



Compass Charter Schools

Finance Committee Meeting

Date and Time

Tuesday October 17, 2017 at 2:00 PM PDT

CCS Central Office: 850 Hampshire Road, Suite P, Thousand Oaks, CA 91361
3305 Buckman Springs Road, Pine Valley, CA 91962
3625 Thousand Oaks Blvd., Suite 245 Westlake Village, CA 91362

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/188967613>

You can also dial in using your phone: (312) 757-3121; Access Code: 188-967-613

For questions or requests regarding accessibility, please call Miguel Aguilar at (805) 807-8199.

Agenda

I. Opening Items

Opening Items

- A. Call the Meeting to Order
- B. Record Attendance and Guests

II. CONSENT ITEMS

- A. Consent Items

Consent Items – Items under Consent Items will be voted on in one motion unless a member of the Committee requests that an item be removed and voted on separately, in which case, the Committee Chair will determine when it will be called and considered for action. Due to the set-up of BoardOnTrack, approval of any meeting minutes will be done through consent, unless removed and voted on separately as noted above, using the same vote count.

- Approval of October 17, 2017 Regular Meeting Agenda
- Approval of September 19, 2017 Regular Meeting Minutes

B. Approval of the September 19, 2017 Regular Meeting Minutes

III. COMMUNICATIONS

A. Committee Member Communication

- Joe Cummings
- Kathy Granger

IV. REPORTS

A. Staff Report

V. PUBLIC COMMENT

Finance

A. Public Comment

Addressing the Committee – Committee meetings are meetings of the Board of Directors and will be held in a civil, orderly and respectful manner. All public comments or questions should be addressed to the Committee through the Chair of the Committee. To ensure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Committee must send a Speaker Request Message through the form of a text message or chat box message to Miguel Aguilar, Executive Assistant to the CEO (805-807-8199). Messages must contain speaker name, contact number or email, and subject matter and sent prior to the beginning of the Public Comment section of the meeting. Members of the public may address the Committee on any matter within the Committee's jurisdiction and have **three (3) minutes each** to do so. The total time of each subject

will be fifteen (15) minutes, unless additional time is requested by a Committee Member and approved by the Committee.

The Committee may not deliberate or take action on items that are not on the agenda. However, the Committee may give direction to staff following a presentation. The Chair is in charge of the meeting and will maintain order, set the time limits for the speakers and the subject matter, and will have the prerogative to remove any person who is disruptive of the Committee meeting. The Finance Committee may place limitations on the total time to be devoted to each topic if it finds that the numbers of speakers would impede the Committee's ability to conduct its business in a timely manner. The Finance Committee may also allow for additional public comment and questions after reports and presentations if it deems necessary.

VI. UNFINISHED BUSINESS

VII. NEW BUSINESS

- A. Review and Approval of the 2016-17 Audit
- B. Review and Discussion of the September Financials

VIII. Closing Items

A. UPCOMING MEETINGS

Finance Committee Meeting
2 pm - Tuesday, November 21

Board of Directors Meeting
6 pm - Monday, November 27

B. Adjourn Meeting

Coversheet

Approval of the September 19, 2017 Regular Meeting Minutes

Section: II. CONSENT ITEMS
Item: B. Approval of the September 19, 2017 Regular Meeting Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee Meeting on September 19, 2017

APPROVED



Compass Charter Schools

Minutes

Finance Committee Meeting

Date and Time

Tuesday September 19, 2017 at 2:00 PM

CCS Central Office: 850 Hampshire Road, Suite P, Thousand Oaks, CA 91361
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Committee Members Present

J. Cummings (remote), J. Lewis (remote), K. Granger (remote)

Committee Members Absent

None

Guests Present

L. Fishman, M. Aguilar

I. Opening Items

A. Call the Meeting to Order

K. Granger called a meeting of the Finance Committee of Compass Charter Schools to order on Tuesday Sep 19, 2017 at 2:07 PM.

B. Record Attendance and Guests

II. CONSENT ITEMS

A. Consent Items

J. Cummings made a motion to approve the consent items.
K. Granger seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

K. Granger Aye
J. Cummings Aye

B. Approval of the June 20, 2017 Regular Meeting Minutes

J. Cummings made a motion to approve minutes from the Finance Committee Meeting on 06-20-17 Finance Committee Meeting on 06-20-17.
K. Granger seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

J. Cummings Aye
K. Granger Aye

III. COMMUNICATIONS

A. Committee Member Communication

Dr. Granger welcomed everyone back and looks forward to a great year at Compass.

IV. REPORTS

A. Staff Report

Mr. Lewis shared that CCS worked with CSMC to prepare our 2016-17 unaudited actuals. A formal presentation and review was shared in new business. He also shared that the State Board of Education met on Wednesday, July 12 to consider our Funding Determination Forms and approved the CDE and ACCS recommendation. The California Department of Education, Charter Schools Division, issued a positive recommendation of 100% funding for three (3) of our charters: AAS Sonoma, CCS of Fresno, and CCS of LA; and 85% for AAS Thousand Oaks & Simi Valley and CCS of San Diego. This funding determination is retroactive for the previous year, and for the current 2017-18 school year. He also shared that CCS filed and obtained a DBA under the names Academy of Arts & Sciences and AAS with the Ventura County Clerk. This will allow CCS to deposit

all funds received under either of these names. This filing was necessary as all retro - funding received will be payable to the Academy of Arts & Sciences.

V. PUBLIC COMMENT

A. Public Comment

No public comment.

VI. NEW BUSINESS

A. Review and Discussion of Committee Charge

Mr. Lewis reviewed the committee charge and opened the floor for discussion. This is the second year of operation for the Finance Committee and members agreed to share thoughts on process as the committee meets on a monthly basis.

B. Review and Approval of the 2016-17 Unaudited Actuals

Mr. Lewis led the committee in an review of the 2016-17 Unaudited Actuals. This included a review of a PowerPoint presentation sharing a combined beginning fund balance of \$3,293,815.12 and combined ending fund balance of \$7,647,213.21. Revenue was broken out by category, along with expenses by category. Salary and benefits consisted of 56% of the total expenditures for the year.

J. Cummings made a motion to recommend approval of the 2016-17 Unaudited Actuals.

K. Granger seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

K. Granger Aye

J. Cummings Aye

C. Review and Approval of the Re-Allocation of Special Education Funds

Mr. Lewis presented a draft of Resolution 2017-03 on the re-allocation of special education funds. Part of the EI Dorado Charter SELPA allocation plan authorizes CMOs to change the distribution of state and federal funding to charters within their authority. This resolution will allow CCS to re-allocate \$35,000 from AAS Thousand Oaks to CCS Los Angeles.

J. Cummings made a motion to recommend approval of Resolution 2017-03: Special Education Re-Allocation of Funds.

K. Granger seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

K. Granger Aye

J. Cummings Aye

D.

Review and Discussion of the July & August Financials

Mr. Lewis led the committee in a review of the July & August financials.

E. Review and Approval of the Amended 2017-18 Operating Budget

Mr. Lewis led the committee in a review of the amended 2017-18 operating budget.

Revenue is based on 100% funding for both Compass Charter Schools of Fresno and Compass Charter Schools of Los Angeles, and 85% funding for Compass Charter Schools of San Diego. Revenue is also now based on an overall enrollment of 1,018 (reduced from 1,100 from the originally proposed and approved budget) scholars at 97% ADA. Expense projections are also based on 1,018 scholars and were examined line by line to current year spending. We are now projecting a \$2.1 million deficit based on these projections. Factors include the 85% funding level for CCS of San Diego, and conservative enrollment numbers.

J. Cummings made a motion to recommend approval of the amended 2017-18 Operating Budget.

K. Granger seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

J. Cummings Aye

K. Granger Aye

F. Review and Approval of Opening a Bank Account with California Credit Union

Mr. Lewis shared information on California Credit Union and factors in recommending them as a partner to CCS.

J. Cummings made a motion to recommend approval of opening a bank account with California Credit Union.

K. Granger seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

K. Granger Aye

J. Cummings Aye

VII. Closing Items

A. UPCOMING MEETINGS

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 2:56 PM.

Respectfully Submitted,

M. Aguilar

Coversheet

Staff Report

Section: IV. REPORTS
Item: A. Staff Report
Purpose: FYI
Submitted by: J.J. Lewis
Related Material: Staff Report - October.pdf



Staff Report
October 17, 2017

This report is meant to provide updates to the Board of Directors Finance Committee:

2016-17 Audit

Christy White Associates were on-site at CSMC, our back-office provider, the week of September 25th, to complete their review of our financials. The audit is due to the state by December 15th. Marcy Fimbres from Christy White Associates has prepared our 2016-17 audit and will provide a formal presentation and review is under New Business.

California Credit Union (checking account)

The secondary account for CCS is a checking account at California Credit Union. Balances are as of the end of the reported month:

- September: \$250,000.00

California Credit Union (Money Market account)

CCS has a secondary investment account at California Credit Union. Balances are as of the end of the reported month:

- September: \$250,000.00

Chase Bank (checking account)

The primary account for CCS is a checking account at Chase Bank. Balances are as of the end of the reported month:

- September: \$3,055,554.51

Enrollment

As of Wednesday, October 11, our enrollment for the 2017-18 year stands at:

- CCS of Fresno: 140
- CCS of LA: 476
- CCS of San Diego: 402

JP Morgan Chase (CD account)

CCS has a laddered CD account through JP Morgan Chase. Balances are as of the end of the reported month:

- September: \$2,255,141.76

Coversheet

Review and Approval of the 2016-17 Audit

Section: VII. NEW BUSINESS
Item: A. Review and Approval of the 2016-17 Audit
Purpose: Vote
Submitted by: Marcy Fimbres
Related Material: Compass Charter Schools DRAFT 10.13.17.pdf

COMPASS CHARTER SCHOOLS

AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2017

A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOLS

Compass Charter School San Diego (Charter No. 1454)
Academy of Arts & Sciences: Thousand Oaks (Charter No. 1455)
Academy of Arts & Sciences: Sonoma (Charter No. 1457)
Academy of Arts & Sciences: Fresno (Charter No. 1631)
Compass Charter School Los Angeles (Charter No. 1651)

DRAFT 10/15/17

**COMPASS CHARTER SCHOOLS
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JUNE 30, 2017**

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FINANCIAL SECTION

DRAFT 10/13/17

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Compass Charter Schools
Thousand Oaks, California

Report on the Financial Statements

We have audited the accompanying financial statements of Compass Charter Schools (the "Organization") which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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 Compass Charter Schools as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Compass Charter Schools taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 our report dated [REDACTED], 2017, 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 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 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.

San Diego, California
[REDACTED], 2017

COMPASS CHARTER SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

Current assets

Cash and cash equivalents	\$ 1,376,306
Investments	3,009,303
Accounts receivable	5,283,650
Prepaid expenses	46,661
Total Assets	\$ 9,715,920

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 1,488,287
Total liabilities	1,488,287

Net assets

Unrestricted	8,084,356
Temporarily restricted	143,277
Total net assets	8,227,633
Total Liabilities and Net Assets	\$ 9,715,920

DRAFT 10/13/17

The notes to the financial statements are an integral part of this statement.

**COMPASS CHARTER SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Federal and state support and revenues			
Local control funding formula, state aid	\$ 4,522,715	\$ -	\$ 4,522,715
Federal revenues	81,660	-	81,660
Other state revenues	659,823	253,932	913,755
Total federal and state support and revenues	5,264,198	253,932	5,518,130
Local support and revenues			
Payments in lieu of property taxes	1,523,882	-	1,523,882
Investment income, net	78,491	-	78,491
Other local revenues	600,189	-	600,189
Total local support and revenues	2,202,562	-	2,202,562
Donor restrictions satisfied	315,117	(315,117)	-
Total Support and Revenues	7,781,877	(61,185)	7,720,692
Expenses			
Program services	11,198,116	-	11,198,116
Management and general	3,687,692	-	3,687,692
Total Expenses	14,885,808	-	14,885,808
CHANGE IN NET ASSETS	(7,103,931)	(61,185)	(7,165,116)
Net Assets - Beginning	15,188,287	204,462	15,392,749
Net Assets - Ending	\$ 8,084,356	\$ 143,277	\$ 8,227,633

The notes to the financial statements are an integral part of this statement.

