

**BRIGHT STAR SCHOOLS**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2018**

**OPERATING:**

**Stella Middle Charter Academy (SMCA)**  
**Bright Star Secondary Charter Academy (BSSCA)**  
**Rise Kohyang Middle School (RKMS)**  
**Rise Kohyang High School (RKHS)**  
**Valor Academy Elementary (VAES)**  
**Valor Academy Middle School (VAMS)**  
**Valor Academy High School (VAHS)**

BRIGHT STAR SCHOOLS  
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YEAR ENDED JUNE 30, 2018

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CliftonLarsonAllen LLP  
CLAconnect.com

***Opinion***

***Other Matters***

*Supplementary Information*

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**BRIGHT STAR SCHOOLS  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2018**

**ASSETS**

**CURRENT ASSETS**

*See accompanying Notes to Financial Statements.*

**BRIGHT STAR SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

**BRIGHT STAR SCHOOLS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2018**

*See accompanying Notes to Financial Statements.*

**BRIGHT STAR SCHOOLS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

*See accompanying Notes to Financial Statements.*



**BRIGHT STAR SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

**BRIGHT STAR SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset Classes**

**BRIGHT STAR SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

**BRIGHT STAR SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocations Between Charter Schools**

**Evaluation of Subsequent Events**

**NOTE 2 CONCENTRATION OF CREDIT RISK**

**NOTE 3 PROPERTY, PLANT, AND EQUIPMENT**

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**BRIGHT STAR SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4 LONG-TERM LIABILITIES**

**Office of Public School Construction**

**BRIGHT STAR SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6 EMPLOYEE RETIREMENT**

**Multi-Employer Defined Benefit Pension Plans**

**State Teachers' Retirement System (STRS)**

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**BRIGHT STAR SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 RELATED PARTY TRANSACTIONS**

**Bright Star Education Group**





**BRIGHT STAR SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
YEAR ENDED JUNE 30, 2018**

**BOARD OF DIRECTORS**

**Member**

**Office**

**Term Expires (3 year term)**

**BRIGHT STAR SCHOOLS  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2018**

*See accompanying Auditors' Report and the*

**BRIGHT STAR SCHOOLS  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2018**

*See accompanying Auditors' Report and the Notes to Supplementary Information*

**BRIGHT STAR SCHOOLS  
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

*See accompanying Auditors' Report and the Notes to Supplementary Information*

















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**Opinion on State Compliance**

**Purpose of this Report**

*2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*

**BRIGHT STAR SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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***Section I – Summary of Auditors' Results***

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***Financial Statements***

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- \_\_\_\_\_
- \_\_\_\_\_

***Federal Awards***

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

***Identification of Major Federal Programs***

**CFDA Number(s)**

**Name of Federal Program or Cluster**

\_\_\_\_\_

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**BRIGHT STAR SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

**Corrective Action Plan:**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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***Section IV – State Compliance Findings***

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*2017-2018 Guide*

*for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.*



**BRIGHT STAR SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**