EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Financial Statements and Supplemental Schedules Together with Reports of Independent Public Accountants

For the Years Ended June 30, 2019 and 2018

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

JUNE 30, 2019 AND 2018

CONTENTS

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees
Eagle Academy Public Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Eagle Academy Public Charter School (the School), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the auditing standards established pursuant to the District of Columbia School Reform Act, Public law No. 104-134, 110 Stat. 1321-121, 2204(C)(11)(B)(ix)(1996); D.C. Official Code 38-1802.04(ii)(B)(2001, as amended). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Opinion

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of vendors contracted for services in excess of $25,000, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, although not a part of the basic financial statements, is required by the District of Columbia Public Charter School Board, and has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of the School's internal controls 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal controls 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 School's internal controls over financial reporting and compliance.

Washington, DC
December 2, 2019

SB & Company, LLC

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Statements of Financial Position
As of June 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 771,261	$ 405,471
Restricted cash	873,775	4,405,183
Grants and accounts receivable, net	2,471,921	2,716,380
Employee loans	23,318	17,668
Prepaid expenses	234,777	60,908
Total Current Assets	4,375,052	7,605,610
Deposits	45,002	30,463
Property and equipment, net	26,195,022	22,294,821
Total Assets	$ 30,615,076	$ 29,930,894
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,967,645	$ 1,385,888
Line of credit	1,000,000	500,000
Notes payable, current portion	537,469	918,691
Total Current Liabilities	3,505,114	2,804,579
Notes payable, net of current portion	18,733,331	19,250,097
Total Liabilities	22,238,445	22,054,676
Net Assets		
Net assets without donor restrictions	7,678,961	6,660,452
Net assets with donor restrictions	697,670	1,215,766
Total Net Assets	8,376,631	7,876,218
Total Liabilities and Net Assets	$ 30,615,076	$ 29,930,894

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

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2019 and 2018

	2019	2018
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Support:		
Per pupil funding	**$ 15,195,234**	$ 15,872,364
DC facilities allowance	**2,734,394**	3,067,953
Federal grants	**2,055,127**	1,911,526
Federal entitlements	**694,353**	581,866
Grants and contributions	**517,081**	18,571
Before and after care	**635,135**	664,544
Student fees	**1,118**	103,492
Interest income	**31,242**	14,689
Other income	**506,455**	213,781
Satisfaction of restrictions	**1,158,726**	685,637
Total Revenue and Support	**23,528,865**	23,134,423
Expenses		
Program services	**18,003,950**	16,989,939
Supporting services:		
General and administrative	**4,268,430**	4,207,598
Fundraising	**237,976**	235,145
Total Supporting Services	**4,506,406**	4,442,743
Total Expenses	**22,510,356**	21,432,682
Change in Net Assets Without Donor Restrictions	**1,018,509**	1,701,741
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants	**640,630**	661,262
Satisfaction of restrictions	**(1,158,726)**	(685,637)
Change in Net Assets with Donor Restrictions	**(518,096)**	(24,375)
Changes in net assets	**500,413**	1,677,366
Net assets, beginning of year	**7,876,218**	6,198,852
Net Assets, End of Year	**$ 8,376,631**	$ 7,876,218

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

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Statement of Functional Expenses
For the Year Ended June 30, 2019, with Comparative Totals for 2018

