Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Financial Report
June 30, 2019

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Trustees
Euphemia L. Haynes Public Charter School, Inc.

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Euphemia L. Haynes Public Charter School, Inc. and Subsidiary (collectively, the Organization), which comprise the consolidated balance sheets as of June 30, 2019 and 2018, the related consolidated statements of activities, functional expense and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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. Those standards require that we plan and perform the audit 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 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 Organization as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As disclosed in Note 1 to the financial statements, in 2019 the Organization adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The adoption of this standard resulted in additional footnote disclosures and changes to the classification of net assets. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report, dated October 31, 2019, on our consideration of the Organization 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 Organization'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 the Organization's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
October 31, 2019

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Balance Sheets
June 30, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	**$ 4,200,939**	$ 3,812,812
Investments	**4,049,338**	3,957,682
Accounts receivable	**68,113**	2,921
Promises to give	**5,000**	47,159
Grants receivable	**738,955**	717,594
Prepaid expenses	**358,711**	199,530
Total current assets	**9,421,056**	8,737,698
Restricted cash	**1,545,961**	1,137,023
Property and equipment, net	**31,627,659**	32,586,900
Deposits	**1,640**	1,640
Due from ELH Support Corp.	**35,388**	5,267
Interest rate swap asset	**-**	360,090
	$ 42,631,704	$ 42,828,618
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 1,251,703**	$ 1,379,856
Current portion of long-term debt	**1,016,000**	535,000
Deferred revenue	**-**	1,500
Total current liabilities	**2,267,703**	1,916,356
Deferred rent	**-**	2,558,420
Interest rate swap liability	**775,005**	-
Long-term debt, net of current portion	**31,350,353**	32,098,208
	34,393,061	36,572,984
Contingencies and commitments (Notes 13 and 14)		
Net assets:		
Without donor restrictions	**8,147,527**	6,167,198
With donor restrictions	**91,116**	88,436
	8,238,643	6,255,634
	$ 42,631,704	$ 42,828,618

See notes to consolidated financial statements.

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Statement of Activities
Year Ended June 30, 2019
(With Comparative Totals for 2018)

	2019			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2018 Total
Revenue and support:				
Pupil allocation	**$ 24,404,114**	**$ -**	**$ 24,404,114**	$ 23,561,722
Other grants	**1,112,161**	**-**	**1,112,161**	659,872
Federal grants	**1,610,710**	**-**	**1,610,710**	1,604,551
Contributions	**338,952**	**150,314**	**489,266**	450,323
Program revenue	**102,589**	**-**	**102,589**	92,567
Investment income	**110,166**	**-**	**110,166**	32,722
Rental revenue	**2,560**	**-**	**2,560**	1,186
Net assets released from restrictions	**147,634**	**(147,634)**	**-**	-
Total revenue and support	**27,828,886**	**2,680**	**27,831,566**	26,402,943
Expenses:				
Program services	**25,854,370**	**-**	**25,854,370**	25,068,210
General and administrative	**1,141,465**	**-**	**1,141,465**	1,231,978
Fundraising	**490,339**	**-**	**490,339**	443,251
Total expenses	**27,486,174**	**-**	**27,486,174**	26,743,439
Change in net assets before other (loss) gain	**342,712**	**2,680**	**345,392**	(340,496)
Other (loss) gain:				
(Loss) gain on interest rate swap agreement	**(1,135,095)**	**-**	**(1,135,095)**	799,453
Contractual gain	**2,772,712**	**-**	**2,772,712**	-
Change in net assets	**1,980,329**	**2,680**	**1,983,009**	458,957
Net assets:				
Beginning	**6,167,198**	**88,436**	**6,255,634**	5,796,677
Ending	**$ 8,147,527**	**$ 91,116**	**$ 8,238,643**	$ 6,255,634

See notes to consolidated financial statements.

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Statement of Activities
Year Ended June 30, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Pupil allocation	$ 23,561,722	$ -	$ 23,561,722
Other grants	659,872	-	659,872
Federal grants	1,604,551	-	1,604,551
Contributions	380,831	69,492	450,323
Program revenue	92,567	-	92,567
Investment income	32,722	-	32,722
Rental revenue	1,186	-	1,186
Net assets released from restrictions	448,044	(448,044)	-
Total revenue and support	26,781,495	(378,552)	26,402,943
Expenses:			
Program services	25,068,210	-	25,068,210
General and administrative	1,231,978	-	1,231,978
Fundraising	443,251	-	443,251
Total expenses	26,743,439	-	26,743,439
Change in net assets before other gains	38,056	(378,552)	(340,496)
Other gains:			
Gain on interest rate swap agreement	799,453	-	799,453
Change in net assets	837,509	(378,552)	458,957
Net assets:			
Beginning	5,329,689	466,988	5,796,677
Ending	$ 6,167,198	$ 88,436	$ 6,255,634

See notes to consolidated financial statements.

