

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

**Financial Statements and Supplemental Schedules
Together with
Report of Independent Public Accountants**

For the Years Ended June 30, 2015 and 2014



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

JUNE 30, 2015 AND 2014

CONTENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to the Financial Statements	6
SUPPLEMENTARY INFORMATION	
Schedules of Functional Expenses	17



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Trustees
Eagle Academy Public Charter School

Report on the Financial Statements

We have audited the accompanying statements of financial position of Eagle Academy Public Charter School (the School) as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets and cash flows for the years 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 audits. We conducted our audits 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; and the auditing standards established pursuant to the District of Columbia School Reform Act, Public law No. 104-134, 110 Stat. 1321-121, 2204(C)(11)(B)(ix)(1996); D.C. Official Code 38-1802.04(ii)(B)(2001, as amended). 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 the School as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



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Other Matters

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental schedules of functional expenses are presented for purposes of additional analysis as required by the District of Columbia Public Charter School Board and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 in the accompanying schedules of functional expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

Washington, DC
December 1, 2015

SB & Company, LLC

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

**Statements of Financial Position
As of June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,182,502	\$ 1,582,477
Grants and accounts receivable, net	1,283,775	1,381,390
Employee loans	30,911	3,752
Prepaid expenses	37,115	23,255
Total Current Assets	<u>3,534,303</u>	<u>2,990,874</u>
Deposits	53,695	51,415
Deferred financing cost, net	77,525	126,484
Property and equipment, net	19,539,512	19,986,932
Total Assets	<u>\$ 23,205,035</u>	<u>\$ 23,155,705</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,732,412	\$ 1,248,611
Deferred revenue	2,131	14,695
Capital lease payable, current portion	39,808	149,191
Notes payable, current portion	1,322,900	1,570,635
Total Current Liabilities	<u>3,097,251</u>	<u>2,983,132</u>
Capital lease payable, net of current portion	-	39,808
Notes payable, net of current portion	15,019,942	16,293,712
Total Liabilities	<u>18,117,193</u>	<u>19,316,652</u>
Net Assets		
Unrestricted	5,087,842	3,839,053
Total Liabilities and Net Assets	<u>\$ 23,205,035</u>	<u>\$ 23,155,705</u>

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

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

**Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
CHANGE IN UNRESTRICTED NET ASSETS		
Revenue and Support:		
Per pupil funding	\$ 17,239,116	\$ 14,363,597
Federal grants	1,695,533	1,433,177
Federal entitlements	449,495	260,060
Grants and contributions	31,342	67,586
Before and after care	305,009	228,362
Student fees	28,314	35,853
Food services	-	8,237
Interest income	654	478
Other income	539,477	494,617
Total Revenue	<u>20,288,940</u>	<u>16,891,967</u>
Net assets released from restrictions	-	33,545
Total Unrestricted Revenue and Other Support	<u>20,288,940</u>	<u>16,925,512</u>
Expenses		
Program Services	15,340,084	13,876,845
Supporting Services:		
General and administrative	3,609,971	2,657,970
Fundraising	90,096	89,935
Total Supporting Services	<u>3,700,067</u>	<u>2,747,905</u>
Total Expenses	<u>19,040,151</u>	<u>16,624,750</u>
Change in unrestricted net assets	<u>1,248,789</u>	<u>300,762</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Release of restrictions	-	(33,545)
Change in temporarily restricted net assets	<u>-</u>	<u>(33,545)</u>
Changes in net assets	1,248,789	267,217
Net assets, beginning of year	3,839,053	3,571,836
Net Assets, End of Year	<u>\$ 5,087,842</u>	<u>\$ 3,839,053</u>

