

**EAGLE**

COLLEGE PREPARATORY SCHOOL

**EAGLE COLLEGE PREP ENDEAVOR, INC.**

**FINANCIAL STATEMENTS**

**June 30, 2017**

# **EAGLE COLLEGE PREP ENDEAVOR, INC.**

## **TABLE OF CONTENTS**

---

|  | Page |
|--|------|
| <b>INDEPENDENT AUDITORS' REPORT</b>  | 1    |
| <b>FINANCIAL STATEMENTS</b>  |      |
| Statement of Assets, Liabilities and Net Assets – Modified Cash Basis  | 4    |
| Statement of Support, Revenues, Expenses and Changes in Net Assets –<br>Modified Cash Basis  | 5    |
| Notes to the Financial Statements  | 6    |
| <b>SUPPLEMENTARY INFORMATION</b>   |      |
| Schedule of Assets, Liabilities and Fund Balances – Modified Cash Basis –<br>Governmental Funds – Unaudited  | 14   |
| Schedule of Revenues, Expenditures and Changes in Fund Balances –<br>Modified Cash Basis – Governmental Funds – Unaudited  | 15   |
| Schedule of Revenues Collected by Source – Modified Cash Basis –<br>Governmental Funds – Unaudited   | 16   |
| Schedule of Expenditures Paid by Object – Modified Cash Basis –<br>Governmental Funds – Unaudited  | 17   |
| <b>MISSOURI COMPLIANCE SECTION</b>   |      |
| Independent Accountants' Report on Management's Assertions About<br>Compliance with Specified Requirements of Missouri Laws and Regulations  | 19   |
| Schedule of Selected Statistics - Unaudited  | 21   |
| <b>FEDERAL COMPLIANCE SECTION</b>  |      |
| Independent Auditors' Report on Internal Control over Financial Reporting<br>and Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with Government Auditing Standards | 24   |
| Independent Auditors' Report on Compliance for Each Major Program and on<br>Internal Control over Compliance Required by the Uniform Guidance  | 26   |
| Schedule of Expenditures of Federal Awards   | 29   |
| Notes to Schedule of Expenditures of Federal Awards  | 30   |
| Schedule of Findings and Questioned Costs  | 31   |



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## **Independent Auditors' Report**

Board of Directors  
Eagle College Prep Endeavor, Inc.  
St. Louis, Missouri

We have audited the accompanying financial statements of Eagle College Prep Endeavor, Inc. (a nonprofit organization) which comprise the statement of assets, liabilities and net assets – modified cash basis as of June 30, 2017, and the related statement of support, revenues, expenses and changes in net assets – modified cash basis for the year 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets – modified cash basis of Eagle College Prep Endeavor, Inc. as of June 30, 2017, and its support, revenues, expenses and changes in net assets – modified cash basis for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 14 through 17 and the schedule of selected statistics on pages 21 and 22 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 29 is presented for purposes of additional analysis, as required by Title 2 *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplementary information and schedule of selected statistics have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017, on our consideration of Eagle College Prep Endeavor, Inc.'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 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 Eagle College Prep Endeavor, Inc.'s internal control over financial reporting and compliance.



Litchfield, Illinois  
December 4, 2017



# **EAGLE COLLEGE PREP ENDEAVOR, INC.**

## **STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS**

**June 30, 2017**

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### **ASSETS**

|                             |                            |
|-----------------------------|----------------------------|
| Cash and cash equivalents   | \$ 988,021                 |
| Property and equipment, net | <u>342,004</u>             |
| Total assets                | <u><u>\$ 1,330,025</u></u> |

### **LIABILITIES AND NET ASSETS**

|                                  |                            |
|----------------------------------|----------------------------|
| Liabilities                      |                            |
| Debt                             | \$ 750,000                 |
| Net Assets                       |                            |
| Unrestricted                     | <u>580,025</u>             |
| Total liabilities and net assets | <u><u>\$ 1,330,025</u></u> |

See notes to financial statements.