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Schedule of Functional Expenses
Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Program Services	General and Administrative	Fundraising	Total	2018 Total
Personnel Salaries and Benefits:					
Principal/Administrative Salary	$ 921,784	$ 627,687	$ -	$ 1,549,471	$ 1,505,529
Teachers Salaries	5,652,234	-	-	5,652,234	5,255,653
Special Education Salaries	1,411,239	-	-	1,411,239	1,528,831
Teacher Aides/Assistants Salaries	833,366	-	-	833,366	685,218
Before/After Care Salaries	136,289	-	-	136,289	189,026
Other Education Professionals Salaries	2,477,100	-	-	2,477,100	2,890,666
Business/Operations Salaries	806,294	-	-	806,294	772,635
Clerical Salaries	360,266	-	-	360,266	320,093
Custodial Salaries	141,498	-	-	141,498	111,354
Other Staff Salaries	-	-	227,261	227,261	196,943
Employee Benefits	2,574,741	126,854	45,929	2,747,524	2,769,595
Contracted Staff	1,171,857	57,736	28,554	1,258,147	1,007,365
Staff Development Expense	475,699	23,437	8,486	507,622	570,313
Total Personnel Salaries and Benefits	16,962,367	835,714	310,230	18,108,311	17,803,221
Direct Student Costs:					
Textbooks	280,792	-	-	280,792	148,061
Student Supplies and Material	617,719	-	-	617,719	518,257
Student assessment fees	81,170	-	-	81,170	72,346
Contracted Instructional Fees	737,859	-	-	737,859	807,984
Food service	642,937	-	-	642,937	688,666
Other Direct Student Costs	223,444	-	-	223,444	182,625
Total Direct Student Costs	2,583,921	-	-	2,583,921	2,417,939
Occupancy Expenses:					
Rent	210,061	2,085	2,148	214,294	257,152
Maintenance and repairs	302,822	3,006	3,096	308,924	355,189
Utilities	380,988	3,781	3,895	388,664	414,771
Janitorial supplies	13,234	131	135	13,500	27,363
Other Occupancy	16,596	165	170	16,931	-
Contracted building services	787,524	7,816	8,052	803,392	584,538
Total Occupancy Expenses	1,711,225	16,984	17,496	1,745,705	1,639,013
Office Expenses:					
Office Supplies and Materials	104,370	5,142	1,862	111,374	190,774
Office Equipment Rental and Maintenance	117,339	5,781	2,093	125,213	114,953
Telephone/Telecommunication	74,732	3,682	1,333	79,747	117,874
Legal, Accounting and Payroll Services	497,237	24,497	8,870	530,604	406,634
Printing and copying	47,667	2,348	850	50,865	24,189
Postage and Shipping	17,834	879	318	19,031	21,510
Total Office Expenses	859,179	42,329	15,326	916,834	875,934
General Expenses:					
Insurance	87,921	4,332	1,568	93,821	87,162
Transportation	63,690	-	-	63,690	90,634
Administrative Fee (to PCSB)	-	185,954	-	185,954	257,822
Interest	1,361,427	13,512	13,920	1,388,859	1,295,627
Other general expense	604,789	16,154	113,222	734,165	508,365
Total General Expenses	2,117,827	219,952	128,710	2,466,489	2,239,610
Depreciation (Facility)	1,355,272	13,451	13,857	1,382,580	1,370,486
Depreciation Expense	264,579	13,035	4,720	282,334	397,236
	1,619,851	26,486	18,577	1,664,914	1,767,722
					-
Total	$ 25,854,370	$ 1,141,465	$ 490,339	$ 27,486,174	$ 26,743,439

See notes to consolidated financial statements.

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Schedule of Functional Expenses
Year Ended June 30, 2018

	Program Services	General and Administrative	Fundraising	Total
Personnel Salaries and Benefits:				
Principal/Administrative Salary	$ 859,369	$ 646,160	$ -	$ 1,505,529
Teachers Salaries	5,255,653	-	-	5,255,653
Special Education Salaries	1,528,831	-	-	1,528,831
Teacher Aides/Assistants Salaries	685,218	-	-	685,218
Before/After Care Salaries	189,026	-	-	189,026
Other Education Professionals Salaries	2,890,666	-	-	2,890,666
Business/Operations Salaries	772,635	-	-	772,635
Clerical Salaries	320,093	-	-	320,093
Custodial Salaries	111,354	-	-	111,354
Other Staff Salaries	-	-	196,943	196,943
Employee Benefits	2,596,062	132,997	40,536	2,769,595
Contracted Staff	916,525	46,954	43,886	1,007,365
Staff Development Expense	534,579	27,387	8,347	570,313
Total Personnel Salaries and Benefits	16,660,011	853,498	289,712	17,803,221
Direct Student Costs:				
Textbooks	148,061	-	-	148,061
Student Supplies and Material	518,257	-	-	518,257
Student assessment fees	72,346	-	-	72,346
Contracted Instructional Fees	807,984	-	-	807,984
Food service	688,666	-	-	688,666
Other Direct Student Costs	182,625	-	-	182,625
Total Direct Student Costs	2,417,939	-	-	2,417,939
Occupancy Expenses:				
Rent	252,073	2,502	2,577	257,152
Maintenance and repairs	348,173	3,456	3,560	355,189
Utilities	406,579	4,035	4,157	414,771
Janitorial supplies	26,823	266	274	27,363
Contracted building services	572,993	5,686	5,859	584,538
Total Occupancy Expenses	1,606,641	15,945	16,427	1,639,013
Office Expenses:				
Office Supplies and Materials	178,821	9,161	2,792	190,774
Office Equipment Rental and Maintenance	107,751	5,520	1,682	114,953
Telephone/Telecommunication	110,489	5,660	1,725	117,874
Legal, Accounting and Payroll Services	381,155	19,527	5,952	406,634
Printing and copying	22,673	1,162	354	24,189
Postage and Shipping	20,162	1,033	315	21,510
Total Office Expenses	821,051	42,063	12,820	875,934
General Expenses:				
Insurance	81,700	4,186	1,276	87,162
Transportation	90,634	-	-	90,634
Administrative Fee (to PCSB)	-	257,822	-	257,822
Interest	1,270,037	12,605	12,985	1,295,627
Other general expense	404,433	13,451	90,481	508,365
Total General Expenses	1,846,804	288,064	104,742	2,239,610
Depreciation (Facility)	1,343,417	13,333	13,736	1,370,486
Depreciation Expense	372,347	19,075	5,814	397,236
	1,715,764	32,408	19,550	1,767,722
Total	$ 25,068,210	$ 1,231,978	$ 443,251	$ 26,743,439