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

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Statements of Cash Flows For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 1,248,789	\$ 267,217
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	771,916	628,609
Bad debt expense	75,000	16,027
Effect of changes in non-cash operating assets and liabilities:		
Grants and accounts receivable	22,615	(750,083)
Employee loans	(27,159)	(3,252)
Prepaid expenses	(13,860)	106,913
Deposits	(2,280)	48,618
Accounts payable and accrued expenses	483,801	(1,128,875)
Deferred revenue	(12,564)	(300,014)
Net Cash from Operating Activities	<u>2,546,258</u>	<u>(1,114,840)</u>
Cash Flows from Investing Activities		
Principal payments on capital leases	(149,191)	(133,224)
Purchases of property and equipment	(275,537)	(4,858,488)
Net Cash from Investing Activities	<u>(424,728)</u>	<u>(4,991,712)</u>
Cash Flows from Financing Activities		
Proceeds from notes payable	-	6,395,320
Principal payments on notes payable	(1,521,505)	(460,652)
Net Cash from Financing Activities	<u>(1,521,505)</u>	<u>5,934,668</u>
Net change in cash and cash equivalents	600,025	(171,884)
Cash and cash equivalents, beginning of year	1,582,477	1,754,361
Cash and Cash Equivalents, End of Year	<u>\$ 2,182,502</u>	<u>\$ 1,582,477</u>
Supplemental Disclosure		
Cash paid during the year for interest	\$ 522,281	\$ 425,305
Assets acquired under capital lease	\$ -	\$ 127,220

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

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

1. ORGANIZATION AND PROGRAM

Eagle Academy Public Charter School (the School), a nonprofit organization incorporated in the District of Columbia, has been granted 501(c)(3) status by the Internal Revenue Service, and has been granted a charter as a DC public charter school by the District of Columbia Board of Education, as authorized by the DC School Reform Act. The District of Columbia transferred regulatory oversight of all public charter schools chartered by the Board of Education to the District of Columbia Public Charter School Board on July 1, 2007. On August 18, 2003, the School entered into a contract with the District of Columbia Board of Education granting the School a charter for the establishment of a public charter school in Washington, DC. The charter expires on August 18, 2018.

As a DC public charter school, Eagle Academy Public Charter School (trade name for the organization) has a funding stream from the District of Columbia (uniform per student funding) and the U.S. Federal government (Federal grants for education and other programs) provided it meets certain compliance requirements. DC public charter schools are considered a Local Educational Agency (LEA) under Federal education guidelines. As a DC public charter school, the School enjoys significant freedom from the budget and operational restrictions placed on traditional public schools, allowing it to create a unique educational mission and approach.

The School provides educational opportunities to children from preschool to third grade in poverty impacted households and economically distressed communities in the District of Columbia. The School is Washington DC's first exclusively early childhood specialty public school. It seeks to develop a solid academic foundation for each student, believing that through play, children will learn pre-reading and pre-math skills that will enable them to understand more complex skills. Educational goals include: (i) enabling each student to achieve grade level maturity; (ii) encouraging parent participation regularly in school and home assigned activities in order to achieve a holistic academic environment, and (iii) establishing a solid community relationship so that children understand the importance of becoming a responsible member of their community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The School considers all cash in the bank and other short-term investments with original maturities of less than 90 days to be cash and cash equivalents. Cash equivalents as of June 30, 2015 and 2014, consisted of money market funds.

Grants and Accounts Receivable

Receivables are recorded at their net realizable value. The School provides an allowance for doubtful accounts equal to the estimated uncollectible accounts. The School's estimate is based on historical collection experience and a review of the current status of specific accounts and grants receivable. Bad debt expense was \$75,000 and \$16,027, for the years ended June 30, 2015 and June 30, 2014, respectively. There was an allowance for doubtful accounts of \$75,000, as of June 30, 2015.

Deferred Financing Costs

Deferred financing costs consist of debt issuance costs, such as bank fees and legal costs, associated with obtaining debt from BB&T, Building Hope, and the Office of Public Chartered Schools. During the year ended June 30, 2013, the School incurred loan financing cost of \$224,406, which has been capitalized and is being amortized over the life of the loan using the straight line method, which approximates the effective interest rate method. Net deferred financing cost was \$77,525 and \$126,484 as of June 30, 2015 and 2014, respectively. Amortization expense was \$48,959, for the years ended June 30, 2015 and June 30, 2014.

