" was approved to protect core academics – reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property.

A summary of revenue and expenses for those charter schools that received these funds and spent them on the required purposes are as follows:

	K2				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	Total
Revenue:					
Parcel tax revenue	$ 16,312	$ 46,421	$ 58,222	$ 106,282	$ 227,237
Expenses:					
Provide classroom computers and technology					
Instructional supplies	-	20,021	58,222	106,282	184,525
Total	-	20,021	58,222	106,282	184,525
Supporting after-school programs					
Services and other operating expenses	16,312	26,400			42,712
Total	16,312	26,400	-	-	42,712
Total expenses	16,312	46,421	58,222	106,282	227,237
Net income	$ -	$ -	$ -	$ -	$ -

NOTE 8 MEASURE G PARCEL TAX REVENUE (CONTINUED)

	Tamalpais				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	Total
Revenue:					
Parcel tax revenue	$ -	$ 16,921	$ 32,872	$ 70,062	$ 119,855
Expenses:					
Provide classroom computers and technology					
Instructional supplies	-	16,921	32,872	70,062	119,855
Total	-	16,921	32,872	70,062	119,855
Total expenses	-	16,921	32,872	70,062	119,855
Net income	$ -	$ -	$ -	$ -	$ -

NOTE 9 CONDITIONAL PLEDGES

SPS also has conditional pledges not recorded in these consolidated financial statements totaling up to $4,639,333 expected to be paid over the next five years.

NOTE 10 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include benefits, payroll taxes, professional services, and office expenses which are allocated based on salary distribution ratios between program, management and general and fundraising.

SUMMIT PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019

Summit Public Schools, (SPS) is a non-profit, California public benefit corporation that manages Summit Preparatory Charter High, Everest Public High School, Summit Public School: Rainier, Summit Public School: Tahoma, Summit Public School: Shasta, Summit Public School: Denali, Summit Public School: K2, and Summit Public School: Tamalpais, California public charter schools.

The Sequoia Union High School District granted the charter for Summit Preparatory Charter High in 2006 and it expires June 30, 2022. The Charter school number for Summit Preparatory Charter High School is 0835.

The Sequoia Union High School District granted the charter for Everest Public High School in 2009 and it expires June 30, 2024. The Charter school number for Everest Public High School is 1070.

The East Side Union High School District granted the charter for Summit Public School: Rainier in 2011 and it expires June 30, 2021. The Charter school number for Summit Public School: Rainier is 1276.

The Santa Clara County Office of Education granted the charter for Summit Public School: Tahoma in 2011 and it expires June 30, 2021. The Charter school number for Summit Public School: Tahoma is 1282.

The Jefferson Union High School District granted the charter for Summit Public School: Shasta in 2012 and it expires June 30, 2023. The Charter school number for Summit Public School: Shasta is 1500.

The Santa Clara County Office of Education granted the charter for Summit Public School: Denali in 2012 and it expires June 30, 2023. The Charter school number for Summit Public School: Denali is 1516.

The Contra Costa County Office of Education granted the charter for Summit Public School: K2 in 2014 and it expires June 30, 2024. The Charter school number for Summit Public School: K2 is 1650.

The West Contra Costa Unified School District granted the charter for Summit Public School: Tamalpais in 2015 and it expires June 30, 2021. The Charter school number for Summit Public School: Tamalpais is 1774.

SUMMIT PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
YEAR ENDED JUNE 30, 2019

The board of directors and the administrator as of the year ended June 30, 2019 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (3-Year Term)
Robert Oster	Chairman	July 2020
Steven Humphreys	Member	July 2022
Andrew Thompson	Member	March 2021
Blake Warner	Secretary	July 2021
Meg Whitman	Member	July 2021
Diego Arambula	Member	October 2021

ADMINISTRATOR

Diane Tavenner	Chief Executive Officer
Joyce Montgomery	Chief Financial Officer

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

	Instructional Minutes		Traditional Instructional Days	Status
	Requirement	Actual		
Summit Prep				
Grade 9	64,800	65,480	178	In compliance
Grade 10	64,800	65,480	178	In compliance
Grade 11	64,800	65,480	178	In compliance
Grade 12	64,800	65,480	178	In compliance
Everest				
Grade 9	64,800	64,970	178	In compliance
Grade 10	64,800	64,970	178	In compliance
Grade 11	64,800	64,970	178	In compliance
Grade 12	64,800	64,970	178	In compliance
Rainier				
Grade 9	64,800	67,640	178	In compliance
Grade 10	64,800	67,640	178	In compliance
Grade 11	64,800	67,640	178	In compliance
Grade 12	64,800	67,640	178	In compliance
Tahoma				
Grade 9	64,800	68,700	178	In compliance
Grade 10	64,800	68,700	178	In compliance
Grade 11	64,800	68,700	178	In compliance
Grade 12	64,800	68,700	178	In compliance
Shasta				
Grade 9	64,800	67,310	178	In compliance
Grade 10	64,800	67,310	178	In compliance
Grade 11	64,800	67,310	178	In compliance
Grade 12	64,800	67,310	178	In compliance
Denali				
Grade 6	54,000	65,598	178	In compliance
Grade 7	54,000	65,598	178	In compliance
Grade 8	54,000	65,598	178	In compliance
Grade 9	64,800	67,672	178	In compliance
Grade 10	64,800	67,672	178	In compliance
Grade 11	64,800	67,672	178	In compliance
K-2				
Grade 7	54,000	66,120	178	In compliance
Grade 8	54,000	66,120	178	In compliance
Grade 9	64,800	66,240	178	In compliance
Grade 10	64,800	66,240	178	In compliance
Grade 11	64,800	66,240	178	In compliance
Tamalpais				
Grade 7	54,000	66,990	174	In compliance
Grade 8	54,000	66,990	174	In compliance
Grade 9	64,800	66,990	174	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Summit Prep				
Grades 9-12	426.63	426.63	424.38	424.38
ADA Totals	426.63	426.63	424.38	424.38
Everest				
Grades 9-12	380.66	380.66	377.31	377.31
ADA Totals	380.66	380.66	377.31	377.31
Rainier				
Grades 9-12	336.92	336.92	334.80	334.80
ADA Totals	336.92	336.92	334.80	334.80
Tahoma				
Grades 9-12	357.26	357.26	356.80	356.80
ADA Totals	357.26	357.26	356.80	356.80
Shasta				
Grades 9-12	463.06	463.06	459.37	459.37
ADA Totals	463.06	463.06	459.37	459.37
Denali				
Grades 4-6	77.09	77.09	75.95	75.95
Grades 7-8	205.27	205.27	204.95	204.95
Grades 9-12	256.67	256.67	256.56	256.56
ADA Totals	539.03	539.03	537.46	537.46
K2				
Grades 7-8	196.98	196.98	194.57	194.57
Grades 9-12	293.10	293.10	292.57	292.57
ADA Totals	490.08	490.08	487.14	487.14
Tamalpais				
Grades 7-8	221.80	221.80	218.94	218.94
Grades 9-12	108.51	108.51	107.19	107.19
ADA Totals	330.31	330.31	326.13	326.13
ADA Totals	3,323.95	3,323.95	3,303.39	3,303.39

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

	Summit Prep	Everest	Rainer	Tahoma	Shasta	Denali	K2	Tamalpais
June 30, 2019 Annual Financial Report Fund Balances (Net Assets)	$ 4,066,086	$ 2,377,375	$ 1,574,726	$ 1,303,652	$ 687,994	$ (950,978)	$ 791,386	$ (230,358)
Adjustments and Reclassifications:								
Increase (Decrease) of Fund Balance (Net Assets):								
Cash and Cash Equivalents	11,916	31,047	24,173	25,626	8,957	11,093	21,050	(232)
Accounts Payable and Accrued Liabilities	(11,916)	(31,047)	(24,173)	(25,626)	(8,957)	(11,093)	(21,050)	232
Deferred Rent Liability	-	-	-	-	-	(55,062)	-	305,667
Net Adjustments and Reclassifications	-	-	-	-	-	(55,062)	-	305,667
June 30, 2019 Audited Financial Statement Fund Balances (Net Assets)	$ 4,066,086	$ 2,377,375	$ 1,574,726	$ 1,303,652	$ 687,994	$ (1,006,040)	$ 791,386	$ 75,309

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Summit Prep	Everest	Rainier	Tahoma	Shasta	Denali	K2	Tamalpais	SPS WA	Total
U.S. Department of Education												
Pass-Through Program From												
California Department of Education:												
No Child Left Behind Act												
Title I, Part A, Basic Grants:												
Low-Income and Neglected	84.010	14981	$ 79,616	$ 94,090	$ 62,409	$ 40,711	$ 32,556	$ 40,267	$ 117,344	$ 79,109	$ 204,350	$ 750,452
Title II, Part A, Teacher Quality	84.367	14341	12,803	14,132	10,347	7,049	7,765	9,190	18,158	12,176	-	91,620
Title V	84,282	N/A	-	-	-	-	-	-	-	-	1,175,633	1,175,633
Special Education - IDEA Cluster	84.027	13379	70,728	70,572	51,141	47,658	63,375	67,167	59,363	33,026	113,119	576,149
Total U.S Department of Education			163,147	178,794	123,897	95,418	103,696	116,624	194,865	124,311	1,493,102	2,593,854
U.S. Department of Agriculture												
Pass-Through Program From												
California Department of Education:												
National School Lunch Program												
Equipment Assistance Grant	10.579	N/A	-	-	-	-	-	-	14,205	-	-	14,205
Child Nutrition Programs	10.555	N/A	49,419	42,474	35,902	35,229	21,493	43,211	86,283	51,153	116,897	482,061
Total Child Nutrition Program Cluster			49,419	42,474	35,902	35,229	21,493	43,211	100,488	51,153	116,897	496,266
Total U.S Department of Agriculture			49,419	42,474	35,902	35,229	21,493	43,211	100,488	51,153	116,897	496,266
Total Federal Expenditures			$ 212,566	$ 221,268	$ 159,799	$ 130,647	$ 125,189	$ 159,835	$ 295,353	$ 175,464	$ 1,609,999	$ 3,090,120

N/A - Pass-through entity number not readily available or not applicable.

