



CAPITAL CITY PUBLIC CHARTER SCHOOL

**SINGLE AUDIT FINANCIAL REPORT
UNDER UNIFORM GUIDANCE**

JUNE 30, 2019 AND 2018

CAPITAL CITY PUBLIC CHARTER SCHOOL

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JUNE 30, 2019 AND 2018

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Independent Auditors' Report

Board of Trustees
Capital City Public Charter School
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Capital City Public Charter School (CCPCS) a nonprofit organization, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, 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.

Auditors' 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 auditors consider 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 CCPCS as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 of the financial statements, CCPCS adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of vendors awarded contracts equal to or greater than \$25,000 and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the 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 November 26, 2019, on our consideration of CCPCS'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 the effectiveness of the Capital City's Public Charter School's 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 CCPCS's internal control over financial reporting and compliance.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
November 26, 2019

Certified Public Accountants

CAPITAL CITY PUBLIC CHARTER SCHOOL

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 14,222,433	\$ 11,939,899
Federal Grants Receivable	201,132	208,107
Other Receivables	194,619	118,731
Prepaid Expenses	<u>37,358</u>	<u>58,140</u>
Total Current Assets	14,655,542	12,324,877
Fixed Assets		
Furniture and Equipment	3,174,770	2,984,409
Equipment under Capital Lease	146,571	146,571
Leasehold Improvements	<u>30,290,059</u>	<u>30,241,986</u>
	33,611,400	33,372,966
Less Accumulated Depreciation and Amortization	<u>(10,082,166)</u>	<u>(8,653,253)</u>
Total Fixed Assets	23,529,234	24,719,713
Deposits	<u>595</u>	<u>6,415</u>
Total Assets	<u><u>\$38,185,371</u></u>	<u><u>\$ 37,051,005</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 1,777,360	\$ 1,533,415
Accrued Vacation	114,138	182,018
Refundable Advances	258	448
Capital Lease Payable	31,472	32,042
Loan Payable	<u>643,266</u>	<u>619,935</u>
Total Current Liabilities	2,566,494	2,367,858
Capital Lease, Net of Current Portion	17,887	51,568
Interest Rate Swap	(122,561)	43,519
Loan Payable, Net of Current Portion	15,473,935	16,150,604
Accrued Rent Liability - Ground Lease	<u>3,326,885</u>	<u>3,050,465</u>
Total Liabilities	21,262,640	21,664,014
Net Assets		
Without Donor Restrictions	16,845,745	15,254,211
With Donor Restrictions	<u>76,986</u>	<u>132,780</u>
Total Net Assets	<u>16,922,731</u>	<u>15,386,991</u>
Total Liabilities and Net Assets	<u><u>\$38,185,371</u></u>	<u><u>\$ 37,051,005</u></u>

See accompanying Notes to Financial Statements.

CAPITAL CITY PUBLIC CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	June 30, 2019			June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Grants and Contributions						
District of Columbia, per Pupil Allocation	\$ 17,949,802	\$ -	\$ 17,949,802	\$ 16,978,086	\$ -	\$ 16,978,086
District of Columbia, per Pupil Facilities	3,240,158	-	3,240,158	3,170,379	-	3,170,379
Federal Entitlements and Grants	1,652,873	-	1,652,873	1,537,732	-	1,537,732
Contributions and Grants	224,571	189,954	414,525	284,489	287,893	572,382
Interest	74,879	-	74,879	8,460	-	8,460
Local and Supplemental Program Revenue	304,471	-	304,471	314,247	-	314,247
Miscellaneous	127,161	-	127,161	152,371	-	152,371
Net Assets Released from Restrictions	245,748	(245,748)	-	181,735	(181,735)	-
Total Revenue	23,819,663	(55,794)	23,763,869	22,627,499	106,158	22,733,657
Expenses						
Program Services	18,619,259	-	18,619,259	17,696,648	-	17,696,648
Management and General	3,469,813	-	3,469,813	3,352,053	-	3,352,053
Fundraising	305,136	-	305,136	259,906	-	259,906
Total Expenses	22,394,208	-	22,394,208	21,308,607	-	21,308,607
Change in Net Assets before Change in Fair Value of Interest Rate Swap	1,425,455	(55,794)	1,369,661	1,318,892	106,158	1,425,050
Change in Fair Value of Interest Rate Swap	166,079	-	166,079	178,279	-	178,279
Change in Net Assets	1,591,534	(55,794)	1,535,740	1,497,171	106,158	1,603,329
Net Assets, Beginning of Year	15,254,211	132,780	15,386,991	13,757,040	26,622	13,783,662
Net Assets, End of Year	\$ 16,845,745	\$ 76,986	\$ 16,922,731	\$ 15,254,211	\$ 132,780	\$ 15,386,991

