



The East Austin Academia, Inc. dba East Austin College Prep

Annual Financial Report with
Independent Auditor's Report Thereon
June 30, 2017 and 2016

PMB Helin Donovan

The East Austin Academia, Inc.
dba East Austin College Prep
June 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors
of The East Austin Academia, Inc.
dba East Austin College Prep

Report on Financial Statements

We have audited the accompanying financial statements of The East Austin Academia, Inc. dba East Austin College Prep (the "Organization"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the statements of activities and cash flows for the year ended June 30, 2017 and for the ten months ended June 30 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 East Austin Academia, Inc. dba East Austin College Prep as of June 30, 2017 and June 30, 2016, and the changes in its net assets and its cash flows for the year ended June 30, 2017 and for the ten months ended June 30 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Other Required Supplementary Information

Our audit was 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 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), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter – Additional Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of expenses, capital assets and budgetary comparison information on pages 15 - 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the information in the budgetary comparison pertaining to specific budgetary amounts, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the information in the budgetary comparison pertaining to specific budgetary amounts, the information is fairly stated in all material respects in relation to the financial statements as a whole. Information contained in the budgetary comparison supplemental schedule pertaining to specific budgetary amounts was not subjected to the auditing procedures applied in the audit of the financial statements or any other additional procedures and, therefore, we do not express an opinion on that information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2017 on our consideration of The East Austin Academia, Inc. dba East Austin College Prep's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 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 East Austin Academia, Inc. dba East Austin College Prep's internal control over financial reporting and compliance.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

November 2, 2017
Austin, Texas

The East Austin Academia, Inc. dba East Austin College Prep

Statements of Financial Position

As of June 30, 2017 and 2016

	Assets	
	<u>2017</u>	<u>2016</u>
Cash	\$ 472,271	\$ 336,681
Due from governments	1,188,344	1,364,477
Other receivables	1,008	6,526
Prepaid expenses	37,207	87,028
Capital assets, net	<u>34,224</u>	<u>93,650</u>
 Total assets	 <u>\$ 1,733,054</u>	 <u>\$ 1,888,362</u>
	Liabilities and Net Assets	
Accounts payable	\$ 289,985	\$ 342,893
Payroll liabilities	473,761	611,975
Other accrued liabilities	<u>44,876</u>	<u>72,298</u>
 Total liabilities	 <u>808,622</u>	 <u>1,027,166</u>
Net assets		
Unrestricted	66,622	70,529
Temporarily restricted	<u>857,810</u>	<u>790,667</u>
 Total net assets	 <u>924,432</u>	 <u>861,196</u>
 Total liabilities and net assets	 <u>\$ 1,733,054</u>	 <u>\$ 1,888,362</u>

Notes to financial statements form an integral part of theses statements.