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION – OBLIGATED GROUP
JUNE 30, 2019

ASSETS	SPS (without SLP)	Shasta	Denali High	Total Obligated Group	Denali Middle	Other SPS Schools and CHSF	Consolidated Total
CURRENT ASSETS							
Cash and Cash Equivalents	$ 20,918,914	$ 1,762,967	$ 45,934	$ 22,727,815	$ 1,500	$ 27,418,919	$ 50,148,234
Investments	1,091,053	-	-	1,091,053	-	-	1,091,053
Accounts Receivable	536,799	724,003	952,616	2,213,418	939,146	3,753,137	6,905,701
Intercompany Receivables	6,028,034	-	-	6,028,034	-	(6,028,034)	-
Prepaid Expenses and Other Assets	388,555	15,065	10,735	414,355	12,339	770,497	1,197,191
Total Current Assets	28,963,355	2,502,035	1,009,285	32,474,675	952,985	25,914,519	59,342,179
LONG-TERM ASSETS							
Restricted Cash	-	-	-	-	-	1,766,426	1,766,426
Other Assets	-	-	51,478	51,478	43,224	138,143	232,845
Property, Plant, and Equipment, Net	-	9,100	2,612	11,712	2,716,576	33,503,393	36,231,681
Total Long-Term Assets	-	9,100	54,090	63,190	2,759,800	35,407,962	38,230,952
Total Assets	$ 28,963,355	$ 2,511,135	$ 1,063,375	$ 32,537,865	$ 3,712,785	$ 61,322,481	$ 97,573,131
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	$ 651,569	$ 418,465	$ 1,470,843	$ 2,540,877	$ 2,648,882	$ (602,041)	$ 4,587,718
Intercompany Payables	3,000	-	-	3,000	-	(3,000)	-
Deferred Revenue	169,426	-	-	169,426	630,000	2,038,129	2,837,555
Bonds Payable, Current Portion	-	-	-	-	-	335,000	335,000
Total Current Liabilities	823,995	418,465	1,470,843	2,713,303	3,278,882	1,768,088	7,760,273
LONG-TERM LIABILITIES							
Deferred Rent Liability	380,385	1,404,676	628,001	2,413,062	404,473	(740,205)	2,077,330
Bonds Payable	-	-	-	-	-	29,562,123	29,562,123
Total Long-Term Liabilities	380,385	1,404,676	628,001	2,413,062	404,473	28,821,918	31,639,453
NET ASSETS							
Without Donor Restriction	26,778,422	687,994	(1,035,469)	26,430,947	29,430	30,732,475	57,192,852
With Donor Restriction	980,553	-	-	980,553	-	-	980,553
Total Net Assets	27,758,975	687,994	(1,035,469)	27,411,500	29,430	30,732,475	58,173,405
Total Liabilities and Net Assets	$ 28,963,355	$ 2,511,135	$ 1,063,375	$ 32,537,865	$ 3,712,785	$ 61,322,481	$ 97,573,131

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF ACTIVITIES – OBLIGATED GROUP
YEAR ENDED JUNE 30, 2019

	SPS (without SLP)	Shasta	Denali High	Total Obligated Group	Denali Middle	SLP	Other SPS Schools and CHSF	Eliminations	Consolidated Total
REVENUES, WITHOUT DONOR RESTRICTION									
State Revenue:									
State Aid	$ -	$ 250,891	$ 759,378	$ 1,010,269	$ 725,009	$ -	$ 18,911,979	$ -	$ 20,647,257
Other State Revenue	-	609,844	538,181	1,148,025	594,140	-	4,819,661	-	6,561,826
Federal Revenue:									
Grants and Entitlements	-	125,189	76,720	201,909	83,115	-	2,805,096	-	3,090,120
Local Revenue:									
In-Lieu Property Tax Revenue	-	4,242,597	1,696,475	5,939,072	1,629,946	-	13,019,891	-	20,588,909
Contributions	1,955,901	627,914	94,175	2,677,990	566,019	30,160,861	4,380,945	-	37,785,815
Investment Income	625,763	4,862	-	630,625	-	82,663	411,825	-	1,125,113
Other Revenue	10,072,560	106,711	37,397	10,216,668	45,317	296,410	4,252,737	(12,771,422)	2,039,710
Amounts released from restriction	110,500	-	-	110,500	-	-	-	-	110,500
Total Revenues	12,764,724	5,968,008	3,202,326	21,935,058	3,643,546	30,539,934	48,602,134	(12,771,422)	91,949,250
EXPENSES									
Program Services Expense:									
Educational and Student Learning Program	4,888,082	5,567,303	4,310,879	14,766,264	3,766,145	27,851,838	42,461,945	(10,367,417)	78,478,775
Curriculum Development	-	-	-	-	-	-	898,474	-	898,474
Total Program Services Expense	4,888,082	5,567,303	4,310,879	14,766,264	3,766,145	27,851,838	43,360,419	(10,367,417)	79,377,249
Support Services Expense:									
Management and General	5,469,744	383,149	332,973	6,185,866	140,612	-	4,046,704	(2,272,223)	8,100,959
Fundraising and Development	313,680	13,568	7,815	335,063	9,555	-	123,661	(131,782)	336,497
Total Supporting Services Expense	5,783,424	396,717	340,788	6,520,929	150,167	-	4,170,365	(2,404,005)	8,437,456
Total Expenses	10,671,506	5,964,020	4,651,667	21,287,193	3,916,312	27,851,838	47,530,784	(12,771,422)	87,814,705
TRANSFERS									
Intracompany Transfers	1,599,157	-	-	1,599,157	-	(2,392,815)	793,658	-	-
Grants	-	-	245,285	245,285	-	(295,281)	49,996	-	-
	1,599,157	-	245,285	1,844,442	-	(2,688,096)	843,654	-	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	3,692,375	3,988	(1,204,056)	2,492,307	(272,766)	-	1,915,004	-	4,134,545
NET ASSETS WITH DONOR RESTRICTION									
Local Revenue:									
Contributions	82,663	-	-	82,663	-	-	-	-	82,663
Amounts released from restriction	(110,500)	-	-	(110,500)	-	-	-	-	(110,500)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	(27,837)	-	-	(27,837)	-	-	-	-	(27,837)
TOTAL CHANGE IN NET ASSETS	3,664,538	3,988	(1,204,056)	2,464,470	(272,766)	-	1,915,004	-	4,106,708
Net Assets, Beginning of Year	24,094,437	684,006	168,587	24,947,030	302,196	-	28,817,471	-	54,066,697
NET ASSETS, END OF YEAR	$ 27,758,975	$ 687,994	$ (1,035,469)	$ 27,411,500	$ 29,430	$ -	$ 30,732,475	$ -	$ 58,173,405

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF ACCOUNTS RECEIVABLE – OBLIGATED GROUP
YEAR ENDED JUNE 30, 2019

	SPS	Shasta	Denali High	Total Obligated Group	Denali Middle	Other SPS Schools and CHSF	Eliminations	Consolidated Total
State Accounts Receivable	$ -	$ 649,623	$ 910,971	$ 1,560,594	$ 893,751	$ 3,092,377	$ -	$ 5,546,722
Other Accounts Receivable	536,799	74,380	41,645	652,824	45,395	660,760	-	1,358,979
TOTAL ACCOUNTS RECEIVABLE	$ 536,799	$ 724,003	$ 952,616	$ 2,213,418	$ 939,146	$ 3,753,137	$ -	$ 6,905,701

See accompanying Auditors' Report and the Notes to Supplementary Information.

SUMMIT PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

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

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of SPS under programs of the federal governmental for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. SPS has elected to use a rate other than the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

NOTE 5 SUPPLEMENTARY SCHEDULES – OBLIGATED GROUP

These schedules provide additional information for analysis for the obligated group related to the bonds issued.



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

Board of Directors
Summit Public Schools
Redwood City, 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 consolidated financial statements of Summit Public Schools (SPS), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the consolidated financial statements, and have issued our report thereon dated December 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered SPS' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of SPS' internal control. Accordingly, we do not express an opinion on the effectiveness of SPS' 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 consolidated 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 SPS' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 14, 2019



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE

Board of Directors
Summit Public Schools
Redwood City, California

Report on Compliance for Each Major Federal Program

We have audited the compliance of Summit Public Schools (SPS) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019 The SPS' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of SPS' major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SPS' 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 compliance for each major federal program. However, our audit does not provide a legal determination of SPS' compliance.

Opinion on Each Major Federal Program

In our opinion, SPS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of SPS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SPS' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SPS internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 14, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Summit Public Schools
San Jose, California

We have audited Summit Public Schools' (SPS) compliance with the types of compliance requirements described in the *2018-2019 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, 2019. SPS' state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on SPS' 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 *2018-2019 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 SPS' 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 SPS' compliance.

Compliance Requirements Tested

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

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
Before/After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes

Description	Procedures Performed
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instructional/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Opinion on State Compliance

In our opinion, SPS complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

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 *2018-2019 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

CliftonLarsonAllen LLP

Glendora, California
December 14, 2019

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ____x____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.282	Charter School Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____x____ yes _____ no

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

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Findings

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

State Findings

Our audit did not disclose any matters required to be reported in accordance with the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

SUMMIT PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

There were no findings in the prior year.

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VOICES COLLEGE-BOUND LANGUAGE ACADEMIES

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

OPERATING:

Voices College-Bound Language Academy #0846
Voices College-Bound Language Academy at Morgan Hill #1716
Voices College-Bound Language Academy at Mt. Pleasant #1743
Voices College-Bound Language Academy at West Contra Costa: #1906



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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT	**1**
BASIC FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	**3**
STATEMENT OF ACTIVITIES	**4**
STATEMENT OF CASH FLOWS	**5**
STATEMENT OF FUNCTIONAL EXPENSES	**6**
NOTES TO FINANCIAL STATEMENTS	**7**
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	**17**
SCHEDULE OF INSTRUCTIONAL TIME	**19**
SCHEDULE OF AVERAGE DAILY ATTENDANCE	**20**
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	**21**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**22**
NOTES TO SUPPLEMENTARY INFORMATION	**23**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**24**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	**26**
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	**28**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	**30**
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	**32**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Voices College-Bound Language Academies
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of Voices College-Bound Language Academies (the Academies), 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the Academies 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Academies' financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The columns by location are presented in the statements of financial position, activities, and cash flows and the accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance. 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 5, 2019 on our consideration of the Academies' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the Academies' 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 Academies' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 5, 2019

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	CMO	FMSD	Morgan Hill	Mt. Pleasant	West Contra Costa	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	$ 1,087,508	$ 5,232,637	$ 378,625	$ 602,351	$ 161,831	$ -	$ 7,462,952
Accounts Receivable - State and Federal	68,393	579,056	524,068	441,872	318,956	-	1,932,345
Accounts Receivable - Other	16,591	1,229	-	-	15,706	-	33,526
Intercompany Receivable	262,140	-	-	-	183,428	(445,568)	-
Prepaid Expenses and Other Assets	297,981	39,871	36,007	72,361	15,492	-	461,712
Total Current Assets	1,732,613	5,852,793	938,700	1,116,584	695,413	(445,568)	9,890,535
LONG-TERM ASSETS							
Property, Plant, and Equipment, Net	-	7,385,934	119,054	67,252	-	-	7,572,240
Total Long-Term Assets	-	7,385,934	119,054	67,252	-	-	7,572,240
Total Assets	$ 1,732,613	$ 13,238,727	$ 1,057,754	$ 1,183,836	$ 695,413	$ (445,568)	$ 17,462,775
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	$ 493,498	$ 202,559	$ 56,513	$ 87,833	$ 35,872	$ -	$ 876,275
Intercompany Payable	-	38,023	54,887	352,658	-	(445,568)	-
Deferred Revenue	-	124,247	-	-	-	-	124,247
Revolving Loan Payable, Current Portion	-	-	50,000	80,770	50,000	-	180,770
Facility Loan, Current Portion	-	124,247	-	-	-	-	124,247
Total Current Liabilities	493,498	489,076	161,400	521,261	85,872	(445,568)	1,305,539
LONG-TERM LIABILITIES							
Deferred Revenue	-	3,515,617	-	-	-	-	3,515,617
Revolving Loan Payable	-	-	8	50,006	200,000	-	250,014
Facility Loan	-	3,515,616	-	-	-	-	3,515,616
Total Long-Term Liabilities	-	7,031,233	8	50,006	200,000	-	7,281,247
NET ASSETS							
Without Donor Restriction	1,239,115	5,718,418	896,346	612,569	409,541	-	8,875,989
Total Net Assets	1,239,115	5,718,418	896,346	612,569	409,541	-	8,875,989
Total Liabilities and Net Assets	$ 1,732,613	$ 13,238,727	$ 1,057,754	$ 1,183,836	$ 695,413	$ (445,568)	$ 17,462,775

See accompanying Notes to Financial Statements.