Property and Equipment

Property and equipment valued in excess of \$1,000, with an estimated useful life of more than one year, are capitalized and recorded at cost if purchased or estimated fair market value as of the date of gift, if donated. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense as incurred.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

Deferred revenue consists of payments received from the District of Columbia in advance of the program based on enrollment estimates for their summer program, as well as payments received in advance for summer camp. Deferred revenue was \$14,695, as of June 30, 2014. As of June 30, 2014, deferred revenue only consisted of summer camp payments.

Advertising Costs

The costs of advertising are expensed when the services were received. Advertising expense for the years ended June 30, 2015 and 2014, was \$147,979 and \$152,426, respectively.

Net Assets

Unrestricted net assets are assets and contributions that are not restricted by donors or for which restrictions have expired.

Temporarily restricted net assets are those whose use by the School has been limited by donors primarily for a specific time period or purpose. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as unrestricted net assets. There were no temporarily restricted net assets as of June 30, 2015 and 2014.

Permanently restricted net assets are those that are restricted by donors to be maintained by the School in perpetuity. There were no permanently restricted net assets as of June 30, 2015 and 2014.

Revenue Recognition

The School receives a student allocation from the District of Columbia as well as Federal funding to cover the cost of academic expenses. The student allocation is on a per pupil basis and includes the academic year funding, special education funding and a facilities allotment. The School recognizes this funding in the year in which the school term is conducted. Funding received in advance of the school term is recorded as deferred revenue in the accompanying statements of financial position. Revenue from other sources are recognized as earned.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services that benefit from those costs. General and administrative expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the School.

Income Taxes

The School is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), as well as applicable District of Columbia tax laws.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The School performed an evaluation of uncertain tax positions for the year ended June 30, 2015, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. For the year ended June 30, 2015, the statute of limitations for fiscal years 2012 through 2015 remains open with the U.S. Federal jurisdiction or the various states and local jurisdictions in which the School files tax returns. It is the School's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Subsequent Events

The School's management evaluated subsequent events and transactions through December 1, 2015, the date the financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

Financial Instruments

Financial instruments consist of cash, accounts receivable, accounts payable and notes payable. The carrying value of the School's financial instruments in the accompanying statements of financial position approximated their respective fair values as of June 30, 2015 and 2014. Fair values are estimated based on current market rates, prices or liquidation value.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

The School generally maintains cash balances in financial institutions in excess of the FDIC limitations.

3. PROPERTY AND EQUIPMENT

As of June 30, 2015 and 2014, property and equipment consisted of the following:

	<u>2015</u>	<u>2014</u>	<u>Estimated Useful Life</u>
Land	\$ 226,301	\$ 226,301	N/A
Building	19,991,635	19,815,829	39 years
Leasehold improvements	667,636	650,361	1 to 9 years
Playground	63,756	63,756	7 years
Computers	298,048	224,955	3 years
Classroom furnishings	75,975	67,712	7 years
Office equipment and furnishings	126,523	126,523	7 years
Instructional equipment	108,305	108,305	7 years
Vehicles	3,320	2,220	3 years
Assets under capital leases	403,433	403,433	3 years
Total	<u>21,964,932</u>	<u>21,689,395</u>	
Less: accumulated depreciation	2,425,420	1,702,463	
Property and Equipment, Net	<u>\$ 19,539,512</u>	<u>\$ 19,986,932</u>	

Depreciation was \$722,957 and \$579,648, for the years ended June 30, 2015 and 2014, respectively.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

4. NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Note payable from BB&T Bank dated February 22, 2012, for borrowings up to \$15,825,000. This note bears interest at LIBOR plus 2.75%, payable in monthly payments and began in March 2012. Principal is payable monthly and began in February 2014, with a balloon payment of remaining accrued and unpaid interest and principal due on February 22, 2017. This note has an option to renew for an additional 15 years at a re-negotiated rate of interest.	\$ 15,068,166	\$ 15,638,666
Note payable from Building Hope dated February 22, 2012. This note bears interest at 6.00%, payable in monthly payments of \$6,250 and began in March 2012. Principal is payable monthly and began on August 2013. The monthly payment, including interest, is \$33,070, with a balloon payment of remaining accrued and unpaid interest and principal due on February 22, 2017.	627,918	975,681
Note payable from DC Office of Public Chartered Schools dated February 22, 2012, bearing interest of 4.00%, payable in quarterly payments of \$12,500 beginning in May 2012. Principal, paid quarterly, including interest, is \$96,126, with a balloon payment of remaining principal and unpaid interest due February 22, 2017.	646,758	1,250,000
Total Notes Payable	<u>\$ 16,342,842</u>	<u>\$ 17,864,347</u>