	2019				
	Program	General and Administrative	Fundraising	Total	2018 Totals
Personnel Expenses:					
Instructional staff	$ 7,631,202	$ -	$ -	$ 7,631,202	$ 7,423,472
School administration	472,886	2,522,059	157,629	3,152,574	3,100,006
Support services	852,186	213,047	-	1,065,233	993,677
Employee benefits	1,579,159	482,251	27,793	2,089,203	2,024,572
Total Personnel Expenses:	10,535,433	3,217,357	185,422	13,938,212	13,541,727
Direct Student Costs:					
Food service	633,983	-	-	633,983	644,907
Contracted staff & consultants	2,112,351	-	-	2,112,351	1,482,423
Classroom furnishings and equipment	2,321	-	-	2,321	2,192
Technology, computers and materials	75,637	-	-	75,637	77,653
Library and media materials	6,735	-	-	6,735	589
Miscellaneous student costs	83,786	-	-	83,786	71,890
Student assessment materials	29,490	-	-	29,490	19,383
Summer school expenses	3,845	-	-	3,845	2,969
Student supplies and materials	129,166	-	-	129,166	92,265
Parent and staff programs	6,587	-	-	6,587	12,071
Textbooks and curriculum	19,619	-	-	19,619	35,515
Other	427	-	-	427	1,000
Depreciation expense	212,843	-	-	212,843	158,259
Total Direct Student Costs	3,316,790	-	-	3,316,790	2,601,116
Occupancy Expenses:					
Amortization	22,261	5,636	282	28,179	28,179
Mortgage interest expense	428,332	108,438	5,422	542,192	786,251
Contracted building services	412,628	104,463	5,223	522,314	454,733
Equipment rental and maintenance	43,435	10,996	550	54,981	28,592
Janitorial supplies	25,793	6,530	326	32,649	21,764
Maintenance and repairs	1,504	382	19	1,905	67,407
Miscellaneous occupancy expenses	1,298	329	16	1,643	27,629
Rent expense	273,646	69,277	3,464	346,387	446,781
Taxes	253,705	64,229	3,212	321,146	329,438
Utilities	297,743	75,378	3,769	376,890	322,954
Depreciation expense	467,493	118,353	5,918	591,764	581,932
Total Occupancy Expenses	2,227,838	564,011	28,201	2,820,050	3,095,660
General and Office Expenses:					
Professional services	657,698	166,506	8,325	832,529	852,265
Staff development	217,502	55,064	2,753	275,319	245,814
Administrative fees	178,000	45,063	2,253	225,316	210,144
Insurance	144,350	36,545	1,827	182,722	142,431
Credit card fees	3,952	1,001	50	5,003	23,984
Miscellaneous general services	80,690	20,427	1,021	102,138	111,098
Travel	171,239	43,352	2,168	216,759	153,760
Depreciation expense	8,178	2,070	104	10,352	8,102
Copying and printing	1,713	433	22	2,168	26,870
Equipment rental and maintenance	36,212	9,168	458	45,838	39,936
Marketing and advertising	247,904	62,761	3,138	313,803	226,415
Miscellaneous office expenses	7,733	1,958	98	9,789	5,915
Office furnishings and equipment	15,348	3,885	194	19,427	7,685
Postage and shipping	1,382	350	18	1,750	1,366
Supplies and materials	44,806	11,344	567	56,717	44,830
Telephone and communications	107,182	27,135	1,357	135,674	93,564
Total General and Office Expenses	1,923,889	487,062	24,353	2,435,304	2,194,179
Total Expenses	$ 18,003,950	$ 4,268,430	$ 237,976	$ 22,510,356	$ 21,432,682

The accompanying notes are an integral part of this financial statement.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Statement of Functional Expenses
For the Year Ended June 30, 2018

	Program	General and Administrative	Fundraising	Total
Personnel Expenses:				
Instructional staff	$ 7,423,472	$ -	$ -	$ 7,423,472
School administration	465,001	2,480,005	155,000	3,100,006
Support services	794,942	198,735	-	993,677
Employee benefits	1,526,436	470,889	27,247	2,024,572
Total Personnel Expenses:	10,209,851	3,149,629	182,247	13,541,727
Direct Student Costs:				
Food service	644,907	-	-	644,907
Contracted staff & consultants	1,482,423	-	-	1,482,423
Classroom furnishings and equipment	2,192	-	-	2,192
Technology, computers and materials	77,653	-	-	77,653
Library and media materials	589	-	-	589
Miscellaneous student costs	71,890	-	-	71,890
Student assessment materials	19,383	-	-	19,383
Summer school expenses	2,969	-	-	2,969
Student supplies and materials	92,265	-	-	92,265
Parent and staff programs	12,071	-	-	12,071
Textbooks and curriculum	35,515	-	-	35,515
Other	1,000	-	-	1,000
Depreciation expense	158,259	-	-	158,259
Total Direct Student Costs	2,601,116	-	-	2,601,116
Occupancy Expenses:				
Amortization	22,261	5,636	282	28,179
Mortgage interest expense	621,138	157,250	7,863	786,251
Contracted building services	359,239	90,947	4,547	454,733
Equipment rental and maintenance	22,587	5,719	286	28,592
Janitorial supplies	17,193	4,353	218	21,764
Maintenance and repairs	53,252	13,481	674	67,407
Miscellaneous occupancy expenses	21,827	5,526	276	27,629
Rent expense	352,957	89,356	4,468	446,781
Taxes	260,255	65,888	3,295	329,438
Utilities	255,133	64,591	3,230	322,954
Depreciation expense	459,726	116,387	5,819	581,932
Total Occupancy Expenses	2,445,568	619,134	30,958	3,095,660
General and Office Expenses:				
Professional services	673,289	170,453	8,523	852,265
Staff development	194,193	49,163	2,458	245,814
Administrative fees	166,014	42,029	2,101	210,144
Insurance	112,521	28,486	1,424	142,431
Credit card fees	18,947	4,797	240	23,984
Miscellaneous general services	87,768	22,219	1,111	111,098
Travel	121,470	30,752	1,538	153,760
Depreciation expense	6,402	1,620	80	8,102
Copying and printing	21,227	5,374	269	26,870
Equipment rental and maintenance	31,550	7,987	399	39,936
Marketing and advertising	178,868	45,283	2,264	226,415
Miscellaneous office expenses	4,673	1,183	59	5,915
Office furnishings and equipment	6,071	1,537	77	7,685
Postage and shipping	1,079	273	14	1,366
Supplies and materials	35,416	8,966	448	44,830
Telephone and communications	73,916	18,713	935	93,564
Total General and Office Expenses:	1,733,404	438,835	21,940	2,194,179
Total Expenses	$ 16,989,939	$ 4,207,598	$ 235,145	$ 21,432,682