The East Austin Academia, Inc. dba East Austin College Prep
Statements of Activities
Year ended June 30, 2017 and ten months ended June 30, 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support						
Local support:						
Revenues from Local Sources	\$ 112,616	\$ 109,036	\$ 221,652	\$ 221,693	\$ 126,773	\$ 348,466
Revenue from Cocurricular, Enterprising Service or Activities	40,902	12,855	53,757	27,886	9,010	36,896
Total local support	<u>153,518</u>	<u>121,891</u>	<u>275,409</u>	<u>249,579</u>	<u>135,783</u>	<u>385,362</u>
State program revenues:						
Per Capita and Foundation School Program Act Revenues	-	5,967,397	5,967,397	-	6,328,437	6,328,437
State Program Revenues Distributed by TEA	-	70,928	70,928	-	58,866	58,866
Total state program revenues	<u>-</u>	<u>6,038,325</u>	<u>6,038,325</u>	<u>-</u>	<u>6,387,303</u>	<u>6,387,303</u>
Federal program revenues:						
Title I, Part A-Improving Basic Programs	-	340,282	340,282	-	308,248	308,248
Title I, 1003 (A)-Priority and Focus School Grant	-	79,571	79,571	-	91,364	91,364
Title II, Part A-Teacher & Principal Training & Recruiting	-	81,974	81,974	-	26,551	26,551
Title III, Part A - LEP	-	10,069	10,069	-	12,536	12,536
IDEA-B Formula	-	162,692	162,692	-	162,125	162,125
Texas 21st Century Community Learning Centers	-	466,874	466,874	-	209,447	209,447
National School Lunch Program (NSLP)	-	238,512	238,512	-	253,500	253,500
School Breakfast Program (SBP)	-	33,349	33,349	-	56,249	56,249
RISE	-	129,089	129,089	-	319,117	319,117
Community "DREAM-Link"	-	44,465	44,465	-	182,179	182,179
LEAD	-	350,629	350,629	-	254,497	254,497
Total federal program revenues	<u>-</u>	<u>1,937,506</u>	<u>1,937,506</u>	<u>-</u>	<u>1,875,813</u>	<u>1,875,813</u>
Net assets released from restrictions:						
Restrictions satisfied by expenditures	8,030,579	(8,030,579)	-	8,317,432	(8,317,432)	-
Total Revenues and Other Support	<u>8,184,097</u>	<u>67,143</u>	<u>8,251,240</u>	<u>8,567,011</u>	<u>81,467</u>	<u>8,648,478</u>
Expenses						
Program Services:						
Instruction	3,357,848	-	3,357,848	3,758,360	-	3,758,360
Instructional Resources and Media Services	56,096	-	56,096	66,667	-	66,667
Instructional Leadership	98,448	-	98,448	-	-	-
Curriculum Development and Instructional Staff Development	329,790	-	329,790	438,215	-	438,215
School Leadership	382,747	-	382,747	323,109	-	323,109
Guidance, Counseling and Evaluation Service	366,626	-	366,626	433,667	-	433,667
Social Work Services	68,493	-	68,493	59,968	-	59,968
Health Services	-	-	-	1,137	-	1,137
Student Transportation	429,493	-	429,493	372,779	-	372,779
Food Services	353,741	-	353,741	434,312	-	434,312
Extracurricular Activities	133,927	-	133,927	66,310	-	66,310
Facilities Maintenance and Operations	1,670,041	-	1,670,041	1,520,253	-	1,520,253
Security and Monitoring Services	59,264	-	59,264	47,930	-	47,930
Data Processing Services	71,095	-	71,095	45,723	-	45,723
Community Services	109,327	-	109,327	205,639	-	205,639
Debt Services	-	-	-	582	-	582
Fund Raising	-	-	-	33,236	-	33,236
Support Services:						
General Administration	701,068	-	701,068	722,591	-	722,591
Total expenses	<u>8,188,004</u>	<u>-</u>	<u>8,188,004</u>	<u>8,530,478</u>	<u>-</u>	<u>8,530,478</u>
Change in net assets	<u>(3,907)</u>	<u>67,143</u>	<u>63,236</u>	<u>36,533</u>	<u>81,467</u>	<u>118,000</u>
Net assets at beginning of period	<u>70,529</u>	<u>790,667</u>	<u>861,196</u>	<u>33,996</u>	<u>709,200</u>	<u>743,196</u>
Net assets at end of period	<u>\$ 66,622</u>	<u>\$ 857,810</u>	<u>\$ 924,432</u>	<u>\$ 70,529</u>	<u>\$ 790,667</u>	<u>\$ 861,196</u>

Notes to financial statements form an integral part of these statements.

The East Austin Academia, Inc. dba East Austin College Prep

Statements of Cash Flows

Year ended June 30, 2017 and ten months ended June 30, 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Foundation School Program payments	\$ 6,145,200	\$ 5,857,003
Grant payments	1,926,725	1,730,630
Other State Program payments	80,040	67,508
Miscellaneous sources	280,927	396,862
Payments to vendors for goods and services rendered	(3,683,852)	(3,865,962)
Payments for payroll and related costs	<u>(4,613,450)</u>	<u>(4,662,076)</u>
Net cash provided by (used in) operating activities	<u>135,590</u>	<u>(476,035)</u>
 Cash Flows From Investing Activities		
Purchases of fixed assets	<u>-</u>	<u>(25,612)</u>
Net cash used in investing activities	<u>-</u>	<u>(25,612)</u>
 Cash Flows From Financing Activities	<u>-</u>	<u>-</u>
 Net change in cash and cash equivalents	135,590	(501,647)
 Cash and cash equivalents beginning of period	<u>336,681</u>	<u>838,328</u>
 Cash and cash equivalents at end of period	<u>\$ 472,271</u>	<u>\$ 336,681</u>
 Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ 63,236	\$ 118,000
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	59,426	48,084
Changes in assets and liabilities		
Due from governments and other sources	176,133	(607,975)
Other receivables	5,518	11,500
Prepaid expenses	49,821	(47,965)
Accounts payable	(52,908)	81,856
Payroll liabilities	(138,214)	170,119
Other accrued liabilities	<u>(27,422)</u>	<u>(249,654)</u>
Net cash provided by (used in) operating activities	<u>\$ 135,590</u>	<u>\$ (476,035)</u>