See notes to consolidated financial statements.

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	**$ 1,983,009**	$ 458,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**1,664,914**	1,767,722
Amortization of loan issuance costs	**102,501**	102,537
Interest expense added to principal of notes and bonds payable	**245,871**	120,460
Contractual gain	**(2,772,712)**	-
Loss (gain) on interest rate swap agreement	**1,135,095**	(799,453)
Realized and unrealized (gain) loss on investments	**(14,058)**	3,451
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**(65,192)**	14,166
Promises to give	**42,159**	(28,779)
Grants receivable	**(21,361)**	(49,077)
Prepaid expenses	**(159,181)**	(146,811)
Due from ELH Support Corp.	**(30,121)**	(11,247)
(Decrease) increase in:		
Accounts payable and accrued expenses	**(446,526)**	284,517
Deferred revenue	**(1,500)**	(35,649)
Accrued rent	**214,292**	257,152
Accrued interest	**(87,227)**	10,970
Net cash provided by operating activities	**1,789,963**	1,948,916
Cash flows from investing activities:		
Purchases of property and equipment	**(387,300)**	(357,460)
Purchases of investments	**(77,598)**	(2,004,100)
Increase in restricted cash	**(408,938)**	(347,531)
Net cash used in investing activities	**(873,836)**	(2,709,091)
Cash flows from financing activities:		
Principal payments on long-term debt	**(528,000)**	(295,000)
Net cash used in financing activities	**(528,000)**	(295,000)
Net increase (decrease) in cash and cash equivalents	**388,127**	(1,055,175)
Cash and cash equivalents:		
Beginning	**3,812,812**	4,867,987
Ending	**$ 4,200,939**	$ 3,812,812

(Continued)

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2019 and 2018

	2019	2018
Supplemental disclosure of cash flow information:		
Cash paid for interest expense	**$ 1,040,487**	$ 1,072,632
Supplemental schedules of noncash investing and financing activities:		
Noncash interest expense added to principal of notes and bonds payable	**$ 245,871**	$ 120,460
Property and equipment included in accounts payable	**$ 318,373**	$ -

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Euphemia L. Haynes Public Charter School, Inc. and Subsidiary is comprised of two entities: Euphemia L. Haynes Public Charter School, Inc. (the School) and ELH Kansas Avenue, Inc. (collectively, the Organization).

The School, commonly referred to as E.L. Haynes Public Charter School, was incorporated as a non-stock and not-for-profit organization on August 14, 2003, under the laws of the District of Columbia. The mission of the School is for every E.L. Haynes student of every race, socioeconomic status and home language to reach high levels of academic achievement and be prepared to succeed at the college of his or her choice. Every E.L. Haynes student will be adept at mathematical reasoning, will use scientific methods effectively to frame and solve problems and will develop the lifelong skills needed to be successful individuals, active community members and responsible citizens. For the year ended June 30, 2016, the School was open to any District of Columbia child in pre-Kindergarten through 12th grade.

ELH Kansas Avenue, Inc. (ELH Kansas) was formed during the year ended June 30, 2010, as a District of Columbia not-for-profit corporation under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC), specifically for the benefit of the School. The purpose of ELH Kansas is to perform the functions of, or to carry out the charitable and educational purposes of the School. On June 26, 2019, ELH Kanas Avenue merged to the School and thus terminated the existence of ELH Kansas as a separate legal entity.

ELH Support Corporation (ELHSC) was formed in 2008 for charitable, educational and literary purposes within the meaning of Section 501(c)(3) of the IRC, specifically for the benefit of the School and similar organizations by helping secure resources of financing, fundraising, making or holding loans, etc. The School has no majority board representation, and there was no overlap of board members for the years ended June 30, 2019 and 2018. However, the School has the ability to appoint one member of the ELHSC Board of Directors. As such, the School and ELHSC are considered related parties. ELHSC is not consolidated with the School as the School does not control ELHSC.

Charter school agreement: The School has been approved by the District of Columbia Public Charter School Board (the Board) to operate a charter school in the District of Columbia. The contract, dated May 17, 2004, provides for a 15-year charter, unless sooner terminated in accordance with the contract. The School’s enrollment ceiling, as registered with the Board, is 1,200 students through the school year 2018–2019. During June 2019, the School renewed the agreement with the Board for an additional 15-year term, effective July 1, 2019. Under the renewed agreement, the School’s enrollment ceiling, as registered with the Board, remains unchanged at 1,200 students for the school year 2019–2020 and beyond. The School is paid an annual fixed rate per student by the Board.

