



Financial Statements
June 30, 2019

Bright Star Schools

Independent Auditor's Report..... 1

Financial Statements

 Statement of Financial Position 3

 Statement of Activities..... 6

 Statement of Cash Flows 9

 Statement of Functional Expenses..... 13

 Notes to Financial Statements..... 14

Supplementary Information

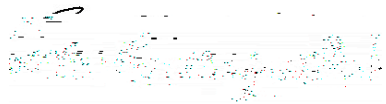
 Schedules of Expenditures of Federal Awards..... 21

 Local Education Agency Organization Structure..... ..n



CPAs & BUSINESS ADVISORS

/ v % v v š μ] š } OE - • Z % } OE š



Bright Star Schools
Statement of Financial Position
June 30, 2019

	Valor Academy High School	Rise Kohyang High School	Valor Academy Elementary School	Stella Elementary Charter Academy
Assets				
Current Assets				
Cash and cash equivalents	\$ 1,271,288	\$ 814,221	\$ 886,692	\$ 346,656
Accounts receivable	881,909	659,778	502,129	91,376
Due from BSEG		72,910		13,406
Intercompany receivable		349,761		
Prepaid expenses/deposits	16,636	624,153	70,498	11,630
Total Current Assets	<u>2,169,833</u>	<u>2,520,823</u>	<u>1,459,319</u>	<u>463,068</u>
Non Current Assets				
Note receivable				
Fixed assets	1,771,046	18,682,095	961,788	
Less: accumulated depreciation	(141,605)	(60,372)	(72,905)	
Total Non Current Assets	<u>1,629,441</u>	<u>18,621,723</u>	<u>888,883</u>	
	<u>\$ 3,799,274</u>	<u>\$ 21,142,546</u>	<u>\$ 2,348,202</u>	<u>\$ 463,068</u>
Liabilities				
Current Liabilities				
Accounts payable	\$ 503,234	\$ 204,790	\$ 297,976	\$ 35,166
Deferred revenue	1,958	20,716,542		
Intercompany payable	1,339,146		1,525,268	364,484
Due to BSEG	562,106	14,395	215,753	
Loan payable - current portion				
Total Current Liabilities	<u>2,406,444</u>	<u>20,935,727</u>	<u>2,038,997</u>	<u>399,650</u>
Long Term Liabilities				
Compensated absences	46,022	25,156	19,846	3,886
Loan payable				
Total Long Term Liabilities	<u>46,022</u>	<u>25,156</u>	<u>19,846</u>	<u>3,886</u>
	<u>2,452,466</u>	<u>20,960,883</u>	<u>2,058,843</u>	<u>403,536</u>
Net Assets				
Without Donor Restrictions				
Unrestricted	1,346,808	181,663	289,359	59,532
Total Net Assets	<u>1,346,808</u>	<u>181,663</u>	<u>289,359</u>	<u>59,532</u>
	<u>\$ 3,799,274</u>	<u>\$ 21,142,546</u>	<u>\$ 2,348,202</u>	<u>\$ 463,068</u>

See Notes to Financial Statements

Bright Star Schools
Statement of Financial Position
June 30, 2019

	Rise Kohyang Elementary School	Business Office Team	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$	\$ 345,326	\$	\$ 16,159,309
Accounts receivable	101,185			6,075,106
Due from BSEG		713,248		1,890,603
Intercompany receivable		370,714	(5,420,628)	
Prepaid expenses/deposits	35,026	15,050		1,378,878
Total Current Assets	136,211	1,444,338	(5,420,628)	25,503,896
Non Current Assets				
Note receivable				1,652,873
Fixed assets	51,800	135,389		23,845,245
Less: accumulated depreciation		(17,300)		(893,025)
Total Non Current Assets	51,800	118,089		24,605,093
	\$ 188,011	\$ 1,562,427	\$ (5,420,628)	\$ 50,108,989
Liabilities				
Current Liabilities				
Accounts payable	\$ 32,229	\$ 104,218	\$	\$ 5,017,475
Deferred revenue				29,919,479
Intercompany payable	151,656		(5,420,628)	
Due to BSEG		445,715		1,815,184
Loan payable - current portion				56,896
Total Current Liabilities	183,885	549,933	(5,420,628)	36,809,034
Long Term Liabilities				
Compensated absences	3,917	101,944		368,491
Loan payable				723,907
Total Long Term Liabilities	3,917	101,944		1,092,398
	187,802	651,877	(5,420,628)	37,901,432
Net Assets				
Without Donor Restrictions				
Unrestricted	209	910,550		12,207,557
Total Net Assets	209	910,550		12,207,557
	\$ 188,011	\$ 1,562,427	\$ (5,420,628)	\$ 50,108,989