See accompanying Notes to Financial Statements.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program	Management and General	Fundraising	Total
Personnel, Salaries, and Benefits				
Salaries	\$ 10,076,822	\$ 2,162,296	\$ 210,638	\$ 12,449,756
Employee Benefits	1,585,559	352,594	33,217	1,971,370
Payroll Taxes	808,315	173,450	16,896	998,661
Professional Development	212,956	45,697	4,451	263,104
Other Staff-Related Expense	76,006	16,310	1,589	93,905
Total Personnel, Salaries, and Benefits	12,759,658	2,750,347	266,791	15,776,796
Direct Student Costs				
Supplies, Materials, Snacks	445,879	-	-	445,879
Fieldwork and Other Transportation	146,134	-	-	146,134
Contracted Instruction Fees	430,245	-	-	430,245
Textbooks	27,062	-	-	27,062
Student Assessments	34,064	-	-	34,064
Student Food Service Program	550,931	-	-	550,931
Other Student Costs	209,740	-	-	209,740
Total Direct Student Costs	1,844,055	-	-	1,844,055
Occupancy Expense				
Rent	269,510	6,581	329	276,420
Maintenance and Repairs	256,415	6,262	313	262,990
Utilities and Garbage Removal	359,397	8,776	439	368,612
Contracted Building Services	360,091	8,793	440	369,324
Janitorial Supplies	533	13	1	547
Interest - Facilities	706,415	17,251	863	724,529
Depreciation - Facilities	1,065,916	26,028	1,301	1,093,245
Total Occupancy Expense	3,018,277	73,704	3,686	3,095,667
Office Expense				
Office Supplies	47,903	10,281	1,001	59,185
Equipment Rent and Maintenance	41,475	8,899	867	51,241
Telecommunications	46,636	10,006	975	57,617
Postage	14,022	3,009	293	17,324
Printing and Copying	3,338	716	70	4,124
Computer Support Expenses	140,354	30,117	2,934	173,405
Interest - Operating Assets	2,960	635	62	3,657
Total Office Expense	296,688	63,663	6,202	366,553
General Expense				
Insurance	69,987	15,018	1,463	86,468
Authorizer Fees	-	174,589	-	174,589
Accounting, Auditing, and Payroll	-	177,773	-	177,773
Legal Fees	11,979	25,662	-	37,641
Other Professional and Fundraising Fees	-	26,681	13,260	39,941
Dues, Fees, Licenses, and Fines	17,526	39,622	10,000	67,148
Other General Expense	295,162	15,137	-	310,299
Depreciation - Operating Assets	305,927	107,617	3,734	417,278
Total General Expense	700,581	582,099	28,457	1,311,137
Total	\$ 18,619,259	\$ 3,469,813	\$ 305,136	\$ 22,394,208