The accompanying notes are an integral part of this financial statement.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

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

	2019	2018
Cash Flows from Operating Activities		
Changes in net assets	**$ 500,413**	$ 1,677,366
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	**843,138**	776,472
Effect of changes in non-cash operating assets and liabilities:		
Grants and accounts receivable, net	**244,459**	(32,924)
Employee loans	**(5,650)**	(2,539)
Prepaid expenses	**(173,869)**	(27,203)
Deposits	**(14,539)**	41,977
Accounts payable and accrued expenses	**581,757**	(841,932)
Net Cash from Operating Activities	**1,975,709**	1,591,217
Cash Flows from Investing Activities		
Purchases of property and equipment	**(4,715,160)**	(946,053)
Net Cash from Investing Activities	**(4,715,160)**	(946,053)
Cash Flows from Financing Activities		
Proceeds from line of credit, net	**500,000**	500,000
Principal payments on notes payable	**(926,167)**	(556,000)
Net Cash from Financing Activities	**(426,167)**	(56,000)
Net change in cash and cash equivalents	**(3,165,618)**	589,164
Cash and cash equivalents, beginning of year	**4,810,654**	4,221,490
Cash and Cash Equivalents, End of Year	**$ 1,645,036**	$ 4,810,654
Supplemental Disclosure		
Cash paid during the year for interest	**$ 755,164**	$ 810,235
Reconciliation of cash and cash equivalents to statement of financial position		
Cash and cash equivalents	**$ 771,261**	$ 405,471
Restricted cash	**873,775**	4,405,183
Total Cash and Cash Equivalents	**$ 1,645,036**	**$ 4,810,654**

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

1. ORGANIZATION AND PROGRAM

Eagle Academy Public Charter School (the School), a nonprofit organization incorporated in the District of Columbia (the District), has been granted 501(c)(3) status by the Internal Revenue Service. On August 18, 2003, the School entered into a contract with the District of Columbia Public Charter School Board granting the School a charter for the establishment of a public charter school in the District, as authorized by the DC School Reform Act. The charter was renewed on July 1, 2018, for another fifteen years.

As a public charter school, the School has a funding stream from the District (uniform per pupil funding) and the U.S. Federal government (Federal grants for education and other programs) provided it meets certain compliance requirements. A public charter school is considered a Local Educational Agency (LEA) under Federal education guidelines. As such, the School enjoys significant freedom from the budget and operational restrictions placed on traditional public schools, allowing it to create a unique educational mission and approach.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The School considers all cash in the bank and other short-term investments with original maturities of less than 90 days to be cash and cash equivalents. Cash equivalents as of June 30, 2019 and 2018, consisted of money market funds.

Restricted Cash

Escrow accounts were maintained associated with the bonds and notes payable. The balance in the escrow accounts was $873,775 and $4,405,183 as of June 30, 2019 and 2018, respectively.

Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and notes payable. The carrying value of the School's financial instruments in the accompanying statements of financial position approximated their respective fair values as of June 30, 2019 and 2018. Fair values are estimated based on current market rates, prices or liquidation value.