**COMPASS CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

California Charter No.	Program Services					Total Program Services	Management and general	Total Expenses
	1454	1455	1457	1631	1651			
	CCS San Diego	AAS Thousand Oaks	AAS Sonoma	AAS Fresno	CCS Los Angeles			
EXPENSES								
Personnel expenses								
Certificated salaries	\$ 1,185,876	\$ 481,942	\$ 508,534	\$ 386,242	\$ 1,368,929	\$ 3,931,523	\$ 69,385	\$ 4,000,908
Non-certificated salaries	318,499	137,115	138,067	104,971	361,674	1,060,326	562,471	1,622,797
Employee benefits	426,565	202,895	146,557	112,016	511,604	1,399,637	84,253	1,483,890
Total personnel expenses	1,930,940	821,952	793,158	603,229	2,242,207	6,391,486	716,109	7,107,595
Non-personnel expenses								
Books and supplies	927,271	275,136	365,062	295,662	1,146,921	3,010,052	5,672	3,015,724
Services and other operating	474,585	314,289	193,798	144,443	506,432	1,633,547	766,886	2,400,433
Interest expense	-	-	-	-	-	-	3,118	3,118
Payments to authorizing agencies	34,755	73,956	3,756	35,462	15,102	163,031	22,074	185,105
Legal settlement*	-	-	-	-	-	-	1,600,000	1,600,000
Repayment of revenues	-	-	-	-	-	-	573,833	573,833
Total non-personnel expenses	1,436,611	663,381	562,616	475,567	1,668,455	4,806,630	2,971,583	7,778,213
Total Expenses	\$ 3,367,551	\$ 1,485,333	\$ 1,355,774	\$ 1,078,796	\$ 3,910,662	\$ 11,198,116	\$ 3,687,692	\$ 14,885,808

*Refer to Legal Settlement under Note 7 on Commitments and Contingencies for more information.

The notes to the financial statements are an integral part of this statement.

**COMPASS CHARTER SCHOOLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (7,165,116)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
(Increase) decrease in operating assets	
Accounts receivable	(4,350,126)
Prepaid expenses	(46,661)
Increase (decrease) in operating liabilities	
Accounts payable	(5,456,439)
Deferred revenue	(62,400)
Net cash provided by (used in) operating activities	<u>(17,080,742)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfer from investment account	1,990,697
Net cash provided by (used in) investing activities	<u>1,990,697</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,090,045)
Net cash and cash equivalents - Beginning	<u>16,466,351</u>
Net cash and cash equivalents - Ending	<u>\$ 1,376,306</u>
SUPPLEMENTAL DISCLOSURE	
Cash paid on interest	<u>\$ 3,118</u>

The notes to the financial statements are an integral part of this statement.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Compass Charter Schools (the “Organization”), was formed as a nonprofit public benefit corporation on October 28, 2011 under the name Academy of Arts & Sciences. In February 2017, the Organization changed its name to Compass Charter Schools. The main purpose of the Organization is to manage public charter schools. During the fiscal year ended June 30, 2017, Compass Charter Schools operated five (5) California public charter schools. Information on each of the charter school is as follows:

Charter School	Charter No.	Classes Began	Authorizing Agency	County
Compass Charter School San Diego <i>Previously Academy of Arts and Sciences: Del Mar Middle & High (6-12)</i>	1454	8/27/2012	MEUSD	San Diego
Academy of Arts and Sciences: Thousand Oaks & Simi Valley	1455	8/15/2012	MESD	Ventura
Academy of Arts and Sciences: Sonoma	1457	9/28/2012	CRPUSD	Sonoma
Academy of Arts and Sciences: Fresno	1631	7/1/2014	OC	Fresno
Compass Charter School Los Angeles <i>Previously Academy of Arts and Sciences: Los Angeles (9-12)</i>	1651	7/1/2014	AADUSD	Los Angeles

The authorizing agencies noted above include: Acton-Agua Dulce Unified School District (AADUSD), Cotati-Rohnert Park Unified School District (CRPUSD), Mountain Empire Unified School District (MEUSD), Mupu Elementary School District (MESD) and Orange Center School District (OC).

Compass Charter Schools’ mission is to inspire, and develop innovative, creative, self-directed learners, one scholar at a time. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

B. Financial Statement Presentation

Compass Charter Schools is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets include all resources available for use by the Board of Directors and management’s discretion in carrying out the activities of the organization in accordance with its Bylaws. Temporarily or permanently restricted net assets are only expendable for the purposes specified by the donor or through the passage of time. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets. Permanently restricted net assets are generally required to be held by the organization in perpetuity while the earnings on those assets are available for use by the organization to support operations. Donors can place restrictions on the earnings from permanently restricted contributions at the time the contributions are made or pledged. Fund accounting is not used in the Organization’s financial statement presentation.

C. Basis of Accounting

The Organization’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

E. Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management's estimates.

F. Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

G. In Lieu of Property Taxes Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to Compass Charter Schools. Revenues are recognized by the Organization when earned.

H. Cash and Cash Equivalents

Compass Charter Schools considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

I. Investments

The Organization's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2017, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

K. Capital Assets

Compass Charter Schools has not yet adopted a policy to capitalize asset purchases in conformance with generally accepted accounting principles because the Organization does not own, nor does it plan to acquire, property or equipment of significant value.

L. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

M. Income Taxes

Compass Charter Schools is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As an organization operating schools, the Organization is not required to register with the California Attorney General as a charity.

The Organization's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Organization's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

N. New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for Profit Entities* whereby significant changes were proposed in seven areas: net asset classes, liquidity and availability of resources, classification and disclosure of underwater endowment funds, expense reporting, statement of cash flows, investment return, and release of restrictions on capital assets. The amendments in ASU No. 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Organization has not yet determined the impact on the financial statements.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2017, consist of the following:

Cash in banks, non-interest bearing	\$	866,675
Cash in county treasury		509,631
Total Cash and Cash Equivalents	\$	<u>1,376,306</u>

Cash in Banks – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. Compass Charter Schools does not have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank. As of June 30, 2017, \$713,571 of Compass Charter Schools' bank balance was exposed to custodial credit risk as there were deposits over \$250,000 at Chase Bank.

Cash in County Treasury

Compass Charter Schools is a voluntary participant in an external investment pool for some of its charter schools. The fair value of the Organization's investment in the pool is reported in the financial statements at amounts based upon the Organization's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is recorded on the amortized cost basis and is based on the accounting records maintained by the County Treasurer.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Cash in County Treasury (continued)

Except for investments by trustees of debt proceeds, the authority to invest Organization funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the California Government Code:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

NOTE 3 – INVESTMENTS

Investments as of June 30, 2017, consist of the following:

Certificates of deposit	\$ 2,503,411
Cash and money market funds	505,892
Total Investments	\$ 3,009,303

These investments are held in cash, money market funds, and certificates of deposit and are the only funds classified as investments in the statement of financial position. The investment is carried at amortized cost. These types of investments do not qualify as securities as defined in FASB ASC 320, *Investments – Debt and Equity Securities*, thus the fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, are not provided.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2017 consists of the following:

Local control funding formula sources	\$	4,054,233
Federal revenues		26,290
Other state sources		37,577
In lieu of property tax payments		1,108,582
Other local sources		56,968
Total Accounts Receivable	\$	5,283,650

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2017 consists of the following:

Due to grantor governments	\$	424,520
Legal settlement*		550,000
Credit card liabilities		30,971
Payroll liabilities		308,512
Vendor payables		174,284
Total Accounts Payable	\$	1,488,287

*Refer to Legal Settlement under Note 7 on Commitments and Contingencies for more information.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2017 consisted of the following:

State imposed restrictions		
Educator Effectiveness	\$	32,779
College Readiness Block Grant		110,498
Total Temporarily Restricted Net Assets	\$	143,277

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Governmental Funds

Compass Charter Schools has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. The Organization has undergone certain reviews and has experienced certain expenditure disallowances under the terms of the grants, which have been recorded in the financial statements. Any future such audits could generate additional expenditure disallowances under funding terms; however, it is believed that any required reimbursements would not be material.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES (continued)

Funding Determinations

Nonclassroom-based funding determinations for the period of July 1, 2016 through June 30, 2018 were initially denied for not meeting certain funding determination criteria; therefore, the Organization submitted mitigating circumstance requests to the State Board of Education (SBE). In a meeting held on June 7, 2016 of the Advisory Commission on Charter Schools (ACCS), an advisory body to the SBE, recommended that the SBE deny the mitigating circumstances for the remaining operated charter schools. As a result of the denied funding determinations, the charter schools operated by the Organization were not eligible for funding based on nonclassroom-based instruction from local control funding formula sources. These state funding sources represent over sixty-percent of the Organization's total revenue; therefore, the Organization planned for deficit spending in 2016-17.

In July 2017, the funding determinations for each of the schools in operating during 2016-17 were approved as a reconsideration with three (3) school approved for 100% funding and the other two (2) schools approved at 85%. Due to the timing of the funding determination approvals, the Organization may realize a one-time surplus and increase in local control funding formula sources resulting from prior period adjustments calculated by the California Department of Education (CDE).

Multi-employer Defined Benefit Plan Participation

Under current law on multiemployer defined benefit plans, the Organization's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Organization to make payments to the plan, which would approximate the Organization's proportionate share of the multiemployer plan's unfunded vested liabilities. California State Teachers' Retirement System (CalSTRS) has estimated that the Organization's share of withdrawal liability is approximately \$5,386,229 as of June 30, 2016. The Organization does not currently intend to have its operated charter schools withdraw from CalSTRS. Refer to Note 8 for additional information on employee retirement plans.

Legal Settlement

In April 2017, the Organization agreed to a settlement agreement and release with the New Jerusalem Elementary School District (the "District") to resolve all claims, issues, disputes, and appeals related to a legal action under *New Jerusalem Elementary School District v. Academy of Arts and Sciences Charter School*, a case with the Superior Court of San Joaquin. As a result of the settlement agreement, the Organization agreed to an initial payment of one million dollars to the District, as well as monthly installment payments in the amount of \$50,000 for a period of twelve (12) consecutive months beginning July 1, 2017. The total amount of the legal settlement payable from the Organization to the District is \$1,600,000. During the fiscal year ended June 30, 2017, the Organization paid the initial payment and one monthly payment for a total of \$1,050,000 paid to the District thus far. As of June 30, 2017, \$550,000 remained payable to the District and is expected to be fully paid during the 2017-18 fiscal year.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code 47605*, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Charters have made such election. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Organization offers all employees social security as an alternative plan to those who may not qualify for CalSTRS.

California State Teachers' Retirement System (CalSTRS)

Plan Description

Compass Charter Schools contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. 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. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard; Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 10.25% or 9.205% of their 2016-17 salary depending on the employee's membership date in the plan. The required employer contribution rate for fiscal year 2016-17 was 12.58% of annual payroll. The contribution requirements of the plan members are established by state statute. Compass Charter Schools' contributions to CalSTRS for the past three years are as follows:

	<u>Contribution</u>	<u>Percent of Required Contribution</u>
2016-17	\$ 511,730	100%
2015-16	\$ 359,120	100%
2014-15	\$ 581,189	100%

On-Behalf Payments

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for Compass Charter Schools charter schools in operation during 2015-16 is estimated at \$202,730 for 2016-17, which is computed as the proportionate share of total 2015-16 State on-behalf contributions.

COMPASS CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2017

NOTE 9 – RELATED PARTY TRANSACTIONS

Authorizing Agency

The Charters make payments to the authorizing agencies specified in Note 1A, to provide purchased services in addition to fees for oversight. In accordance with California Education Code 47613(a), the authorizing agency may charge actual costs of oversight not to exceed 1% of revenue from local control funding formula sources. Total oversight fees paid or payable to the authorizing agencies amounted to \$185,105 for the fiscal year ended June 30, 2017.

Interagency Activity

Receivables and payables due between the charter schools are classified as due to/from related entities within the Statement of Financial Position by Charter. Cash in bank balances are maintained by the Organization as a whole and are noted as due from related entities within the Statement of Position by Charter. Additionally, some charter schools covered certain operating expenses during the fiscal year ending June 30, 2017. Interagency transactions and balances are eliminated in the financial statements of Compass Charter Schools to better reflect the true activities of the corporation.

Effective June 30, 2016, the Organization voluntarily closed five (5) charter schools and merged operations into the remaining charter schools. As such, the ending balances for three (3) schools in San Diego County were merged into Compass Charter School San Diego (No. 1454), one (1) school in Ventura County was merged with Academy of Arts & Sciences: Thousand Oaks (No. 1455), and one (1) school in Los Angeles County was merged with Compass Charter Schools Los Angeles. The transfers of these balances are noted as nonoperating activity on the Statement of Activities by Charter.

NOTE 10 – SUBSEQUENT EVENTS

Compass Charter Schools has evaluated subsequent events for the period from June 30, 2017 through , 2017, the date the financial statements were available to be issued.

In July 2017, funding determinations for nonclassroom-based instruction were reconsidered and approved for funding for all five (5) charter schools in operation during 2016-17. Refer to Note 7 for additional information.