See accompanying Notes to Financial Statements.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program	Management and General	Fundraising	Total
Personnel, Salaries, and Benefits				
Salaries	\$ 9,526,543	\$ 1,998,895	\$ 182,176	\$ 11,707,614
Employee Benefits	1,671,248	349,774	33,719	2,054,741
Payroll Taxes	758,684	159,190	14,508	932,382
Professional Development	171,776	36,043	3,285	211,104
Other Staff-Related Expense	75,941	15,934	1,452	93,327
Total Personnel, Salaries, and Benefits	12,204,192	2,559,836	235,140	14,999,168
Direct Student Costs				
Supplies, Materials, Snacks	291,009	-	-	291,009
Fieldwork and Other Transportation	143,284	-	-	143,284
Contracted Instruction Fees	324,494	-	-	324,494
Textbooks	34,231	-	-	34,231
Student Assessments	26,830	-	-	26,830
Student Food Service Program	528,377	-	-	528,377
Other Student Costs	218,046	-	-	218,046
Total Direct Student Costs	1,566,271	-	-	1,566,271
Occupancy Expense				
Rent	269,510	6,581	329	276,420
Maintenance and Repairs	188,127	4,594	230	192,951
Utilities and Garbage Removal	403,641	9,857	493	413,991
Contracted Building Services	376,770	9,201	460	386,431
Janitorial Supplies	1,960	48	2	2,010
Interest - Facilities	642,526	15,691	785	659,002
Depreciation - Facilities	1,232,574	30,099	1,505	1,264,178
Total Occupancy Expense	3,115,108	76,071	3,804	3,194,983
Office Expense				
Office Supplies	66,974	14,053	1,281	82,308
Equipment Rent and Maintenance	31,903	6,694	610	39,207
Telecommunications	57,109	11,982	1,092	70,183
Postage	12,747	2,674	244	15,665
Printing and Copying	9,520	1,998	182	11,700
Computer Support Expenses	153,758	32,263	2,940	188,961
Interest - Operating Assets	4,401	924	84	5,409
Total Office Expense	336,412	70,588	6,433	413,433
General Expense				
Insurance	83,260	17,470	1,592	102,322
Authorizer Fees	-	231,003	-	231,003
Accounting, Auditing, and Payroll	-	183,745	-	183,745
Legal Fees	13,103	29,411	-	42,514
Other Professional and Fundraising Fees	-	8,900	7,818	16,718
Dues, Fees, Licenses, and Fines	11,320	49,731	3,019	64,070
Other General Expense	165,312	13,146	1,600	180,058
Depreciation - Operating Assets	201,670	112,152	500	314,322
Total General Expense	474,665	645,558	14,529	1,134,752
Total	\$ 17,696,648	\$ 3,352,053	\$ 259,906	\$ 21,308,607

See accompanying Notes to Financial Statements.

CAPITAL CITY PUBLIC CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,535,740	\$ 1,603,329
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	1,510,523	1,578,499
Decrease in Federal Grants Receivable	6,975	107,665
Increase in Other Receivables	(75,888)	(20,519)
Decrease in Prepaid Expenses	20,782	153,910
Decrease in Deposits	5,820	14,500
Increase in Accounts Payable and Accrued Expenses	243,945	140,462
(Decrease) Increase in Accrued Vacation	(67,880)	64,337
Decrease in Refundable Advances	(190)	(68,755)
Increase in Accrued Rent Liability - Ground Lease	276,420	276,420
Net Cash Provided by Operating Activities	<u>3,456,247</u>	<u>3,849,848</u>
Cash Flows from Investing Activities		
Purchases of Fixed Assets	<u>(320,044)</u>	<u>(1,276,292)</u>
Net Cash Used in Investing Activities	<u>(320,044)</u>	<u>(1,276,292)</u>
Cash Flows from Financing Activities		
Principal Payments on Loan Payable	(653,338)	(586,308)
Change in Value of Interest Rate Swap	(166,080)	(178,279)
Principal Payments on Capital Lease Payable	<u>(34,251)</u>	<u>(32,499)</u>
Net Cash Used in Financing Activities	<u>(853,669)</u>	<u>(797,086)</u>
Net Increase in Cash and Cash Equivalents	2,282,534	1,776,470
Cash and Cash Equivalents, Beginning of Year	<u>11,939,899</u>	<u>10,163,429</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 14,222,433</u></u>	<u><u>\$ 11,939,899</u></u>
Supplementary Disclosure of Cash Flow Information		
Interest Paid	\$ 714,396	\$ 651,446

See accompanying Notes to Financial Statements.

CAPITAL CITY PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Capital City Public Charter School (CCPCS) is a not-for-profit corporation incorporated in the District of Columbia in December of 1999. CCPCS began operations on September 6, 2000. CCPCS implements the Expeditionary Learning Outward Bound (ELOB) school design, which uses “learning expeditions” to challenge students to meet rigorous academic and character standards.

The mission of CCPCS is to enable a diverse group of children to meet high expectations, develop creativity, critical thinking, problem-solving skills, and achieve a deep understanding of complex subjects, while acquiring a love of learning and a strong sense of community and character.

The school served 993 students during the years ended June 30, 2019 and 2018.

Basis of Accounting

The financial statements of CCPCS have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Financial Statement Presentation

CCPCS has presented its financial statements in accordance with U.S. Generally Accepted Accounting Principles. Under those principles, CCPCS is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - resources that are available for general operations and resources as designated in CCPCS’ budget approved by its board of trustees.