Grants and Accounts Receivable

Grants and accounts receivable represent revenue earned, but not collected as of the year end. Receivables are recorded at their net realizable value. The School provides an allowance for doubtful accounts equal to the estimated uncollectible accounts. The School's estimate is based on historical collection experience and a review of the current status of specific accounts and grants receivable. There was no allowance for doubtful accounts as of June 30, 2019 and 2018.

Deferred Financing Costs

Deferred financing costs consist of debt issuance costs, such as bank fees and legal costs, associated with obtaining its debt. During the year ended June 30, 2017 the School incurred loan financing costs of $732,627. These deferred financing costs are being amortized over the life of the applicable debt using the effective interest rate method. Accounting principles generally accepted in the United States of America requires that debt issuance costs be presented in the statements of financial position as a direct deduction from the carrying value of the associated debt liability. Net deferred financing costs were $676,269 and $704,448, as June 30, 2019 and 2018, respectively. Amortization expense was $28,179, for each of the years ended June 30, 2019 and 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment, net

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

Advertising Costs

The costs of advertising are expensed when the services are received. Advertising expense for the years ended June 30, 2019 and 2018, were $313,803 and $226,415, respectively.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by the School has been limited by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions. The net assets with donor restrictions was $697,670 and $1,215,766, as of June 30, 2019 and 2018, respectively, which are related to instruction program, nutrition program, facilities improvement program, and time restricted spending.

Net assets with donor restrictions are also those that are restricted by donors to be maintained by the School in perpetuity. There were no net assets with donor restrictions in perpetuity as of June 30, 2019 and 2018.

Revenue and Support

The School received a student allocation from the District as well as Federal funding to cover the cost of academic expenses. The student allocation is on a per pupil basis and includes the academic year funding, special education funding and a facilities allotment. The School recognizes this funding in the year in which the school term is conducted. The School also received revenue from the District Department of Health Care Finance (DHCF) related to Medicaid. DHCF revenue is recorded as the fee for service is earned and adjusted in the current year based on historical cost report audit results. Revenue from other sources is recognized as earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

Contributions and grants received are recorded as support without or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contribution and grants, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

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

Revenue from other government sources is recognized as earned. In addition, the School recognizes revenue for student activities, such as field trips, as the activities take place.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Expenses are charged directly to program services, and fundraising based on specific identification, when determinable. Salaries and benefits are charged to programs based on time and effort. General and administrative expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the School. The basis of the allocation for most costs is employee size, while direct student costs are 100% attributed to educational programs.

Income Taxes

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The School performed an evaluation of uncertain tax positions as of June 30, 2019, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of June 30, 2019, the statute of limitations for fiscal years 2016 through 2019 remains open with the U.S. Federal jurisdiction or the various states and local jurisdictions in which the School files tax returns. It is the School's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Accounting Pronouncements Implemented

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU No 2016-14 provides updated guidance on the reporting model for not-for-profits and is effective for periods beginning after December 15, 2017. The School implemented ASU No. 2016-14 for the fiscal year 2019. Due to the adoption, the presentation of these financial statements and footnotes were updated accordingly.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which creates a singular reporting model for leases. This standard will require the entity to record changes to its statement of financial position to reflect balances for current leases that are not shown in the statement of financial position. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842,* and ASU No. 2018-11, *Leases and Leases (Topic 842): Targeted Improvements*, which provide further clarity and transition options for adoption of FASB ASU No. 2016-02. These standards will be effective for periods beginning after December 15, 2019 and December 15, 2020.

In August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. ASU No. 2016-15 provides guidance on the statement of cash flows and is effective for periods beginning after December 15, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, that improves the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations and business enterprise. This standard is effective for periods beginning after December 15, 2019.

Management is evaluating the effects of these pronouncements on the financial statements and will implement these pronouncements by their effective dates. Management does not believe the adoption of these pronouncements will have a material effect on the financial statements.

Liquidity and Availability of Resources

The School regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The School has a goal to maintain financial assets on hand to meetat least 45 days of operating expenses. Additionally, its current ratio goal (total current assets to current liabilities) is 1.0. To help manage unanticipated liquidity needs, the School has a line of credit in the amount of $1,000,000, and as of June 30, 2019, there were no amounts available to be drawn upon.

In addition to financial assets available to meet general expenditures over the next 12 months, the School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the School's cash.

