

Independent Auditor's Report
and Financial Statements
For the Year Ended
June 30, 2016

BRIGHT STAR SCHOOLS

TABLE OF CONTENTS
June 30, 2016

Independent Auditor’s Report.....	1
Statement of Financial Position	3
Statement of Activities.....	5
Statement of Cash Flows	7
Statement of Functional Expenses	9
Notes to the Financial Statements.....	10
Local Education Agency Organization Structure	18
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 the Supplementary Information.....	23
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 Compliance for Each Major Federal Program, and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	26
Independent Auditor’s Report on State Compliance	28
Schedule of Findings and Questioned Costs.....	30
Status of Prior Year Findings and Questioned Costs.....	32



Vicenti, Lloyd & Kutzman

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bright Star Schools
Los Angeles, CA

Report on the Financial Statements

We have audited the accompanying financial statements of Bright Star Schools (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2016, 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.

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.

Board of Directors
Bright Star Schools

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the School as of June 30, 2016, 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.

BRIGHT STAR SCHOOLS
 STATEMENT OF FINANCIAL POSITION
 June 30, 2016

	SMCA	BSSCA	Rise	RKH	1st Page Total
<u>ASSETS</u>					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 13,933,089	\$ 381,502	\$ 672,401	\$ -	\$ 14,986,992
Investments - temporarily restricted	2	-	-	-	2
Accounts receivable - federal and state	475,868	551,185	551,200	-	1,578,253

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

BRIGHT STAR SCHOOLS

STATEMENT OF FINANCIAL POSITION
June 30, 2016

	1st Page Total	VES	VMS	VHS	General Support	Total
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 14,986,992	\$ -	\$ 483,007	\$ 483,011	\$ 7,231	\$ 15,960,241
Investments - temporarily restricted	2	-	-	-	-	2
Accounts receivable - federal and state	1,578,253	-	471,272	617,087	-	2,666,612
Accounts receivable - other	143,064	-	-	14,495	-	157,559
Prepaid expenses and deposits	167,818	20,000	150,426	150,000	-	488,244
Intracompany receivable	<u>5,423,625</u>	<u>137,008</u>	<u>1,469,510</u>	<u>550,101</u>	<u>305,092</u>	<u>7,885,336</u>
Total current assets	<u>22,299,754</u>	<u>157,008</u>	<u>2,574,215</u>	<u>1,814,694</u>	<u>312,323</u>	<u>27,157,994</u>
LONG-TERM ASSETS:						
Long-term accounts receivable	-	-	1,652,873	-	-	1,652,873
Property, plant and equipment, net	<u>157,219</u>	<u>40,419</u>	<u>197,382</u>	<u>-</u>	<u>-</u>	<u>395,020</u>
Total long-term assets	<u>157,219</u>	<u>40,419</u>	<u>1,850,255</u>	<u>-</u>	<u>-</u>	<u>2,047,893</u>
Total assets	<u>\$ 22,456,973</u>	<u>\$ 197,427</u>	<u>\$ 4,424,470</u>	<u>\$ 1,814,694</u>	<u>\$ 312,323</u>	<u>\$ 29,205,887</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable	\$ 364,059	\$ 56,015	\$ 96,020	\$ 52,428	\$ 60,001	\$ 628,523
Payroll liabilities	-	-	20,469	-	-	20,469
Intracompany payable	5,517,267	16,520	1,484,403	771,163	95,983	7,885,336
Payable to BSEG	<u>405,241</u>	<u>13,250</u>	<u>220,507</u>	<u>318,025</u>	<u>-</u>	<u>957,023</u>
Total current liabilities	<u>6,286,567</u>	<u>85,785</u>	<u>1,821,399</u>	<u>1,141,616</u>	<u>155,984</u>	<u>9,491,351</u>
LONG-TERM LIABILITIES:						
Loans payable	<u>13,529,320</u>	<u>-</u>	<u>941,923</u>	<u>-</u>	<u>-</u>	<u>14,471,243</u>
Total long-term liabilities	<u>13,529,320</u>	<u>-</u>	<u>941,923</u>	<u>-</u>	<u>-</u>	<u>14,471,243</u>
Total liabilities	<u>19,815,887</u>	<u>85,785</u>	<u>2,763,322</u>	<u>1,141,616</u>	<u>155,984</u>	<u>23,962,594</u>
NET ASSETS:						
Unrestricted - undesignated	<u>2,641,086</u>	<u>111,642</u>	<u>1,661,148</u>	<u>673,078</u>	<u>156,339</u>	<u>5,243,293</u>
Total net assets	<u>2,641,086</u>	<u>111,642</u>	<u>1,661,148</u>	<u>673,078</u>	<u>156,339</u>	<u>5,243,293</u>
Total liabilities and net assets	<u>\$ 22,456,973</u>	<u>\$ 197,427</u>	<u>\$ 4,424,470</u>	<u>\$ 1,814,694</u>	<u>\$ 312,323</u>	<u>\$ 29,205,887</u>