Effective June 30, 2017, the following charter schools discontinued operations due to voluntary closures:

Charter School	Charter No.	County	Status
AAS: Thousand Oaks & Simi Valley	1455	Ventura	Closed
AAS: Sonoma	1457	Sonoma	Closed

Management did not identify any other transactions that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION SECTION

DRAFT 10/13/17

COMPASS CHARTER SCHOOLS
STATEMENT OF FINANCIAL POSITION BY CHARTER
JUNE 30, 2017

California Charter No.	1454	1455	1457	1631	1651			
	Compass Charter School San Diego	Academy of Arts & Sciences: Thousand Oaks	Academy of Arts & Sciences: Sonoma	Academy of Arts & Sciences: Fresno	Compass Charter School Los Angeles	Other Projects & Operations	Interagency Eliminations	Organization Total
ASSETS								
Current assets								
Cash and cash equivalents	\$ 288,201	\$ -	\$ 183,891	\$ 37,539	\$ -	\$ 866,675	\$ -	\$ 1,376,306
Investments	-	-	-	-	-	3,009,303	-	3,009,303
Accounts receivable	1,819,922	89,276	802,383	634,463	1,880,647	56,959	-	5,283,650
Prepaid expenses	5,570	-	-	292	833	39,966	-	46,661
Due from related entities	2,153,175	3,105,371	-	-	15,953	2,830,755	(8,105,254)	-
Total Assets	\$ 4,266,868	\$ 3,194,647	\$ 986,274	\$ 672,294	\$ 1,897,433	\$ 6,803,658	\$ (8,105,254)	\$ 9,715,920
LIABILITIES AND NET ASSETS								
Current liabilities								
Accounts payable	\$ 156,935	\$ 145,102	\$ 76,895	\$ 12,339	\$ 33,250	\$ 1,063,766	\$ -	\$ 1,488,287
Loans payable	-	-	-	-	-	-	-	-
Due to related entities	-	2,273	1,249,085	531,995	1,047,402	5,274,499	(8,105,254)	-
Total liabilities	156,935	147,375	1,325,980	544,334	1,080,652	6,338,265	(8,105,254)	1,488,287
Net assets								
Unrestricted	4,067,302	3,047,272	(339,706)	57,428	786,667	465,393	-	8,084,356
Temporarily restricted	42,631	-	-	70,532	30,114	-	-	143,277
Total net assets	4,109,933	3,047,272	(339,706)	127,960	816,781	465,393	-	8,227,633
Total Liabilities and Net Assets	\$ 4,266,868	\$ 3,194,647	\$ 986,274	\$ 672,294	\$ 1,897,433	\$ 6,803,658	\$ (8,105,254)	\$ 9,715,920

See accompanying note to the supplementary information.

**COMPASS CHARTER SCHOOLS
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2017**

California Charter No.	Compass Charter School San Diego			Academy of Arts & Sciences: Thousand Oaks		
	1454			1455		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES						
Federal and state support and revenues						
Local control funding formula, state aid	\$ 1,279,407	\$ -	\$ 1,279,407	\$ (159,892)	\$ -	\$ (159,892)
Federal revenues	39,877	-	39,877	-	-	-
Other state revenues	104,245	75,000	179,245	252,417	11,117	263,534
Total federal and state support and revenues	1,423,529	75,000	1,498,529	92,525	11,117	103,642
Local support and revenues						
Payments in lieu of property taxes	675,554	-	675,554	87,318	-	87,318
Investment income, net	19,155	-	19,155	4,313	-	4,313
Other local revenues	168,986	-	168,986	69,473	-	69,473
Total local support and revenues	863,695	-	863,695	161,104	-	161,104
Donor restrictions satisfied	107,862	(107,862)	-	88,200	(88,200)	-
Total Support and Revenues	2,395,086	(32,862)	2,362,224	341,829	(77,083)	264,746
OPERATING EXPENSES						
Program services	3,367,551	-	3,367,551	1,485,333	-	1,485,333
Management and general	526,783	-	526,783	454,807	-	454,807
Total Expenses	3,894,334	-	3,894,334	1,940,140	-	1,940,140
Increase (decrease) in Net Assets from Operating Activities	(1,499,248)	(32,862)	(1,532,110)	(1,598,311)	(77,083)	(1,675,394)
NONOPERATING REVENUES						
Transfer from merger of charter schools	5,201,498	63,321	5,264,819	3,153,300	35,753	3,189,053
CHANGE IN NET ASSETS	3,702,250	30,459	3,732,709	1,554,989	(41,330)	1,513,659
Net Assets - Beginning	365,052	12,172	377,224	1,492,283	41,330	1,533,613
Net Assets - Ending	\$ 4,067,302	\$ 42,631	\$ 4,109,933	\$ 3,047,272	\$ -	\$ 3,047,272

See accompanying note to the supplementary information.

COMPASS CHARTER SCHOOLS
STATEMENT OF ACTIVITIES BY CHARTER, continued
FOR THE YEAR ENDED JUNE 30, 2017

California Charter No.	Academy of Arts & Sciences: Sonoma			Academy of Arts & Sciences: Fresno		
	1457			1631		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES						
Federal and state support and revenues						
Local control funding formula, state aid	\$ 250,636	\$ -	\$ 250,636	\$ 550,312	\$ -	\$ 550,312
Federal revenues	38,100	-	38,100	-	-	-
Other state revenues	114,433	17,815	132,248	40,597	75,000	115,597
Total federal and state support and revenues	403,169	17,815	420,984	590,909	75,000	665,909
Local support and revenues						
Payments in lieu of property taxes	550,065	-	550,065	87,416	-	87,416
Investment income, net	30,323	-	30,323	4,958	-	4,958
Other local revenues	72,720	-	72,720	94,440	-	94,440
Total local support and revenues	653,108	-	653,108	186,814	-	186,814
Donor restrictions satisfied	31,454	(31,454)	-	14,147	(14,147)	-
Total Support and Revenues	1,087,731	(13,639)	1,074,092	791,870	60,853	852,723
OPERATING EXPENSES						
Program services	1,355,774	-	1,355,774	1,078,796	-	1,078,796
Management and general	194,606	-	194,606	139,001	-	139,001
Total Expenses	1,550,380	-	1,550,380	1,217,797	-	1,217,797
CHANGE IN NET ASSETS	(462,649)	(13,639)	(476,288)	(425,927)	60,853	(365,074)
Net Assets - Beginning	122,943	13,639	136,582	483,355	9,679	493,034
Net Assets - Ending	\$ (339,706)	\$ -	\$ (339,706)	\$ 57,428	\$ 70,532	\$ 127,960

See accompanying note to the supplementary information.

COMPASS CHARTER SCHOOLS
STATEMENT OF ACTIVITIES BY CHARTER, continued
FOR THE YEAR ENDED JUNE 30, 2017

California Charter No.	Compass Charter School Los Angeles		
	1651		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Federal and state support and revenues			
Local control funding formula, state aid	\$ 2,602,252	\$ -	\$ 2,602,252
Federal revenues	3,683	-	3,683
Other state revenues	148,131	75,000	223,131
Total federal and state support and revenues	2,754,066	75,000	2,829,066
Local support and revenues			
Payments in lieu of property taxes	123,529	-	123,529
Investment income, net	19,742	-	19,742
Other local revenues	194,570	-	194,570
Total local support and revenues	337,841	-	337,841
Donor restrictions satisfied	73,454	(73,454)	-
Total Support and Revenues	3,165,361	1,546	3,166,907
OPERATING EXPENSES			
Program services	3,910,662	-	3,910,662
Management and general	659,435	-	659,435
Total Expenses	4,570,097	-	4,570,097
Increase (decrease) in Net Assets from			
Operating Activities	(1,404,736)	1,546	(1,403,190)
NONOPERATING REVENUES			
Transfer from merger of charter schools	1,450,654	15,956	1,466,610
CHANGE IN NET ASSETS	45,918	17,502	63,420
Net Assets - Beginning	740,749	12,612	753,361
Net Assets - Ending	\$ 786,667	\$ 30,114	\$ 816,781

See accompanying note to the supplementary information.

COMPASS CHARTER SCHOOLS
CHARTER ORGANIZATIONAL STRUCTURE
JUNE 30, 2017

Compass Charter Schools (the "Organization") was formed as a nonprofit public benefit corporation on October 28, 2011 under the name Academy of Arts & Sciences. In February 2017, the Organization changed its name to Compass Charter Schools. As of June 30, 2017, the Organization operated five (5) California public charter schools in five counties. The following is a list of all charter schools operated by the Organization during 2016-17:

Charter School	Charter No.	Classes Began	Authorizing Agency	County
Compass Charter School San Diego <i>Previously Academy of Arts and Sciences: Del Mar Middle & High (6-12)</i>	1454	8/27/2012	MEUSD	San Diego
Academy of Arts and Sciences: Thousand Oaks & Simi Valley	1455	8/15/2012	MESD	Ventura
Academy of Arts and Sciences: Sonoma	1457	9/28/2012	CRPUSD	Sonoma
Academy of Arts and Sciences: Fresno	1631	7/1/2014	OC	Fresno
Compass Charter School Los Angeles <i>Previously Academy of Arts and Sciences: Los Angeles (9-12)</i>	1651	7/1/2014	AADUSD	Los Angeles

AADUSD – Acton-Agua Dulce Unified District
CRPUSD – Cotati-Rohnert Park Unified School District
MEUSD – Mountain Empire Unified School District

MESD – Mupu Elementary School District
NJESD – New Jeruseleum Elementary School District
OC – Orange Center School District

The Board of Directors of Compass Charter Schools oversees the operations for all charter schools of the Organization. As of June 30, 2017, the members of the board and administrators are as follows:

BOARD OF TRUSTEES		
Trustee	Office	Term Ending
Peter McDonald	Chair	June 2017
Joe Cummings	Director	June 2018
Matt Koblich	Director	June 2018
Kathy Granger	District Representative & Treasurer	No Term Limit

ADMINISTRATION

James (J.J.) Lewis
President & CEO

Lisa Fishman
Director of Operations

Mae Van Vooren
Director of Strategic Initiatives

See accompanying note to the supplementary information.

**COMPASS CHARTER SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2017**

No Classroom-Based Average Daily Attendance (ADA) was generated or reported during the fiscal year 2016-17 by any charter school operated by the Organization.

SECOND PERIOD REPORT: AVERAGE DAILY ATTENDANCE (ADA) - NON-CLASSROOM BASED

California Charter No.	1454	1455	1457	1631	1651
	Compass Charter School San Diego	Academy of Arts & Sciences: Thousand Oaks	Academy of Arts & Sciences: Sonoma	Academy of Arts & Sciences: Fresno	Compass Charter School Los Angeles
Grade Span					
Grades K - 3*	95.57	18.57	16.94	20.46	77.13
Grades 4 - 6	68.75	12.02	18.30	17.36	58.45
Grades 7 - 8	41.33	8.84	19.03	13.25	47.93
Grades 9 - 12	77.50	21.87	46.24	23.89	116.34
Total ADA - Non-Classroom Based	283.15	61.30	100.51	74.96	299.85

ANNUAL REPORT: AVERAGE DAILY ATTENDANCE (ADA) - NON-CLASSROOM BASED

California Charter No.	1454	1455	1457	1631	1651
	Compass Charter School San Diego	Academy of Arts & Sciences: Thousand Oaks	Academy of Arts & Sciences: Sonoma	Academy of Arts & Sciences: Fresno	Compass Charter School Los Angeles
Grade Span					
Grades K - 3*	103.34	21.17	19.04	24.52	88.31
Grades 4 - 6	73.58	13.34	20.30	20.15	67.84
Grades 7 - 8	46.12	9.39	22.49	14.87	58.38
Grades 9 - 12	84.94	24.47	49.29	25.86	134.71
Total ADA - Non-Classroom Based	307.98	68.37	111.12	85.40	349.24

*Includes Transitional Kindergarten (TK)

See accompanying note to the supplementary information.

**COMPASS CHARTER SCHOOLS
RECONCILIATION OF FINANCIAL REPORT – ALTERNATIVE FORM WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

California Charter No.	1454	1455	1651
	Compass Charter School San Diego	Academy of Arts & Sciences: Thousand Oaks	Compass Charter School Los Angeles
June 30, 2017, fund balance per alternative form	\$ 4,046,612	\$ 3,011,519	\$ 800,828
Adjustments:			
Increase (decrease) in total net assets:			
Transfers from merger of charter schools	63,321	35,753	15,953
June 30, 2017, net assets per audited financial statements	\$ 4,109,933	\$ 3,047,272	\$ 816,781

For the fiscal year ended June 30, 2017, there were no adjustments made to reconcile fund balance reported on the Financial Report – Alternative Form to net assets per the audited financial statements for the following charter schools:

Academy of Arts & Sciences: Sonoma (Charter No. 1457)
Academy of Arts & Sciences: Fresno (Charter No. 1631)

See accompanying note to the supplementary information.