Net Assets With Donor Restrictions - resources that are subject to donor-imposed time and/or program restrictions. These donor restricted net assets require that resources be used for specific purposes and/or in a later period or after a specified date. Net assets with donor restrictions become unrestricted when the time restriction expires, or the funds are used for their restricted purposes.

Income Taxes

CCPCS is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and did not conduct unrelated business activities. In addition, CCPCS has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Code.

CCPCS requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. CCPCS does not believe its financial statements include, or reflect, any uncertain tax positions.

CCPCS’s Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

CAPITAL CITY PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

A substantial portion of CCPCS's revenue is derived from the District of Columbia Public School system based on enrollment. The revenue is recognized ratably over the school year. Revenue from other government sources generally represents various entitlements and is recognized as earned.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, money market funds, and other highly liquid instruments with maturities, when initially purchased, of less than three months.

Receivables

Receivables consist primarily of amounts due from federal grants, other grants, pledges from individuals, and other receivables from the Office of the State Superintendent of Education of the District of Columbia. The management of CCPCS reviews the collectability of the receivables on a monthly basis. Management believes all amounts are fully collectable and, therefore, no allowance for doubtful accounts is necessary.

Fixed Assets

CCPCS capitalizes all fixed asset acquisitions of \$1,000 and above. Fixed assets are carried at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided using the straight-line method over the estimated useful life of the asset or for leasehold improvements the shorter of the useful life or the remaining lease term. Expenditures for fixed assets and related betterments that extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are charged to expense as incurred.

Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CCPCS.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CAPITAL CITY PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

CCPCS reports gifts of cash and other assets as revenue without donor restriction or revenue with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, occupancy, depreciation, and amortization. These expenses are allocated on the basis of estimates of time and effort by employees or facilities use percentage. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

Reclassifications

Certain 2018 amounts have been reclassified for comparative purposes.

2. CONCENTRATIONS

During the years ended June 30, 2019 and 2018, CCPCS's cash balances at financial institutions exceeded the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

As of June 30, 2019 and 2018, 100% of the total federal grants receivables were due from the District of Columbia Office of the State Superintendent.

3. REFUNDABLE ADVANCES

CCPCS records grant/contract revenue as a refundable advance until it is expended for the purpose of the grant, at which time it is recognized as revenue. The balance in refundable advances at June 30, 2019 and 2018 represents amounts received that will be expended in the next fiscal year in accordance with the grant/contract period.

As of June 30, 2019 and 2018, refundable advances consisted of the following:

Description	2019	2018
Chesapeake Bay Trust	\$ -	\$ 190
ESY Funding for Summer School	258	258
Total	<u>\$ 258</u>	<u>\$ 448</u>

CAPITAL CITY PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

4. PER PUPIL ALLOTMENT

CCPCS receives an annual per pupil allotment from the District of Columbia based on its student enrollment which is a substantial portion of its revenue. If a significant reduction in this revenue should occur, it may have a material effect on CCPCS programs. During the years ended June 30, 2019 and 2018, CCPCS earned revenue of approximately \$21,190,000 and \$20,148,000, respectively, from the District of Columbia, which is approximately 88% and 86% of total revenue, respectively. These amounts are reflected as the District of Columbia, per pupil allocation and per pupil facilities revenue in the accompanying statements of activities.

In September 2017, the offices of the Deputy Mayor of Education (DME) and the State Superintendent of Education (OSSE) notified all charter school leaders of a tentative approved contract with the Washington Teacher's Union (WTU). Upon approval of the contract by the City Council and Mayor of the District of Columbia (DC), DC provided additional funding to all DC Public and Charter Schools through an increase in the per pupil allocation [Uniform per Student Funding Formula (UPSFF)] which was applied retroactively for the year ended June 30, 2017. All public charter schools received a one-time payment to reflect the increase in the year ended June 30, 2017 UPSFF base rate, which was calculated based on the final enrollment audit count, supplemental payments, and extended school year (ESY) funding. Based on CCPCS's final enrollment count and the \$203 rate increase for the year ended June 30, 2017 UPSFF base rate, CCPCS received approximately \$320,000 in retroactive per pupil allocation revenue which was recognized and reported in CCPCS's financial statements for the year ended June 30, 2018.