As of June 30, 2019, the following table shows the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets to meet general expenditures over the next 12 months		
Cash and cash equivalents	$	771,261
Grants and accounts receivable, net		2,471,921
Total financial assets to meet general expenditures over the next 12 months	**$**	**3,243,182**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

The School's management evaluated subsequent events and transactions through December 2, 2019, the date the financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. PROPERTY AND EQUIPMENT

As of June 30, 2019 and 2018, property and equipment consisted of the following:

	2019	2018	Estimated Useful Life
Land	**$ 522,049**	$ 522,049	N/A
Building	**20,788,668**	22,925,035	39 years
Construction in progress	**6,894,092**	579,108	N/A
Building improvements	**1,215,190**	1,098,794	1 to 9 years
Playground	**80,618**	80,618	7 years
Computers	**1,010,457**	815,265	3 years
Equipment and furnishings	**741,710**	516,753	7 years
Vehicles	**24,402**	24,404	3 years
Total	**31,277,186**	26,562,026	
Less: accumulated depreciation	**5,082,164**	4,267,205	
Property and Equipment, Net	**$ 26,195,022**	$ 22,294,821	

Depreciation expense was $814,959 and $748,293, for the years ended June 30, 2019 and 2018, respectively.

4. NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2019 and 2018:

	2019	2018
Note payable from District of Columbia Office of the State Superintendent of Education (DC OSSE) dated May 25, 2017, bearing interest of 4.50%, payable in quarterly payments in year 1 of $22,500 and year 2 and onward of $70,700, beginning on August 15, 2017, with a balloon payment of remaining principal and unpaid interest due on May 25, 2022.	**$ 1,946,073**	$ 2,000,000
Note payable from DC Revenue Bonds Series A dated May 25, 2017 for borrowings up to $15,000,000, and Series B dated May 25, 2017 for borrowings up to $3,500,000, for which John Marshall Bank is the banker and trustee. These notes bear interest at LIBOR plus 3.52%, payable in monthly payments beginning July 1, 2017. Principal is payable monthly and shall begin June 1, 2018. The bonds are to be paid on a monthly interest and principal basis based on a 26-year amortization schedule with a maturity date of May 1, 2043.	**18,000,996**	18,458,236
Notes payable to an employee included two loans: $301,000 dated June 14, 2017 with interest payable on the unpaid principal at a rate of 4.00% per annum. The loan had a maturity date of July 14, 2017 and was repaid in fiscal year 2018. $325,000 dated October 12, 2017 with interest payable on the unpaid principal at a rate of 4.00% per annum. The loan had a maturity date of July 16, 2018.	**-**	325,000
Notes payable to the Chief Executive Officer included two loans for: $20,000 dated June 22, 2017 with interest payable on the unpaid principal at a rate of 4.00% per annum. The loan was due in full on July 24, 2017. $125,000 dated October 12, 2016 with interest payable on the unpaid principal at a rate of 4.00% per annum. The loan was repaid	**-**	90,000
Total Notes Payable	**$ 19,947,069**	$ 20,873,236

4. NOTES PAYABLE (continued)

Notes payable, net consisted of the following as of June 30,

	2019	2018
Principal amount	**$ 19,947,069**	$ 20,873,236
Less: unamortized debt issuance cost	**676,269**	704,448
Note payable, net	**$ 19,270,800**	$ 20,168,788

The future minimum payment on the notes payable as of June 30, 2019, were as follows:

Years Ending June 30,	Interest	Principal	Total
2020	**$ 713,003**	**$ 537,469**	**$ 1,250,472**
2021	**693,285**	**557,187**	**1,250,472**
2022	**672,839**	**577,633**	**1,250,472**
2023	**651,639**	**598,834**	**1,250,473**
2024	**629,655**	**620,817**	**1,250,472**
2025 and thereafter	**6,501,024**	**17,055,129**	**23,556,153**
Total	**$ 9,861,445**	**$ 19,947,069**	**$ 29,808,514**

The notes from DC OSSE and from the DC Revenue Bonds are collateralized by a general business security agreement. The DC OSSE note is subordinated to the DC Revenue Bonds Series A and Series B. Prepayments on these notes are not allowed without obtaining permission from the Bank. The DC OSSE note subjects the School to certain financial covenants and submission of the audited financial statements no later than December 1.

During fiscal year 2017, the School received $18,500,000 in tax-exempt District of Columbia 501(c)3 Revenue bonds, along with $2,000,000 in new funding for new building construction and planned improvements to the existing properties and closing costs for the new financing. Interest expense was $736,514 and $786,251, for the years ended June 30, 2019 and 2018, respectively.