Notes to financial statements form an integral part of theses statements.

The East Austin Academia, Inc. dba East Austin College Prep

Notes To Financial Statements

Year Ended June 30, 2017 and ten months ended June 2016

1. Summary of Significant Accounting Policies

Reporting Entity and Nature of Operations

The East Austin Academia, Inc. dba East Austin College Prep (the “Organization”) is a not-for-profit organization created to be an innovative, tuition-free public school open to any 2nd-12th grader in Travis County. The Organization implements a results-focused rigorous college preparatory curriculum with an emphasis on the belief that with more time for learning all students will succeed. The Organization employs strategies to maintain a nurturing atmosphere, giving students the opportunity to develop strong leadership skills, a solid foundation in STEAM subjects (Science, Technology, Engineering, Art & Math), and discover talent through extracurricular programs. The Organization is a 501(c)(3) tax exempt nonprofit organization that successfully prepares all students for graduation and success in college and career, while also instilling a commitment to community service.

The Organization is governed by a Board of Directors comprised of four members. The Board of Directors is selected pursuant to the bylaws of the Organization and has the authority to make decisions, appoint the chief executive officer of the Organization, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the Organization.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets consist of net assets that are not subject to donor-imposed restrictions. Unrestricted net assets result from operating revenues, unrestricted contributions, unrestricted dividend and interest income, less expenses incurred in operations, to raise contributions and for administrative functions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of net assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specific event. They also consist of funds received from federal and state sources that must be classified as temporarily restricted until the funds are expended pursuant to applicable statutes, regulations, and grant requirements, including Module 10 of the Texas Education Agency’s *Financial Accountability System Resource Guide*. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets consist of net assets that are subject to donor-imposed stipulations to be maintained permanently. Generally, the donors of these net assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at June 30, 2017 and 2016.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

Change in Fiscal Year

On August 18, 2015, the Board of Trustees approved a change in the Organization's fiscal year end from August 31 to June 30 of each year. This change to the fiscal year reporting cycle began September 1, 2015. As a result of the change, the accompanying financial statements cover a twelve month period from July 1, 2016 through June 30, 2017 and a ten-month period from September 1, 2015 through June 30, 2016.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America.

Contributions, revenues, and expenses are recognized under the accrual method of accounting. Public support and revenue are considered to be available for unrestricted use, unless specifically restricted by the donor.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include: the determination of the useful lives of long-lived assets, collectability of grants and receivables, and proper classification of functional expenses.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all cash, money market, and certificates of deposit with a maturity of less than 90 days to be cash equivalents.

Due from Governments and Other Receivables

The Organization has amounts due from governments and other entities of \$1,188,344 and \$1,364,477 at June 30, 2017 and 2016, respectively. The Organization considers the receivables to be fully collectible.

Capital Assets

Property, buildings and equipment are recorded at cost at the date of purchase and depreciated on a straight-line basis over their estimated useful lives, generally 3 to 10 years for furniture and equipment and 40 to 50 years for buildings. The Organization's capitalization policy is to capitalize all capital assets over \$5,000.

The Organization expenses fixed assets purchased with federal funds, where title to real and personal property is held by the federal entity. Title to property and equipment acquired by a non-federal entity with federal awards vests with the non-federal entity until such time the Organization no longer needs the equipment for the program for which the assets were acquired.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Donated items are recorded at fair value as of the date of gift. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support and reclassified to unrestricted support in the year the equipment is purchased and/or placed into service. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the assets are placed into service.