**COMPASS CHARTER SCHOOLS
NOTES TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

NOTE 1 – PURPOSE OF SCHEDULES

A. Statements by Charter

Compass Charter Schools' statements of financial position, and activities by school provide information supporting the amounts incorporated in the Organization's financial statements, which include results from both schools operated by the corporation.

B. Charter Organizational Structure

This schedule provides information about the charter schools' authorizing agencies, grades served, members of the governing body, and members of the administration.

C. Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter 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 and in different programs.

D. Reconciliation of Financial Report - Alternative Form with Audited Financial Statements

This schedule provides the information necessary to reconcile fund balance reported on the Financial Report – Alternative Form to net assets on the audited financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

DRAFT 10/13/17

**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 Auditors' Report

To the Board of Directors of
Compass Charter Schools
Thousand Oaks, California

We have audited, 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, the financial statements of Compass Charter Schools (the "Organization") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated , 2017.

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 auditing 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 the 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 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 the Organization’s financial statements are free of 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.

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.

San Diego, California
 , 2017

DRAFT 10/13/17

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

To the Board of Directors of
Compass Charter Schools
Thousand Oaks, California

Report on State Compliance

We have audited Compass Charter Schools' compliance with the types of compliance requirements described in the *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel that could have a direct and material effect on each of Compass Charter Schools' state programs for the fiscal year ended June 30, 2017, as identified below. Reference to Compass Charter Schools within this letter is inclusive of all charter schools referenced in Note 1A of the accompanying notes to the financial statements.

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 Compass Charter 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 *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. 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 the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Compass Charter 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 with the requirements referred to above. However, our audit does not provide a legal determination of Compass Charter Schools' compliance with those requirements.

Opinion on State Compliance

In our opinion, Compass Charter Schools complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying findings and questioned costs section as Finding 2017-1. Our opinion on state compliance is not modified with respect to this matter.

Compass Charter Schools' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Compass Charter Schools' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Procedures Performed

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

Description	Procedures Performed
School Districts, County Office of Education and Charter Schools	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	No
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 – Couse Based	Not applicable
Immunizations	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study for Charter Schools	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

We did not perform procedures for the California Clean Energy Jobs Act because no funds were expended nor projects completed during 2016-17 for any of the charter schools.

San Diego, California
 , 2017

FINDINGS AND QUESTIONED COSTS SECTION

DRAFT 10/13/17

**COMPASS CHARTER SCHOOLS
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

The Organization did not expend more than \$750,000 in federal awards during the fiscal year, therefore, a Federal Single Audit is not applicable.

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

DRAFT 10/13/17

**COMPASS CHARTER SCHOOLS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

FIVE DIGIT CODE

20000

30000

AB 3627 FINDING TYPE

Inventory of Equipment

Internal Control

There were no audit findings related to financial statements during 2016-17.

DRAFT 10/13/17

**COMPASS CHARTER SCHOOLS
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>FIVE DIGIT CODE</u>	<u>AB 3627 FINDING TYPE</u>
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

FINDING 2017-1: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000)

Criteria: Students classified as Free or Reduced Priced Meal (FRPM) eligible and/or English Learners (EL), who are not directly certified on the CALPADS 1.18 *FRPM/English Learner/Foster Youth – Student List* report, must have supporting documentation that indicates the student was eligible for this designation. The unduplicated local control funding formula pupil count affects the percentage used as data in calculating Local Control Funding Formula (LCFF) apportionment. Auditors are required to verify compliance with California Education Code Section 42238.02(b)(3)(B) in Section W of the *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Condition: Based on review and testing of student designations from the 2016-17 CALPADS 1.18 *FRPM/EnglishLearner/Foster Youth – Student List* report for each charter, we noted the following:

Compass Charter School San Diego

- Exception was noted for two (2) of three (3) students classified as EL only. No annual assessment documentation was available for one student and the other student in question had an annual assessment score from September 2015 indicated early advance with no additional documentation of reclassification or assessment within the 2016 year.

Academy of Arts & Sciences (AAS): Thousand Oaks

- Exception was noted for one (1) of one (1) student designated as EL only. Only supporting documentation of household income was provided and no support was available to support the EL designation.

Compass Charter School Los Angeles

- Exception was noted for two (2) of five (5) students classified as both FRPM and EL. No supporting documentation for household income and no annual assessment was provided for one student. For the other student in question, household income did not meet the eligibility criteria for FRPM status and documentation to support language designation indicated “English Only”.

Effect: The charter schools are not in compliance with State requirements. The total actual error in the Unduplicated Pupil Count per charter school is noted because the total population was tested.

Compass Charter School San Diego Total EL only population was tested; actual error is 2 of 3 or 2 pupil count.

AAS: Thousand Oaks Total EL only population was tested; actual error is 1 of 1 or 1 pupil count.

Compass Charter School Los Angeles Total FRPM and EL population was tested; actual error is 2 of 5 or 2 pupil count.

**COMPASS CHARTER SCHOOLS
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2017-1: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000), continued

Cause: Documentation for FRPM and/or EL designations did not support the Unduplicated Pupil Count per charter school resulting in inaccuracies and support for designations was not retained by the charter schools.

Questioned Costs: \$0 as calculated below:

		Compass Charter School San Diego				Academy of Arts & Sciences: Thousand Oaks				Compass Charter School Los Angeles			
UPP Audit Adjustment													
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	706				848				687			
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	314				317				390			
3	Audit Adjustment - Number of Enrollment	-				-				-			
4	Audit Adjustment - Number of Unduplicated Pupil Count	(2)				(1)				(2)			
5	Revised Adjusted Enrollment	706				848				687			
6	Revised Adjusted Unduplicated Pupil Count	312				316				388			
7	UPP calculated as of P-2	0.4448				0.3738				0.5677			
8	Revised UPP for audit finding	0.4419				0.3726				0.5648			
9	Charter Schools Only: Determinative School District Concentration Cap	0.4448				0.5227				0.4373			
10	Revised UPP adjusted for Concentration Cap	0.4419				0.3726				0.4373			
LCFF Target Supplemental Grant Funding Audit Adjustment		TK/K-3	4-6	7-8	9-12	TK/K-3	4-6	7-8	9-12	TK/K-3	4-6	7-8	9-12
9	Supplemental and Concentration Grant ADA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Adjusted Base Grant per ADA	\$7,820	\$7,189	\$7,403	\$8,801	\$7,820	\$7,189	\$7,403	\$8,801	\$7,820	\$7,189	\$7,403	\$8,801
11	Target Supplemental Grant Funding calculated as of P-2	\$0				\$0				\$0			
12	Revised Target Supplemental Grant Funding for audit finding	\$0				\$0				\$0			
13	Target Supplemental Grant Funding audit adjustment	\$0				\$0				\$0			
LCFF Target Concentration Grant Funding Audit Adjustment													
14	Target Concentration Grant Funding calculated as of P-2	\$0				\$0				\$0			
15	Revised Target Concentration Grant Funding for audit finding	\$0				\$0				\$0			
16	Target Concentration Grant Funding audit adjustment	\$0				\$0				\$0			
Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded at LCFF Target													
18	Total Target Supplemental and Concentration audit adjustment	\$0				\$0				\$0			
Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded on LCFF Floor and Gap													
19	Statewide Gap Funding Rate as of P-2	0.5607679980				0.5607679980				0.5607679980			
20	Estimated Cost of Unduplicated Pupil Count audit adjustment	\$0				\$0				\$0			

**COMPASS CHARTER SCHOOLS
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

**FINDING 2017-1: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000),
continued**

Recommendation: We recommend that all documentation to support EL status be reviewed and obtained for accurate CALPADS reporting. Additionally, all students classified as EL should be assessed annually and reclassified in line with an approved policy for EL reclassification.

Organization's Corrective Action:

DRAFT 10/13/17

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-1: FINANCIAL STATEMENT REPORTING (30000)

Criteria: Generally accepted accounting principles (GAAP) requires the presentation, in either a statement of activities or the notes to the financial statements, of information about expenses reported by their functional classification, such as major classes of program services and supporting activities. Though not required by GAAP, fund accounting may be used for internal recordkeeping to properly segregate assets, liabilities, and fund balances into separate accounting entities; thus, it can be used to track an organization's fiduciary responsibilities to ensure use of assets in accordance with donor-imposed or government mandated restrictions.

Condition: During our substantive audit procedures, we noted that no allocation was performed for reporting of expenses on a functional basis prior to the financial audit. Information was made available subsequent to fieldwork following audit recommendations. Additionally, fund accounting was utilized within the accounting software to track financial data required to be reported by each public charter school to the California Department of Education (CDE). Based on review of financial statements, balance sheet items did not properly reconcile to data reported by charter school to the CDE. One common operating checking account was maintained by the Academy for all banking activities and a lack of proper fund accounting caused for inadequate tracking of cash balances by charter school. Additionally, transactions involving inter-agency receivables/payables were not properly maintained, requiring several audit adjustments.

Cause: Accounting software limitations as well as miscommunications and ineffective practices by the business services provider coupled with inadequate review of financial statements by Academy management personnel.

Effect: Potential for financial statements to not be presented in accordance with GAAP with relation to functional expenses. Additionally, activities and account balances could be inappropriately reported to the CDE with regards to financial reporting by charter school.

Recommendation: We recommend that Academy management properly review financial data prepared by third-party consultants to ensure for proper presentation of financial data in accordance with GAAP. Additionally, we recommend that proper fund accounting be implemented if this method of accounting will be utilized to ensure accurate reporting of financial data to reporting agencies for each of its public charter school.

Academy's Response: Academy of Arts and Sciences has contracted with a new back-office provider, CSMC. In addition, a Finance Committee has been formed and meets on a monthly basis to review the Balance Sheet and Year to Date Actual to Budget.

Current Status: Implemented

COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017

FINDING 2016-2: ATTENDANCE FROM NON CLASSROOM-BASED INSTRUCTION (10000) (continued)

Effect: Inaccurate reporting of ADA and noncompliance with State requirements. The ADA effects by charter school, grade span and reporting period are noted below:

Charter School/Condition	Grade Span	P-2 ADA Effect	Annual ADA Effect
<i>Academy of Art & Sciences: Fresno</i>			
Condition a) previously mentioned	4 - 6	0.10	NA*
Condition b) previously mentioned	K - 3	1.00	1.00
Condition b) previously mentioned	4 - 6	0.37	0.28
Total ADA Effect for AAS: Fresno		1.47	1.28
<i>Academy of Arts & Sciences: Oxnard & Ventura</i>			
Condition b) previously mentioned	K - 3	0.51	0.33
Condition c) previously mentioned	9 - 12	0.17	0.13
Total ADA Effect for AAS: Oxnard & Ventura		0.68	0.46
<i>Academy of Arts & Sciences: Sonoma</i>			
Condition b) previously mentioned	K - 3	1.97	1.98
Condition c) previously mentioned	9 - 12	0.08	0.05
Total ADA Effect for AAS: Sonoma		2.05	2.03
<i>Academy of Arts & Sciences: Del Mar Elementary (K-5)</i>			
Condition b) previously mentioned	K - 3	2.00	2.00
Total ADA Effect for AAS: Del Mar Elementary		2.00	2.00
<i>Academy of Arts & Sciences: El Cajon Elementary (K-5)</i>			
Condition b) previously mentioned	K - 3	0.79	0.50
Total ADA Effect for AAS: El Cajon Elementary		0.79	0.50
Grand Total - All Schools		6.99	6.27

*NA – Not applicable. The student was removed from the student information system as enrolled in this charter school prior to reporting of Annual attendance data; therefore, there is no effect on Annual ADA.

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-2: ATTENDANCE FROM NON CLASSROOM-BASED INSTRUCTION (10000) (continued)

Cause: Proper procedures for enrollment of students and review of student master agreements prior to start of instruction are not being adhered to in order to ensure for compliance with independent study attendance requirements.

Questioned Cost: A total of \$54,610 was calculated as due from the Academy for all noted attendance exceptions referenced above. Please refer to the following page for the calculation of this questioned cost and the impact by charter school.