During fiscal year 2018, the School repaid $356,000, which it had borrowed in 2017 for operational activities from its CEO and one other employee. It also borrowed funds from a third party, Tropimac LLC. The amount owed totaled $415,000 as of June 30, 2018. The School incurred interest expense $22,000, on these borrowings for the year ended June 30, 2018. The total amount was paid in full during the year ended June 30, 2019.

5. LINE OF CREDIT

In October 2017, the School entered in an agreement with a financial institution under which it can borrow up to $500,000. The agreement was amended on June 24, 2019, increasing the line of credit to $1,000,000, which is set to expire on July 25, 2020. The balance on the line of credit was $1,000,000 and $500,000, as of June 30, 2019 and 2018. The line of credit bears interests at a rate per annum equal at all times to the rate of interest published daily in the Wall Street Journal as its prime interest rate, plus 1%. As of June 30, 2019, the rate was 6.5%. Interest expense on the line of credit was $18,650 and $1,984 for the years ended June 30, 2019 and 2018.

6. COMMITMENTS AND CONTINGENCIES

Operating Leases

The School has various non-cancellable operating leases for buildings and office equipment. The School leases a building located at 1017 New Jersey Avenue, SE, Washington, DC under a lease that expires on June 19, 2020. In 2019, the School entered into a lease agreement for its current office space, which expires in June 2025.

The future minimum lease payments required under the building leases as of June 30, 2019, were as follows:

Years Ending June 30,	Amount
2020	$ 290,604
2021	179,961
2022	184,448
2023	189,052
2024	193,772
2025	198,609
Total	**$ 1,236,446**

Lease expense under the operating leases totaled $392,225 and $486,718, for the years ended June 30, 2019 and 2018, respectively.

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

Grants

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

6. COMMITMENTS AND CONTINGENCIES (continued)

Grants (continued)

As of June 30, 2019, cost reports for fiscal years 2018 and 2019 remain open, subject to audit by DHCF. Management periodically reviews and adjusts recorded amounts due to or from third-party payors. The School's management believes such disallowance, if any, would be immaterial. Laws and regulations governing the Medicaid programs are complex and subject to interpretation.

The School receives a substantial portion of its revenue from the Government of the District of Columbia. If a significant reduction in this revenue should occur, it may have an effect on the School's programs. During the years ended June 30, 2019 and 2018, the School earned revenue of $21,837,834 and $22,119,346, respectively, from the Government of the District of Columbia, which was 93% and 96%, respectively, of the total revenue and support. These amounts are reflected as per pupil funding, DC facilities allowance, Federal grants, and Federal entitlements in the accompanying statements of activities and changes in net assets.

Litigation

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

7. RELATED PARTIES TRANSACTIONS

As discussed in Note 4, the School executed notes with its CEO and one of its employees in the amount of $771,000. During the years ended June 30, 2019 and 2018, the School made payments on the notes in the amount of $415,000 and $356,000. The notes payable to the CEO and the employee include 4% interest per annum, and payments are due in full on their maturity dates. Additionally, as of June 30, 2019 and 2018, there was $0 and $26,038, respectively, recorded as accounts payable to the CEO for reimbursable expenses paid by the CEO on behalf of the School.

As of July 31, 2018, the notes and accounts payable were repaid back to the CEO and the employee in full.

8. EMPLOYEE RETIREMENT PROFIT SHARING PLAN

The School has a qualified profit-sharing plan for all eligible employees. The plan provides that employees can elect to make contributions to the plan in accordance with the Internal Revenue Code. The School may, but is not required to, make discretionary matching or non-elective contributions to the plan. Discretionary matching contributions of $76,065 and $65,218, were made during the years ended June 30, 2019 and 2018, respectively.

SUPPLEMENTARY INFORMATION

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Vendors Contracted for Services in Excess of $25,000 **(UNAUDITED)**
For the Year Ended June 30, 2019