Impairment of Long-Lived Assets

The Organization reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, and the effects of obsolescence, demand, competition, and other economic factors. The Organization did not recognize an impairment loss during the periods ended June 30, 2017 and 2016.

Grants and Contracts

The Organization recognizes revenue from fee for service transactions as services are rendered and for grants as eligible expenditures are incurred. Eligible expenditures incurred in excess of grant fund reimbursements are recorded as receivables.

Contributions

Contributions received (including unconditional promises to give) are recorded as unrestricted, temporarily restricted, or permanently restricted support in the period received depending on the existence and/or nature of any donor restrictions. Contributions received which are part of the Organization's ongoing major or central activities are recognized as revenue. Conditional promises to give to the Organization are recognized as the conditions upon which they depend are substantially met. Promises to give are recognized as revenue only if sufficient evidence exists in the form of verifiable documentation that a promise was made and received. Support that is not restricted by the donor is reported as an increase in unrestricted net assets in the reporting period in which the support is recognized. Donated assets are recorded at their estimated fair values at the date of receipt.

The Organization reports contributions as restricted support if the support is received with donor restrictions that limit the use of the donated assets. When and if a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

Personal Leave

All regular employees are eligible to accrue state mandated personal leave immediately upon hire. Each eligible employee receives 5 days of state personal leave each school year. Regular part-time employees earn personal leave on a prorated basis depending on the part-time employees' regular schedule. All state personal leave to which the employee is entitled shall be earned after one month of service at full pay in the current school year. There is no limit on the accrual of unused state personal leave, and state personal leave may be transferred to and from other school campuses in Texas as permitted by law.

Functional Classification of Expenses

Expenses are categorized by function in the statement of activities as (1) program services, (2) general and administrative, or (3) fundraising expenses. Expenses specifically identifiable to a function are allocated entirely to that function. Expenses not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to the function.

Federal Income Tax

The Organization is a not-for-profit organization exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business activities. There were no unrelated business activities during the year ended June 30, 2017 and ten-month period ended June 30, 2016. As such, no provision for federal income taxes has been made in the accompanying financial statements.

The Organization regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related financial statement implications. Unrecognized tax benefits are reported using the two-step approach under which tax effects of a position are recognized only if it is "more-likely-than-not" to be sustained and the amount of the tax benefit recognized is equal to the largest tax benefit that is greater than fifty percent likely to be realized upon ultimate settlement of the tax position. Determining the appropriate level of unrecognized tax benefits requires the Organization to exercise judgment regarding the uncertain application of tax law. The amount of unrecognized tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize on its balance sheet a right-of-use asset and a lease liability under most operating leases. This ASU is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the effects that the adoption of this ASU 2016-02 will have on its financial position, results of operations, or cash flows.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which decreases the number of net asset classes from three to two. The new classes will be net assets with donor restrictions and net assets without donor restrictions. The standard also:

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

- Requires reporting of the underwater amounts of donor-restricted endowment funds in net assets with donor restrictions and enhances disclosures about underwater endowments.
- Continues to allow preparers to choose between the direct method and indirect method for presenting operating cash flows, eliminating the requirement for those who use the direct method to perform reconciliation with the indirect method.
- Requires a not-for-profit to disclose qualitative information on how it manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a not-for-profit's financial assets at the balance sheet date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes.
- Requires reporting of expenses by function and nature as well as an analysis of expenses by both function and nature.

The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application, and early application of the standard is permitted. The Organization has elected not to early adopt this ASU as of June 30, 2017.

Reclassifications of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Subsequent Events

The Organization has evaluated subsequent events that occurred after June 30, 2017 through the date of this report on November 2, 2017. Any material subsequent events that occurred during this time have been properly recognized or disclosed in the financial statements.

2. Pension Plan Obligations

Plan Description

The Organization participates in a cost-sharing multiple-employer defined benefit pension plan (the "Plan") that has a special funding situation. The Plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C and a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2016.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2016</u>
Member	July-Aug 7.2 %;	
	Sep-June 7.7 %	7.2 %
Non-Employer Contribution Entity (State)	6.8 %	6.8 %
Employers	6.8 %	6.8 %
Employer Contributions	\$ 84,368	\$ 72,060
Member Contributions	\$ 313,695	\$ 283,918
Non-Employer Contributing Entity (State) Contributions	\$ 196,189	\$ 268,145

Contributors to the Plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for the fiscal year 2015. The Non-OASDI contribution for the year ended June 30, 2017 and ten-month period ended June 30, 2016 were \$61,830 and \$59,149 respectively.