See Notes to Financial Statements

General Support	Stella Middle Charter Academy	Bright Star Secondary Charter Academy	Rise Kohyang Middle School	Valor Academy
-----------------	-------------------------------------	--	-------------------------------	---------------

Revenues

- Local Control Funding Formula
 - State apportionment
 - In lieu property taxes
- Federal revenue
- Other State revenue
- Local revenues
 - Other revenue
 - Interest income
 - Contributions
- Net assets released from restrictions

Total Revenues

Expenses

- Program services
- Management and general

Total Expenses

Non Operating Activities:

- Non Operating Revenue
- Settlement Revenue

Non Operating Expenses

- Transfer of Assets to Bright Star
Education Group

Change in Net Assets

Revenues

- Local Control Funding Formula
 - State apportionment
 - In lieu property taxes
- Federal revenue
- Other State revenue
- Local revenues
 - Other revenue
 - Interest income
 - Contributions
- Net assets released from restrictions

Total Revenues

Expenses

- Program services
- Management and general

Total Expenses

Non Operating Activities:

- Non Operating Revenue
- Settlement Revenue

Non Operating Expenses

- Transfer of Assets to Bright Star
Education Group

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

Bright Star Schools
Statement of Cash Flows
Year Ended June 30, 2019

	General Support	Stella Middle Charter Academy	Bright Star Secondary Charter Academy
Operating Activities			
Change in net assets	\$ 137,623	\$ 16,648	\$ 251,627

Bright Star Schools
Statement of Cash Flows
Year Ended June 30, 2019

	Rise Kohyang Elementary School	Business Office Team	Total
Operating Activities			
Change in net assets	\$ 209	\$ 910,550	\$ 2,399,188
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation expense		9,026	324,218
Changes in operating assets and liabilities			
(Increase)/Decrease in accounts receivable	(101,185)		(1,889,765)
Increase/(Decrease) in intercompany receivable/payable, net	158,834	(638,247)	(799,045)
(Increase)/Decrease in prepaid expenses and other assets, net	(35,026)	(15,050)	(846,182)
Increase/(Decrease) in accounts payable	25,051	104,218	2,594,328
Increase/(Decrease) in unearned revenue			29,023,349
Increase/(Decrease) in other liabilities	3,917	101,944	410,175
	<u>51,800</u>	<u>472,441</u>	<u>31,216,266</u>
Net Cash Provided by/(Used in) Operating Activities			
Investing Activities			
Change in capital assets, net	<u>(51,800)</u>	<u>(127,115)</u>	<u>(21,947,665)</u>
Financing Activities			
Loan payment			<u>(56,040)</u>
Net Change in Cash and Cash Equivalents		345,326	9,212,561
Cash and Cash Equivalents, Beginning of Year			<u>6,946,748</u>
Cash and Cash Equivalents, End of Year	<u>\$</u>	<u>\$ 345,326</u>	<u>\$ 16,159,309</u>
Supplemental cash flow disclosure			
Cash paid during the period in interest	<u>\$</u>	<u>\$</u>	<u>\$ 12,168</u>

See Notes to Financial Statements

Bright Star Schools
Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services	Management and General	Total Expenses
Salaries and wages	\$ 19,097,925	\$ 2,822,425	\$ 21,920,350
Pension expense	4,405,331	85,542	4,490,873
Other employment benefits	1,781,113	174,763	1,955,876
Payroll taxes	582,070	191,214	773,284
Management Fees	1,080,840	4,143,974	5,224,814
Legal expenses	47,330	86,366	133,696
Instructional materials	646,126	1,022	647,148

Bright Star Schools (BSS) was incorporated in the State of California in 2002 as Stella Middle Charter Academy and renamed in 2005, as a nonprofit public benefit corporation that is organized under the Nonprofit Public Benefit Corporation Law exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law.