Vendor Name	Services Provided	Contract Value or Payments	Related Party
Costello Construction	Construction	$ 2,769,908	No
BenefitMall	Health Benefits	1,246,124	No
Educational Solutions, LLC	Contracted Student Services	608,315	No
Paradigm Investment Group Services L.P.	Building Lease	311,026	No
AlignStaffing	Temporary Staffing	287,826	No
Performance Foodservice	Food Supplies	260,512	No
Crystal Star Associates, LLC	Accounting Services	254,427	No
DC Public Charter School Board (DCPCSB)	Administrative fees	225,316	Yes
Lindamood-Bell Learning Processes	Contracted Student Services	218,550	No
Capitol Management Resources	Building Services	188,130	No
Regus Management Group, LL	Office Lease	151,087	No
Urban Teacher Center, Inc.	Contracted Student Services	150,000	No
C.J. Maintenance, Inc	Building Services	144,002	No
DC Treasurer-OSSE	Mortgage Payments	133,670	No
GCSS, LLC	Security Services	120,845	No
G. Cefalu & Bro., Inc.	Food Supplies	118,737	No
Springboard Collaborative	Contracted Student Services	108,900	No
Early Autism Solutions	Contracted Student Services	103,662	No
Office Depot	Office Supplies	101,289	No
Infinite Potential	Contracted Student Services	101,069	No
DC Treasurer	Naylor RD Taxes	98,851	No
Prime Permits	Building Permits	92,840	No
Cloverland Farms Dairy	Food Supplies	89,888	No
Advocate Staffing Inc.	Temporary Staffing	88,503	No
Youth Policy Institute, Inc	Contracted Student Services	88,380	No
Levick Strategic Communications	Marketing/PR Services	88,216	No
Trident, DMG	Marketing/PR Services	87,231	No
Hartford	Insurance	82,239	No
Wu, Grohovsky & Whipple PLLC	Legal Services	129,930	No
George Washington University	Contracted Student Services	62,458	No
VIKA Capitol, LLC	Construction	60,096	No
M.Russell & Associates	Contracted Student Services	60,000	No
Brustein & Manasevit, PLLC	Legal Services	57,801	No
Landscapers, LLC	Building Services	51,561	No
FPC Holdings, Inc.	Food Supplies	51,401	No
CDW-G	Technology	49,930	No
Keany Produce Company	Food Supplies	49,561	No
Clinton Learning Solutions,LLC	Technology	44,810	No
Wells Fargo	Financial Leasing	42,464	No
Heinemann	Textbooks	41,267	No
Clear Connection, Inc.	Technology	41,207	No

Schedule of Vendors Contracted for Services in Excess of $25,000 (continued) **(UNAUDITED)**
For the Year Ended June 30, 2019

Vendor Name	Services Provided	Contract Value or Payments	Related Party
All Seasons Transportation	Field Trips	$ 40,375	No
Robyn Silbey	Contracted Student Services	40,000	No
TriMark Adams Burch	Food Supplies	39,092	No
Wells Fargo	Vendor Financial Services	38,967	No
BDO	Accounting Services	37,056	No
W.L. Gary Company, Inc	Janitorial Services	36,486	No
Jensen Learning Corporation	Contracted Student Services	35,500	No
Mouton Insurance Brokerage, Inc.	Insurance	35,429	No
Gander Publishing	Student Supplies and Materials	35,337	No
Houghton Mifflin Harcourt Publishing Co.	Student Supplies and Materials	33,494	No
Step By Step Therapy, LLC	Contracted Student Services	32,603	No
Hillis- Carnes Capitol Services, PLLS	Construction	32,501	No
Stinson, LLP	Legal Services	30,553	No
Erie Insurance Company	Insurance	30,303	No
400 Virginia Avenue, LLC	Office Lease	29,078	No
TT&T General Contractor, LLC	Building Services	28,802	No
Magnolia Plumbing, Inc.	Maintenance and Repairs	28,728	No
Susan Barnett	Contracted Student Services	27,873	No
Apple, Inc.	Technology	27,807	No
Page After Page	Marketing	27,183	No
Holland & Knight LLP	Construction	27,046	No
Aix Group	Insurance	26,689	No
Shanelle Moore	Contracted Student Services	26,250	No
Expedited Glass	Maintenance and Repairs	26,023	No
EdFuel	Marketing	25,975	No
Arent Fox, LLP	Legal Services	25,806	No
Conrad Lewis	Contracted Student Services	25,650	No
Discount School Supply	Student Supplies and Materials	25,056	No

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Eagle Academy Public Charter School

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Eagle Academy Public Charter School (the School), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, 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 December 2, 2019.

Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal controls over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal controls. Accordingly, we do not express an opinion on the effectiveness of the School's internal controls.

A *deficiency in internal controls* 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 controls, 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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Washington, DC
December 2, 2019

SB & Company, LLC

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Trustees
Eagle Academy Public Charter School

Report on Compliance for Each Major Federal Program

We have audited Eagle Academy Public Charter School's (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major Federal programs for the year ended June 30, 2019. The School's major Federal program is identified in the summary of independent public accountants' 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.