	Overstated P-2 ADA	Overstated Annual ADA	Adjusted Base Grant per ADA	Questioned Cost
<i>Academy of Art & Sciences: Fresno</i>				
Grade Span				
Kindergarten through third	1.00	1.00	\$ 7,820	\$ 7,820
Fourth through sixth	0.47	0.28	\$ 7,189	3,379
Total AAS: Fresno	<u>1.47</u>	<u>1.28</u>		<u>11,199</u>
<i>Academy of Arts & Sciences: Oxnard & Ventura</i>				
Grade Span				
Kindergarten through third	0.51	0.33	\$ 7,820	3,988
Ninth through twelfth	0.17	0.13	\$ 8,801	1,496
Total AAS: Oxnard & Ventura	<u>0.68</u>	<u>0.46</u>		<u>5,484</u>
<i>Academy of Arts & Sciences: Sonoma</i>				
Grade Span				
Kindergarten through third	1.97	1.98	\$ 7,820	15,405
Ninth through twelfth	0.08	0.05	\$ 8,801	704
Total AAS: Sonoma	<u>2.05</u>	<u>2.03</u>		<u>16,109</u>
<i>Academy of Arts & Sciences: Del Mar Elementary (K-5)</i>				
Grade Span				
Kindergarten through third	2.00	2.00	\$ 7,820	15,640
Total AAS: Del Mar Elementary	<u>2.00</u>	<u>2.00</u>		<u>15,640</u>
<i>Academy of Arts & Sciences: El Cajon Elementary (K-5)</i>				
Grade Span				
Kindergarten through third	0.79	0.50	\$ 7,820	6,178
Total AAS: El Cajon Elementary	<u>0.79</u>	<u>0.50</u>		<u>6,178</u>
Grand Total - All Schools	<u>6.99</u>	<u>6.27</u>		<u>\$ 54,610</u>

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-2: ATTENDANCE FROM NON CLASSROOM-BASED INSTRUCTION (10000) (continued)

Recommendations: We recommend that proper procedures be established to ensure that the data within the attendance system and the student's file are accurate.

Academy's Response: Academy of Arts and Sciences has modified its enrollment and approval process for incoming scholars. Additional checkpoints have been created for the Enrollment Coordinator and Information Services Manager. Internal auditing will occur on a weekly basis by the Executive Assistant to the CEO.

Current Status: Implemented.

FINDING 2016-3: INDEPENDENT STUDY RATIO (40000)

Criteria: In accordance with *California Education Code (EC) Section 51745.6*, the ratio of average daily attendance (ADA) for independent study pupils to full-time equivalent (FTE) certificated employees responsible for independent study is not to exceed the equivalent ratio of ADA to FTE identified as the comparative ratio. Pursuant to *EC Section 51745.6(d)* and *California Code of Regulations (CCR), Title V, Section 11704*, the comparative ratio for charter schools is the prior year ratio for all other non-independent study educational programs of the largest unified school district in the county or counties in which they operate, or a fixed ratio of 25 to 1.

Condition: Upon review of nonclassroom-based or independent study ADA and teacher FTE counts, we noted three (3) of the ten (10) charter schools operated by the Academy exceeded the comparative ratio of 25 to 1.

AAS: Del Mar Elementary (K-5)

- A ratio of 27.1 to 1 was calculated based on reported P-2 ADA of 92.06 and a teacher FTE of 3.40.

AAS: Del Mar Middle & High (6-12)

- A ratio of 29.0 to 1 was calculated based on reported P-2 ADA of 205.69 and a teacher FTE of 7.10.

AAS: Thousand Oaks & Simi Valley

- A ratio of 31.0 to 1 was calculated based on reported P-2 ADA of 372.46 and a teacher FTE of 12.00.

COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017

FINDING 2016-3: INDEPENDENT STUDY RATIO (40000) (continued)

Effect: The charter schools are not in compliance with State requirements. Calculation of excess ADA in total by charter school and allocation by grade span for each charter school are as follows:

Calculation of Excess ADA by Charter:

Charter School	P-2 ADA	Teacher FTE	Ratio to 1 ADA	Excess per FTE	Total Excess ADA
Del Mar Elementary (K-5)	92.06	3.40	27.1	2.1	7.1
Del Mar Middle & High (6-12)	205.69	7.10	29.0	4.0	28.4
Thousand Oaks & Simi Valley	372.46	12.00	31.0	6.0	72.0
			Total Excess ADA		107.5

Allocation of Excess ADA by Grade Span (based on P-2 ADA):

Charter School	Grades K – 3	Grades 4 – 6	Grades 7 – 8	Grades 9 – 12	Total Excess ADA
Del Mar Elementary (K-5)	4.7	2.4	0.0	0.0	7.1
Del Mar Middle & High (6-12)	0.0	3.3	5.9	19.2	28.4
Thousand Oaks & Simi Valley	9.0	8.1	10.6	44.3	72.0
			Total Excess P-2 ADA		107.5

Allocation of Excess ADA by Grade Span (based on Annual ADA):

Charter School	Grades K – 3	Grades 4 – 6	Grades 7 – 8	Grades 9 – 12	Total Excess ADA
Del Mar Elementary (K-5)	3.3	1.6	0.0	0.0	4.9
Del Mar Middle & High (6-12)	0.0	2.3	4.1	13.5	19.9
Thousand Oaks & Simi Valley	6.5	5.9	7.6	31.0	51.0
			Total Excess Annual ADA		75.8

Cause: The charter school did not monitor internal staffing requirements to maintain the required student to teacher ratios, but instead relied on services of instructional consultants to aid in instruction of students in excess of teacher 25 to 1 averages.

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-3: INDEPENDENT STUDY RATIO (40000) (continued)

Questioned Costs: \$870,102 as calculated below. The calculation is based off of excess ADA at P-2. There is no effect on funding with regard to any Annual ADA adjustments.

	<u>Excess ADA</u>	<u>Adjusted Base Grant per ADA</u>	<u>Questioned Cost</u>
Del Mar Elementary (K-5)			
Grade Span			
Kindergarten through third	(4.7)	\$ 7,820	\$ (36,754)
Fourth through sixth	(2.4)	\$ 7,189	(17,254)
Total Del Mar Elementary (K-5)	<u>(7.1)</u>		<u>(36,754)</u>
Del Mar Middle & High (6-12)			
Grade Span			
Fourth through sixth	(3.3)	\$ 7,189	(23,724)
Seventh through eighth	(5.9)	\$ 7,403	(43,678)
Ninth through twelfth	(19.2)	\$ 8,801	(168,979)
Total Del Mar Middle & High (6-12)	<u>(28.4)</u>		<u>(236,381)</u>
Thousand Oaks			
Grade Span			
Kindergarten through third	(9.0)	\$ 7,820	(70,380)
Fourth through sixth	(8.1)	\$ 7,189	(58,231)
Seventh through eighth	(10.6)	\$ 7,403	(78,472)
Ninth through twelfth	(44.3)	\$ 8,801	(389,884)
Total Thousand Oaks	<u>(72.0)</u>		<u>(596,967)</u>
Grand Totals	<u>(107.5)</u>		<u>\$ (870,102)</u>

Recommendation: We recommend that student enrollment and staffing be closely monitored and adjusted when necessary to ensure compliance with independent study ADA to teacher FTE ratios.

Academy's Response: Academy of Arts and Sciences no longer relies on instructional consultants to aid in instruction. Weekly reports are generated to track and monitor scholar to teacher ratios. Internal auditing will occur on a weekly basis by the Director of Academic Affairs and Director of Operations.

Current Status: Implemented.

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-4: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000)

Criteria: Students classified as Free or Reduced Priced Meal (FRPM) eligible and/or English Learners (EL), who are not directly certified on the CALPADS 1.18 *FRPM/English Learner/Foster Youth – Student List* report, must have supporting documentation that indicates the student was eligible for this designation. The unduplicated local control funding formula pupil count affects the percentage used as data in calculating Local Control Funding Formula (LCFF) apportionment. Auditors are required to verify compliance with California Education Code Section 42238.02(b)(3)(B) in Section W of the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Condition: Based on review and testing of student designations from the 2015-16 CALPADS 1.18 *FRPM/EnglishLearner/Foster Youth – Student List* report for each charter, we noted the following:

AAS: Del Mar Elementary (K-5)

- Exception was noted for one (1) of five (5) students designated as FRPM. Supporting documentation for household income verification was not provided to verify student's FRPM status.

AAS: Del Mar Middle & High (6-12)

- Exceptions were noted for two (2) of four (4) students designated as FRPM. Supporting documentation for household income verification was not provided to verify student's FRPM status for one (1) student and the other student only had 2014-15 household income data provided. .
- Exception was noted for one (1) of two (2) students designated as EL and non-FRPM. Home language survey provided indicated the student should have been classified as English Only. .

AAS: El Cajon Elementary (K-5)

- Exception was noted for one (1) of two (2) students designated as FRPM. Supporting documentation for household income verification provided to verify student's FRPM status was from 2013-14.

AAS: El Cajon Middle & High (6-12)

- Exceptions were noted for four (4) of four (4) students designated as FRPM. One (1) student should have been designated as paid status, two (2) students only had 2013-14 income data on file and income verification documentation was not provided for the remaining student.

AAS: Oxnard & Ventura

- Exceptions were noted for two (2) of six (6) students designated as FRPM. One (1) student only had 2014-15 income data on file and income verification documentation was not provided for the remaining student.

AAS: Sonoma

- Exception was noted for one (1) of five (5) students designated as FRPM. Income verification documentation provided for the student indicated a paid status.

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-4: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000) (continued)

Condition (continued):

AAS: Thousand Oaks & Simi Valley

- Exceptions were noted for four (4) of six (6) students designated as FRPM. Three (3) students should have been designated as paid status and income verification documentation was not provided for the remaining student.
- Exceptions were noted for one (1) of three (3) student designated as EL and non-FRPM. Home language survey provided indicated the student should have been classified as English Only.

AAS: Fresno

- Exception was noted for one (1) of five (5) students designated as FRPM. Supporting documentation for household income verification provided to verify student's FRPM status was from 2014-15.

AAS: Los Angeles K-8

- Exceptions were noted for two (2) of five (5) students designated as FRPM. The two (2) students only had 2014-15 income data on file.
- Exception was noted for one (1) of one (1) student designated as EL and non-FRPM. Home language survey provided indicated the student should have been classified as English Only.

Effect: The charter schools are not in compliance with State requirements. Errors in the Unduplicated Pupil Count per charter school were extrapolated by finding the percentage of error and multiplying by the number of students in each designation (FRPM, EL, or FRPM and EL). In cases where the total population was tested, the total actual error is noted. Errors per charter are as follows:

AAS: Del Mar Elementary (K-5) Extrapolated error is 6 of 31 for FRPM only or -6 pupil counts in error.

AAS: Del Mar Middle & High (6-12) Extrapolated error is 6 of 11 for FRPM only and 3 of 6 for EL only for a total of -9 pupil counts in error.

AAS: El Cajon Elementary (K-5) Total FRPM only population was tested; actual error is 1 of 2 or -1 pupil count.

AAS: El Cajon Middle & High (6-12) Extrapolated error is 7 of 7 for FRPM only or -7 pupil counts in error.

AAS: Oxnard & Ventura Extrapolated error is 3 of 8 for FRPM only or -3 pupil counts in error.

AAS: Sonoma Extrapolated error is 2 of 12 for FRPM only or -2 pupil counts in error.

AAS: Thousand Oaks & Simi Valley Extrapolated error is 27 of 41 for FRPM only and actual error for testing of total population is 1 of 3 for EL only for a total of -28 pupil counts in error.

AAS: Fresno Extrapolated error is 2 of 10 for FRPM only or -2 pupil counts in error.

AAS: Los Angeles K-8 Extrapolated error is 4 of 9 for FRPM only and actual error for testing of total population is 1 of 1 for EL only for a total of -5 pupil counts in error.

Cause: Documentation for FRPM and/or EL designations did not support the Unduplicated Pupil Count per charter school resulting in inaccuracies and support for designations was not retained by the charter schools.