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

BRIGHT STAR SCHOOLS

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

BRIGHT STAR SCHOOLS

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

BRIGHT STAR SCHOOLS
 STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2016

	SMCA	BSSCA	Rise	RKH	1st Page Total
CASH FLOWS from OPERATING ACTIVITIES:					
Change in Net Assets	\$ (6,604,822)	\$ 108,197	\$ 127,471	\$ 68,334	\$ (6,300,820)
Adjustments to reconcile change in net assets to net cash flows from operating activities:					
Depreciation	69,554	23,945	15,996	-	109,495
Write-off of Prop 1D	6,764,660	-	-	-	6,764,660
(Increase) and decrease in operating assets:					
Accounts receivable - federal and state	88,167	67,248	(99,859)	-	55,556
Accounts receivable - other	-				

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

BRIGHT STAR SCHOOLS
 STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2016

	1st Page Total	VES	VMS	VHS	General Support	Total
CASH FLOWS from OPERATING ACTIVITIES:						
Change in Net Assets	\$ (6,300,820)	\$ 111,642	\$ 656,001	\$ 229,507	\$ (1)	\$ (5,303,671)
Adjustments to reconcile change in net assets to						

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

BRIGHT STAR SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	Program Services	Management and General	Total
Salaries and wages	\$ 11,564,510	\$ 898,384	\$ 12,462,894
Pension expense	943,467	65,071	1,008,538
Other employee benefits	1,138,737	78,540	1,217,277
Payroll taxes	349,245	24,091	373,336
Management fees	204,420	2,739,979	2,944,399
Legal expenses	-	91,362	91,362
Instructional materials	1,684,681	-	1,684,681
Other fees for services	1,789,480	-	1,789,480
Advertising and promotion	18,792	-	18,792
Office expenses	332,505	39,593	372,098
Printing and postage	158,144	-	158,144
Information technology	780,794	-	780,794
Occupancy	1,454,391	-	1,454,391
Travel expenses	156,858	-	156,858
Interest	-	1,528	1,528
Depreciation	132,990	-	132,990
Insurance	-	140,720	140,720
Direct student services	2,133,599	-	2,133,599
Other expenses	98,772	-	98,772
Total	<u>\$ 22,941,385</u>	<u>\$ 4,079,268</u>	<u>\$ 27,020,653</u>

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

BRIGHT STAR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Bright Star Schools (the School) is a California non-profit public benefit corporation. Bright Star Schools was incorporated in November 2002 as Stella Middle Charter Academy and was renamed in 2005.

The School is comprised of:

- Stella Middle Charter Academy (SMCA)
- Bright Star Secondary Charter Academy (BSSCA)
- Rise Kohyang Middle School (Rise)
- Rise Kohyang High School (RKH)
- Valor Academy Elementary School (VES)
- Valor Academy Middle School (VMS)
- Valor Academy High School (VHS)
- General Support

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

Cash and Cash Equivalents – The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

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

Functional Allocation of Expenses – Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into 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 as prescribed by the Financial Accounting Standards Board.

BRIGHT STAR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classes – The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the School are defined as:

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

Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.

Permanently restricted: These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

Receivables – Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2016. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Property, Plant and Equipment – Property, plant and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset.

Contributed Assets and Services – Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individua

BRIGHT STAR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2016

NOTE 5: LONG-TERM LIABILITIES

SMCA received CSFP advanced apportionments totaling \$13,529,320 in prior years. SMCA recognized \$6,764,660 as long term debt, and \$6,764,660 as temporarily restricted net assets. During the year ended June 30, 2016, SMCA determined it would no longer pursue a project with this funding and wrote off \$6,764,660 of previously recognized temporarily restricted revenue. SMCA will repay the total Prop 1D funding received of \$13,529,320. This amount is due when requested by the state; as of June 30, 2016 a repayment plan has not been established.