BSS is comprised of the following charter schools and related business operations:

- xStella Middle Charter Academy (SMCA)
- xBright Star Secondary Charter Academy (BSSCA)
- xRise Kohyang Middle School (RKMS)
- xRise Kohyang High School (RKHS)
- xValor Academy Elementary (VAES)
- xValor Academy Middle School (VAMS)
- xValor Academy High School (VAHS)
- xStella Elementary Charter Academy (SECA)
- xRise Kohyang Elementary School (RKES)
- xBusiness Office Team
- xGeneral Support

The charter schools are funded principally through the State of California public education monies received through the California Department of Education and the Los Angeles Unified School District.

• Z v • Z < μ] À o v š •

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

Z] À o • v Œ] š W } o]] •

Accounts receivable consist primarily of noninterest bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2019, there was no provision for the allowance for uncollectable accounts receivable.

• } u d Æ •

BSS is a California nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial Statements. Income tax returns for 2015 and forward may be audited by regulatory agencies; however, BSS is not aware of any such actions at this time.

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

h • } (• š] u š •

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

The amendments should be applied on a retrospective basis; however, if presenting comparative financial Statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. BSS has elected not to present comparative information for these amendments.

BSS has adopted this standard as management believes the standard improves the usefulness and understandability of BSS' financial reporting.

Adjustments Resulting from Change in Accounting Policy

As disclosed above, BSS adopted the provisions of ASU 2016 14, Presentation of Financial Statements for Not For Profit Entities as of June 30, 2019. Following is a summary of the effects of the change in accounting policy in BSS' June 30, 2018 financial Statements.

	As Previously Reported	Adoption of ASU 2016 14	As Adjusted
Unrestricted	\$ 9,797,292	\$ (9,797,292)	\$
Temporarily restricted net assets	11,077	(11,077)	
Net assets without donor restrictions		9,797,292	9,797,292
Net assets with donor restrictions		11,077	11,077
	\$ 9,808,369	\$	\$ 9,808,369

E } š î r • Z v • Z ‹ μ] À o v š •

Cash and cash equivalents at June 30, 2019, consisted of the following:

	Reported Amount	Bank Balance
Deposits		
Cash on hand and in banks	\$ 16,159,309	\$ 16,460,582

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). BSS maintains its cash in bank deposit accounts that at times may exceed Federally insured limits. BSS has not experienced any losses in such accounts. At June 30, 2019, BSS had a p un ma

E } š ĩ ¤] ‹ μ]] š Ç v À] o] o] š Ç

Financial assets for general expenditure, that is, without dono

E } š ò F } š Z] À o

In December 2014, BSS extended a loan of \$1,652,873 to the Pacific Charter School Development Facility Project, which is presented as a long term receivable in the Statement of financial position. The note bears an interest rate of 1.50 percent and the financing matures on December 1, 2029. Principal payments on the note start in January 2021. The note receivable balance as of June 30, 2019 was \$1,652,873.

Accounts Payable

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

Salaries and benefits	\$ 349,251
Supplies	390,910
Services	969,855
Construction	3,205,512
Other vendor payables	31,780
Due to BSEG	70,167
	<u>\$ 5,017,475</u>

Deferred Revenue

Deferred revenue at June 30, 2019, consists of the following:

Federal financial assistance	\$ 532,922
State categorical aid	20,224,237
Other local	9,162,320
	<u>\$ 29,919,479</u>

Long-Term Debt

Lease Obligations

In December 2014, BSS obtained a promissory note for \$1,000,000 to fund the Bright Star Leverage Loan in an attempt to secure new market tax credit financing to obtain a facility for long term use by VAMS. The note bears an interest rate of 1.2 percent and matures on November 1, 2020. The note includes a \$1,652,873 loan to the Pacific Charter School Development Facility Project (Note 6), which is presented as a long term receivable in the Statement of financial position. The loan matures on November 1, 2020. The loan balance as of June 30, 2019 was \$780,803.

Repayments of principal is due as follows:

Fiscal Year Ending June 30, 2020	VAMS \$ 56,896
-------------------------------------	-------------------

SMCA entered into a lease for the property located in Los Angeles, California. The term is from July 1, 2018 through July 31, 2024. Rent expense for the year ended June 30, 2019 was \$262,828.

VAES entered into a lease agreement for property in Los Angeles, California to be used by VAES. The lease commenced on July 1, 2016 and ends June 30, 2020, with an option to extend. Rent expense for the year ended June 30, 2019 was \$268,095.