Due to the timing of the payment from DC, CCPCS was not able to apply the funds to annual operating revenue in fiscal year 2016-17. Once it was clear that CCPCS would end that fiscal year with larger than expected net income, CCPCS allocated a significant portion of the expected one-time retroactive payment amount to signing bonuses for all staff returning for the 2017-18 school year. These bonuses were paid in the June 30, 2017 payroll, so the expense was applied in fiscal year 2016-17, while the revenue was applied in fiscal year 2017-18.

5. LOAN PAYABLE AND COMMITMENTS

Loan Payable

In July 2014, the District of Columbia issued \$19,200,000 of tax-exempt variable rate demand revenue bonds (the Series 2014 Bonds), the proceeds of which were loaned to CCPCS via direct placement with a bank. The bonds mature in July 2044. Both principal and interest are payable based on a 23-year mortgage style amortization such that the principal balance will be retired at the end of the first option period of the ground lease discussed in Note 7. Principal is payable based on a fixed schedule, while interest is payable based on a rate that varies monthly. Payments began September 1, 2014. The variable interest rate was set at 78% of the 30-day LIBOR plus 1.76% during the seven-year initial floating rate period, which was set to end in July 2021.

With the tax law change in January 2018, CCPCS's interest rate was adjusted per the terms of the loan documents to 94.80% of 1-Month LIBOR plus 2.14%. In February 2019, the terms of the bond were amended in a reissuance transaction where the variable interest rate was modified to 79% of 1-Month LIBOR plus 1.90%. During this 2019 reissuance, the initial floating rate period was extended to July 2025.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

5. LOAN PAYABLE AND COMMITMENTS (CONTINUED)

Loan Payable (Continued)

For the years ended June 30, 2019 and 2018, the average interest rates were approximately 4.26% and 3.17%, respectively. Subsequent to the initial floating rate period, the variable rate will be determined by applying a margin to a percentage of the 30-day LIBOR, with such margin and percentage being determined by the bank or may be converted to a fixed rate. Such determination of the interest rate for each interest rate period will be consistent with the bank's then-current pricing practices. Further, the bank may call or accelerate the loan at the end of the initial or any subsequent floating rate period. The duration, as well as interest rate, of subsequent floating rate periods will be determined at the end of each preceding interest rate period. Loans payable at June 30, 2019 and 2018, consisted of the following:

	2019	2018
Loan Payable in Monthly Installments	\$ 16,395,050	\$ 17,016,876
Less Current Portion	(643,266)	(619,935)
Less Unamortized Loan Issuance Costs	(277,849)	(246,337)
Total Long-Term Loan Payable	<u>\$ 15,473,935</u>	<u>\$ 16,150,604</u>

The future scheduled maturities of the Series 2014 Bonds are as follows:

For the Years Ending June 30,

2020	\$ 645,228
2021	669,510
2022	694,706
2023	720,851
2024	747,980
Thereafter	<u>12,916,775</u>
Total	<u>\$ 16,395,050</u>

The Series 2014 Bond proceeds were used to repay the outstanding balances of the original Senior Loan and Subordinate Debt used to finance renovating and equipping the School, as well as to fund certain issuance costs. The Series 2014 Bonds are secured by substantially all of the assets of CCPCS and contain restrictive covenants as well as various financial covenants including maintaining a certain debt service coverage ratio and minimum liquidity. As of June 30, 2019 and 2018, CCPCS was in compliance with all of its debt covenants.

During the year ended June 30, 2017, CCPCS retroactively adopted the requirements in *FASB ASC 835-30* to present loan issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of loan issuance costs is reported as interest expense in the statements of activities.

Interest Rate Swap Agreement

In July 2014, CCPCS entered into a seven-year interest rate swap agreement (the Swap Agreement) to reduce its exposure to interest rate risk on its variable rate debt. The Swap Agreement covers a nominal principal value of \$9,600,000, which represented 50% of the outstanding principal balance of the Series 2014 bonds at issuance.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

5. LOAN PAYABLE AND COMMITMENTS (CONTINUED)

Interest Rate Swap Agreement (Continued)

The Swap Agreement fixes the interest rate at 3.69% on \$9,600,000 of the variable rate debt. The Swap Agreement matures on July 1, 2021. The fair value of the swap at June 30, 2019 and 2018, are (asset) and liability positions of (\$122,561) and \$43,519, respectively. The fair value is determined using forward-looking assumptions of interest rates and is not adjusted for non-performance risk of either party. CCPCS does not believe there is significant counter-party risk associated with its Swap Agreement as its counter-party is a highly rated bank.