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	CMO	FMSD	Morgan Hill	Mt. Pleasant	West Contra Costa	Eliminations	Total
REVENUES, WITHOUT DONOR RESTRICTION							
State Revenue:							
State Aid	$ -	$ 4,733,658	$ 2,294,385	$ 2,675,041	$ 1,219,985	$ -	$ 10,923,069
Other State Revenue	-	787,917	556,298	374,818	57,245	-	1,776,278
Federal Revenue:							
Grants and Entitlements	155,970	411,215	186,800	160,441	404,948	-	1,319,374
Local Revenue:							
In-Lieu Property Tax Revenue	-	-	-	-	-	-	-
Contributions	2,368,888	19,646	28,945	15,031	302,782	-	2,735,292
Investment Income	1,315	1,307	131	132	385	-	3,270
Other Revenue	2,123,653	110,956	20,295	25,759	43,826	(1,462,044)	862,445
Net Assets Released from Restrictions	161,572	36,800	119,292	34,761	-	-	352,425
Total Revenues	4,811,398	6,101,499	3,206,146	3,285,983	2,029,171	(1,462,044)	17,972,153
EXPENSES							
Program Services	1,595,929	4,046,486	2,229,728	2,675,078	1,377,343		11,924,564
Management and General	2,857,287	1,127,104	443,796	514,075	376,563	(1,462,044)	3,856,781
Total Expenses	4,453,216	5,173,590	2,673,524	3,189,153	1,753,906	(1,462,044)	15,781,345
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	358,182	927,909	532,622	96,830	275,265	-	2,190,808
NET ASSETS WITH DONOR RESTRICTION							
Net Assets Released from Restrictions	(161,572)	(36,800)	(119,292)	(34,761)	-	-	(352,425)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	(161,572)	(36,800)	(119,292)	(34,761)	-	-	(352,425)
TRANSFERS	(134,276)	-	-	-	134,276	-	-
CHANGE IN NET ASSETS	62,334	891,109	413,330	62,069	409,541	-	1,838,383
Net Assets, Beginning of Year	1,176,781	4,827,309	483,016	550,500	-	-	7,037,606
NET ASSETS, END OF YEAR	$ 1,239,115	$ 5,718,418	$ 896,346	$ 612,569	$ 409,541	$ -	$ 8,875,989

See accompanying Notes to Financial Statements.

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	CMO	FMSD	Morgan Hill	Mt. Pleasant	West Contra Costa	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in Net Assets	$ 62,334	$ 891,109	$ 413,330	$ 62,069	$ 409,541	1,838,383
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:						
Depreciation	-	175,182	20,080	8,221	8,221	211,704
Change in Operating Assets:						
Accounts Receivable - Federal and State	12,080	(14,569)	(59,167)	385,272	(318,956)	4,660
Accounts Receivable - Other	451	-	13,961	-	(15,706)	(1,294)
Intercompany Receivable	280,566	-	-	-	(183,428)	97,138
Prepaid Expenses and Other Assets	(208,659)	11,758	15,710	(26,481)	(15,492)	(223,164)
Change in Operating Liabilities:						
Accounts Payable and Accrued Liabilities	405,319	(437)	27,548	(3,123)	35,872	465,179
Intercompany Payable	-	(10,611)	(232,517)	145,990	-	(97,138)
Deferred Revenue	-	(395,208)	(67,381)	-	-	(462,589)
Net Cash Provided (Used) by Operating Activities	552,091	657,224	131,564	571,948	(79,948)	1,832,879
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Property, Plant, and Equipment	-	(203,370)	(48,513)	-	(8,221)	(260,104)
Net Cash Provided Used by Investing Activities	-	(203,370)	(48,513)	-	(8,221)	(260,104)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from Debt	-	-	-	-	250,000	250,000
Repayments of Long-Term Debt	-	(954,544)	(49,998)	(19,228)	-	(1,023,770)
Net Cash Provided (Used) by Financing Activities	-	(954,544)	(49,998)	(19,228)	250,000	(773,770)
NET CHANGE IN CASH AND CASH EQUIVALENTS	552,091	(500,690)	33,053	552,720	161,831	799,005
Cash and Cash Equivalents, Beginning of Year	535,417	5,733,327	345,572	49,631	-	6,663,947
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,087,508	$ 5,232,637	$ 378,625	$ 602,351	$ 161,831	$ 7,462,952
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Cash Paid for Interest	$ 6,993	$ 28,296	$ 251	$ 1,134	$ -	$ 36,674

See accompanying Notes to Financial Statements.

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Eliminations	Total Expenses
Salaries and Wages	$ 5,351,475	$ 2,312,030	$ -	$ 7,663,505
Pension Expense	511,547	73,291	-	584,838
Other Employee Benefits	636,885	193,471	-	830,356
Payroll Taxes	233,124	167,933	-	401,057
Oversight Fees	-	107,588	-	107,588
Legal Expenses	-	26,895	-	26,895
Instructional Materials	648,097	6,812	-	654,909
Other Fees for Services	2,975,111	1,889,668	(1,462,044)	3,402,735
Advertising and Promotion Expenses	-	1,091	-	1,091
Office Expenses	-	109,159	-	109,159
Information Technology Expenses	44,998	80,073	-	125,071
Occupancy Expenses	1,154,101	73,213	-	1,227,314
Travel Expenses	5,936	14,028	-	19,964
Conference and Meeting Expenses	20,092	44,384	-	64,476
Interest Expense	-	36,674	-	36,674
Depreciation Expense	203,483	-	-	203,483
Insurance Expense	-	85,764	-	85,764
Other Expenses	139,715	96,751	-	236,466
Sub Total	11,924,564	5,318,825	(1,462,044)	15,781,345
Eliminations		(1,462,044)	1,462,044	-
Total	$ 11,924,564	$ 3,856,781	$ -	$ 15,781,345

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Voices College-Bound Language Academies (the Academies) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools.

The Academies is funded principally through state of California public education monies received through the California Department of Education and the sponsoring District.

The Franklin-McKinley School District (District) has granted the charter for Voices College-Bound Language Academy (Voices FMSD) through June 30, 2022. The charter may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

In September 2015, Voices chartered two new schools, Voices College-Bound Language Academy at Morgan Hill (Voices Morgan Hill) and Voices College-Bound Language Academy at Mt. Pleasant (Voices Mt. Pleasant) and developed a Charter Management Office (CMO) to assist in the management of all three charter schools.

Santa Clara County Office of Education (SCCOE) approved the charter for both Voices Morgan Hill and Voices Mt. Pleasant. Voices Morgan Hill was granted a five year term continuing through June 30, 2023. Voices Mt. Pleasant was granted a five year term continuing through June 30, 2020. The charter may be revoked by SCCOE for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

In the fall of 2019, the Academies opened a fourth charter school, Voices College-Bound Language Academy at West Contra Costa (Voices West Contra Costa). The West Contra Costa Unified School District (District) has granted the charter for Voices College-Bound Language Academy (Voices West Contra Costa) through June 30, 2023. The charter may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Accounting

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

Basis of Presentation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Functional Allocation of Expenses

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

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Academies 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.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2019. 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 value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The estimated useful lives range from 3 to 50 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Amounts received from the California Department of Education are recognized as revenue by the Academies based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

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 agencies of the Academies are required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Compensated Absences

The Academies allow administrative employees to carryover unused vacation up to 40 hours. Accordingly, accumulated compensated absence benefits at June 30, 2019 is included in accrued liabilities.

Income Taxes

The Academies is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. The Academies are subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Academies is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Academies files and exempt Academies return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly

Evaluation of Subsequent Events

The Academies has evaluated subsequent events through December 5, 2019, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and grants receivable for the total amount of $9,428,823.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short term investments and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Academies maintain interest bearing cash accounts 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 Academies 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 4 PROPERTY, PLANT, AND EQUIPMENT

The Academies property, plant and equipment are as follows:

Building	$	7,730,618
Leasehold Improvements		5,762
Equipment, Furniture and Fixtures		308,063
Contruction in Progress		251,883
Total		8,296,326
Less: Accumulated Depreciation and Amortization		(724,086)
Total Property, Plant, and Equipment	$	7,572,240

Depreciation expense for the year ended June 30, 2019 was $211,704.

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 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 Academies choose to stop participating in the multi-employer plan, they may be required to pay a withdrawal liability to the plan. The Academies have no plans to withdraw from this multi-employer plan.

State Teachers' Retirement System

Plan Description

The Academies contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2018 total STRS plan net assets are $225 billion, the total actuarial present value of accumulated plan benefits is $374 billion, contributions from all employers totaled $4.9 billion, and the plan is 64% funded. The Academies did not contribute more than 5% of the total contributions to the plan.

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

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the SIRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020-21. The required employer contribution rate for year ended June 30, 2019 was 16.28% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)

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

Year Ended June 30	Required Contribution	Percent Contributed
2017	$ 205,536	100.0 %
2018	289,221	100.0
2019	470,561	100.0

Defined Contribution Plan

The Academies offer an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employee contributions and employer contributions (up to 3% match) are used to purchase annuity contracts for each participant. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2019 was $114,277.

NOTE 6 FACILITY GRANT/LOAN

Voices FMSD received $637,787 pursuant a funding agreement between the State Allocation Board and the California School Finance Authority collectively referred to as the State. Voices FMSD applied to the State for financing of its charter school facilities project under the Charter School Facilities Program (CSFP) established pursuant to Article 12 of Chapter 12.5 of Part 10 of the California Education code. The preliminary apportionment in the amount of $6,377,870 for the project has been approved by the state. The advance of $637,787, representing 10% of the preliminary apportionment, for project design has been approved and disbursed by the state.