VAMS entered into a lease agreement for property in Los Angeles, California to be used by VAMS. The lease commenced on July 1, 2015 and ends June 30, 2025. Rent expense for the year ended June 30, 2019 was \$543,615.

VAHS entered into a lease agreement for property in Los Angeles, California to be used by VAHS. The lease commenced on July 1, 2018 and ends June 30, 2020. Rent expense for the year ended June 30, 2019 was \$990,681.

RKMS entered into a sublease for the property located at 3020 Wilshire Blvd., Los Angeles, California. The term is from July 1, 2014 through June 30, 2020. Rent expense for the year ended June 30, 2019 was \$697,377.

RKHS entered into a lease agreement for property in Los Angeles, California. This property is leased from BSDG 990 La Fayette LLC, and lease payments commenced in September 2017 and ends June 30, 2047. Rent expense for the year ended June 30, 2019 was \$600,614.

Future minimum lease payments are as follows:

In September 2017, RKHS moved facilities to 600 South Lafayette, Los Angeles, California. This property is leased from BSDG 990 La Fayette LLC, and lease payments commenced in September 2017 and ends June 30, 2047. Rent expense for the year ended June 30, 2019 was \$600,614.

Future minimum lease payments are as follows:

Year Ending June 30	SMCA	VAES	VAMS	VAHS	RKMS	RKHS	Total
2020	\$ 192,000	\$ 360,000	\$ 547,000	\$ 911,680	\$ 724,260	\$ 969,504	\$ 3,704,444
2021	192,000		547,000			969,504	1,708,504
2022	198,000		687,583			969,504	1,855,087
2023	204,000		788,000			969,504	1,961,504
2024	210,000		788,000			969,504	1,967,504
Thereafter			788,000			22,298,592	23,086,592
	<u>\$ 996,000</u>	<u>\$ 360,000</u>	<u>\$ 4,145,583</u>	<u>\$ 911,680</u>	<u>\$ 724,260</u>	<u>\$ 27,146,112</u>	<u>\$ 34,283,635</u>

BSS had a \$2,000,000 unsecured line of credit from City National Bank (CNB) to be drawn upon as needed. The line of credit bears a variable interest rate equal to CNB's prime rate plus 2.50 percent. As of June 30, 2019, BSS had no outstanding balance.

As of June 30, 2019, BSS had a \$2,000,000 unsecured line of credit from City National Bank (CNB) to be drawn upon as needed. The line of credit bears a variable interest rate equal to CNB's prime rate plus 2.50 percent. As of June 30, 2019, BSS had no outstanding balance.

E } š í ï ù % ò } Ç Z š] Œ u v š ^ Ç • š u •

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

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

The details of each plan are as follows:

à d ! È È 2 @ Ò p : 0 v P Ì 0 D Ò e à € š € p • } Á • 0 Ì š À z D À š @ ™ o Å ^

@ — Ó J >

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

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

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% 2.4%	2.0% 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	16.28%	16.28%
Required employer contribution rate	9.828%	9.828%
Required state contribution rate		

} v š Œ] μ š] } v •

>]š]P š]}v



Supplementary Information
June 30, 2019

Pass Through Total

KCEP v]i š]}v

Bright Star Schools is a nonprofit public benefit corporation and operates nine charter schools approved by the Los Angeles School District as follows:

xStella Elementary Charter Academy (SECA) charter n er Acad Stella lementa o y Acad r

Bright Star Schools
 Schedule of Average Daily Attendance
 Year Ended June 30, 2019

	Second Period Report	Final Report Annual Report
Regular ADA		
Ninth through twelfth	276.64	275.53
Total Regular ADA	276.64	275.53
Classroom based ADA		
Ninth through twelfth	276.64	275.53
Total Classroom Based ADA	276.64	275.53
Transitional ADA		
A	d	a