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-4: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA (LCFF) PUPIL COUNT (40000) (continued)

Questioned Costs: \$16,103

	AAS: Del Mar Elementary (K-5)		AAS: Del Mar Middle & High (9-12)		AAS: El Cajon Elementary (K-5)		AAS: El Cajon Middle & High (6-12)		AAS: Oxnard & Ventura	
	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP
Unduplicated Pupil Percentage (UPP) Audit Adjustment										
1) Total Adjusted Enrollment from the UPP Exhibit as of P-2	347	411	474	558	673	986	648	1,073	586	887
2) Total Adjusted Unduplicated Count from the UPP Exhibit as of P-2	163	180	128	187	129	191	160	297	166	301
3) Number of Unduplicated Count audit adjustment		(6)		(9)		(1)		(7)		(3)
4) Revised Adjusted Unduplicated Pupil Count	157	174	119	178	128	190	153	290	163	298
5) UPP calculated at P-2	0.4697	0.4380	0.2700	0.3351	0.1917	0.1937	0.2469	0.2768	0.2833	0.3393
6) Revised UPP for audit finding	0.4524	0.4234	0.2511	0.3190	0.1902	0.1927	0.2361	0.2703	0.2782	0.3360
7) Greater of Revised UPP for audit finding from Section 1 or 2		0.4524		0.3190		0.1927		0.2703		0.3360
8) Charter Schools Only: Determinative School District Concentration Cap		0.7288		1.7288		0.7288		0.7288		0.5220
9) Revised UPP adjusted for Concentration Cap		0.4524		0.3190		0.1927		0.2703		0.3360
LCFF Target Base Grant Funding										
10) Total Base Grant Funding as of P-2	\$ 700,670		\$ 1,712,809		\$ 241,740		\$ 393,950		\$ 875,491	
LCFF Target Supplemental Grant Funding Audit Adjustment										
11) Target Supplemental Grant Funding calculated as of P-2	\$ 65,821		\$ 114,792		\$ 9,365		\$ 21,809		\$ 59,411	
12) Revised Target Supplemental Grant Funding for audit finding	\$ 63,397		\$ 109,277		\$ 9,317		\$ 21,297		\$ 58,833	
13) Target Supplemental Grant Funding Audit Adjustment	\$ (2,424)		\$ (5,515)		\$ (48)		\$ (512)		\$ (578)	
LCFF Target Concentration Grant Funding Audit Adjustment										
14) Target Concentration Grant Funding calculated as of P-2	\$ -		\$ -		\$ -		\$ -		\$ -	
15) Revised Target Concentration Grant Funding for audit finding	\$ -		\$ -		\$ -		\$ -		\$ -	
16) Target Concentration Grant Funding Audit Adjustment	\$ -		\$ -		\$ -		\$ -		\$ -	
Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded at LCFF Target										
17) Total target supplemental and concentration audit adjustment	\$ (2,424)		\$ (5,515)		\$ (48)		\$ (512)		\$ (578)	
Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded at LCFF Floor and Gap										
18) State wide gap funding rate	0.5255761597		0.5255761597		0.5255761597		0.5255761597		0.5255761597	
19) Estimated value of unduplicated pupil count audit adjustment for 2015-16	\$ (1,274)		\$ (2,899)		\$ (25)		\$ (269)		\$ (304)	

**COMPASS CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2017**

FINDING 2016-4: UNDUPLICATED LCFF PUPIL COUNT (40000) (continued)

Questioned Cost (continued):

Unduplicated Pupil Percentage (UPP) Audit Adjustment	AAS: Sonoma		AAS: Thousand Oaks & Simi Valley		AAS: Fresno		AAS: Los Angeles K-8	
	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP	Section 1: Regular UPP	Section 2: Alternative UPP
1) Total Adjusted Enrollment from the UPP Exhibit as of P-2	465	578	871	1,109	229	333	392	689
2) Total Adjusted Unduplicated Count from the UPP Exhibit as of P-2	112	155	272	411	108	155	95	148
3) Number of Unduplicated Count audit adjustment		(2)		(28)		(2)		(5)
4) Revised Adjusted Unduplicated Pupil Count	110	153	244	383	106	153	90	143
5) UPP calculated at P-2	0.2409	0.2682	0.3123	0.3706	0.4716	0.4655	0.2423	0.2148
6) Revised UPP for audit finding	0.2366	0.2647	0.2801	0.3454	0.4629	0.4595	0.2296	0.2075
7) Greater of Revised UPP for audit finding from Section 1 or 2		0.2647		0.3454		0.4629		0.2296
8) Charter Schools Only: Determinative School District Concentration Cap		0.4824		0.5220		0.9479		0.4353
9) Revised UPP adjusted for Concentration Cap		0.2647		0.3454		0.4629		0.2296
LCFF Target Base Grant Funding								
10) Total Base Grant Funding as of P-2	\$ 2,572,498		\$ 3,088,051		\$ 1,272,594		\$ 779,584	
LCFF Target Supplemental Grant Funding Audit Adjustment								
11) Target Supplemental Grant Funding calculated as of P-2	\$ 137,989		\$ 228,886		\$ 120,031		\$ 37,779	
12) Revised Target Supplemental Grant Funding for audit finding	\$ 136,188		\$ 213,323		\$ 117,817		\$ 35,798	
13) Target Supplemental Grant Funding Audit Adjustment	\$ (1,801)		\$ (15,563)		\$ (2,214)		\$ (1,981)	
LCFF Target Concentration Grant Funding Audit Adjustment								
14) Target Concentration Grant Funding calculated as of P-2	\$ -		\$ -		\$ -		\$ -	
15) Revised Target Concentration Grant Funding for audit finding	\$ -		\$ -		\$ -		\$ -	
16) Target Concentration Grant Funding Audit Adjustment	\$ -		\$ -		\$ -		\$ -	
Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded at LCFF Target								
17) Total target supplemental and concentration audit adjustment	\$ (1,801)		\$ (15,563)		\$ (2,214)		\$ (1,981)	
Estimated Cost of Unduplicated Pupil Count Audit Adjustment for LEAs funded at LCFF Floor and Gap								
18) State wide gap funding rate	0.5255761597		0.5255761597		0.5255761597		0.5255761597	
19) Estimated value of unduplicated pupil count audit adjustment for 2015-16	\$ (947)		\$ (8,180)		\$ (1,164)		\$ (1,041)	\$ (16,103)

Recommendation: We recommend that all household income documentation and documentation to support EL status be reviewed and obtained for accurate CALPADS reporting.

Academy's Response: Academy of Arts and Sciences has modified its enrollment process and approval process for incoming scholars. Additional checkpoints have been created for the Enrollment Coordinator and Information Services Manager. Internal auditing will occur on a weekly basis by the Executive Assistant to the CEO.

Current Status: Not fully implemented. See Finding 2017-1.

Coversheet

Review and Discussion of the September Financials

Section: VII. NEW BUSINESS
Item: B. Review and Discussion of the September Financials
Purpose: Discuss
Submitted by: Scott Warner
Related Material: Compass - BS - Sept 17.pdf
Compass - PL - Sept 17.pdf
Compass - CR - Sept 17.pdf

Compass Charter Schools

September 2017

Group Description	Account	Account Description	
Liquidity Ratio			12.5
Assets			
Current Assets			
Cash	9120-010	Cash in Bank(s)	\$3,014,833
Cash	9125-020	Cash in County Treasury	\$1,198,740
Cash	9125-030	Cash in County Treasury	\$637,933
Cash	9125-050	Cash in County Treasury	\$959,248
Investments	9150-010	Investments	\$2,252,086
Accounts Receivables	9290-020	Due from Grantor	\$134,622
Accounts Receivables	9290-030	Due from Grantor	\$55,940
Accounts Receivables	9290-040	Due from Grantor	\$183,499
Accounts Receivables	9290-050	Due from Grantor	\$15,528
Accounts Receivables	9290-060	Due from Grantor	\$50,704
Prepaid Expenses	9330-010	Prepaid Expenses	\$1,829
Other Current Assets	9335-010	Employee Advances	\$1,543
Total Current Assets			\$8,506,505
Fixed Assets			
Total Fixed Assets			-
Other Assets			
Security Deposits	9350-010	Security Deposits	\$5,000
Total Other Assets			\$5,000
Total Assets			\$8,511,505
Liabilities And Net Assets			
Current Liabilities			
Accounts Payable	9500-010	Accounts Payable-System	\$2,132
Accounts Payable	9590-020	Due to Grantor Governments	\$156,934
Accounts Payable	9590-030	Due to Grantor Governments	\$12,338
Accounts Payable	9590-040	Due to Grantor Governments	\$33,250
Accounts Payable	9590-050	Due to Grantor Governments	\$75,806
Accounts Payable	9590-060	Due to Grantor Governments	\$145,102
Accrued Salaries, Payroll Taxes, Postemployment Benefits	9501-010	Accrued Salaries	\$210,809
Deposits held on behalf of other employees	9661-010	Summer Holdback	\$43,988
Total Current Liabilities			\$680,360
Long Term Liabilities			
Loans Payable	9620-010	Security Deposit Payable -	\$25,000
Total Long Term Liabilities			\$25,000

Total Liabilities			\$705,360
Net Assets			
Unrestricted Net Assets	9780-020-15	Temporarily Restricted Net	\$11,461
Unrestricted Net Assets	9780-020-53	Temporarily Restricted Net	\$31,170
Unrestricted Net Assets	9780-030-15	Temporarily Restricted Net	\$9,491
Unrestricted Net Assets	9780-030-53	Temporarily Restricted Net	\$61,041
Unrestricted Net Assets	9780-040-15	Temporarily Restricted Net	\$11,827
Unrestricted Net Assets	9780-040-53	Temporarily Restricted Net	\$18,287
Unrestricted Net Assets	9790-010	Undesignated Fund Balance	\$1,130,422
Unrestricted Net Assets	9790-020	Undesignated Fund Balance	\$4,003,981
Unrestricted Net Assets	9790-030	Undesignated Fund Balance	\$57,429
Unrestricted Net Assets	9790-040	Undesignated Fund Balance	\$770,714
Unrestricted Net Assets	9790-050	Undesignated Fund Balance	(\$339,706)
Unrestricted Net Assets	9790-060	Undesignated Fund Balance	\$3,011,519
Profit/Loss YTD			(\$971,490)
Total Net Assets			\$7,806,145
Total Liabilities And Net Assets			\$8,511,505

Compass Charter Schools

September 2017 - September 2017

		September		July - September Summary				2017-2018	
Account Code	Description	Actual	Budget	Actual	Budget	Variance \$	Variance %	Total Budget	Remaining Budget
8011	LCFF Revenue	\$365,024	\$471,287	\$755,847	\$862,110	(\$106,263)	-12.3%	\$6,398,015	\$5,403,076
8012	Education Protection Account Revenue	\$15,782	\$145,870	\$15,782	\$145,870	(\$130,088)	-89.2%	\$583,479	\$552,704
8019	Prior Year Income/Adjustments			-	-	-	0.0%	-	-
8096	Charter Schools Funding In-Lieu of Property Taxes	\$121,336	\$201,037	\$121,336	\$201,037	(\$79,701)	-39.6%	\$1,116,874	\$995,538
Revenue Limit		\$502,142	\$818,194	\$892,965	\$1,209,017	(\$316,052)	-26.1%	\$8,098,368	\$6,951,318
8181	Special Education - Entitlement	-	\$11,063	-	\$11,063	(\$11,063)	-100.0%	\$110,625	\$110,625
Federal Revenue		-	\$11,063	-	\$11,063	(\$11,063)	-100.0%	\$110,625	\$110,625
8550	Mandated Block Grant			-	-	-	0.0%	\$164,942	\$164,942
8560	State Lottery Revenue			-	-	-	0.0%	\$186,630	\$186,630
8599	Prior Year State Income	\$65	-	\$65	-	\$65	0.0%	-	(\$65)
Other State Revenue		\$65	-	\$65	-	\$65	0.0%	\$351,572	\$351,507
8650	Rental Income	\$49,750	\$49,450	\$137,500	\$137,200	\$300	0.2%	\$582,250	\$395,000
8660	Interest Income	\$55	\$55	\$859	\$858	\$1	0.1%	\$3,288	\$2,429
8685	School Site fundraising	\$100	-	\$100	-	\$100	0.0%	-	(\$100)
8699	All Other Local Revenue	\$74,749	-	\$129,965	\$55,216	\$74,749	135.4%	\$55,216	(\$74,749)
8792	SPED State/Other Transfers of Apportionments from County	-	\$51,084	-	\$67,096	(\$67,096)	-100.0%	\$526,850	\$526,850
8793	SPED State/Other Transfers of Apportionments from JPA	\$16,012	-	\$32,024	-	\$32,024	0.0%	-	(\$60,846)
8799	Other Transfers In	-	\$60,000	-	\$60,000	(\$60,000)	-100.0%	\$600,000	\$600,000
Local Revenue		\$140,666	\$160,589	\$300,448	\$320,370	(\$19,922)	-6.2%	\$1,767,604	\$1,388,584
Total Revenue		\$642,873	\$989,845	\$1,193,478	\$1,540,449	(\$346,971)	-22.5%	\$10,328,169	\$8,802,035
1100	Teachers' Salaries	\$310,169	\$298,973	\$608,235	\$597,039	(\$11,196)	-1.9%	\$3,287,799	\$2,679,564
1200	Certificated Pupil Support Salaries	\$68,083	\$51,174	\$137,246	\$120,338	(\$16,908)	-14.1%	\$580,906	\$443,660
1300	Certificated Pupil Support Salaries	\$20,553	\$21,375	\$54,965	\$55,788	\$822	1.5%	\$248,160	\$193,195
1900	Other Certificated Salaries	-	\$29,734	-	\$29,734	\$29,734	100.0%	\$297,335	\$297,335
Certificated Salaries		\$398,804	\$401,256	\$800,447	\$802,899	\$2,452	0.3%	\$4,414,200	\$3,613,753
2200	Classified Support Salaries (Maintenance, Food)	\$24,326	\$40,865	\$83,327	\$99,866	\$16,540	16.6%	\$467,654	\$384,327
2300	Classified Supervisor and Administrator Salaries	\$43,250	\$39,924	\$129,433	\$126,107	(\$3,326)	-2.6%	\$485,421	\$355,988
2400	Clerical, Technical, and Office Staff Salaries	\$36,630	\$19,670	\$101,889	\$84,929	(\$16,960)	-20.0%	\$261,963	\$160,074
2900	Other Classified Salaries (Noon and Yard Sup, etc.)	-	\$1,449	-	\$1,449	\$1,449	100.0%	\$14,490	\$14,490
Classified Salaries		\$104,206	\$101,909	\$314,649	\$312,352	(\$2,297)	-0.7%	\$1,229,528	\$914,879
3101	State Teachers' Retirement System, certificated positions	\$66,492	\$55,854	\$144,919	\$134,281	(\$10,638)	-7.9%	\$636,969	\$492,050
3313	OASDI	\$5,433	\$6,443	\$17,238	\$18,248	\$1,010	5.5%	\$76,231	\$58,993