Note Payable

In December 2014, the School 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 VMS. The note bears an interest rate of 1.2% and matures on November 1, 2020. The note includes a \$1,612,873 loan to the Pacific Charter School Development Facility Project, which is presented as a long-term receivable in the statement of financial position. The financing matures on November 1, 2020. The loan balance as of June 30, 2016 was \$941,923.

NOTE 6: LINE OF CREDIT

In November 2012, the School obtained an unsecured line of credit of \$1 million from City National Bank (CNB). The line of credit bears a variable interest rate equal to CNB's prime rate plus 2.50%. As of June 30, 2016 the School had no outstanding balance.

NOTE 7: COMMITMENT

BSSCA entered into a lease agreement with Los Angeles Unified School District (LAUSD) for the property located at 5431 W. 98th Street, Los Angeles, California. The agreement commenced in August 2009 and carries a term that coincides with BSSCA's charter. The agreement does not require BSSCA to pay a lease amount for the use of the property, but instead BSSCA pays a Pro Rata Share Charge for the maintenance of the facility and other services. This Pro Rata Share Charge is negotiated annually and therefore cannot be estimated for future years.

VHS entered into a single year co-location agreement with Los Angeles Unified School District for the property located at 8015 Van Nuys Blvd., Los Angeles, California. The agreement does not require VHS to pay a lease amount for the use of the property, but instead VHS pays a Pro Rata Share Charge for the maintenance of the facility and other services. For fiscal year 2016-17 the Pro Rata Share estimated is \$143,088.

BRIGHT STAR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 8: 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,

a2en

BRIGHT STAR SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 8: EMPL

BRIGHT STAR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 10: RELATED PARTY TRANSACTIONS

Bright Star Education Group (BSEG) is a non-profit corporation organized to provide back office services to Bright Star Schools and to manage the growth of the network of schools. As of June 30, 2016, the School paid \$2,739,979 of management fees and \$17 of other fees to BSEG. The School has a related party liability as of June 30, 2016 of \$957,023 related to expenses paid by BSEG for the School.

NOTE 11: 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 12: SUBSEQUENT EVENTS

Rise Kohyang High School and Valor Academy Elementary School opened in August 2016.

BRIGHT STAR SCHOOLS

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE For the Year Ended June 30, 2016

Bright Star Schools is a non-profit public benefit corporation and operates seven charter schools approved by the Los Angeles School District as follows:

Stella Middle Charter Academy (SMCA) charter number 0535 – established in 2003
Bright Star Secondary Charter Academy (BSSCA) charter number 0826 – established in 2006
Rise Kohyang Middle School (Rise) charter number 1315 – established in 2012
Rise Kohyang High School (RKH) charter number 1786 - established in 2016
Valor Academy Elementary School (VES) charter number 1787 - established in 2016
Valor Academy Middle School (VMS) charter number 1095 – established in 2009
Valor Academy High School (VHS) charter number 1539 – established in 2013

The Board of Directors and the Administrators as of the year ended June 30, 2016 were as follows:

BOARD OF DIRECTORS

BRIGHT STAR SCHOOLS

SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016

	2015-16 Minutes		Days	Status
	Requirement	Actual		
SMCA:				
Grade 5	54,000	69,098	179	In compliance
Grade 6	54,000	69,098	179	In compliance
Grade 7	54,000	62,452	179	In compliance
Grade 8	54,000	62,452	179	In compliance
BSSCA:				
Grade 9	64,800	71,920	179	In compliance
Grade 10	64,800	71,920	179	In compliance
Grade 11	64,800	71,920	179	In compliance
Grade 12	64,800	71,920	179	In compliance
Rise:				
Grade 6	54,000	70,170	179	In compliance
Grade 7	54,000	70,170	179	In compliance
VMS:				
Grade 5	54,000	73,328	179	In compliance
Grade 6	54,000	73,328	179	In compliance
Grade 7	54,000	74,943	179	In compliance
Grade 8	54,000	74,943	179	In compliance
VHS:				
Grade 9	64,800	68,262	179	In compliance
Grade 10	64,800	68,262	179	In compliance

See independent auditor's report and the notes to the supplementary information.