A summary of the Organization’s significant accounting policies follows:

Basis of accounting: The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Principles of consolidation: The consolidated financial statements of the School are prepared in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations and include the accounts of ELH Kansas. ELH Kansas is consolidated, since the School has both economic interest and controls membership of ELH Kansas’ Board of Trustees. All material intercompany balances and transactions have been eliminated in consolidation.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Basis of presentation: The consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (the Codification). As required by the Not-for-Profit Entities topics of the Codification, balance sheet and income statement, the Organization is required to report information regarding the financial position and activities in according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and cash equivalents: The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments: Investments of $4,049,338 and $3,957,682 at June 30, 2019 and 2018, respectively, consist of money market mutual funds, certificates of deposit and U.S. Treasury securities. Investments are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is recorded as a component of investment income or loss in the consolidated statements of activities.

Financial risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant financial risk on cash.

Receivables: Accounts and grants receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is not recorded on any past due balances. Management has determined that receivables are fully collectible, and there was no allowance for doubtful receivables at June 30, 2019 and 2018.

Promises to give: Unconditional promises to give are recognized as revenue or gains in the period acknowledged. Promises to give are carried at original amount pledged less an estimate made for doubtful promises based on a review of all outstanding pledges on a monthly basis. The Organization's promises to give are due in the next year. Management determines the allowance for doubtful accounts by regularly evaluating individual promises to give and considering prior history of donors and proven collectability of past donations. Promises to give are written off when deemed uncollectible. Recoveries of promises to give previously written off are recorded when received.

Property and equipment: The Organization capitalizes all property and equipment purchased with a cost of $1,000 or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets.

Valuation of long-lived assets: The Organization accounts for the subsequent measurement of certain long-lived assets in accordance with subsections of the FASB ASC Topic Property, Plant and Equipment that address Impairment or Disposal of Long-Lived Assets. The accounting standard requires that property, plant and equipment and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Unamortized loan costs: Loan costs are comprised of various acquisition costs related to the debt acquired to fund the acquisition/rehabilitation of the Organization's school buildings. These costs are being amortized on the effective interest method over the terms of the related debt agreements. Unamortized loan costs are reported with long-term debt.

Interest rate swap agreement: The interest rate swap is carried at fair value. The fair value of the interest rate swap agreement is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Net assets: Net assets without donor restrictions are the net assets that are not restricted by donor-imposed stipulations. Net assets with donor restrictions result from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to these stipulations. Net assets with restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period received. When a restriction expires (that is, when the time period passes or purpose is accomplished), net assets with restrictions are released.

Net assets with donor restrictions were released from restrictions during the years ended June 30, 2019 and 2018, for various purposes, including after-school programs, college guidance, and support for alumni in college, library materials, physical education, gymnasium development and general operations. At June 30, 2019 and 2018, net assets with donor restrictions represented amounts restricted for specific education-related expenses.

Per-pupil allocation: The Organization receives a student allocation from the District of Columbia to cover the cost of academic and facilities expenses. Per-pupil allocation revenue is recognized in the period when it is earned, which is the school year for which the allocation is made. Unearned pupil allocation received is recorded as deferred revenue.

Contributions: Contributions are recognized when the donor makes a gift or a promise to give to the Organization that is, in substance, unconditional. Donor-restricted revenue is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Grants: The Organization receives grants from federal agencies and private grantors for various purposes. The grants provide for the development and support of the Organization's programs, materials and equipment. Receivables related to grant awards are recorded to the extent unreimbursed allowable expenses have been incurred for the purposes specified by an approved grant or award. Funds received in advance and those that are unexpended at June 30 are reflected as net assets with donor restrictions or refundable advances at June 30, depending if the amounts are considered unconditional or conditional, respectively.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income taxes: The School and ELH Kansas are generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the IRC. In addition, the School qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. There was no material unrelated business taxable income for the years ended June 30, 2019 and 2018.

The Organization follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods. Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the consolidated statements of activities.

The Organization files income tax returns in the U.S. federal jurisdiction. As of June 30, 2019, there were no material unrecognized/derecognized tax benefits or tax penalties or interest.

Use of estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses: The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs, fundraising and supporting services benefited. Certain management and staff expenses have been allocated to programs on the basis of time spent. Other expenses have been allocated on a percentage basis.

Adopted accounting pronouncement: In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, net assets without donor restrictions and net assets with donor restrictions and expands disclosures about the nature and amount of net assets with and without donor restrictions are included as footnote disclosures. Additional quantitative and qualitative disclosures are required communicate information related to the Organization's liquidity. The Organization adopted this ASU during the year ended June 30, 2019.

Upcoming accounting pronouncements: In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The purpose of the ASU is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in the ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The amendments in the ASU likely will result in more grants and contracts being accounted for as either contributions or conditional contributions than observed in practice under current guidance. The amendments in the ASU should be applied on a modified prospective basis, although retrospective application is permitted. Entities should apply the amendments for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018. Entities should apply the amendments for transactions in which the entity serves as the resource provider to annual periods beginning after December 15, 2019. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force),* which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the Organization for the year ending June 30, 2020. The Organization is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method.

In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

Subsequent events: The Organization evaluated subsequent events through October 31, 2019, which is the date the consolidated financial statements were available to be issued.