3323	Medicare	\$6,924	\$7,329	\$15,464	\$15,869	\$405	2.6%	\$81,834	\$66,370
3403	Health & Welfare Benefits	\$72,292	\$42,100	\$180,549	\$150,357	(\$30,192)	-20.1%	\$529,255	\$348,706
3503	State Unemployment Insurance	\$2,098	\$2,366	\$4,340	\$4,608	\$268	5.8%	\$25,900	\$21,560
3603	Worker Compensation Insurance	-	\$3,226	\$16,275	\$19,501	\$3,226	16.5%	\$48,536	\$32,261
3903	Other Employee Benefits	(\$266)	-	(\$9,356)	(\$9,090)	\$266	-2.9%	(\$9,090)	\$266
Employee Benefits		\$152,974	\$117,318	\$369,430	\$333,774	(\$35,656)	-10.7%	\$1,389,635	\$1,020,205
Total Personnel Expenses		\$655,985	\$620,482	\$1,484,525	\$1,449,024	(\$35,501)	-2.5%	\$7,033,363	\$5,548,838
4100	Approved Textbooks and Core Curricula Materials	\$24,430	\$12,000	\$55,980	\$43,550	(\$12,430)	-28.5%	\$1,551,580	\$1,495,600
4200	Books and Other Reference Materials	-	\$92,673	\$4,274	\$96,947	\$92,673	95.6%	\$931,000	\$926,726
4300	Materials and Supplies	\$745	\$2,600	\$4,747	\$6,602	\$1,855	28.1%	\$30,000	\$25,253
4315	Classroom Materials and Supplies	-	\$1,100	-	\$1,100	\$1,100	100.0%	\$11,000	\$11,000
4400	Noncapitalized Equipment	-	\$500	-	\$500	\$500	100.0%	\$5,000	\$5,000
4430	Noncapitalized Student Equipment	-	\$1,500	-	\$1,500	\$1,500	100.0%	\$15,000	\$15,000
Books and Supplies		\$25,175	\$110,372	\$65,001	\$150,198	\$85,197	56.7%	\$2,543,580	\$2,478,579
5200	Travel and Conferences	\$3,602	\$6,793	\$10,675	\$13,866	\$3,191	23.0%	\$75,000	\$64,325
5210	Training and Development Expense	\$1,837	-	\$15,124	\$13,286	(\$1,838)	-13.8%	\$100,000	\$84,841
5300	Dues and Memberships	\$588	\$1,833	\$12,262	\$13,507	\$1,244	9.2%	\$30,000	\$17,738
5400	Insurance	\$4,658	\$2,436	\$4,658	\$2,436	(\$2,222)	-91.2%	\$24,361	\$19,703
5500	Operation and Housekeeping Services	\$500	\$700	\$1,500	\$1,700	\$200	11.8%	\$8,000	\$6,000
5501	Utilities	\$164	\$538	\$789	\$1,163	\$373	32.1%	\$6,000	\$5,211
5600	Space Rental/Leases Expense	\$67,441	\$61,484	\$228,465	\$222,509	(\$5,956)	-2.7%	\$775,867	\$501,381
5601	Building Maintenance	-	\$175	-	\$175	\$175	100.0%	\$1,750	\$1,750
5602	Other Space Rental	-	-	-	-	-	0.0%	\$40,000	\$40,000
5605	Equipment Rental/Lease Expense	\$681	\$2,801	\$2,672	\$4,792	\$2,120	44.2%	\$30,000	\$27,328
5610	Equipment Repair	-	\$100	-	\$100	\$100	100.0%	\$1,000	\$1,000
5800	Professional/Consulting Services and Operating Expenditures	(\$36)	\$4,887	\$1,090	\$6,013	\$4,924	81.9%	\$50,000	\$48,910
5803	Banking and Payroll Service Fees	\$937	\$547	\$1,471	\$1,082	(\$390)	-36.0%	\$6,000	\$4,504
5805	Legal Services	\$3,945	\$7,826	\$25,690	\$29,570	\$3,880	13.1%	\$100,000	\$74,310
5806	Audit Services	-	-	-	-	-	0.0%	\$34,500	\$34,500
5807	Legal Settlements	\$50,000	\$50,000	\$162,000	\$162,000	-	0.0%	\$612,000	\$450,000
5809	Employee Tuition Reimbursement	-	-	-	-	-	0.0%	\$11,000	\$11,000
5810	Educational Consultants	\$1,510	\$14,829	\$3,220	\$16,539	\$13,319	80.5%	\$150,000	\$146,780
5811	Student Transportation	\$100	\$5,000	\$503	\$5,403	\$4,900	90.7%	\$75,000	\$74,497
5815	Advertising/Recruiting	\$9,590	\$11,961	\$39,981	\$42,352	\$2,371	5.6%	\$150,000	\$109,919
5873	Financial Services	\$21,400	\$25,567	\$64,200	\$68,367	\$4,167	6.1%	\$298,466	\$212,866
5874	Personnel Services	\$160	-	\$1,006	\$846	(\$160)	-18.9%	\$1,346	\$340
5875	District Oversight Fee	\$2,794	-	\$2,794	-	(\$2,794)	0.0%	\$80,984	\$78,190
5877	IT Services	\$2,635	\$2,847	\$14,170	\$14,382	\$212	1.5%	\$40,000	\$25,830
5890	Interest Expense/Fees	\$13,417	\$116	\$13,756	\$455	(\$13,301)	-2,922.7%	\$1,500	(\$12,256)
5900	Communications (Tele., Internet, Copies, Postage, Messenger)	\$2,855	\$9,344	\$9,416	\$15,906	\$6,489	40.8%	\$100,000	\$90,584
Services & Other Operating Expenses		\$188,778	\$209,781	\$615,441	\$636,446	\$21,005	3.3%	\$2,802,774	\$2,119,252
Total Operational Expenses		\$213,952	\$320,154	\$680,442	\$786,645	\$106,203	13.5%	\$5,346,354	\$4,597,831

Total Expenses	\$869,937	\$940,636	\$2,164,968	\$2,235,669	\$70,701	3.2%	\$12,379,717	\$10,146,669
Net Income	(\$227,064)	\$49,209	(\$971,490)	(\$695,220)	(\$276,270)	-39.7%	(\$2,051,548)	(\$1,344,634)

Compass Charter Schools

Check Register 9/1/2017 through 9/30/2017

Payment Number	Payment Date	Payee Name	Rec Status	Check Amount	Account	Account Description	Transaction Description	Invoiced GL Amount
51168	9/1/2017	Tricor America, Inc.	Cleared	\$187.52	5900-040-80	Communications (Tele., Internet, Copies,Postage,Messenger)	Courier Services for the Month of July 2017	\$18.57
					5900-030-80	Communications (Tele., Internet, Copies,Postage,Messenger)	Courier Services for the Month of July 2017	\$33.76
					5900-010-80	Communications (Tele., Internet, Copies,Postage,Messenger)	Courier Services for the Month of July 2017	\$135.19
51169	9/1/2017	Ventura County Office of Education	Cleared	\$2,273.39	5800-010-00	Professional/Consulting Services and Operating Expenditures	CalSTRS & CalPERS Retirement for April - June 2017	\$2,273.39
51163	9/1/2017	Blue Shield of California	Cleared	\$24,067.34	3403-010-00	Health & Welfare Benefits	September 2017 Health Insurance	\$24,067.34
51162	9/1/2017	Allstate Building & Office Maintenance, Inc.	Cleared	\$500.00	5500-010-84	Operation and Housekeeping Services	9/1/17 Services Rendered to Sep 1st	\$500.00
51165	9/1/2017	Autumn Clements	Cleared	\$61.20	5200-010-65	Travel and Conferences	REIMB: Mileage 7/11/17 & 7/25/17	\$61.20
51167	9/1/2017	Sparkletts	Cleared	\$43.99	4300-010-84	Materials and Supplies	Water Filtration Services - 07/27/17 - 08/09/17	\$43.99
51166	9/1/2017	8x8, Inc	Cleared	\$328.34	5900-010-84	Communications (Tele., Internet, Copies,Postage,Messenger)	Service Fees - 08/2017; Usage Fees - 07/2017	\$328.34
51164	9/1/2017	Charter School Management Corporation	Cleared	\$21,400.00	5873-010-84	Financial Services	Sept 2017 Business Back Office, CALPADS & Attend Support	\$21,400.00
51170	9/6/2017	S.T.A.R. Academy - Haynes Family of Programs	Cleared	\$80.00	5810-010-00	Educational Consultants	Specialized Academic Instruction & Transition Services (SAI)	\$80.00
51171	9/12/2017	The Los Angeles Film School	Cleared	\$12,000.00	5807-010-65	Legal Settlements	1st & Partial 2nd Pmt Tuition- -AS-Music Production -Cook	\$12,000.00
51172	9/13/2017	Los Angeles County Office Of Education	Outstanding	\$450.00	5210-010-15	Training and Development Expense	AVID Critical Reading I - J. Jennings - 11/1 - 11/2/17	\$450.00
51181	9/15/2017	Kiwi Crate	Cleared	\$809.76	4100-010-83	Approved Textbooks and Core Curricula Materials	Tinker Crate 6 Month Subscription	\$117.98
					4100-010-83	Approved Textbooks and Core Curricula Materials	Kiwi Crate Ages 5-8 (6 Months)	\$117.98
					4100-010-83	Approved Textbooks and Core Curricula Materials	Doodle Crate	\$219.86
					4100-010-83	Approved Textbooks and Core Curricula Materials	Sep 2017 - Feb 2018 Tinker Crate 6 Month Subscription	\$117.98
					4100-010-83	Approved Textbooks and Core Curricula Materials	Ages 9-10 Doodle 6 Month Subscription	\$117.98
					4100-010-83	Approved Textbooks and Core Curricula Materials	Kiwi Crate Ages 5-8 (6 Months)	\$117.98
51180	9/15/2017	Homeschool Buyers Co-op	Cleared	\$52.40	4100-010-83	Approved Textbooks and Core Curricula Materials	Brave Writer - Curriculum	\$52.40