The following table presents the notional principal amounts of CCPCS's interest rate swap and related treatment in the financial statements.

	Notional Value at June 30, 2019	Expiration Date	Estimated Fair Value at June 30, 2019
Series 2014 Bonds	\$ 9,600,000	7/1/2021	\$ 122,561
		2019	2018
Statements of Financial Position Location Interest Rate Swap		\$ (122,561)	\$ 43,519
Location of Gain (Loss) in the Statements of Activities Change in Fair Value of Interest Rate Swap		\$ 166,079	\$ 178,279

6. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) 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 other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment.

The following presents CCPCS's assets measured at fair value as of June 30, 2019:

Description	Level 1	Level 2	Level 3	Total
Interest Rate Swap	\$ -	\$ (122,561)	\$ -	\$ (122,561)
Total Liabilities	\$ -	\$ (122,561)	\$ -	\$ (122,561)

CAPITAL CITY PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

6. FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents CCPCS's liabilities measured at fair value as of June 30, 2018:

Description	Level 1	Level 2	Level 3	Total
Interest Rate Swap	\$ -	\$ 43,519	\$ -	\$ 43,519
Total Liabilities	\$ -	\$ 43,519	\$ -	\$ 43,519

Cash and Cash Equivalents - The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

Interest Rate Swap Obligation - Fair value is estimated by the commercial bank issuing the swap agreement based on current market terms of swap agreements with similar durations and interest rates.

Loans Payable - The carrying amounts of loans payable approximate fair values because those financial instruments predominantly bear interest at variable rates that approximate current market rates for loans with similar maturities and credit quality.

7. LEASING ARRANGEMENTS

Ground Lease

On October 17, 2011, CCPCS entered into a twenty-five year ground lease (the Ground Lease) with the District of Columbia for the School facility at 100 Peabody Street, NW, Washington, D.C. The Ground Lease commenced on September 1, 2012. The Ground Lease contains an option to extend the term for an additional twenty-five years if exercised within twelve months prior to the expiration of the original term. The Ground Lease contains a credit for the amount spent on leasehold improvements and renovations of the building to be applied to the first fifteen years of rent on a dollar-for-dollar basis. Any remaining amount of renovation costs not used by year fifteen will be taken as a credit and amortized over the remaining term. Annual rent is \$1,496,000. Under the terms of the original Ground Lease and the additional credit approved during the year ended June 30, 2017, the available credit is approximately \$29,051,000. If CCPCS uses the entire credit available, CCPCS would not pay rent until September 1, 2027. Assuming that the entire credit is used, the future minimum Ground Lease payments are expected to be approximately \$8,349,000. Under accounting principles generally accepted in the United States of America (GAAP) all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the Ground Lease.

The difference between the GAAP rent expense and the required Ground Lease payments is reflected as accrued rent liability-ground lease in the accompanying statements of financial position.

Rent expense for the years ended June 30, 2019 and 2018, was approximately \$276,000.

Capital Lease

CCPCS has entered into capital leases of certain office equipment. CCPCS is obligated under the leases through 2021. The assets and liabilities under capital leases are recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The assets are amortized (or depreciated) over the lower of their related lease terms or their estimated useful lives.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

7. LEASING ARRANGEMENTS (CONTINUED)

Capital Lease (Continued)

Amortization (or depreciation) of assets under capital leases is included in depreciation expense for the years ended June 30, 2019 and 2018.

Minimum future lease payments under the leases are as follows:

For the Years Ending June 30,

2020	\$	37,908
2021		13,659
Total Minimum Lease Payments		51,567
Less Amount Representing Interest		(2,208)
Present Value of Total Minimum Lease Payments	\$	49,359

8. RETIREMENT PLAN

CCPCS sponsors a 403(b) retirement plan (the Plan). Commencing with the date of hire, both full and part-time employees who average a minimum of 20 hours per week are eligible to participate in the Plan. The Plan provides funding in the amount of 3% for employees who contribute nothing to the Plan and up to 6 % of each eligible employee's annual salary for those employees who contribute 3% to the Plan. CCPCS's contribution under the Plan for the years ended June 30, 2019 and 2018, was approximately \$706,000 and \$662,000, respectively.