Note 2. Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated balance sheet date, comprise the following:

Cash and cash equivalents, including restricted cash	$ 5,746,900
Investments	4,049,338
Accounts receivable	68,113
Promises to give	5,000
Grants receivable	738,955
Total financial assets available	10,608,306
Less those unavailable for general expenditure within one year due to:	
Contractual or other restrictions	
Restricted cash (Note 3)	(1,545,961)
Donor-imposed restrictions	
Net assets with donor restrictions	(91,116)
	(1,637,077)
Financial assets available to meet cash needs for general expenditures within one year	$ 8,971,229

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, and investments. As part of liquidity management, the Organization invests cash in excess of daily requirements in short-term investments. The Organization assesses its operating budget and cash flow projections monthly to monitor the availability of resources to support operations.

Note 3. Restricted Cash

Restricted cash represents minimum balances with financial institutions required to be maintained under the terms of certain notes payable and unspent bond proceeds in cash and cash equivalents.

Restricted cash at June 30, 2019 and 2018 is as follows:

	2019	2018
Minimum balance maintained	$ 1,532,276	$ 1,123,576
Unspent bond proceeds	13,685	13,447
	$ 1,545,961	$ 1,137,023

Note 4. Investments

Investments at June 30, 2019 and 2018, consists of the following:

	2019	2018
Money market mutual funds	$ 642	$ 10,077
Certificates of deposit	747,941	1,955,225
U.S. Treasury securities	3,300,755	1,992,380
	$ 4,049,338	$ 3,957,682

Investment income for the years ended June 30, 2019 and 2018, consists of the following:

	2019	2018
Interest and dividends	$ 96,108	$ 36,173
Realized and unrealized gain (loss)	14,058	(3,451)
	$ 110,166	$ 32,722

Note 5. Property and Equipment

Property and equipment and accumulated depreciation at June 30, 2019, and depreciation expense for the year then ended, are as follows:

Asset Category	Estimated Useful Lives	Cost	Accumulated Depreciation	Net	Depreciation Expense
Building and improvements	20 to 40 years	$ 13,941,680	$ (6,185,359)	$ 7,756,321	$ 413,183
Leasehold improvements	Life of lease	23,077,833	(6,794,007)	16,283,826	969,396
Land	–	6,538,842	-	6,538,842	-
Computers	3 years	2,547,735	(1,964,339)	583,396	140,557
Software	7 years	23,475	(20,808)	2,667	2,000
Furniture and equipment	7 years	1,407,118	(944,511)	462,607	139,778
		$ 47,536,683	$ (15,909,024)	$ 31,627,659	$ 1,664,914

Property and equipment and accumulated depreciation at June 30, 2018, and depreciation expense for the year then ended, are as follows:

Asset Category	Estimated Useful Lives	Cost	Accumulated Depreciation	Net	Depreciation Expense
Building and improvements	20 to 40 years	$ 13,941,680	$ (5,772,176)	$ 8,169,504	$ 413,184
Leasehold improvements	Life of lease	22,684,260	(5,824,611)	16,859,649	957,302
Land	–	6,538,842	-	6,538,842	-
Computers	3 years	2,698,894	(2,154,922)	543,972	234,653
Software	7 years	23,475	(18,808)	4,667	2,788
Furniture and equipment	7 years	1,386,790	(916,524)	470,266	159,795
		$ 47,273,941	$ (14,687,041)	$ 32,586,900	$ 1,767,722

Note 6. Long-Term Debt

On May 15, 2015, the School entered into a loan agreement with a financial institution, whereby the School borrowed $21,952,000 through the use of District of Columbia Revenue Bonds (Euphemia L. Haynes Public Charter School, Inc. Issue Series 2015). The proceeds were fully used in the transaction to refinance debt incurred related to the construction of a school building at 3600 Georgia Avenue, NW, Washington, D.C (Georgia Avenue Property). The bonds are held with the financial institution as a private placement. The interest rate is variable as defined in the agreement under various interest rate options with an applicable spread of 2.2%. However, to hedge for the effects of potential increases in floating interest rates, the School has entered into an interest rate swap agreement. The agreement calls for a fixed rate of 1.87% on the notional principal amount (Note 8). After considering the impact of the swap agreement, the School is effectively paying a fixed interest rate of 4.07% on the bond issuance. The loan calls for monthly payments of principal and interest through March 1, 2031 with a balloon payment of approximately $5.9 million due on April 1, 2031. The loan is secured by the Georgia Avenue Property and improvements made on the facility at 4501 Kansas Avenue, NW, Washington, D.C. (Kansas Avenue Property) as well as revenues from operations. The associated credit agreement requires certain financial covenants to be met (including, but not limited to, a day's cash on hand and debt service coverage ratio).