3. Health Care Coverage

During the year ended June 30, 2017 and ten-month period ended June 30, 2016, employees of the Organization were covered by a Health Insurance Plan (the Plan). The Organization contributed \$341 per month per employee to the Plan in 2017 and 2016. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

4. Federal, State, and Local Government Assistance

The Organization receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the Organization have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, Organization funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency.

5. Capital Assets

Fixed assets as of June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Buildings and improvements	\$ 334,499	\$ 334,499
Furniture and equipment	47,824	47,824
Less accumulated depreciation	(348,099)	(288,673)
	<u>\$ 34,224</u>	<u>\$ 93,650</u>

Depreciation and amortization expense for the year ended June 30, 2017 and ten-month period ended June 30, 2016, totaled \$59,426 and \$48,084, respectively.

6. Restrictions on Net Assets

Temporarily restricted net assets of \$857,810 and \$790,667 as of June 30, 2017 and 2016 are restricted for the benefit of the students of the charter school, under the Foundation School Program, and for any activities supported by local grants.

	<u>2017</u>	<u>2016</u>
State funds	\$ 828,000	\$ 743,619
Local funds	29,810	47,048
	<u>\$ 857,810</u>	<u>\$ 790,667</u>

7. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors, or by the change of restrictions specified by the donors. During the year ended June 30, 2017 and ten-month period ended June 30, 2016, the Organization released \$8,030,579 and \$8,317,432, respectively, of temporarily restricted funds related to the Foundation School Program, federal grants, and local grants.

The East Austin Academia, Inc. dba East Austin College Prep

Notes to Financial Statements (Continued)

Year Ended June 30, 2017 and ten months ended and 2016

8. Concentration of Credit Risk

The Organization's management believes it has mitigated its concentrations of credit risk in bank accounts by maintaining deposits in several financial institutions, which may at times exceed amounts covered by the Federal Deposit Insurance Corporation ("FDIC"). The excess of the deposit liabilities reported by the banks over the amounts that would have been covered by the FDIC was about \$405,000 as of June 30, 2017.

Management believes concentrations of credit risk in trade receivables are limited due to contracts with federal, state, and local government agencies and other nongovernmental agencies which management believes are of high credit quality. As of June 30, 2017 and 2016 the Organization had no significant concentrations of credit risk in its receivables.

9. Concentration of Program Services

The Organization receives a substantial amount of its revenue from federal and state governmental agencies. If there were a significant reduction in the quantity of students served or contracts renewed, programs and activities would require adjustments accordingly.

10. Operating Lease Agreements

The Organization is obligated under two operating leases for facilities. One lease renews on an annual basis and is cancellable with a 30 day notice. The second lease is scheduled to mature in August 2017 and is cancellable by the tenant should the landlord amend the lease in any given year by more than 15%, a right reserved in the agreement. Future minimum payments under the second lease are \$174,703 for 2017.

Rent expense for the year ended June 30, 2017 and ten-month period ended June 30, 2016 totaled \$1,035,498 and \$809,940, respectively.

11. Related Party Transactions

The Organization paid rent and administration service fees of \$1,136,062 and \$897,914 for the periods ended June 30, 2017 and 2016, respectively, to Southwest Key Programs, Inc. ("SWK"). SWK is a related party to the Organization as it is under common control of SWK. The Organization is considered an affiliate of SWK and the Organization's financial statements are also included in the consolidated financial statements of SWK.

The Organization paid food and food service expenses of \$336,166 and \$424,015 for the year ended June 30, 2017 and ten-month period ended June 30, 2016, respectively, to Southwest Key Café del Sol, LLC (the "Cafe"). The Café is considered an affiliate of SWK.

The Organization paid building maintenance, repair and remodeling project expenses of \$36,801 and \$91,832 for the year ended June 30, 2017 and ten-month period ended June 30, 2016, respectively, to Southwest Key Green Energy and Construction, LLC ("Green Energy & Construction"). Green Energy & Construction is considered an affiliate of SWK.