In August 2014, Voices FMSD received approximately $8.2 million in Prop 55 Funding for new construction of a school facility on an existing site to eventually accommodate 435 students (grades K-8) of which 78% are expected to qualify for free and reduced lunch. The site for the approximate 20,000 square foot one-story facility will be located at the existing G. W. Hellyer Elementary, 725 Hellyer Ave., San Jose, CA 95111. Voices FMSD constructed this project in cooperation with the Franklin-McKinley Elementary School District and consists of two kindergarten and 18 multi-grade classrooms, an administration building, and a multi-use building. Voices FMSD completed the facility in time for occupancy at the start of the 2015-16 school year.

This apportionment is contingent upon Voices FMSD paying its 50% local matching share obligation (funding agreement) by making payments to the State pursuant to the agreement. Beginning September 2016, Voices FMSD began repayment to the state the matching portion of the funding by making either annual or semi-annual installments. The loan matures in 30 years and requires an assumed interest rate determined by the rate paid on monies in the Pooled Money Investment Account described in the California Government Code 16840 et seq. which is 2.0%. The amount of the loan for matching funds and unused funding was $3,639,863 as of June 30, 2019.

NOTE 6 FACILITY GRANT/LOAN (CONTINUED)

Voices FMSD also entered into a Memorandum of Understanding (MOU) between the state and Franklin-McKinley Elementary School District (FMSD) intended to tie together two separate legal agreements: (i) a Funding Agreement by and between the state and the Academies and (ii) a Facilities Use Agreement by and between FMSD and the Academies. The principal maturities for the loan are as follows:

Year Ending June 30,	Amount
2020	124,247
2021	129,267
2022	131,852
2023	134,489
2024	137,126
Thereafter	2,982,882
Total	$ 3,639,863

NOTE 7 REVOLVING LOAN

California Department of Education

Voices Morgan Hill received a revolving loan from the California Department of Education in the amount of $250,000. The loan requires annual principal payments of $50,000. The loan has a term of five years and carries an interest rate of 0.30%.

Voices Mt. Pleasant received a revolving loan from the California Department of Education in the amount of $250,000. The loan requires annual principal payments of $50,000. The loan has a term of five years and carries an interest rate of 0.33%.

Voices West Contra Costa received a revolving loan from the California Department of Education in the amount of $250,000. The loan requires annual principal payments of $50,000. The loan has a term of five years and carries an interest rate of 2.2%.

Annual payments of principal and interest are deducted from apportionment. The loan repayments by year are as follows:

Year Ending June 30,	Morgan Hill	Mt. Pleasant	WCC
2020	$ 50,000	$ 80,770	$ 50,000
2021	8	50,006	50,000
2022	-	-	50,000
2023	-	-	50,000
2024	-	-	50,000
Total	$ 50,008	$ 130,776	$ 250,000

NOTE 8 LINE OF CREDIT

The Academies have a $850,000 line of credit with Heritage Bank of Commerce that expires on April 2020. The interest rate is 4.75% per annum. There was no balance outstanding at June 30, 2019.

NOTE 9 OPERATING LEASES

The CMO and Voices Mt. Pleasant rent facilities under an operating lease agreement. Rent expense under the agreement was $400,000 for the year ended June 30, 2019. The minimum lease payments will be as follows:

Year Ending June 30,	Amount
2020	$ 400,000
Total	$ 400,000

Voices Morgan Hill rent facilities under and operating lease agreement. Rent expense under the agreement was $382,452 for the year ended June 30, 2019. The minimum lease payments will be as follows:

Year Ending June 30,	Amount
2020	$ 393,924
2021	405,744
Total	$ 799,668

NOTE 10 PARCEL TAX FUNDING

The Measure "G" was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure "G" was approved to protect core academics – reading, writing, math, and science, attract and retain qualified teachers, prepare students for college and workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of $7.00 per unimproved parcel of taxable real property.

	Year Ended June 30, 2017	Year Ended June 30, 2018	Year Ended June 30, 2019
REVENUES			
Program Revenue	$ -	$ -	$ 31,331
Total Revenues	-	-	31,331
EXPENSES			
Salaries and Wages	-	-	31,331
Other Employee Benefits	-	-	-
Information Technology Supplies	-	-	-
Total Expenses	-	-	31,331
EXCESS OF REVENUE OVER EXPENSES	$ -	$ -	$ -

NOTE 11 CONTINGENCIES

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

NOTE 12 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits and payroll taxes, which are allocated on the basis of estimates of time and effort.

SUPPLEMENTARY INFORMATION

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2019

Voices FMSD began serving students in September 2007 and is sponsored by the Franklin- McKinley School District (the District).

Charter School number authorized by the State: 846

Voices Morgan Hill School began serving students in September 2015 and is sponsored by the Santa Clara County Office of Education (the Sponsor).

Charter School number authorized by the State: 1716

Voices Mt. Pleasant School began serving students in September 2015 and is sponsored by the Santa Clara County Office of Education (the Sponsor).

Charter School number authorized by the State: 1743

Voices West Contra Costa began serving students in September 2018 and is sponsored by the West Contra Costa Unified School District (the District).

Charter School number authorized by the State: 1906

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
YEAR ENDED JUNE 30, 2019

The Board of Directors and the Administrator as of the year ended June 30, 2019 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (3 year term)
Servando Sandoval	Chair	2021
Kim Wisckol	Vice Chair	2019
Alice Miller	Member	Indefinite
Linda Prieto	Member	2021
Holly Glover	Member	2020
David Richards	Member	2020
Darnell Cadette	Member	2020

ADMINISTRATOR

Frances Teso	President/Chief Executive Officer

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2019

	FMSD			
	Instructional Minutes		Instructional	
	Requirement	Actual	Days	Status
Kindergarten	36,000	66,000	180	In compliance
Grade 1	50,400	61,020	180	In compliance
Grade 2	50,400	61,020	180	In compliance
Grade 3	50,400	61,020	180	In compliance
Grade 4	54,000	61,020	180	In compliance
Grade 5	54,000	61,020	180	In compliance
Grade 6	54,000	61,920	180	In compliance
Grade 7	54,000	61,920	180	In compliance
Grade 8	54,000	61,920	180	In compliance

	Morgan Hill			
	Instructional Minutes		Instructional	
	Requirement	Actual	Days	Status
Kindergarten	36,000	66,000	180	In compliance
Grade 1	50,400	61,020	180	In compliance
Grade 2	50,400	61,020	180	In compliance
Grade 3	50,400	61,020	180	In compliance
Grade 4	54,000	61,020	180	In compliance

	Mt. Pleasant			
	Instructional Minutes		Instructional	
	Requirement	Actual	Days	Status
Kindergarten	36,000	65,610	179	In compliance
Grade 1	50,400	60,660	179	In compliance
Grade 2	50,400	60,660	179	In compliance
Grade 3	50,400	60,660	179	In compliance
Grade 4	54,000	60,660	179	In compliance

	West Contra Costa			
	Instructional Minutes		Instructional	
	Requirement	Actual	Days	Status
Kindergarten	36,000	64,440	176	In compliance
Grade 1	50,400	59,580	176	In compliance
Grade 2	50,400	59,580	176	In compliance

See accompanying Auditors' Report and Notes to Supplementary Information

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
FMSD:				
Grades K-3	217.15	217.15	217.01	217.01
Grades 4-6	152.97	152.97	152.03	152.03
Grades 7-8	88.02	88.02	88.56	88.56
ADA Totals	458.14	458.14	457.60	457.60
Morgan Hill:				
Grades K-3	207.52	207.52	208.84	208.84
Grades 4-6	30.02	30.02	30.09	30.09
ADA Totals	237.54	237.54	238.93	238.93
Mt. Pleasant:				
Grades K-3	217.13	217.13	219.85	219.85
Grades 4-6	27.77	27.77	27.15	27.15
ADA Totals	244.90	244.90	247.00	247.00
West Contra Costa:				
Grades K-3	121.88	121.88	124.81	124.81
ADA Totals	121.88	121.88	124.81	124.81
Total:				
Grades K-3	763.68	763.68	770.51	770.51
Grades 4-6	210.76	210.76	209.27	209.27
Grades 7-8	88.02	88.02	88.56	88.56
ADA Totals	1,062.46	1,062.46	1,068.34	1,068.34

No ADA was generated through full-time nonclassroom based ADA.

See accompanying Auditors' Report and Notes to Supplementary Information

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

	FMSD	Morgan Hill	Mt. Pleasant	West Contra Costa
June 30, 2019 Annual Financial Report Fund Balances (Net Assets)	$ 5,393,682	$ 797,513	$ 701,526	$ 430,080
Adjustments and Reclassifications:				
Increase (Decrease) of Fund Balance (Net Assets):				
Cash and Cash Equivalents	221,699	32,810	35,530	-
Accounts Receivable - Federal and State	248	6,776	(131,339)	(2,356)
Accounts Receivable - Other	-	3,214	91	-
Prepaid Expenses and Other Assets	(21,979)	(15,759)	(16,186)	(5,775)
Accounts Payable and Accrued Liabilities	(92,136)	4,409	(29,723)	(12,408)
Intercompany Payable	(38,023)	-	-	-
Deferred Revenue	(3,384,937)	67,383	-	-
Notes Payable, Current Portion	124,247	-	-	-
Revolving Loan Payable	-	-	52,670	-
Notes Payable	3,515,617	-	-	-
Net Adjustments and Reclassifications	324,736	98,833	(88,957)	(20,539)
June 30, 2019 Audited Financial Statement Fund Balances (Net Assets)	$ 5,718,418	$ 896,346	$ 612,569	$ 409,541

See accompanying Auditors' Report and Notes to Supplementary Information

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	CMO	FMSD	Morgan Hill	Mt. Pleasant	West Contra Costa	Total
U.S. Department of Education								
Pass-Through Program from California								
Department of Education:								
No Child Left Behind Act:								
Title I, Part A, Basic Grants:								
Low-Income and Neglected	84.010	14329	$ -	$ 144,570	$ 69,081	$ 45,289	$ 26,292	$ 285,232
Title II, Part A, Teacher Quality	84.367	14341	-	19,786	10,043	8,855	3,975	42,659
Title III	84.365	N/A	-	61,315	-	-	-	61,315
Title IV	84.424	N/A	-	10,000	10,000	10,000	-	30,000
Special Education Cluster	84.027	N/A	-	55,981	22,140	24,537	-	102,658
Public Charter Schools Grant Program	84.282M	N/A	155,970	-	-	-	337,458	493,428
Total U.S. Department of Education			155,970	291,652	111,264	88,681	367,725	1,015,292
U.S. Department of Agriculture								
Pass-Through Program from California								
Department of Education:								
Child Nutrition Cluster	10.555	N/A	-	119,563	75,536	71,760	37,223	304,082
Total U.S. Department of Agriculture			-	119,563	75,536	71,760	37,223	304,082
Total Federal Expenditures			$ 155,970	$ 411,215	$ 186,800	$ 160,441	$ 404,948	$ 1,319,374

N/A - Pass-through entity number not readily available or not applicable.