Long-term debt as of June 30, 2019 and 2018, consists of the following:

	2019	2018
Principal amount (see table below)	$ 33,547,112	$ 33,916,468
Less unamortized loan issuance costs	(1,180,759)	(1,283,260)
	32,366,353	32,633,208
Less current portion of long term debt	(1,016,000)	(535,000)
	$ 31,350,353	$ 32,098,208

Notes payable at June 30, 2019 and 2018 are as follows:

	2019	2018
Loan payable to 233 Genesee Street Corporation, with interest at variable rates as defined in the loan agreement, but partially hedged with an interest rate swap at a fixed rate of 1.87%; monthly principal and interest payments due effective September 1, 2015; secured by an interest in Georgia Avenue property and improvements made on the Kansas Avenue facility and substantially all of the assets. Includes accrued interest of $83,296 at June 30, 2018.	$ 20,588,000	$ 21,204,452
Loan payable to ELHSC with interest at 6%; Note due on April 1, 2031; subordinated by other debt. Includes accrued interest of $10,160 and $9,578, respectively.	2,042,860	1,925,107
Qualified School Constructions Bonds (see Note 7)	10,916,252	10,786,909
	$ 33,547,112	$ 33,916,468

Note 6. Long-Term Debt (Continued)

Aggregate maturities of long-term debt at June 30, 2019 are due in future years as follows:

Years ending June 30:	
2020	$ 1,016,000
2021	1,050,000
2022	1,096,000
2023	1,136,000
2024	1,184,000
Thereafter	28,065,112
	$ 33,547,112

Interest expense, including amortization of loan costs, related to long-term debt incurred for the years ended June 30, 2019 and 2018, was $1,388,859 and $1,295,627 respectively.

Note 7. Qualified School Construction Bonds Payable

On February 22, 2012, the District of Columbia issued Revenue Bonds (E.L. Haynes Public Charter School Issue) QSCB (Taxable-Tax Credit Bonds), Series 2012, with no interest. At issuance, ELHSC purchased the bonds from the District of Columbia. The QSCB have a face value of $13,350,000 and proceeds after issued discount were $10,150,000. The QSCB mature at face value on February 22, 2031. The proceeds from the QSCB are used to finance the final phase of development of the Kansas Avenue Property of the School to house upper grades. The QSCB are secured by a shared collateral agreement funded principally by per-pupil payments of the School. In addition, the QSCB is secured with a Kansas Avenue Property Leasehold Deed of Trust and Security Agreement. The accreted value of the QSCB at June 30, 2019 and 2018 amounted to $10,916,252 and $10,786,909, respectively.

The QSCB requires the following sinking fund installment payments:

Years ending June 30:	
2019	$ 387,949
2020	387,949
2021	387,949
2022	387,949
2023	387,949
Thereafter	11,410,255
	13,350,000
Less discount on bonds payable	(2,433,748)
	$ 10,916,252

Note 8. Interest Rate Swap Agreement

During the year ended June 30, 2015, the School entered into an interest rate swap agreement with M&T Bank for a notional amount equal to the obligation under the loan payable (2015 Bonds – see Note 6), whereby a portion of the floating debt was swapped into a fixed rate through the termination date of the swap, which is February 21, 2031. The agreement calls for a fixed rate of 1.87% on the notional principal amount, which was $20,662,000 and $21,138,000 at June 30, 2019 and 2018, respectively. The swap mechanism is intended to allow the Organization to realize potential of a lower fixed rate. As of June 30, 2019 and 2018, the fair value of the swap agreement was a liability of $775,005 and an asset of $360,090, respectively.

Note 9. Retirement Plan

The School offers a 403(b) retirement plan option (the Plan) for substantially all of its employees. In addition, the School contributes a percentage of compensation, which is determined by the Board of Trustees. For the years ended June 30, 2019 and 2018, the Trustees approved a 3% employer contribution. Total expense for the Plan amounted to $391,081 and $391,034 for the years ended June 30, 2019 and 2018, respectively.

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions of $91,116 and $88,436 at June 30, 2019 and 2018, respectively, were for student education and services. Net assets of $147,634 and $448,044 for the years ended June 30, 2019 and 2018, respectively, were released from restrictions either as expenses were incurred, which satisfied the restricted purposes of the net assets, or by the occurrence of other events, as specified by the donors.

Note 11. Concentration

The School is supported primarily through pupil allocations from the District of Columbia. For the years ended June 30, 2019 and 2018, approximately 88% and 89%, respectively, of total revenue and support was provided from the District of Columbia. Reduction of this source of support would have a significant impact on the School's programs and activities.

Note 12. Pupil Allocation

The School's pupil allocation for the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
General education	$ 14,123,720	$ 13,835,962
Special education, At Risk and ESOL	6,576,889	6,114,785
Facility allowance	3,703,505	3,610,975
	$ 24,404,114	$ 23,561,722

Note 13. Contingencies

Federal grants: The Organization participates in federally assisted grant programs, which are subject to financial and compliance audits by the grantors or their representative. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

Legal matters: In the normal course of business, the Organization is subject to certain claims and assessments that arise from the ordinary course of business. The Organization records a liability when management believes that it is both probable that a loss has been incurred and that the amount can be reasonably estimated. Significant judgement is required to determine the outcome and the estimates amounts of a loss related to such matters. Management believes there are no claims or assessments outstanding that would materially affect the activities or consolidated financial position of the Organization.

Note 14. Lease Commitment

The School executed a lease contract with the District of Columbia for the real property located at 4501 Kansas Avenue, NW, Washington, D.C. The term of the lease is for 25 years, with annual base rent due of $693,000. The lease commencement date was April 2010. The lease provides for rent credits for certain approved construction and related costs. The rent credits are used to offset the minimum rent due on a dollar-for-dollar basis.

During May 2019, the School received an additional rent credit pursuant to the lease agreement. The School is entitled to apply rent credits against the full rental obligation through June 30, 2036.