Z]• <}ZÇ vP ,]PZ ^ Z}}o ~Z<,^•

Grade Level	1986 87	2018 19	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 9 12	64,800				
Grade 9		64,894	178		Complied
Grade 10		64,894	178		Complied
Grade 11		64,894	178		Complied
Grade 12		64,894	178		Complied

s o}œ uÇ o u vš œÇ ^ Z}}o ~s ^•

Grade Level	1986 87	2018 19	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	54,120	177		Complied
Grades 1 3	50,400				
Grade 1		56,775	177		Complied
Grade 2		56,775	177		Complied
Grade 3		56,775	177		Complied

s o}œ uÇ D] o ^ Z}}o ~s D^•

Grade Level	1986 87	2018 19	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 4 6	54,000				
Grade 4		57,092	176		Complied
Grade 5		57,092	176		Complied
Grade 6		57,092	176		Complied
Grades 7 8	54,000				
Grade 7		58,132	176		Complied
Grade 8		58,132	176		Complied

s o}œ uÇ ,]PZ ^ Z}}o ~s ,^•

Grade Level	1986 87	2018 19	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 9 12	64,800				
Grade 9		70,570	176		Complied
Grade 10		70,570	176		Complied
Grade 11		70,570	176		Complied
Grade 12		70,570	176		Complied

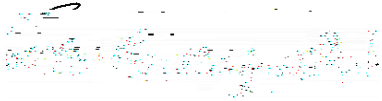


CPAs & BUSINESS ADVISORS

/v %o v v š μ]š}CE -• Z %o}CE š }v /v š CE v o }v š CE }o }À CE &]v v]
}u %o o] v v K š Z CE D š š CE • • }v š u μ v]š • }W & H } CE ψ o]š
}CE v Á]š Z ' }À CE v u v š μ]š]v P ^ š v CE •

Governing Board
Bright Star Schools
(A California Nonprofit Public Benefit Corporation
Los Angeles, 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





... Z D i } OE W
Z % } OE š } v / v š OE v o } v š OE } o } Å OE } u % } OE] u v ' μ] Z v μ] OE Ç š Z h

Governing Board
Bright Star Schools
Los Angeles, California

Z % } OE š } v } u % } o] Z v D i () OE & OE o W OE } P OE u

We have audited Bright Star 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 Bright Star Schools' (BSS) major Federal programs for the year ended June 30, 2019. Bright Star Schools' major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

D v P u v š - • Z • % } v •]] o] š Ç

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

μ] š } OE - • Z • % } v •]] o] š Ç

Our responsibility is to express an opinion on compliance for each of Bright Star 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 ' } Å OE v u v š μ] š] v P ^ š v OE • 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 Bright Star 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 Bright Star Schools' compliance.

K%]v}}v }v Z D i}œ & œ o W œ}P œ u

In our opinion, Bright Star Schools complied, in all material respects, with the types of compliance





CPAs & BUSINESS ADVISORS

/v %o v v š μ]š }OE – • Z %o }OE š }v ^ š š }u %o o] v

Governing Board
Bright Star Schools
(A California Nonprofit Public Benefit Corporation)
Los Angeles, California

Z %o }OE š }v ^ š š }u %o o] v

We have audited Bright Star Schools' (BSS) compliance with the types of compliance requirements as identified in the 2018 2019 Guide for Annual Audits of K 12 Local Education Agencies and State Compliance Reporting that could have a direct and material effect on each of Bright S

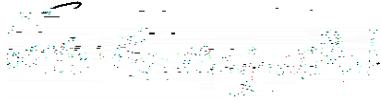
In connection with the audit referred to above, we selected and tested transactions and records to determine Bright Star Schools' compliance with the State laws and regulations applicable to the following items:

Procedures
Performed

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

Bright Star Schools does not operate Independent Study – Course Based instruction; therefore, we did not perform any related procedures.

Bright Star Schools does not offer Nonclassroom Based Instruction; therefore, we did not perform any related procedures for charter schools.



Financial Statements

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

Federal Awards

Internal control over major Federal programs:	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified

Grantee: [unclear] a Group of [unclear]

None reported.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of financial Statement findings Schedule of Findings and Questioned Costs.

&]v v] o ^š š u v š &]v]vP•
 /v š Œ v o }v š Œ }o Z o š]vP š } o }•]vP W Œ } ••

îîîôrîîî } îîîîî
 Œ] š Œ] } Œ ^%o] () Z ‹µ] Œ u v š•

Internal control processes should be followed throughout the year to ensure accurate financial information in accordance with Generally Accepted Accounting Principles.

}v] š]}v

Throughout the audit process, extensive revisions to the trial balance were made by management to correct balances and transactions after the audit process began. The number of journal entries required indicates that internal control processes were not operating effectively throughout the fiscal year and that the closing process was not completed in a timely manner.

YÇ