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

4. NOTES PAYABLE (continued)

Interest expense was \$536,495 and \$482,012, for the years ended June 30, 2015 and June 30, 2014, respectively. Interest costs in the amount of \$90,309, was capitalized to building cost for the year ended June 30, 2014.

The future minimum payments on the notes payable as of June 30, 2015, were as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2016	\$ 1,322,902
2017	15,019,940
Total	<u>\$ 16,342,842</u>

These notes are collateralized by a general business security agreement. The Building Hope and DC Office of Public Chartered Schools notes are subordinated to the BB&T note. Prepayments on the District of Columbia and Building Hope loans are not allowed without obtaining permission from BB&T. The BB&T loan subjects the School to certain financial covenants and is subject to a prepayment penalty based on the date of prepayment.

These notes have certain financial covenants that require annual financial statements within a minimum of 120 days after year end, unrestricted net assets of \$2,500,000 as of the end of each fiscal year, and cash flow coverage to debt service ratio of at least 1.40 to 1.00 with respect to the BB&T note and 1.10 to 1.00 with respect to all long term debt. The School obtained an extension on the due date of the financial statements until December 30, 2015.

5. EMPLOYEE RETIREMENT PROFIT SHARING PLAN

The School has a qualified profit sharing plan for all eligible employees. The plan provides that employees can elect to make contributions to the plan in accordance with the Internal Revenue Code. The School may, but is not required to, make discretionary matching or non-elective contributions to the plan. Discretionary matching contributions of \$21,607 and \$24,542, were made during the years ended June 30, 2015 and 2014, respectively.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

6. COMMITMENTS AND CONTINGENCIES

Operating Leases

The School has various operating leases for buildings and office equipment. The School leases a building located at 475 School Street, S.W., Washington, DC under a non-cancellable operating lease arrangement. The lease expires September 30, 2016. The School also leases a building located at 1017 New Jersey Avenue, SE, Washington, DC under a non-cancellable operating lease arrangement. The lease expires August 15, 2018. The future minimum lease payments required under the building leases as of June 30, 2015, were as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2016	\$ 360,660
2017	227,190
2018	186,578
2019	31,248
Total	\$ 805,676

The School leases certain office equipment under non-cancellable operating lease agreements. The leases expire at various dates through 2019, with certain leases containing options to renew. Future minimum lease payments required under the office equipment leases, as of June 30, 2015, were as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2016	\$ 17,991
2017	9,144
2018	9,144
2019	9,144
Total	\$ 45,423

Lease expense under the operating leases totaled \$462,961 and \$428,032 for the years ended June 30, 2015 and 2014, respectively.

In addition, the School does not own the land at 3400 Wheeler Road, SE, Washington, DC. The School is leasing the land from the District of Columbia for 25 years, with an option to renew up to an additional two 25-year terms. The School does not pay rent under this lease.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

6. COMMITMENTS AND CONTINGENCIES (continued)

Capital Leases

The School has several capital leases for equipment expiring at various times in 2016. Future minimum lease payments under the non-cancellable capital lease agreements as of June 30, 2015, were \$39,808 for the year ending June 30, 2016.

Grants

The School receives financial assistance from Federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the School. The School's administration believes such disallowance, if any, would be immaterial.

The School receives a substantial portion of its revenue from the Government of the District of Columbia. If a significant reduction in this revenue should occur, it may have an effect on the School's programs. During the years ended June 30, 2015 and 2014, the School earned revenue of \$19,384,144 and \$15,960,184, respectively, from the Government of the District of Columbia, which was 96% and 94% of the total revenue and support. These amounts are reflected as per pupil funding, Federal grants, and Federal entitlements in the accompanying statements of activities and changes in net assets.