As of June 30, 2019, future minimum rental payments required under this lease, net of rent abatements, are as follows:

	Rent Obligation	Rent Abatements	Net Obligation
Years ending June 30:			
2020	$ 693,000	$ (693,000)	$ -
2021	693,000	(693,000)	-
2022	693,000	(693,000)	-
2023	693,000	(693,000)	-
2024	693,000	(693,000)	-
Thereafter	7,623,000	(7,623,000)	-
	$ 11,088,000	$ (11,088,000)	$ -

Rent expense under this lease was $214,294 and $257,152 for years ended June 30, 2019 and 2018, respectively.

Note 15. Fair Value Measurements

The Organization follows the Fair Value Measurement Topic of the FASB ASC, which establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. The topic requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3: Unobservable inputs not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the Fair Value Measurement Topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by the Organization at June 30, 2019 and 2018.

The Organization holds money market funds that are publically traded on a stock exchange and are considered Level 1 items. Corporate certificates of deposit and U.S. Treasury securities are priced based on their stated interest rates and quality ratings. The interest and quality ratings are observable at commonly quoted intervals for the full-term of the instruments and are, therefore, considered Level 2 items.

Note 15. Fair Value Measurements (Continued)

The Organization's swap agreement is valued based on quoted values stated by the bank's mark-to-market estimate using stated fixed rates and USD-LIBOR-BBA ratings. The interest rates are observable at commonly quoted intervals for the full term of the instrument and are, therefore, considered Level 2 items.

The table below presents the balances of the assets measured at fair value at June 30, 2019, on a recurring basis, by level, within the hierarchy:

	2019			
	Total	Level 1	Level 2	Level 3
Assets:				
Fixed income:				
Money market mutual funds	$ 642	$ 642	$ -	$ -
Certificate of deposits	747,941	-	747,941	-
U.S. Treasury securities	3,300,755	-	3,300,755	-
Total assets	$ 4,049,338	$ 642	$ 4,048,696	$ -
Liabilities:				
Interest rate swap	$ 775,005	$ -	$ 775,005	$ -
Total liabilities	$ 775,005	$ -	$ 775,005	$ -

The table below presents the balances of the asset and liability measured at fair value at June 30, 2018, on a recurring basis, by level, within the hierarchy:

	2018			
	Total	Level 1	Level 2	Level 3
Assets:				
Fixed income:				
Money market mutual funds	$ 10,077	$ 10,077	$ -	$ -
Certificate of deposits	1,955,225	-	1,955,225	-
U.S. Treasury securities	1,992,380	-	1,992,380	-
Interest rate swap	360,090	-	360,090	-
Total assets	$ 4,317,772	$ 10,077	$ 4,307,695	$ -

Note 16. Related Party Transactions

The School had notes payable, including accrued interest, outstanding in the amount of $2,042,217 and $1,925,107 at June 30, 2019 and 2018, respectively, with ELHSC (see Note 6). ELHSC made an contribution without restrictions to the School totaling $165,000 and $132,403 during the years ended June 30, 2019 and 2018, respectively. Amounts due from ELHSC for reimbursement of expenses were $35,388 and $5,267 at June 30, 2019 and 2018, respectively

RSM US LLP

Independent Auditor's Report on the Supplementary Information

To the Board of Trustees
Euphemia L. Haynes Public Charter School, Inc.

We have audited the consolidated financial statements of Euphemia L. Haynes Public Charter School, Inc. and Subsidiary as of and for the years ended June 30, 2019 and 2018, and have issued our report thereon, October 31, 2019, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating and other information is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 2019 consolidated financial statements as a whole.

RSM US LLP

Washington, D.C.
October 31, 2019

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidating Balance Sheet
June 30, 2019

	EL Haynes	ELH Kansas, Inc.	Elimination Entries	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 4,200,939	$ -	$ -	$ 4,200,939
Investments	4,049,338	-	-	4,049,338
Accounts receivable	68,113	-	-	68,113
Promises to give	5,000	-	-	5,000
Grants receivable	738,955	-	-	738,955
Prepaid expenses	358,711	-	-	358,711
Total current assets	9,421,056	-	-	9,421,056
Restricted cash	1,545,961	-	-	1,545,961
Property and equipment, net	31,627,659	-	-	31,627,659
Due to ELH Support Corp.	35,388	-	-	35,388
Deposits	1,640	-	-	1,640
	$ 42,631,704	$ -	$ -	$ 42,631,704
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	$ 1,251,703	$ -	$ -	$ 1,251,703
Current portion of long-term debt	1,016,000	-	-	1,016,000
Total current liabilities	2,267,703	-	-	2,267,703
Interest rate swap liability	775,005	-	-	775,005
Long-term debt, net of current portion	31,350,353	-	-	31,350,353
	34,393,061	-	-	34,393,061
Net assets:				
Without donor restrictions	8,147,527	-	-	8,147,527
With donor restrictions	91,116	-	-	91,116
Total net assets	8,238,643	-	-	8,238,643
	$ 42,631,704	$ -	$ -	$ 42,631,704

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Consolidating Statement of Activities
Year Ended June 30, 2019