51174	9/15/2017	BLICK art materials	Cleared	\$263.43	4100-010-83	Approved Textbooks and Core Curricula Materials	Art Bin, Water Colors & Brushes - Curriculum	\$263.43
51173	9/15/2017	All About Learning Press, Inc.	Cleared	\$309.15	4100-010-83	Approved Textbooks and Core Curricula Materials	Deluxe Spelling Interactive Kit, All About Spelling	\$104.70
					4100-010-83	Approved Textbooks and Core Curricula Materials	Deluxe Spelling Interactive Kit, All About Spelling	\$109.70
					4100-010-83	Approved Textbooks and Core Curricula Materials	Deluxe Spelling Interactive Kit, All About Spelling	\$94.75
51175	9/15/2017	Blackbird & Company	Cleared	\$165.60	4100-010-83	Approved Textbooks and Core Curricula Materials	YPBNIC Year Pack Level 1C for C. Ruiz	\$165.60
51179	9/15/2017	Home Science Tools	Cleared	\$209.83	4100-010-83	Approved Textbooks and Core Curricula Materials	Collection Display Box, Hand Field Guide, Test Kit etc	\$209.83
51177	9/15/2017	Canon Financial Services, Inc.	Cleared	\$680.98	5605-010-85	Equipment Rental/Lease Expense	Copier Contract 9/1/17 - 9/30/17	\$680.98
51178	9/15/2017	Evan-Moor Educational Publishers	Cleared	\$16.06	4100-010-83	Approved Textbooks and Core Curricula Materials	Skill Sharpeners Science - Curriculum	\$16.06
51182	9/15/2017	Rainbow Resource Center	Cleared	\$217.36	4100-020-83	Approved Textbooks and Core Curricula Materials	Curriculum - History, Easy Grammer etc.	\$217.36
51176	9/15/2017	Barnes & Noble, Inc.	Cleared	\$172.44	4100-010-83	Approved Textbooks and Core Curricula Materials	Cirriculum - Textbooks	\$85.63
					4100-010-83	Approved Textbooks and Core Curricula Materials	Cirriculum - Textbooks	\$86.81
51183	9/21/2017	All About Learning Press, Inc.	Cleared	\$427.10	4100-010-83	Approved Textbooks and Core Curricula Materials	Spelling Level 2, Reading Level 3 , Review Box	\$219.55
					4100-010-83	Approved Textbooks and Core Curricula Materials	All About Spelling Level 1 w/Basic Interactive Kit	\$207.55
51201	9/21/2017	Teaching Textbooks Inc.	Cleared	\$1,099.30	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 7 Complete Set	\$159.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 3 Complete Set	\$129.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Alg. 2 Complete Set	\$194.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 3 Complete Set	\$129.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 3 Complete Set	\$129.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Pre Alg. Complete Set	\$194.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 6 Complete Set	\$159.90
51196	9/21/2017	Leaps & Bounds	Cleared	\$105.00	5810-010-65	Educational Consultants	Physical & Occupational Therapy - August 2017	\$105.00
51202	9/21/2017	Timberdoodle.com	Cleared	\$749.26	4100-010-83	Approved Textbooks and Core Curricula Materials	Math, Story Line, Geography	\$201.60
					4100-010-83	Approved Textbooks and Core Curricula Materials	Math, Geography, STEM etc	\$298.53
					4100-010-83	Approved Textbooks and Core Curricula Materials	Timberdoodle Curriculum 2017	\$249.13
51197	9/21/2017	QUILL CORPORATION	Cleared	\$96.07	4100-010-83	Approved Textbooks and Core Curricula Materials	Pencils, Comp Books, Notebooks, Planner, Highlighter	\$96.07
51204	9/21/2017	VALLEYPBS	Cleared	\$3,333.34	5815-010-82	Advertising/Recruiting	Sep 2017 Underwriting Services & Sponsorship for Kids Nite	\$3,333.34

51205	9/21/2017	World's Greatest Promotional Stuff	Cleared	\$197.42	4300-010-84	Materials and Supplies	Laptop Custom Skin - Qty 24	\$197.42
51203	9/21/2017	United States Treasury	Cleared	\$13,520.00	5890-010-84	Interest Expense/Fees	1099 Penalty Tax -2015 Services	\$13,520.00
51188	9/21/2017	Elemental Science Inc.	Cleared	\$40.99	4100-010-83	Approved Textbooks and Core Curricula Materials	Biology for the Grammer Stage Printed Combo	\$40.99
51191	9/21/2017	Homeschool Buyers Co-op	Cleared	\$74.00	4100-010-83	Approved Textbooks and Core Curricula Materials	Bravewriter: The Arrow - 1 Year Subscription - Curriculum	\$74.00
51189	9/21/2017	The Electric Carnival	Cleared	\$182.55	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - The Electric Carnival Book & Kit	\$182.55
51186	9/21/2017	Autumn Clements	Cleared	\$30.60	5200-010-65	Travel and Conferences	REIMB: Leaps & Bounds PT/OT-08/08/17	\$30.60
51190	9/21/2017	Frontier	Cleared	\$112.69	5900-010-84	Communications (Tele., Internet, Copies,Postage,Messenger)	Internet Services - 9/1/17 - 9/30/17	\$112.69
51206	9/21/2017	Academics in a Box Inc.	Cleared	\$360.56	4100-010-83	Approved Textbooks and Core Curricula Materials	Groovy Lab in A Box 6 Months Subscription	\$180.27
					4100-010-83	Approved Textbooks and Core Curricula Materials	Groovy Lab in A Box 6 Months	\$180.28
51198	9/21/2017	Rainbow Resource Center	Cleared	\$2,644.89	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Handwriting Book	\$12.70
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Chemistry, Physics, History etc	\$203.28
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - All About Animals Library Based Fun-	\$32.49
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Geography, History, WriteShop etc	\$234.25
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math , Manipulative Kit 2	\$160.55
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 2 Home Study Kit	\$91.78
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Writing Intensive, Spelling Level 1 etc	\$202.18
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math, Phonics, Spelling, Language etc	\$69.32
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Biology , Chemistry etc	\$133.54
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math , Spelling , Lang. Arts etc.	\$71.40
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Spelling, Geography, Wordly Wise etc	\$119.02
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum -English, Map, etc	\$151.24
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Biology , Writing , Chemistry etc	\$146.19
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Workbooks, Geography , Science, Letters etc	\$49.91
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - G.U.M. Drops Grade 8 & Writing L8 Combo	\$85.06
4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Biology , Geography, Chemistry etc	\$192.94					
4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Flash Cards, Balance Scale, Number Charts etc	\$275.51					

					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - English, Drawing, Etc	\$202.29
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum -WriteShop Junior Level D, New American Cursive 2	\$123.04
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Spelling, Writing, Language etc	\$88.20
51199	9/21/2017	Right Start Math (Activities For Learning)	Cleared	\$490.05	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math & Drawing Set	\$120.45
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math & Drawing Set	\$120.45
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math & Worksheets	\$249.15
51185	9/21/2017	BookShark LLC	Cleared	\$770.35	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Language Arts Companion 1st Grade	\$30.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Level 5 All Subject Package - Curriculum	\$740.35
51200	9/21/2017	Singapore Math Inc.	Cleared	\$281.76	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Singapore Math , Primary Math & Workbook etc.	\$89.20
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Primary Math & Workbook	\$57.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Primary Math & Workbook etc.	\$57.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Primary Math & Workbook etc.	\$78.56
51195	9/21/2017	Logic of English	Cleared	\$241.75	4100-010-83	Approved Textbooks and Core Curricula Materials	Foundations A-B Complete Set-Manuscript	\$241.75
51187	9/21/2017	Department of Justice	Cleared	\$160.00	5874-010-65	Personnel Services	August 2017 Fingerprint APPS	\$32.00
					5874-010-83	Personnel Services	August 2017 Fingerprint APPS	\$128.00
51194	9/21/2017	Lakeshore Learning Materials	Cleared	\$215.16	4100-010-83	Approved Textbooks and Core Curricula Materials	Circle Time Learning Center	\$98.90
					4100-010-83	Approved Textbooks and Core Curricula Materials	Writing Prompts Journal	\$8.78
					4100-010-83	Approved Textbooks and Core Curricula Materials	Comp Books, Journal, Art Painters, Glue Sticks etc.	\$107.48
51193	9/21/2017	KiwiCo, Inc	Cleared	\$353.94	4100-010-83	Approved Textbooks and Core Curricula Materials	Doodle Crate 6 Months	\$117.98
					4100-010-83	Approved Textbooks and Core Curricula Materials	Kiwi Crate 6 Month Subscription	\$117.98
					4100-010-83	Approved Textbooks and Core Curricula Materials	Doodle Crate 6 Month Subscription	\$117.98
51192	9/21/2017	Kiwi Crate	Cleared	\$117.98	4100-010-83	Approved Textbooks and Core Curricula Materials	Kiwi Crate 6 Month Subscription	\$117.98
51208	9/22/2017	Digital River, Inc.	Cleared	\$2,496.00	5877-010-84	IT Services	Adobe Creative Cloud APPS - Qty 1,200	\$2,496.00
51207	9/22/2017	Beautiful Feet Books	Cleared	\$217.05	4100-010-83	Approved Textbooks and Core Curricula Materials	History Textbook with Study Guide and Story CD	\$217.05
51210	9/22/2017	Kaiser Foundation Health Plan Inc	Cleared	\$48,916.02	3403-010-84	Health & Welfare Benefits	October 2017 Health Ins	\$25,189.66
					3403-010-84	Health & Welfare Benefits	September 2017 Health Ins	\$23,726.36
51212	9/22/2017	Law Office of Young, Minney & Corr	Cleared	\$44.65	5805-010-80	Legal Services	Services on 8/30/17	\$44.65

51211	9/22/2017	Law Office of Young, Minney & Corr	Cleared	\$3,880.75	5805-010-80	Legal Services	Services Through 8/31/17	\$3,880.75
51209	9/22/2017	8x8, Inc	Cleared	\$669.51	5900-010-84	Communications (Tele., Internet, Copies,Postage,Messenger)	VIOP Phone Svcs Fees Sep 2017 Usage Aug 2017	\$669.51
51213	9/25/2017	New Jerusalem Elementary School District	Cleared	\$50,000.00	5807-010-81	Legal Settlements	Settlement With NJESD - Installment Payment	\$50,000.00
51216	9/26/2017	Trinity Cristo Rey Church	Cleared	\$5,000.00	5600-010-93	Space Rental/Leases Expense	October 2017 Rent	\$5,000.00
51215	9/26/2017	Bethel Encino Church & Preschool	Cleared	\$8,000.00	5600-010-84	Space Rental/Leases Expense	October 2017 Rent	\$8,000.00
51218	9/26/2017	Biola University	Cleared	\$10,803.56	4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00

					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester , Sept - Jan	\$415.51
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$388.05
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan	\$500.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Voyagers' Community Fall Semester, Sept - Jan -Math, LA,Elec	\$500.00
51217	9/26/2017	Water Court LLC	Cleared	\$8,419.88	5600-010-84	Space Rental/Leases Expense	October 2017 Rent	\$8,419.88
51221	9/28/2017	BookShark LLC	Cleared	\$812.59	4100-010-83	Approved Textbooks and Core Curricula Materials	Level 1 All-Subject Package Ages 6 - 8	\$708.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	Handwriting Without Tears, Lang. Arts, Worldly Wise etc.	\$104.59
51219	9/28/2017	Blackbird & Company	Cleared	\$125.40	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Fall & Leo Lionni Bundle	\$125.40
51224	9/28/2017	Multiplication Nation (Kajitani Education)	Outstanding	\$158.00	4100-010-83	Approved Textbooks and Core Curricula Materials	One Year Multiplication Nation subscription	\$79.00
					4100-010-83	Approved Textbooks and Core Curricula Materials	One Year Multiplication Nation subscription	\$79.00
51225	9/28/2017	Rainbow Resource Center	Cleared	\$1,320.79	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Latin, Geography, History, Math, Grammer etc	\$373.29
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Science, US History, etc	\$121.28
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum -Wordly Wise, Spelling, Watercolor Set, Geography	\$42.55
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum -Science,American Cursive III, Root Word Book etc	\$110.85
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum -Hooked on Phonics Learn to Read First Grade	\$57.44
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Judy Clock, Brushes, Water Colors, Markers	\$108.53
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum -Sketch Book, History, Handwriting Sheets Etc.	\$231.50
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Lit & Comp , Saxon 7/6 Homeschool Kit	\$275.35
51222	9/28/2017	Elemental Science Inc.	Cleared	\$50.99	4100-010-83	Approved Textbooks and Core Curricula Materials	Earth Science & Astronomy For he Logic State Printed Combo	\$50.99
51226	9/28/2017	Singapore Math Inc.	Cleared	\$150.51	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math - Textbook & Activity Book	\$63.54

					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Primary Math - Textbook & Workbook	\$86.97
51223	9/28/2017	Fitivities (Sandy Spin Slade, Inc.)	Cleared	\$42.12	4100-010-83	Approved Textbooks and Core Curricula Materials	Fitivities - Curriculum	\$42.12
51228	9/28/2017	Teaching Textbooks Inc.	Cleared	\$159.90	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Math 6 Option 1 : The Complete Set	\$159.90
51229	9/28/2017	Timberdoodle.com	Cleared	\$149.87	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Language, Writing, Spelling, Word Fun	\$149.87
51227	9/28/2017	Scholastic Store	Cleared	\$43.18	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Reader Level 2, Chapter Books, etc	\$43.18
51220	9/28/2017	Barnes & Noble, Inc.	Cleared	\$34.40	4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Junior Genius Guides, Outer Space, The Human Bo	\$34.40
					4100-010-83	Approved Textbooks and Core Curricula Materials	Curriculum - Reading	\$86.81
Total Check Amount				\$231,388.72	Total GL Amount			\$231,475.52