9. CONTINGENCIES

CCPCS receives support and revenues from federal government grants and contracts. The ultimate determination of amounts received under these programs is generally based upon allowable costs, which are subject to audit. CCPCS is of the opinion that adjustments, if any, arising from such audits, will not have a material effect on the financial statements.

10. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2019 and 2018, net assets with donor restrictions consisted of the following:

Purpose	2019	2018
School Redesign/Breakthrough Schools	\$ -	\$ 2,509
Family Engagement and College Readiness	2,673	2,673
Theatre Campaign	-	10,420
Community Values	27,681	20,896
Other Various Projects	21,626	10,010
Capital Partners for Education	1,556	1,556
Family Campaign	-	56,266
Students Scholarship	23,450	28,450
Total Temporarily Restricted Net Assets	\$ 76,986	\$ 132,780

CAPITAL CITY PUBLIC CHARTER SCHOOL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

10. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

For the years ended June 30, 2019 and 2018, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Purpose	2019	2018
School Redesign/Breakthrough Schools	\$ 2,509	\$ 97,491
Family Engagement and College Readiness	-	8,661
Theatre Campaign	10,731	11,371
Community Values	24,448	4
Other Various Projects	142,794	39,252
Capital Partners for Education	4,000	8,444
Family Campaign	56,266	512
Students Scholarship	5,000	16,000
Total Releases	<u>\$ 245,748</u>	<u>\$ 181,735</u>

11. ADOPTION OF ACCOUNTING STANDARDS UPDATE 2016-14

For the year ended June 30, 2019, Capital City Public Charter School adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification and provides information about liquidity and availability of resources. The changes required by the update have been applied retrospectively to all periods presented. A key change under ASU 2016-14 is the terminology of net asset classes used in these financial statements. Amounts previously reported as temporarily restricted and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions.

12. LIQUIDITY AND AVAILABILITY OF RESOURCES

CCPCS's cash flows have seasonal variations due to the timing of contributions, program revenues, and vendor payments. CCPCS manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

As of June 30, 2019, the following financial assets and liquidity sources are available for general operating expenditures for the year ending June 30, 2020.

<i>Financial Assets at Year End</i>	
Cash and Cash Equivalents	\$ 14,222,433
Federal Grants Receivable	201,132
Other Receivables	194,619
Total Financial Assets and Liquidity Resources Available	<u>\$ 14,618,184</u>

13. SUBSEQUENT EVENTS

Subsequent events were evaluated through November 26, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTARY AND ADDITIONAL INFORMATION

**Independent Auditors' 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***

Board of Trustees
Capital City Public Charter School
Washington, D.C.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capital City Public Charter School (CCPCS), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCPCS's internal control over financial reporting (internal control) to determine the audit 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 CCPCS's internal control. Accordingly, we do not express an opinion on the effectiveness of CCPCS'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 a 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 CCPCS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCPCS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
November 26, 2019

Certified Public Accountants



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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
Capital City Public Charter School
Washington, D.C.

Report on Compliance for Each Major Federal Program

We have audited Capital City Public Charter School's (CCPCS) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CCPCS's major federal programs for the year ended June 30, 2019. CCPCS's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CCPCS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCPCS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CCPCS's compliance.

Opinion on Each Major Federal Program

In our opinion, CCPCS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of CCPCS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CCPCS's internal control over compliance with the types of

Report on Internal Control over Compliance (Continued)

requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CCPCS's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
November 26, 2019