Litigation

The School may be subject to various claims and legal proceedings covering a wide range of matters that may arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the School.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2015 and 2014

7. RELATED PARTY TRANSACTIONS

On December 1, 2008, the School entered into a consulting agreement with a former member of the Board of Trustees. The terms of the agreement required the School to pay \$2,000 per month, plus the cost of reimbursable expenses, in connection with the development and implementation of the medical services component of the School's full-service community-based school plan. For the year ended June 30, 2014, the School paid \$12,000, in connection with the aforementioned consulting agreement. The agreement with the Board member ended in December, 2013. Thus, there were no payments made during the year ended June 30, 2015.

In May 2012, the School contracted with Exceptional Education Services, Inc., as its Medicaid billing vendor and provider of special education services. A former board member also served as an executive at Exceptional Education Services, Inc. For the year ended June 30, 2014, Exceptional Education Services, Inc. received \$2,293, in connection with the services provided to the School. The agreement with Exceptional Education Services, Inc. was terminated in October, 2013.

SUPPLEMENTARY INFORMATION

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Functional Expenses For the Year Ended June 30, 2015 with Comparative Totals for 2014

	2015				2014 Totals
	Program	General and Administrative	Fundraising	Total	
Personnel Expenses:					
Instructional staff	\$ 4,651,331	\$ -	\$ -	\$ 4,651,331	\$ 4,064,640
School administration	545,496	1,687,007	56,900	2,289,403	2,037,401
Support services	3,005,357	530,308	-	3,535,665	2,895,084
Employee benefits	1,537,197	415,563	10,664	1,963,424	1,578,257
Total Personnel Expenses:	9,739,381	2,632,878	67,564	12,439,823	10,575,382
Direct Student Costs:					
Food service	769,432	-	-	769,432	634,001
Contracted staff & consultants	126,084	-	-	126,084	92,520
Classroom furnishings and equipment	21,324	-	-	21,324	32,478
Technology, computers and materials	170,842	-	-	170,842	267,780
Contracted student services	781,085	-	-	781,085	381,032
Library and media materials	34,038	-	-	34,038	18,093
Miscellaneous student costs	220,260	-	-	220,260	33,874
Other instructional equipment	667	-	-	667	8,996
Student assessment materials	31,203	-	-	31,203	65,814
Summer school expenses	2,913	-	-	2,913	12,941
Student supplies and materials	122,060	-	-	122,060	212,407
Parent and staff programs	5,435	-	-	5,435	6,506
Textbooks and curriculum	139,898	-	-	139,898	277,637
Depreciation expense	64,400	-	-	64,400	170,594
Total Direct Student Costs	2,489,641	-	-	2,489,641	2,214,673
Occupancy Expenses:					
Amortization	36,824	11,864	273	48,961	48,961
Mortgage interest expense	403,502	129,999	2,995	536,496	482,013
Contracted building services	108,273	34,883	804	143,960	102,048
Equipment rental and maintenance	1,951	629	15	2,595	11,037
Janitorial supplies	51,092	16,461	379	67,932	63,403
Maintenance and repairs	11,957	3,852	89	15,898	9,248
Miscellaneous occupancy expenses	1,998	644	15	2,657	1,076
Operating expense	129	42	1	172	13,530
Rent expense	284,618	91,697	2,112	378,427	325,153
Taxes	144,977	46,708	1,076	192,761	192,019
Utilities	162,672	52,409	1,207	216,288	178,432
Depreciation expense	484,561	156,114	3,596	644,271	348,922
Total Occupancy Expenses	1,692,554	545,302	12,562	2,250,418	1,775,842
General and Office Expenses:					
Professional services	400,606	129,066	2,973	532,645	524,788
Staff development	143,747	46,312	1,067	191,126	511,950
Administrative fees	140,277	45,194	1,041	186,512	83,876
Insurance	80,163	25,827	595	106,585	143,438
Interest expense	3,903	1,257	29	5,189	27,370
Bad debt expense	75,000	-	-	75,000	16,027
Miscellaneous general services	108,857	35,070	808	144,735	127,865
Travel	66,252	21,345	489	88,086	105,729
Depreciation expense	10,741	3,461	80	14,282	60,132
Copying and printing	11,417	3,678	85	15,180	12,216
Equipment rental and maintenance	46,277	14,910	344	61,531	50,228
Marketing and advertising	111,296	35,857	826	147,979	152,426
Miscellaneous office expenses	9,280	1,933	69	11,282	17,525
Office furnishings and equipment	16,683	5,375	124	22,182	5,530
Postage and shipping	3,211	1,035	24	4,270	3,782
Supplies and materials	57,590	18,554	427	76,571	96,129
Telephone and communications	133,208	42,917	989	177,114	119,842
Total General and Office Expenses	1,418,508	431,791	9,970	1,860,269	2,058,853
Total Expenses	\$ 15,340,084	\$ 3,609,971	\$ 90,096	\$ 19,040,151	\$ 16,624,750