	EL Haynes			ELH Kansas, Inc.		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Elimination Entries	Total
Revenue and support:						
Pupil allocation	$ 24,404,114	$ -	$ 24,404,114	$ -	$ -	$ 24,404,114
Other grants	1,112,161	-	1,112,161	-	-	1,112,161
Federal grants	1,610,710	-	1,610,710	-	-	1,610,710
Contributions	3,116,285	150,314	3,266,599	-	(2,777,333)	489,266
Program revenue	102,589	-	102,589	-	-	102,589
Recognition of leaseback gain	40,941	-	40,941	-	(40,941)	-
Investment income	246,186	-	246,186	735,318	(871,338)	110,166
Rental revenue	2,560	-	2,560	976,512	(976,512)	2,560
Net assets released from restrictions	147,634	(147,634)	-	-	-	-
Total revenue and support	30,783,180	2,680	30,785,860	1,711,830	(4,666,124)	27,831,566
Expenses:						
Program services	26,516,023	-	26,516,023	4,004,471	(4,666,124)	25,854,370
General and administrative	1,121,181	-	1,121,181	20,284	-	1,141,465
Fundraising	476,224	-	476,224	14,115	-	490,339
Total expenses	28,113,428	-	28,113,428	4,038,870	(4,666,124)	27,486,174
Change in net assets before other gains	2,669,752	2,680	2,672,432	(2,327,040)	-	345,392
Other gains (losses):						
Loss on interest rate swap agreement	(1,135,095)	-	(1,135,095)	-	-	(1,135,095)
Contractural gain	-	-	-	2,772,712	-	2,772,712
Change in net assets	1,534,657	2,680	1,537,337	445,672	-	1,983,009
Net assets (deficit):						
Beginning	6,612,870	88,436	6,701,306	(445,672)	-	6,255,634
Ending	$ 8,147,527	$ 91,116	$ 8,238,643	$ -	$ -	$ 8,238,643

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Schedule of Vendors Awarded Contracts Equal to or Exceeding $25,000
Year Ended June 30, 2019

Vendor	Type of Work Performed	Total Contract Awarded or Paid
Carefirst	Health insurance	$ 1,551,158
Benefit Consultants Group	Retirement benefits	808,899
Revolution Foods, Inc	Student meals	658,483
DC Public Charter School Board	Authorizer	453,492
Springboard Education in America	Contracted instruction - after school program	340,662
Pepco	Utilities	245,756
EdOps	Accounting	233,767
Blackout Investigations and Security Serv	Security	228,974
Gali Service Industries, Inc.	Building cleaning	221,522
Amazon	Office and student supplies	210,629
BradCorp Services, Inc.	Building cleaning	201,900
Enriched Schools	Contracted instruction - substitutes	199,323
Dynamic Network Solutions, Inc	IT services	184,960
Cobb Pediatric Therapy Services	Student related service provider	179,527
Urban Teacher Center	Contracted instruction fees	150,000
Hartford	Business insurance	140,301
Houghton Mifflin Company	Curriculum	120,440
Building Hope / Charter School Services Corporation	IT services	118,037
MetLife	Health insurance	116,446
Reliance Standard Life Insurance Company	Life insurance	106,928
ACSI Translations	Translations	105,683
Staples	Office and student supplies	103,978
Kelly Services, Inc.	Contracted instruction - substitutes	97,192
RSM US LLP	Auditing	97,091
Zulay Torres	Student related service provider	95,498
Bellwether Education Partners	Staff recruiting	95,000
ADP	Payroll	88,488
Behavioral & Educational Solutions, P.C.	Student related service provider	83,941
Copier Workshop, Inc.	Copier rental	81,218
DC Water and Sewer Authority	Utilities	77,896
W.L. Gary Company, Inc	Building maintenance and repairs	75,833
H.E.P. Construction	Building maintenance and repairs	75,200
Ana Lorena Beltran Santana	Translations	67,107
Helios HR, LLC	Contracted HR support	64,680
Sentinel Benefits	Retirement benefits	62,450
Alegeus WealthCare	Employee benefits	57,396
Bolana Capitol Enterprises, Inc.	Building cleaning	54,916
Wells Fargo Vendor Fin Serv	Copier rental	54,136
School Leader Lab	Professional development	51,625
Goodflight Media	Video production and editing	50,000

(Continued)

Euphemia L. Haynes Public Charter School, Inc. and Subsidiary

Schedule of Vendors Awarded Contracts Equal to or Exceeding $25,000 (Continued)
Year Ended June 30, 2019

Vendor	Type of Work Performed	Total Contract Awarded or Paid
Educational Solutions, LLC	Student related service provider	$ 48,810
MZ Therapeutic Consultants, Inc.	Student related service provider	47,660
Landsowne	Professional development	46,600
The Achievement Network	Student assessment services	43,000
DC Treasury (DC-NET)	IT services	40,400
Interpreters Unlimited, Inc	Interpretation services	40,280
Jive Communications Inc	Telecom	39,689
Washington Gas	Utilities	36,744
Lauren E. Baum, PC	Legal	35,000
RSVP Catering	Catering	34,917
American Educational Consultants	Program review consultant	33,500
Schoolzilla PBC	Student data analysis system	32,709
The Child & Family Practice of Washington	Student related service provider	31,550
Santos Construction Services	Landscaping and snow removal	31,500
Protective Technologies International	Security equipment	30,679
Fairgreen Consulting	Temporary staffing	30,000
Sam Reheard	Professional development	29,525
Kindred, Inc.	Family engagement partnership	25,820
Sprint	Telecom	25,316
Jones Walker LLP	Legal services	25,000