BRIGHT STAR SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016

<u>Classroom</u> <u>Based</u>	<u>Total</u>	<u>Classroom</u> <u>Based</u>
----------------------------------	--------------	----------------------------------

See independent auditor's report and the notes to the supplementary information.

BRIGHT STAR SCHOOLS

RECONCILIATION OF ANNUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

	<u>SMCA</u>	<u>BSSCA</u>	<u>Rise</u>	<u>VMS</u>	<u>VHS</u>	<u>Total</u>
June 30, 2016 Annual Financial Report						
Fund Balances (Net Assets)	\$ 1,272,573	\$ 825,707	\$ 276,617	\$ 1,592,331	\$ 513,032	\$ 4,480,260
Adjustments and Reclassifications:						
Increasing (Decreasing) the Fund Balance (Net Assets):						
Cash and cash equivalents	13,530,261	-	-	-	-	13,530,261
Investments - temporarily restricted	(13,530,258)	-	-	-	-	(13,530,258)
Accounts receivable	(46,564)	(43,512)	287,974	1,397,050	272,609	1,867,557
Prepaid expenses and desoposits	(531,156)	(92,229)	101,928	(1,696,030)	(14,495)	(2,231,982)
Intracompany receivable	2,620,006	2,593,554	138,438	1,469,510	550,101	7,371,609
Property, plant and equipment, net	2,235	(5,060)	16,169	197,382	-	210,726
Accounts payable	(2,194,852)	(2,515,020)	(958,963)	(1,484,441)	(771,163)	(7,924,439)
Deferred revenue	13,708,258	-	-	-	-	13,708,258
Loans payable	<u>(13,529,320)</u>	<u>-</u>	<u>645,966</u>	<u>185,346</u>	<u>122,994</u>	<u>(12,575,014)</u>
<u>Net Adjustments and Reclassifications</u>	<u>28,610</u>	<u>(62,267)</u>	<u>231,512</u>	<u>68,817</u>	<u>160,046</u>	<u>426,718</u>
June 30, 2016 Audited Financial Statement						
Fund Balances (Net Assets)	<u>\$ 1,301,183</u>	<u>\$ 763,440</u>	<u>\$ 508,129</u>			

See independent auditor's report and the notes to the supplementary information.

BRIGHT STAR SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Pass Through Entity Number</u>
--	---

See independent auditor's report and the notes to the supplementary information.

BRIGHT STAR SCHOOLS

NOTES TO THE SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

NOTE 1: PURPOSE OF SCHEDULES

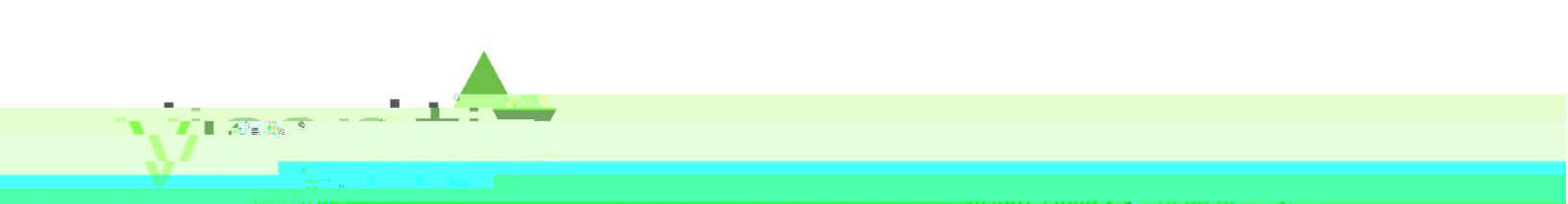
Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the School and

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

Compliance and Other Matters

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



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

Board of Directors
Bright Star Schools
Los Angeles, CA

Report on Compliance for Each Major Federal Program

We have audited the compliance of Bright Star 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, 2016. The School's 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 programs.

Auditor's 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; 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, 2016.

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

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the typ

INDEPENDENT AUDITOR'S REPO

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	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

BRIGHT STAR SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ *Yes* X *No*

Significant deficiency(ies) identified?

_____ *Yes* X *None Reported*

Noncompliance material to financial statements noted?

_____ *Yes* X *No*

Fede

BRIGHT STAR SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

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

50000

Federal Compliance

60000

Miscellaneous

BRIGHT STAR SCHOOLS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

There were no findings and questioned