Auditor's Responsibility

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

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

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Opinion on Each Major Federal Program

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

Report on Internal Controls over Compliance

Management of the School is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal controls over compliance with the types of 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 controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal controls over compliance.

A *deficiency in internal controls 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 controls over compliance* is a deficiency, or combination of deficiencies, in internal controls 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 s*ignificant deficiency in internal controls* over compliance is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls 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 controls over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls 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.

Washington, DC
December 2, 2019

SB & Company, LLC

EAGLE ACADEMY 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	Pass-through Entity Identifying Number	Federal Expenditures	Pass Through to Subrecipients
U.S. Department of Health and Human Services				
Pass-through DC Public Schools				
21st Century Grant	84.287C	Unknown	$ 498,965	-
Medicaid	93.778	Unknown	262,985	-
Total U.S. Department of Health and Human Services			761,950	-
U.S. Department of Education				
Pass-through DC Public Schools				
Title I Grants to Local Educational Agencies	84.010A	Unknown	431,555	-
Title II Grants to Local Educational Agencies	84.395A	Unknown	67,500	-
Title IV Grants to Local Educational Agencies	84.424A	Unknown	43,474	-
Special Education Cluster (IDEA)				
Grants to States (IDEA, Part B)	84.027	Unknown	145,790	-
Preschool Grants (IDEA Preschool)	84.173	Unknown	4,820	-
Total Special Education Cluster (IDEA)			150,610	-
Education Agency Grants - School Climate	84.184G	Unknown	338,935	-
Education Agency Grants - CSP CMO	84.282M	Unknown	274,791	-
SOAR IAQ GRANT 2014	84.370C	Unknown	42,500	-
SOAR IAQ-EC GRANT	84.370C	Unknown	17,427	-
SOAR IAQ-EC FY2018	84.370C	Unknown	269,143	-
SOAR FACILITIES	84.370C	Unknown	493,697	-
Total U.S. Department of Education			2,129,632	-
U.S. Department of Agriculture				
Pass-through DC Public Schools				
Child Nutrition Cluster				
National School Breakfast/ Lunch Program	10.555	Unknown	448,603	-
School Breakfast Program	10.553	Unknown	315,822	-
Total Child Nutrition Cluster			764,425	
Fresh Fruit and Vegetable Program	10.582	Unknown	63,180	-
Child and Adult Care Food Program	10.558	Unknown	189,019	-
Total U.S. Department of Agriculture			1,016,624	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,908,206	$ -

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

All Federal grant operations of Eagle Academy Public Charter School (the School) are included in the scope of Title 2 U.S. Code of Federal Regulations part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant program noted below. This program represents Federal award programs for fiscal year 2019 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Actual coverage is 21% of total cash and non-cash Federal award program expenditures.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Major Program	Federal CFDA Number	Federal Expenditures
SOAR IAQ GRANT 2014	84.370C	**$ 42,500**
SOAR IAQ-EC GRANT	84.370C	**17,427**
SOAR IAQ-EC FY2018	84.370C	**269,143**
SOAR FACILITIES	84.370C	**493,697**
		$ 822,767

2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of the School under programs of the Federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Single Audit.

3. MEDICAID ADMINISTRATION SUPPORT PROGRAM

Medicaid expenditures of $262,985 is not included in the threshold amount to require an entity to have a Single Audit because there is already separate and sufficient monitoring of this program being done. However, for the purposes of the schedule of expenditures of Federal awards reporting, the Medicaid payments must be reported.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Financial Statements	
Type of Independent Public Accountants' Report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Type of Independent Public Accountants' Report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Audit findings disclosed that are required to be reported in accordance with Section 200.516 of Uniform Guidance?	No

Identification of Major Program:

Major Program	Federal CFDA Number	Federal Expenditures
SOAR IAQ GRANT 2014	84.370C	$ **42,500**
SOAR IAQ-EC GRANT	84.370C	**17,427**
SOAR IAQ-EC FY2018	84.370C	**269,143**
SOAR FACILITIES	84.370C	**493,697**
		$ **822,767**

Threshold used to distinguish between type A and type B programs	$ 750,000
Auditee qualified as low-risk auditee?	Yes

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II –Financial Statement Findings

None noted.

Section III –Federal Award Findings

None noted.

EAGLE ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2019

There were no findings for the year ended June 30, 2018.