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Functional Expenses For the Year Ended June 30, 2014

	2014			Total
	Program	General and Administrative	Fundraising	
Personnel Expenses:				
Instructional staff	\$ 4,064,640	\$ -	\$ -	\$ 4,064,640
School administration	755,580	1,227,921	53,900	2,037,401
Support services	2,460,821	434,263	-	2,895,084
Employee benefits	1,277,224	291,577	9,456	1,578,257
Total Personnel Expenses:	8,558,265	1,953,761	63,356	10,575,382
Direct Student Costs:				
Food service	634,001	-	-	634,001
Contracted staff & consultants	92,520	-	-	92,520
Classroom furnishings and equipment	32,478	-	-	32,478
Technology, computers and materials	267,780	-	-	267,780
Contracted student services	381,032	-	-	381,032
Library and media materials	18,093	-	-	18,093
Miscellaneous student costs	33,874	-	-	33,874
Other instructional equipment	8,996	-	-	8,996
Student assessment materials	65,814	-	-	65,814
Summer school expenses	12,941	-	-	12,941
Student supplies and materials	212,407	-	-	212,407
Parent and staff programs	6,506	-	-	6,506
Textbooks and curriculum	277,637	-	-	277,637
Depreciation expense	170,594	-	-	170,594
Total Direct Student Costs	2,214,673	-	-	2,214,673
Occupancy Expenses:				
Amortization	39,658	8,813	490	48,961
Mortgage interest expense	390,429	86,762	4,822	482,013
Contracted building services	82,583	18,853	612	102,048
Equipment rental and maintenance	8,931	2,039	67	11,037
Janitorial supplies	51,309	11,714	380	63,403
Maintenance and repairs	7,483	1,709	56	9,248
Miscellaneous occupancy expenses	870	199	7	1,076
Operating expense	10,948	2,500	82	13,530
Rent expense	263,133	60,071	1,949	325,153
Taxes	155,393	35,475	1,151	192,019
Utilities	144,398	32,965	1,069	178,432
Depreciation expense	282,627	62,806	3,489	348,922
Total Occupancy Expenses	1,437,762	323,906	14,174	1,775,842
General and Office Expenses:				
Professional services	424,691	96,953	3,144	524,788
Staff development	414,302	94,581	3,067	511,950
Administrative fees	67,877	15,496	503	83,876
Insurance	116,078	26,500	860	143,438
Interest expense	22,149	5,057	164	27,370
Bad debt expense	12,982	2,885	160	16,027
Miscellaneous general services	103,467	23,631	767	127,865
Travel	85,562	19,533	634	105,729
Depreciation expense	48,661	11,110	361	60,132
Copying and printing	9,885	2,257	74	12,216
Equipment rental and maintenance	40,647	9,280	301	50,228
Marketing and advertising	123,352	28,160	914	152,426
Miscellaneous office expenses	14,182	3,238	105	17,525
Office furnishings and equipment	4,474	1,022	34	5,530
Postage and shipping	3,060	699	23	3,782
Supplies and materials	77,793	17,760	576	96,129
Telephone and communications	96,983	22,141	718	119,842
Total General and Office Expenses:	1,666,145	380,303	12,405	2,058,853
Total Expenses	\$ 13,876,845	\$ 2,657,970	\$ 89,935	\$ 16,624,750