See accompanying Auditors' Report and Notes to Supplementary Information

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

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

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Academies under programs of the federal governmental for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Academies, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academies.

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

NOTE 5 INDIRECT COST RATE

The Academies has elected to use a rate other than the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.



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

Board of Directors
Voices College-Bound Language Academies
San Jose, 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 of America, the financial statements of Voices College-Bound Language Academies (the Academies), a nonprofit California 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, the related notes to the financial statements, and have issued our report thereon dated December 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academies' 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 Academies' internal control. Accordingly, we do not express an opinion on the effectiveness of the Academies' 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.

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 5, 2019



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Voices College-Bound Language Academies
San Jose, California

We have audited the compliance of Voices College-Bound Language Academies (the Academies), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Statement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The Academies' major federal programs are identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Academies' major federal programs based on our audit of the types of compliance requirements referred to above. 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 of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academies' 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 compliance for each major federal program. However, our audit does not provide legal determination of the Academies' compliance.

Opinion on Each Major Federal Program

In our opinion, the Academies complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Academies is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academies' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academies' internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 5, 2019



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Voices College-Bound Language Academies
San Jose, California

We have audited Voices College-Bound Language Academies' (the Academies) compliance with the types of compliance requirements described in the *2018-2019 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, 2019. The Academies' state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Academies' 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 of America, and the *2018-2019 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 Academies' 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 Academies' compliance.

Compliance Requirements Tested

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

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes

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

Opinion on State Compliance

In our opinion, the Academies complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

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 *2018-2019 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

CliftonLarsonAllen LLP

Glendora, California
December 5, 2019

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____x____ no
   - Significant deficiency(ies) identified? _____ yes ____x____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ____x____ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____x____ yes _____ no

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

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

VOICES COLLEGE-BOUND LANGUAGE ACADEMIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

There were no financial statement findings in the prior year.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

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APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Richmond Charter Elementary- Benito Juarez

CDS#: 07617960129643

Charter Approving Entity: West Contra Costa Unified School District

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	$88,496.84	$88,496.84	$88,496.84	-	-	
Total Revenue	88,496.84	88,496.84	88,496.84	-	-	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries			$69,999.97	-	(69,999.97)	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	69,999.97	-	(69,999.97)	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures			$ 18,496.87	-	(18,496.87)	
Capital outlay				-	-	
Total	-	-	18,496.87	-	(18,496.87)	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	69,999.97	-	(69,999.97)	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	18,496.87	-	(18,496.87)	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	-	-	88,496.84	-	(88,496.84)	

Approved by: Wil D Mendoza
Charter School Official

Date: 10/3/19

Print Name: Wil Mendoza

Title: CEO

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: John Henry High School

CDS#: 07617960132233

Charter Approving Entity: West Contra Costa Unified School District

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	$65,929.34	$65,929.34	$65,929.34	-	-	
Total Revenue	65,929.34	65,929.34	65,929.34	-	-	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries			$50,050.00	-	(50,050.00)	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	50,050.00	-	(50,050.00)	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Improving safety on and around our campuses						

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures			$ 15,879.34	-	(15,879.34)	
Capital outlay				-	-	
Total	-	-	15,879.34	-	(15,879.34)	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	50,050.00	-	(50,050.00)	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	15,879.34	-	(15,879.34)	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	-	-	65,929.34	-	(65,929.34)	

Approved by: _____ Date: 10/3/19
Charter School Official

Print Name: Wil Mendoza Title: COO

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Richmond Charter Academy

CDS#: 07617960126805

Charter Approving Entity: West Contra Costa Unified School District

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	$56,526.23	$56,526.23	$56,526.23	-	-	
Total Revenue	56,526.23	56,526.23	56,526.23	-	-	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries			$34,719.53	-	(34,719.53)	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	34,719.53	-	(34,719.53)	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures			$ 21,806.70	-	(21,806.70)	
Capital outlay				-	-	
Total	-	-	21,806.70	-	(21,806.70)	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	34,719.53	-	(34,719.53)	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	21,806.70	-	(21,806.70)	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	-	-	56,526.23	-	(56,526.23)	

Approved by: Wil O. Mendoza
Charter School Official

Date: 10/3/19

Print Name: Wil Mendoza

Title: CEO

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Caliber Beta Academy

CDS#: 07-10074-0129528

Charter Approving Entity: Contra Costa County Board of Education

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	150,000.00	150,000.00	162,238.55	-	(12,238.55)	
Total Revenue	150,000.00	150,000.00	162,238.55	-	(12,238.55)	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures	27,000.00			27,000.00	-	Funded with general fund instead
Capital outlay				-	-	
Total	27,000.00	-	-	27,000.00	-	
Preparing students for college and the workforce						Computer Science Program
Certificated salaries				-	-	
Classified salaries		118,000.00	123,708.34	(118,000.00)	(5,708.34)	
Employee benefits		13,500.00	20,718.48	(13,500.00)	(7,218.48)	
Books and supplies		5,000.00	711.73	(5,000.00)	4,288.27	
Services and other operating expenditures			3,600.00	-	(3,600.00)	
Capital outlay				-	-	
Total	-	136,500.00	148,738.55	(136,500.00)	(12,238.55)	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies	98,000.00			98,000.00	-	Funded with general fund instead
Services and other operating expenditures				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Capital outlay				-	-	
Total	98,000.00	-	-	98,000.00	-	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures	13,500.00	13,500.00	13,500.00	-	-	
Capital outlay				-	-	
Total	13,500.00	13,500.00	13,500.00	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies	11,500.00			11,500.00	-	Funded with lottery funds instead
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	11,500.00	-	-	11,500.00	-	
Grand totals all programs						
Certificated salaries	-	-	-	-	-	
Classified salaries	-	118,000.00	123,708.34	(118,000.00)	(5,708.34)	
Employee benefits	-	13,500.00	20,718.48	(13,500.00)	(7,218.48)	
Books and supplies	109,500.00	5,000.00	711.73	104,500.00	4,288.27	
Services and other operating expenditures	40,500.00	13,500.00	17,100.00	27,000.00	(3,600.00)	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	150,000.00	150,000.00	162,238.55	-	(12,238.55)	

Approved by: _____ Date: 9/26/19

Charter School Official

Print Name: Markus Mullarkey Title: COO

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

MEASURE "G" PARCEL TAX

SUMMARY OF REVENUES AND EXPENDITURES

FOR THE FISCAL YEAR ENDING JUNE 30,2019

Charter School Name: Invictus Academy of Richmond

CDS#: 07-10074-0137026

Charter Approving Entity: CCCOE

Description	Original Budget	Revised Budget	Actual	Encumbered	Available	Notes
REVENUE						
Other local sources	11,400.00	17,834.62	17,834.62		-	
Total Revenue	11,400.00	17,834.62	17,834.62	-	-	
EXPENDITURES						
Protecting core academics						
Certificated salaries					-	
Classified salaries					-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries	13,200.00				-	
Classified salaries					-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	13,200.00	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries					-	
Classified salaries					-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	-	-	-	-	-	
Improving safety on and around our campuses						
Certificated salaries					-	
Classified salaries		17,834.62	17,834.62		-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	-	17,834.62	17,834.62	-	-	
Supporting after-school programs						
Certificated salaries					-	
Classified salaries					-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	-	-	-	-	-	

Description	Original Budget	Revised Budget	Actual	Encumbered	Available	Notes
Supporting science laboratories, materials and activities						
Certificated salaries					-	
Classified salaries					-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	-	-	-	-	-	
Supporting libraries and computer training for students						
Certificated salaries					-	
Classified salaries					-	
Employee benefits					-	
Books and supplies					-	
Services and other operating expenditures					-	
Capital outlay					-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	13,200.00	-	-	-	-	
Classified salaries	-	17,834.62	17,834.62	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	13,200.00	17,834.62	17,834.62	-	-	

Approved by: _____ Date: 12/5/19

Chater School Official

Print Name: Gautam Thapar Title: Executive Director

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Leadership Public Schools, Richmond

CDS#: 07617960101477

Charter Approving Entity: West Contra Costa Unified School District

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	136,279.00	125,493.00	125,493.27	10,786.00	(0.27)	
Total Revenue	136,279.00	125,493.00	125,493.27	10,786.00	(0.27)	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Preparing students for college and the workforce						
Certificated salaries	68,000.00	68,000.00	67,319.99	-	680.01	
Classified salaries	37,200.00	38,672.00	38,511.87	(1,472.00)	160.13	
Employee benefits	31,079.00	18,821.00	19,661.41	12,258.00	(840.41)	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	136,279.00	125,493.00	125,493.27	10,786.00	(0.27)	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Total	-	-	-	-	-	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	68,000.00	68,000.00	67,319.99	-	680.01	
Classified salaries	37,200.00	38,672.00	38,511.87	(1,472.00)	160.13	
Employee benefits	31,079.00	18,821.00	19,661.41	12,258.00	(840.41)	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	136,279.00	125,493.00	125,493.27	10,786.00	(0.27)	

Approved by: _____ Date: 10/2/2019

Charter School Official

Print Name: Soo Zee Park Title: CBO

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: **Manzanita Charter Middle School**
CDS#: **6118368**
Charter Approving Entity: **West Contra Costa Unified School District**

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	28,000.00	25,303.00	25,302.79	2,697.00	0.21	
Total Revenue	28,000.00	25,303.00	25,302.79	2,697.00	0.21	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries	28,000.00	25,303.00	25,302.79	2,697.00	0.21	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Total	28,000.00	25,303.00	25,302.79	2,697.00	0.21	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	-	-	-	
Classified salaries	28,000.00	25,303.00	25,302.79	2,697.00	0.21	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	28,000.00	25,303.00	25,302.79	2,697.00	0.21	

Approved by: Chantel Caldwell — Date: 9/24/19

Charter School Official

Print Name: Chantel Caldwell — Title: Principal

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Making Waves Academy
CDS#: 7100740114470
Charter Approving Entity: Contra Costa County of Education

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	216,223.00	193,421.00	193,208.00	22,802.00	213.00	
Total Revenue	216,223.00	193,421.00	193,208.00	22,802.00	213.00	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries	188,000.00	173,000.00	172,911.00	15,000.00	89.00	
Employee benefits	28,223.00	20,421	20,297.00	7,802.00	124.00	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	216,223.00	193,421.00	193,208.00	22,802.00	213.00	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	-	-	-	
Classified salaries	188,000.00	173,000.00	172,911.00	15,000.00	89.00	
Employee benefits	28,223.00	20,421.00	20,297.00	7,802.00	124.00	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	216,223.00	193,421.00	193,208.00	22,802.00	213.00	