The Organization paid building janitorial maintenance and supply expenses of \$112,544 and \$291,516 for the year ended June 30, 2017 and ten-month period ended June 30, 2016, respectively, to Southwest Key Maintenance, LLC ("Maintenance"). Maintenance is considered an affiliate of SWK.

Supplemental Schedules

The East Austin Academia, Inc. dba The East Austin College Prep Academy
Schedule of Expenses
Year Ended June 30, 2017

Expenses	<u>2017</u>
6100- Payroll costs	\$ 4,464,676
6200- Professional and contractual services	2,862,248
6300- Supplies and Materials	389,007
6400- Other Operating Costs	<u>472,073</u>
	<u>\$ 8,188,004</u>

See Independent Auditor's Report

The East Austin Academia, Inc. dba The East Austin College Prep Academy

Schedule of Capital Assets

Year ended June 30, 2017

<u>Asset Classification</u>	<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
1520 - Buildings and improvements \$	-	\$ -	\$ 334,499	\$ 334,499
1539 - Furniture and Equipment	-	47,824	-	47,824
1570 - Accumulated depreciation	-	<u>(25,484)</u>	<u>(322,615)</u>	<u>(348,099)</u>
	<u>\$ -</u>	<u>\$ 22,340</u>	<u>\$ 11,884</u>	<u>\$ 34,224</u>

See Independent Auditor's Report

The East Austin Academia, Inc. dba The East Austin College Prep Academy

Schedule of Budgetary Comparison

Year Ended June 30, 2017

	(Unaudited)	(Unaudited)		(Unaudited)
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from</u>
	<u>Budget</u>	<u>Final Budget</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenue				
Local support:				
5740 Other revenues from local sources	\$ 103,150	\$ 315,780	\$ 221,652	\$ (94,128)
5750 Revenue from cocurricular, enterprising service or activities	-	52,903	53,757	854
State program revenues:				
5810 Per Capita and Foundation School Program Act Revenues	6,107,782	5,977,690	5,967,397	(10,293)
5820 State program revenues distributed by TEA	-	102,537	70,928	(31,609)
Federal program revenues:				
5920 Federal revenue distributed by TEA	1,329,164	1,342,795	1,413,323	70,528
5940 Federal revenue distributed directly from the federal government	497,421	497,421	524,183	26,762
Total revenue	<u>8,037,517</u>	<u>8,289,126</u>	<u>8,251,240</u>	<u>(37,886)</u>
Expenses				
11 Instruction	3,301,733	3,352,133	3,357,848	(5,715)
12 Instructional resources and media services	64,620	53,390	56,096	(2,706)
13 Curriculum development and instructional staff development	400,176	341,716	329,790	11,926
21 Instructional leadership	413	83,521	98,448	(14,927)
23 School leadership	376,881	397,946	382,747	15,199
31 Guidance, counseling and evaluation service	307,533	371,450	366,626	4,824
32 Social work services	70,478	69,978	68,493	1,485
33 Health services	2,000	500	-	500
34 Student transportation	398,793	405,438	429,493	(24,055)
35 Food services	335,120	352,734	353,741	(1,007)
36 Extracurricular activities	60,499	121,398	133,927	(12,529)
41 General administration	786,453	696,614	701,068	(4,454)
51 Facilities, maintenance and operations	1,665,634	1,671,657	1,670,041	1,616
52 Security and monitoring services	65,000	60,385	59,264	1,121
53 Data processing services	69,930	70,719	71,095	(376)
61 Community services	76,091	229,736	109,327	120,409
Total expenses	<u>7,981,354</u>	<u>8,279,315</u>	<u>8,188,004</u>	<u>91,311</u>
Change in net assets	56,163	9,811	63,236	53,425
Net assets at beginning of period	<u>861,196</u>	<u>861,196</u>	<u>861,196</u>	<u>-</u>
Net assets at end of period	\$ <u>917,359</u>	\$ <u>871,007</u>	\$ <u>924,432</u>	\$ <u>53,425</u>

See Independent Auditor's Report

Government Auditing Standards Report

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
of The East Austin Academia, Inc.
dba East Austin College Prep

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The East Austin Academia, Inc. dba East Austin College Prep (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