Certified Public Accountants

CAPITAL CITY PUBLIC CHARTER SCHOOL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Grant Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<i>Pass-Through Programs from the Office of the State Superintendent of Education of the District of Columbia</i>			
Title I Grants to Local Educational Agencies	84.010A	82010A	\$ 490,698
Supporting Effective Instructions State Grants (formerly Improving Teacher Quality State Grants)	84.367A	82367A	107,657
English Language Acquisition State Grants	84.365A	82365A	27,684
Student Support and Academic Enrichment Program	84.424A	84.424A	55,444
Special Education Cluster - Special Grants to States	84.027A	82027A; 92027A	197,134
Special Education Cluster - Special Education Preschool Grants	84.173A	92173A	1,033
Charter Schools	84.282A	VB.282A	123,217
DC School Choice Incentive Program	84.370C	CHOICE, 84.370C	<u>176,772</u>
Total Pass-Through Programs from the Office of the State Superintendent			<u>1,179,639</u>
Total U.S. Department of Education			1,179,639
<u>U.S. Department of Commerce</u>			
<i>Pass-Through from the Chesapeake Bay Trust</i>			
Unallied Management Projects	11.454	15726; 16725	<u>2,840</u>
Total U.S. Department of Commerce			2,840
<u>Department of Agriculture - Food and Nutrition Service</u>			
<i>Pass-Through Programs from the Office of the State Superintendent of Education of the District of Columbia</i>			
Child Nutrition Cluster			
National School Lunch Program	10.555	N/A	289,822
National School Breakfast Program	10.553	N/A	88,625
Fresh Fruit and Vegetable Program (Noncash Commodities)	10.555	N/A	<u>28,774</u>
Total Department of Agriculture			<u>407,221</u>
Total Expenditures of Federal Awards			<u>\$ 1,589,700</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Capital City Public Charter School, under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Capital City Public Charter School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Capital City Public Charter School.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

Capital City Public Charter School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. PASS-THROUGH TO SUBRECIPIENTS

There were no funds passed through to subrecipients.

5. RECONCILIATION OF EXPENDITURES

The financial statements of Capital City Public Charter School are presented in accordance with U.S. generally accepted accounting principles. Expenditures per the schedule of expenditures of federal awards are reported on the statement of activities in the audited financial statements as follows:

<u>Description</u>	<u>Total</u>
Federal Entitlements and Grants	\$ 1,652,873
Less E-Rate (Not Considered Federal Financial Assistance)	(62,341)
Less Recovery of Prior Year SOARs	(832)
Total Schedule of Expenditures of Federal Awards	<u>\$ 1,589,700</u>

CAPITAL CITY PUBLIC CHARTER SCHOOL

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:.....Unmodified

Internal control over financial reporting:

Material weakness(es) identified?No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?None reported

Noncompliance material to financial statements noted?No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?None reported

Type of auditors' report issued on compliance for major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
	Child Nutrition Cluster	
10.553	National School Breakfast Program	Unmodified
10.555	National School Lunch Program	Unmodified
10.555	Fresh Fruit and Vegetable Program	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a).No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	Fresh Fruit and Vegetable Program

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None were reported.

CAPITAL CITY PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section III - Federal Award Findings and Questioned Costs

None were reported.

CAPITAL CITY PUBLIC CHARTER SCHOOL

**SUPPLEMENTAL SCHEDULE OF VENDORS AWARDED CONTRACTS EQUAL TO OR GREATER THAN \$25,000
FOR THE YEAR ENDED JUNE 30, 2019**

Vendor Name	Services Provided	Award Amount	Conflict of Interest
CareFirst BlueCross BlueShield	Health Insurance Services	\$ 1,250,000	N
Busy Bee Environmental Services, Inc.	General Contracting Services/Janitorial Services	511,000	N
Revolution Foods, Inc.	Food Service	518,205	N
Pepco	Utilities	500,000	N
CDW Government, Inc.	IT Supplies	400,000	N
Staples Advantage	Office Supplies	150,000	N
GIS Benefits	Insurance Services	100,000	N
DC Water and Sewer Authority	Water and Sewer Services	100,000	N
EdOps	Financial Services	130,000	N
GreatAmerica Financial Svcs.	Copier Services	100,000	N
Venpor Investments LLC	Transportation Services	130,000	N
Ana Lorena Beltran Santana	Translation Services	30,000	N
Councilor, Buchanan & Mitchell, PC	Auditor	51,500	N
EL Education, Inc.	Professional Development	52,000	N
Namely, Inc.	Financial Services	55,800	N
MIC Wright Specialty	Business Insurance Services	100,000	N
Allyson Griffith	Translation Services	50,000	N
DC-NET	Telephone and Telecommunications	37,000	N
J.S. Carroccio Landscaping, LLC	Landscaping Services	32,248	N
Selective	Commercial Insurance	100,000	N
Rediker Software, Inc.	Technology	69,000	N