Approved by: _____ Date: 10/3/19

Charter School Official

Print Name: Alton B. Nelson, Jr. Title: Chief Executive Officer

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Richmond College Prep

CDS#: 07 61796 0110973

Charter Approving Entity: West Contra Costa Unified

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	70,702.60	116,007.00	116,007.00	(45,304.40)	-	
Total Revenue	70,702.60	116,007.00	116,007.00	(45,304.40)	-	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries	70,702.60	116,007.00	116,007.00	(45,304.40)	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	70,702.60	116,007.00	116,007.00	(45,304.40)	-	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Total	-	-	-	-	-	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	-	-	-	
Classified salaries	70,702.60	116,007.00	116,007.00	(45,304.40)	-	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	70,702.60	116,007.00	116,007.00	(45,304.40)	-	

Approved by: P Liano — Charter School Official

Date: 12/2/2019

Print Name: Peppina Liano

Title: CEO

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Aspire Richmond Technology Academy
COS#: 07-61796-0132118
Charter Approving Entity: West Contra Costa

Description	Original Budget	Current Budget	Actuals	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources			95,569.09	-	(95,569.09)	
Total Revenue	-	-	95,569.09	-	(95,569.09)	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Preparing students for college and the workforce						
Certificated salaries			2,746.67	-	(2,746.67)	
Classified salaries			70,413.80	-	(70,413.80)	
Employee benefits			22,408.82	-	(22,408.82)	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	(95,569.09)	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-		-	-	
Grand Total Expenditures						
Certificated salaries	-	-	2,746.67	-	(2,746.67)	
Classified salaries	-	-	70,413.80	-	(70,413.80)	
Employee benefits	-	-	22,408.82	-	(22,408.82)	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures			95,569.09		(95,569.09)	

Approved by: Michael Wimbish Date: 12/3/19
Charter School Official

Print Name: Michael Wimbish Title: Dir of Finance

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Aspire Richmond California College Preparatory Academy
CDS#: 07-61796-0132100
Charter Approving Entity: West Contra Costa

Description	Budget	Actuals	Total	Carryover Balance	Variance Favorable (Unfavorable)	Note
REVENUE						
Other local sources			76,876.95	-	(76,876.95)	
Total Revenue	-	-	76,876.95	-	(76,876.95)	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Preparing students for college and the workforce						
Certificated salaries			59,374.58	-	(59,374.58)	
Classified salaries				-	-	
Employee benefits			17,502.38	-	(17,502.38)	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	76,876.96	-	(76,876.96)	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
[illegible]						
Certificated salaries	-	-	59,374.58	-	(59,374.58)	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	17,502.38	-	(17,502.38)	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
[illegible]			[illegible]		[illegible]	

Approved by: Michael Wenbin Date: 12/5/19
Charter School Official

Print Name: Michael Lambin Title: Dir. of Finance

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Summit Public Schools K2
CDS#: 07-10074-0129684
Charter Approving Entity: Contra Costa County Office of Education

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	85,435.00	$85,435	106,282.19	-	(20,847.19)	Measure G Funds
Total Revenue	85,435.00	85,435.00	106,282.19	-	(20,847.19)	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies	85,435.00	$85,435	106,282.19	-	(20,847.19)	Computer technology to provide 1:1 computer access and network infrastructure for our students personalized learning
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	85,435.00	85,435.00	106,282.19	-	(20,847.19)	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	-	-	-	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	85,435.00	85,435.00	106,282.19	-	(20,847.19)	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	85,435.00	85,435.00	106,282.19	-	(20,847.19)	

Approved by: _____ Date: 12/5/19
Charter School Official

Print Name: GAVIN KWONG Title: Controller

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Summit Public Schools Tamalpais
CDS#: 07 61796 0133637
Charter Approving Entity: WCCUSD

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	62,639.00	59,821.00	70,062.06	2,818.00	(10,241.06)	Measure G Funds
Total Revenue	62,639.00	59,821.00	70,062.06	2,818.00	(10,241.06)	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies	62,639.00	59,821.00	70,062.06	2,818.00	(10,241.06)	Computer technology to provide 1:1 computer access and network infrastructure for our students personalized learning
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	62,639.00	59,821.00	70,062.06	2,818.00	(10,241.06)	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	-	-	-	-	-	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	62,639.00	59,821.00	70,062.06	2,818.00	(10,241.06)	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	62,639.00	59,821.00	70,062.06	2,818.00	(10,241.06)	

Approved by: _____ Date: 12/5/19

Charter School Official

Print Name: KARIN KWONG Title: Controller

APPENDIX B

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
MEASURE "G" PARCEL TAX
SUMMARY OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Charter School Name: Voices College-Bound Language Academy at West Contra Costa

CDS#: 07617960136903

Charter Approving Entity: WCCUSD

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
REVENUE						
Other local sources	31,330.68	31,330.68	31,330.68	-	-	Measure G Funds
Total Revenue	31,330.68	31,330.68	31,330.68	-	-	
EXPENDITURES						
Protecting core academics - reading, writing, math, and science						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Attracting and retaining qualified teachers						
Certificated salaries	31,330.68	31,330.68	31,330.68	-	-	Teacher Salary
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	31,330.68	31,330.68	31,330.68	-	-	
Preparing students for college and the workforce						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing smaller class sizes for the youngest children						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Providing classroom computers and technology						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	

Description	Original Budget	Current Budget	Actual	Variance Original Budget	Variance Current Budget	Notes
Capital outlay				-	-	
Total	-	-	-	-	-	
Improving safety on and around our campuses						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting after-school programs to keep kids away from gangs and drugs						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting science laboratories, materials, and activities						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Supporting libraries						
Certificated salaries				-	-	
Classified salaries				-	-	
Employee benefits				-	-	
Books and supplies				-	-	
Services and other operating expenditures				-	-	
Capital outlay				-	-	
Total	-	-	-	-	-	
Grand totals all programs						
Certificated salaries	31,330.68	31,330.68	31,330.68	-	-	
Classified salaries	-	-	-	-	-	
Employee benefits	-	-	-	-	-	
Books and supplies	-	-	-	-	-	
Services and other operating expenditures	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Grand Total Expenditures	31,330.68	31,330.68	31,330.68	-	-	

Approved by: _____ Date: 10/2/2019

Charter School Official

Print Name: Edward Lee Title: Chief Financial Officer

	Posted Dt.	Doc Dt.	Doc	Memo / Description	Location Name	Department JNL	Debit	Credit	Balance	
1100	1100 - Certificated Teachers' Salaries (Balance Forward As of 07/01/2018)								0	
1100	Totals for 1100 - Certificated Teachers' Salaries						0	0	0	
1101	1101 - Teacher Salaries (Balance Forward As of 07/01/2018)								0	
1101	7/25/2018	7/25/2018	Jul_25_2018_PR	Aguayo, Vanessa M.	VCBLA WCC	Regular Educ PYRJ	4995.83		4995.83	
1101	8/24/2018	8/24/2018	2018082402	Aguayo, Vanessa M.	VCBLA WCC	Regular Educ PYRJ	4995.83		9991.66	
1101	11/20/2018	11/20/2018	2018112002	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		121475.4	
1101	12/21/2018	12/21/2018	2018122102	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		152749.8	
1101	1/25/2019	1/25/2019	2019012502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		184024.1	
1101	2/25/2019	2/25/2019	2019022502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		215298.4	
1101	3/25/2019	3/25/2019	2019032502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		246572.8	1355.7
1101	4/25/2019	4/25/2019	2019042502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		277847.1	
1101	5/25/2019	5/25/2019	2019052502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		311371.4	
1101	6/1/2019	6/1/2019	Breakout of 2019092502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		311371.4	
1101	6/1/2019	6/1/2019	Breakout of 2019102502	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		311371.4	
1101	6/18/2019	6/18/2019	2019061802	V. Aguayo	VCBLA WCC	Regular Educ PYRJ	4995.83		349009.6	

Parcel Tax Revenue	$31,330.68	Measure G Parcel Tax	Attracting and retaining qualified teachers
Teacher Salary Used	$31,330.68		
Difference	$-		

CHARTER SCHOOL COMPLIANCE WITH SETTLEMENT AGREEMENT 2019-20

	CHARTER SCHOOL	MEASURE G AUDIT/BALANCE SHEET				AUDIT REPORT				PARCEL TAX ENROLLMENT DATA 1st PAYMENT				PARCEL TAX FINANCIAL FORM AS OF 6/30/19	Comments	FY 19-20 1st Parcel Tax Payment Invoice Date
		FY 16	FY 17	FY 18	FY 19	FY 16	FY 17	FY 18	FY 19	First & Last Names	SSIDs	Dwelling Cities*	Date Provided (Due 12/15/19)			
1	Amethod - Benito Juarez Elementary	X	X	X	X	X	X	X	X	X	X	X	X	X	No comments.	1/9/2020
2	Amethod - Richmond Charter Academy	X	X	X	X	X	X	X	X	X	X	X	X	X	No comments.	1/9/2020
3	Amethod - John Henry High School	X	X	X	X	X	X	X	X	X	X	X	X	X	No comments.	1/9/2020
4	Aspire - Richmond California College Prep	X	X	X	X	X	X	X	X	X	X	X	X	X	Only Measure G Audit was provided per agreement.	1/9/2020
5	Aspire - Richmond Technology Academy	X	X	X	X	X	X	X	X	X	X	X	X	X	Only Measure G Audit was provided per agreement.	1/9/2020
6	Caliber Beta Academy	X	X	X	X	X	X	X	X	X	X	X	X	X	Measure G information and FY 17 summarized financial information provided in FY 18 report.	1/9/2020
7	Invictus	N/A	N/A	N/A	X	N/A	N/A	N/A	X	X	X	X	X	X	No comments.	1/9/2020
8	Leadership Public School	X	X	X	X	X	X	X	X	X	X	X	X	X	Measure G information for all years provided in FY 18 audit report.	1/9/2020
9	Making Waves	X	X	X	X	X	X	X	X	X	X	X	X	X	Measure G information for FY 16-18 provided in FY 18 audit report and FY 17-19 information provided in FY 19 report.	1/9/2020
10	Manzanita	X	X	X	X	X	X	X	X	X	X	X	X	X	Measure G information for all years provided in FY 18 audit report.	1/9/2020
11	Richmond College Prep	X	X	X	X	X	X	X	X	X	X	X	X	X	No comments.	1/9/2020
12	Summit - K2	X	X	X	X	X	X	X	X	X	X	X	X	X	Measure G information for all years provided in FY 18 audit report.	1/9/2020
13	Summit - Tamalpais	X	X	X	X	X	X	X	X	X	X	X	X	X	No comments.	1/9/2020
14	Voices	N/A	N/A	N/A	X	N/A	N/A	N/A	X	X	X	X	X	X	No comments.	1/9/2020

X = Complete/Provided * = Not required per Settlement Agreement N/A = New charter school beginning 2018-19 school year

2019-20 First Parcel Tax Payment to Parcel Tax Eligible Charter Schools

Purpose: The purpose of this spreadsheet is to calculate the January 15, 2020 (first) parcel tax payment to parcel tax eligible charter schools as set forth in the Settlement Agreement.
Click on the icon to the right to open the Settlement Agreement.