PMB Helin Donovan

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

November 2, 2017
Austin, Texas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *THE UNIFORM GUIDANCE*

To the Board of Directors
of The East Austin Academia, Inc.
dba East Austin College Prep:

Report on Compliance for Each Major Program

We have audited the compliance of The East Austin Academia, Inc. dba East Austin College Prep (the "Organization") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended June 30, 2017. The Organization's major federal programs are identified on the summary of Auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization'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 Award (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 the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Organization'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 the Organization's major federal programs. However our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Organization's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

November 2, 2017
Austin, Texas

The East Austin Academia, Inc. dba East Austin College Prep
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Federal Grantor\Pass-Through Grantor\Program Title	Federal CFDA Number	Agency or Pass-Through Number	Subrecipient	Federal Expenditures
U.S. Department of Education				
<i>Fund for Improvement of Education</i>				
Community DREAM-Link - "Delivering Resources for an Enrichment and Academic Mission	84.215J	U215J100196-14	\$ -	\$ 44,465
Reading to Improve Success in Education ("Project RISE")	84.215G	S215G140030-15	-	126,361
Indirect cost			-	2,728
			-	129,089
Project LEAD (Linking Education to Adolescent Development)	84.215E	S215E150016&S215E150016-16A	-	343,219
Indirect cost			-	7,410
			-	350,629
Total Fund for Improvement of Education			-	524,183
Pass-through from Texas Education Agency				
<i>Title I Grants to Local Education Agencies</i>				
Title I, Part A - Improving Basic Programs	84.010A	S010A160043&S010A150043	-	333,091
Indirect cost			-	7,191
			-	340,282
Title I, 1003 (A)-PRIORITY AND FOCUS SCHOOL GRANT	84.010A	S010A160043&S010A150043	-	77,889
Indirect cost			-	1,682
			-	79,571
Total Grants to Local Education Agencies			-	419,853
<i>Special Education Cluster (IDEA)</i>				
IDEA - B Formula	84.027A	H027A160008&H027A150008	-	159,254
Indirect cost			-	3,438
Total Special Education Cluster (IDEA)			-	162,692
Improving Teacher Quality State Grants	84.367A	S367A160041&S367A150041	-	80,242
Indirect cost			-	1,732
			-	81,974
English Language Acquisition State Grants	84.365A	S365A160043&S365A150043	-	9,901
Indirect cost			-	168
			-	10,069
Texas Twenty-First Century Community Learning Centers - Cycle 8	84.287C	S287C160044&S287C150044	-	226,081
Texas Twenty-First Century Community Learning Centers - Cycle 9	84.287C	S287C160044		240,793
Total U.S. Department of Education			-	1,665,645
U.S. Department of Agriculture				
<i>Child Nutrition Cluster</i>				
Passed Through Texas Education Agency:				
School Breakfast Program (SBP)	10.553	2017IN109946	-	33,349
National School Lunch Program (NSLP)	10.555	2017IN109946	-	238,512
Total Children Nutrition Cluster			-	271,861
Total U.S. Department of Agriculture			-	271,861
Total Federal Awards			\$ -	\$ 1,937,506

See notes to the Schedule of Expenditures of Federal Awards □

The East Austin Academia, Inc. dba East Austin College Prep
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activities of all federal financial assistance programs of The East Austin Academia, Inc. dba East Austin College Prep (the "Organization"). The Organization's structure is defined in note 1 to the financial statements.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting where grant revenues are recognized as expenditures are incurred.

3. Relationship to Financial Statements

Federal financial assistance funding is reported in the Organization's financial statements for year ended June 30, 2017 as federal program revenues.

4. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related federal financial reports filed with the grantor agencies due to timing differences.

5. Indirect Cost Rate

The Organization is subject to negotiated indirect cost rates and, therefore, is not eligible to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance, section 414.

The East Austin Academia, Inc. dba East Austin College Prep
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered material weakness(es)?	None noted
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered material weakness(es)?	None noted
Type of auditor's report issued on compliance with major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major programs:	CFDA 84.010 – Title 1 Grants to Local Education Agencies
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes
Financial Statement Findings	None noted
Federal Award Findings and Questioned Costs	None noted
Schedule of Prior Year Findings	None noted