H:\CHARTER
-AL\CCSA-WCCUS

Procedure: Per the Settlement Agreement, the payment is to be calculated as follows (paraphrazed from page 1-2 of the Tentative Agreement):
The WCCUSD is to provide 75% of the charter school proportionate share of parcel taxes for the 2018-19 school year. The proportionate share for each charter school shall be determined as follows: the applicable enrollment shall be District resident students enrolled in district-operated schools and students who are District residents enrolled in one of the charter schools listed in Exhibit A determined by using the CalPADS report for October in each school year. Acknowledging that CalPADS figures do not distinguish between in-district and out-of-district residents, each charter school anticipating receipt of funds pursuant to the terms of the agreement will provide the District with the first and last name and SSID for each enrolled student at least one calendar month prior to each payment due date as established in the agreement (see charter tabs numbered 1-14 for this information).

The District shall combine the Parcel Tax Qualifying Charter School and District enrollment (of in-district residents only), and divide this combined enrollment by the total parcel taxes to be received by the District for the applicable school year to derive a per student amount of parcel taxes (#1 below); the charter school proportionate share shall be the per student amount of parcel taxes (as determined above) multiplied by the Parcel Tax Qualifying Charter School's in-district students for the applicable school year (#2 below).

1. Combined Enrollement/Total Parcel Taxes to be Received by the WCCUSD in 18-19 SY = Per Student Amount of Parcel Taxes
2. Charter School Proportionate Share = Per Student Amount of Parcel Taxes x Parcel Tax Qualifying Charter School's in-district students

The District shall pay each Parcel Tax Qualifying Charter School the proportionate share per in-district students as noted in the CalPADS report for the applicable charter school.
75% of the total parcel tax payment for the year is due no later than January 15th; 25% of the total parcel tax payment for the year is due no later than May 15th.

	Decimal	Percentage
January 15, 2020 payment = 75% of 100%	0.75	75.00%
May 15, 2020 payment = 25% of 100%	0.25	25.00%
100% percent to be paid in 2019-20 school year	1.0000	100.00%

Internal Audit collected the 2019-20 Parcel Tax Enrollment Data for each charter school as of December 2019 and added each tab to this spreadsheet. This data was retrieved from the following path: \\ltcadminfs01\e\Departments\FISCAL\Charter Schools\Parcel Tax\19-20 Parcel Tax\Settlement Agreement Requirement #2A - 1st Parcel Tax Payment due 1.15.20. Internal Audit then filtered the enrollment data for each school to arrive at the "Parcel Tax Qualifying Charter School's in-district students." The data for ineligible enrollment was copied to the "Charter In-District Students" tab to demonstrate that these students are in fact outside of the WCCUSD parameters and will not be included in the parcel tax payment calculation. The total Parcel Tax Qualifying Charter School's in-district students are also listed at the top of the "Charter In-District Students" tab, and on this tab.

Internal Audit compared the CalPADS Charter Enrollment (see CalPADS Charter Enrollment tab) to the Charter In-District Students numbers provided by the charter schools. Internal Audit concluded that using the Charter In-District numbers provided by the charters (highlighted blue) yielded a more accurate calculation, since CalPADS does not distinguish between in-district and out-of-district residents, as stated in the Settlement Agreement. In addition, the Settlement Agreement does not explicitly state the purpose of the CalPADS enrollment reports, therefore Internal Audit used them to test the reasonableness of the enrollment data provided by the charter schools (charter tabs 1-12).

Calculation:

1. Combined Enrollment/Total Parcel Taxes to be Received by the WCCUSD in 19-20 = Per Student Amount of Parcel Taxes

WCCUSD Enrollment from CalPADS Report, provided by WCCUSD State Reporting Coordinator	28,919.00
Charter School's in-district students from below	6,302.00
Total Combined Enrollment	35,221.00
WCCUSD 2019-20 SY Parcel Taxes - Click on icon to the right for Munis account detail	9,777,072.22
Per Student Amount of Parcel Taxes	277.59

2. Charter School Proportionate Share = Per Student Amount of Parcel Taxes x Parcel Tax Qualifying Charter School's in-district students x 75%

	CDS#	Vendor #	Charter School	Parcel Tax Qualifying Charter School's in-district students	Charter School Proportionate Share at 100% for 2019-20 SY (Projected)	January 15, 2020 PMT at 75%	May 15, 2020 PMT at 25% (Projected)
1	07-61796-6118368	14808	Amethod - Benito Juarez Elementary	473	131,301.07	98,475.81	32,825.27
2	07-61796-0132233	15854	Amethod - John Henry High School	320	88,829.48	66,622.11	22,207.37
3	07-61796-0101477	12820	Amethod - Richmond Charter Academy	259	71,896.36	53,922.27	17,974.09
4	07-61796-0132100	15856	Aspire - Richmond California College Prep	531	147,401.42	110,551.06	36,850.35
5	07-61796-0132118	15855	Aspire - Richmond Technology Academy	352	97,712.43	73,284.32	24,428.11
6	07-10074-0129528	14809	Caliber Beta Academy	812	225,404.81	169,053.60	56,351.20
7	07-10074-0137026	19429	Invictus	158	43,859.56	32,894.67	10,964.89
8	07-61796-0126805	11373	Leadership Public School	585	162,391.39	121,793.54	40,597.85
9	07-10074-0114470	11687	Making Waves	993	275,648.98	206,736.73	68,912.24
10	07-61796-0129643	11097	Manzanita	119	33,033.46	24,775.10	8,258.37
11	07-61796-0110973	11586	Richmond College Prep	554	153,786.04	115,339.53	38,446.51
12	07-10074-0129684	15169	Summit - K2	565	156,839.55	117,629.66	39,209.89

13	07-61796-0133637	16774	Summit - Tamalpais	411	114,090.36	85,567.77	28,522.59
14	43-69450-0113662	19401	Voices	170	47,190.66	35,393.00	11,797.67
			Total	**6,302**	**1,749,385.57**	**1,312,039.18**	**437,346.39**

Reasonableness Test:

2018-19 Parcel Tax Revenue	9,698,583.22		
2019-20 Parcel Tax Revenue	9,777,072.22		
	78,489.00	↑	
2018-19 Total Combined Enrollment	33,843.00		
2019-20 Total Combined Enrollment	35,221.00		This increase may be explained by families moving to the area and/or the increase in out-of-district transfers.
	1,378.00	↑	
2018-19 Per Student Amount of Parcel Taxes	286.58		
2019-20 Per Student Amount of Parcel Taxes	277.59		
	(8.98)	↓	This decrease can be explained by the increase in total combined enrollment from the prior year.
2018-19 Qualifying Charter School's in-district students	5,722		
2019-20 Qualifying Charter School's in-district students	6,302		
	580	↑	This increase can be explained by students leaving WCCUSD schools to enroll in charter schools within the district.
2018-19 1st Parcel Tax Payment to Charters	922,379.88		
2019-20 1st Parcel Tax Payment to Charters	1,312,039.18		
	389,659.29	↑	This increase can be explained by the percentage increase per the Settlement Agreement and the rise of Qualifying Charter School in-district students.

Conclusion: Internal Audit concludes that this calculation is correct given the data used, and reasonable when compared to prior year numbers. The WCCUSD is to pay each parcel tax eligible charter school the

amount calculated in the light green column entitled "January 15, 2020 PMT at 75%."

Munis Revenue Account Code "Parcel Taxes":	01-9190-8621-606-0000-0000-000000-0-0000
Munis Expense Account Code "Transfers to District or Charter":	01-9190-7281-000-0000-9200-000000-0-0000

Authorizing Signature: Regina Webber, Executive Director, Business Services **Date:**

\\ltcadminfs01\e\Departments\FISCAL\Charter Schools\Parcel Tax\19-20 Parcel Tax\Settlement Agreement Requirement #2A - 1st Parcel Tax Payment due 1.15.20

West Contra Costa USD
Charter School Parcel Tax Settlement Agreement Procedures
June 30, 2019

Purpose:

(1) To verify that parcel-tax qualifying charter schools within the WCCUSD are spending parcel tax revenues in accordance with the ballot language.
(2a) To ensure that expenditures on the audit reports provided by the charter schools agree to their corresponding Parcel Tax Financial Summary Reports, per Michael Ash's (Christy White Associates Audit Partner) email on Thursday, August 29, 2019.
(2b) To ensure that the charter school's auditor provided assurance that the charter school's expenditures are in accordance with the ballot language.

Procedure:

(1) Review expenditures reported on the Parcel Tax Financial Summary Reports provided by the charter schools and determine if expenditures are in line with the ballot language.
(2a) Tie expenditures reported on Parcel Tax Financial Summary Reports provided by the charter schools to expenditures on their corresponding audit reports.
(2b) Review audit report to ensure that the charter school's auditor provided assurance that the charter school's expenditures are in accordance with the ballot language.

	Parcel Tax Qualifying Charter Schools:	**Procedures 1, 2a, & 2b**
1	Amethod - Benito Juarez Elementary	Complete
2	Amethod - John Henry High School	Complete
3	Amethod - Richmond Charter Academy	Complete
4	Aspire - Richmond California College Prep	Complete
5	Aspire - Richmond Technology Academy	Complete
6	Caliber Beta Academy	Complete
7	Invictus	Complete
8	Leadership Public School	Complete
9	Making Waves	Complete
10	Manzanita	Complete
11	Richmond College Prep	Complete
12	Summit - K2	Complete
13	Summit - Tamalpais	Complete
14	Voices	See Note 1 Below

Note 1 Procedures 1 and 2a are complete. Regarding procedure 2b, the district has requested that the charter school's auditor provide confirmation that parcel tax expenditures were reviewed and were in accordance with ballot language.

Procedures completed by Margarita Romo, Internal Auditor on **January 15, 2020**.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

MEASURE G SPECIAL TAX REPORT

FISCAL YEAR 2018-19

PURSUANT TO SECTION 4 OF ARTICLE XIIIA OF THE CALIFORNIA CONSTITUTION AND SECTION 50079 OF THE CALIFORNIA GOVERNMENT CODE

PARCEL TAX ADMINISTRATOR:

SCIConsultingGroup
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
WWW.SCI-CG.COM

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Tom Panas, President
Stephanie Hernandez-Jarvis, Clerk
Valerie Cuevas, Member
Consuelo Lara, Member
Mister Phillips, Member

SUPERINTENDENT

Matthew Duffy

ASSOCIATE SUPERINTENDENT OF BUSINESS SERVICES

Dr. Tony Wold

ENGINEER OF WORK

SCI Consulting Group

TABLE OF CONTENTS

EXECUTIVE SUMMARY **2**

PARCEL TAX EXPENDITURES **3**

2018-19 MEASURE G PARCEL TAX EXPENDITURES 3
2019-20 MEASURE T PARCEL TAX PROJECTED EXPENDITURES 4

ADMINISTRATIVE REQUIREMENTS **5**

LEVY AND COLLECTION 5
SENIOR CITIZEN EXEMPTION 5
SUPPLEMENTAL SECURITY INCOME (SSI) EXEMPTION 5
SOCIAL SECURITY DISABILITY INSURANCE (SSDI) EXEMPTION 5
RENEWAL PROCESS 5
DELINQUENCIES 6
APPROPRIATIONS LIMIT 6
USE OF SPECIAL TAX PROCEEDS 6
ANNUAL AUDIT 6
INDEPENDENT COMMUNITY OVERSIGHT COMMITTEE 7
APPEALS PROCEDURE 7
PUBLIC INFORMATION 7
AUDITOR FILING AND REPORTING 7

2018-19 MEASURE G SPECIAL TAX ROLL **8**

TABLE OF FIGURES

FIGURE 1 - SUMMARY OF SPECIAL TAX LEVIES BY YEAR 2
FIGURE 2 - SUMMARY OF PARCEL TAX EXPENDITURES 3
FIGURE 3 - SUMMARY OF PROJECTED SPECIAL TAX EXPENDITURES 4

EXECUTIVE SUMMARY

On November 6, 2012, the voters within the West Contra Costa Unified School District ("District") boundary approved Measure G. Measure G, a special tax ("Special Tax"), is an extension of the 2008 special tax, Measure D. The special tax will help the District to improve education, support school libraries, computer training and school safety, preserve reduced class sizes, retain qualified teachers and counselors to prepare students for college and the workforce, maintain school cleanliness and protect against state budget cuts. Every taxable property within the District is assessed 7.2 cents per square foot of total building area per year for 5 years including an independent community oversight committee, an exemption for senior citizens and supplemental security income, and a commitment that no funds will be used for administrator salaries and that all funds stay in this community to promote student achievement.

Specifically, the Special Tax proceeds will support the following purposes:

- Fund core academic programs of reading, writing, math and science;
- Maintain manageable class sizes to provide students with the individual attention they need;
- Support after-school programs that keep kids away from gangs and drugs;
- Keep programs that prepare students for college and train them for the workforce;
- Provide classroom computers, technology, and science lab materials; and
- Attract and retain quality teachers.

Pursuant to the Government Code §50075.3, this Special Tax Report ("Report") summarizes the historical and current fiscal year special tax levies, senior exemptions, expenditures and other related data and information.

Figure 1 summarizes Measure G parcel tax revenue amounts beginning with fiscal year 2014-15.

FIGURE 1 - SUMMARY OF SPECIAL TAX LEVIES BY YEAR

Fiscal Year	Taxable Parcels	Senior/SSI Exempt Parcels	Tax Exempt/ Unimproved Parcels	Total Parcels	Parcel Tax Revenue [1]
2014-15	64,474	5,462	7,017	76,953	$9,736,551
2015-16	64,146	5,809	7,033	76,988	$9,747,950
2016-17	63,975	6,147	6,830	76,952	$9,753,149
2017-18	63,833	6,343	6,947	77,123	$9,710,861
2018-19	63,938	6,320	6,871	77,129	$9,753,461

[1] Parcel Tax Revenue does not include County charges.

PARCEL TAX EXPENDITURES

2018-19 MEASURE G PARCEL TAX EXPENDITURES

Figure 2 provides the Parcel Tax levy expenditures for fiscal year 2018-19.

FIGURE 2 - SUMMARY OF PARCEL TAX EXPENDITURES

Measure G Parcel Tax	2018-19 Expenditures
Total Projected Cost for:	
Library and athletic programs	$5,017,908
Textbooks and teaching materials	$172,702
Teachers and counselors	$3,276,248
Improving safety on and around our campuses	$0
Payments to charter schools	$1,231,428
Total Funded Positions	**$9,698,286**
Total Cost for Fiscal Year - Proj. FTE's	
Parcel Tax Revenue	$9,698,286
Parcel Tax Ending Fund Balance	$0

2019-20 MEASURE T PARCEL TAX PROJECTED EXPENDITURES

Figure 3 provides the summary of projected special tax expenditures for Measure T which replaces Measure G effective July 1, 2019.

Figure 3 - Summary of Projected Special Tax Expenditures

Measure T Parcel Tax	2019-20 Projected Costs
Total Projected Cost for:	
Library and athletic programs	$5,054,575
Textbooks and teaching materials	$443,710
Teachers and counselors	$2,414,351
Improving safety on and around our campuses	$0
Payments to charter schools	$1,889,593
Total Funded Positions	**$9,802,229**
Total Cost for Fiscal Year - Proj. FTE's	
Parcel Tax Revenue	$9,802,229
Parcel Tax Ending Fund Balance	$0

ADMINISTRATIVE REQUIREMENTS

LEVY AND COLLECTION

The Special Tax is collected by the County of Contra Costa Treasurer-Tax Collector at the same time and in the same manner and is subject to the same penalties as ad valorem property taxes. Unpaid taxes bear interest at the same rate as the rate for unpaid ad valorem property taxes until paid.

The collection of the Special Tax shall not decrease the funds available from other sources of the District in any period from the effective date hereof.

"Parcel of taxable real property" is defined as any unit of real property in the District that receives a separate tax bill for ad valorem property taxes from the Contra Costa County Treasurer-Tax Collector's Office.

A senior exemption is offered to qualifying seniors who apply. In addition, an exemption is offered to property owners receiving Supplemental Security Income (SSI). The Contra Costa County Assessor's determination of exemption or relief for any reason of any parcel from taxation, other than through the Senior Citizen Exemption, or SSI Exemption, shall be final and binding for the purposes of the education parcel tax.

SENIOR CITIZEN EXEMPTION

Any parcel owned and occupied as a principal residence by a person 65 years of age or older by July 1 of the fiscal year shall be exempt from the parcel tax, upon proper application to the District. The Senior Exemption deadline for FY 2018-19 was July 1, 2019. Exemption forms are made available at the District office and the District's website or through the parcel tax administrator.

SUPPLEMENTAL SECURITY INCOME (SSI) EXEMPTION

Any parcel owned and occupied by a person receiving Supplemental Security Income (SSI) for a disability, regardless of age, who occupies said parcel as a principal residence.

SOCIAL SECURITY DISABILITY INSURANCE (SSDI) EXEMPTION

Any parcel owned and occupied by a person receiving Social Security Disability Insurance (SSDI) benefits for a disability, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services.

RENEWAL PROCESS

Senior citizens with a current valid exemption from the District's education parcel taxes shall continue to be exempt and not be required to reapply. However, property owners that have

previously applied and qualified for the SSI/SSDI Exemption may be asked to complete a renewal form for each subsequent year in order to continue their exemption status.

DELINQUENCIES

The District participates in the "Teeter Plan" with the County of Contra Costa whereby the County pays all delinquent special taxes to the District and in return the County institutes collection proceedings and, when collected, keeps all delinquent payments with interest and penalties. This plan allows the District to maintain reliable special tax revenues and reduces the cost of collection. Contract to include in the Teeter Plan is at the option of the County. It is not anticipated that the County will discontinue the Teeter Plan unless the level of delinquencies becomes excessive.

APPROPRIATIONS LIMIT

Pursuant to Section 7902.1 of the California Government Code or any successor provision of law, the Board shall provide in each year for any increase in the District's appropriations limit as shall be necessary to ensure that Special Tax proceeds, and of all qualified special tax levied by the District, may be spent for the authorized purposes.

USE OF SPECIAL TAX PROCEEDS

Pursuant to Section 50075.1 of the California Government Code, the Board has determined that the proceeds of the special tax shall only be applied to the following specific purposes:

- fund core academic programs - reading, writing, math and science,
- attract and retain quality teachers,
- support science laboratories, materials and activities,
- provide lower class sizes for students,
- prepare students for college and the workforce
- provide job training for students to prepare them for the workforce,
- support visual and performing arts,
- provide classroom computers and technology,
- improve safety on and around our campuses,
- support after-school programs to keep kids away from gangs and drugs.

ANNUAL AUDIT

An account has been established for deposit of the proceeds by the Board. For so long as any proceeds of Measure G remain unexpended, the Superintendent or Chief Business Official of the District shall cause a report to be filed with the District's Board no later than December 31 of each year, stating (1) the amount of Measure G received and expended in such year, and (2) the status of any projects or description of any programs funded from proceeds of the tax. The report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Superintendent shall determine, and may be incorporated

into or filed with the annual budget, audit, or other appropriate routine report to the District's Board.

INDEPENDENT COMMUNITY OVERSIGHT COMMITTEE

To insure additional accountability, the Citizen's Oversight Committee for Parcel Tax (COCPT) is an independent community oversight committee made up of eleven (11) members. The members were appointed by the School Board to oversee all expenditures funded by the measure, and to advise the School Board regarding the proper expenditure of the special tax proceeds.

APPEALS PROCEDURE

Taxpayers wishing to challenge the County Assessor's determination must do so under the procedures for correcting a misclassification of property pursuant to Section 4876.5 of the California Revenue and Taxation Code or other applicable procedures. Taxpayers seeking a refund of the Special Tax paid shall follow the procedures applicable to property tax refunds pursuant to the California Revenue and Taxation Code.

PUBLIC INFORMATION

Taxpayers and other interested persons can obtain information regarding the special tax, exemption status and other information by contacting the District's special tax levy administrator, SCI Consulting Group at telephone number (844) 332-0549 or (800) 273-5167. SCI Consulting Group's toll-free property-owner inquiry line is also included with property tax bills.

AUDITOR FILING AND REPORTING

Special Tax levies for the upcoming fiscal year must be filed with the County of Contra Costa Tax Collector by August 10. The special tax levies have been submitted and confirmed for the fiscal year 2018-19. After submission of the special tax levies, the final levies should be confirmed with the County Auditor prior to the preparation of tax bills which typically occurs in October. The special tax is collected in two equal installments on the tax bills that are due on December 10 and April 10.

2018-19 MEASURE G SPECIAL TAX ROLL

The tax roll listing the fiscal year 2018-19 Special Tax for all Assessors' Parcels of land within the boundaries of the West Contra Costa Unified School District is filed in this report. Each lot or parcel listed on the Tax Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.