## **EAGLE COLLEGE PREP ENDEAVOR, INC.**

### **STATEMENT OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS**

**Year Ended June 30, 2017**

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#### **SUPPORT AND UNRESTRICTED REVENUES**

|                  |                  |
|------------------|------------------|
| Local revenues   | \$ 708,476       |
| State revenues   | 4,351,347        |
| Federal revenues | <u>1,149,341</u> |
| Total revenues   | <u>6,209,164</u> |

#### **EXPENSES**

|                        |                  |
|------------------------|------------------|
| Program services       | 4,246,529        |
| Management and general | <u>1,536,852</u> |
| Total expenses         | <u>5,783,381</u> |

|                                     |         |
|-------------------------------------|---------|
| INCREASE IN UNRESTRICTED NET ASSETS | 425,783 |
|-------------------------------------|---------|

|   |                |
|---|----------------|
| Unrestricted Net assets at July 1, 2016 | <u>154,242</u> |
|---|----------------|

|  |                          |
|--|--------------------------|
| Unrestricted Net assets at June 30, 2017 | <u><u>\$ 580,025</u></u> |
|--|--------------------------|

See notes to financial statements.



# **EAGLE COLLEGE PREP ENDEAVOR, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 1 - NATURE OF ORGANIZATION**

Eagle College Prep Endeavor (the School), a not-for-profit corporation, is an independent publicly supported school located in the metropolitan area of the St. Louis Missouri Public School District. The School was organized in November 2011 under Chapter 355 Revised Statutes of Missouri (RSMo) and governed by Senate Bill No. 781 of the 89<sup>th</sup> General Assembly of the Missouri legislature.

Under the RSMo, University of Missouri - Columbia (Sponsor) granted the School a charter effective until November 26, 2017. The Sponsorship agreement has a term of five years and is renewable by mutual agreement provided that the School is in compliance with the terms of the charter agreement and unless a written notice of non-renewal is given by either party. During the term of the charter, the Sponsor may also terminate the charter if good cause is shown.

The School's charter provides for the education of students from diverse social and economic backgrounds in the target area surrounding the school in kindergarten and first through fourth grades.

The mission of Eagle College Prep Endeavor is to develop serving leaders by providing a rigorous college prep learning community where we work together toward the pursuit of academic excellence and positive character development in a safe, supportive, and loving learning environment.

The School under current Missouri statutes is considered to be a local education agency (LEA). The School's financial statements include the basic financial statements and certain other supplemental information. A summary of the more significant accounting policies is listed below.

# **EAGLE COLLEGE PREP ENDEAVOR, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America (GAAP). This basis of accounting differs from GAAP primarily because certain revenue and related assets (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) have been recognized when received rather than when earned and certain expenses and related liabilities (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued liabilities and expenses) have been recognized when paid rather than when the obligations were incurred.

#### **Net Assets**

The School is required to report 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 are not restricted by donors or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School. Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the School to use or expend part or all of the income derived from the restricted assets for either specified or unspecified purposes. The School does not hold any temporary or permanently restricted net assets at June 30, 2017.

#### **Cash and Cash Equivalents**

Cash includes cash on hand, checking and savings accounts.

**Custodial Credit Risk:** For deposits, custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. At June 30, 2017, the School had deposits of \$738,021 in excess of FDIC insurance coverage.

#### **Property and Equipment**

Property and equipment are recorded at cost. The School capitalizes purchases of equipment in excess of \$1,000 or items which are considered attractive or easily pilfered. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets which range from 5 to 10 years. The School's leasehold improvements, if any, (any additions, alterations and improvements (excluding furniture)) are owned by the School but are to become part of the realty and belong to the Lessor upon the expirations or earlier termination of the lease.

# **EAGLE COLLEGE PREP ENDEAVOR, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **Contributions**

The statement of support, revenues, expenses and changes in net assets – modified cash basis of the School reflects contributions received from the public and other organizations. The School reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated cash. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of support, revenue, expenses and changes in net assets as net assets released from restrictions. Amounts received with donor stipulations that limit the use of the cash for certain purposes are reported as unrestricted support if the stipulated purpose restriction is accomplished in the same year.

### **School Funding**

Entitlements and grants are recognized as revenue in the fiscal year in which received.

### **Contributed Services**

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require special skills and are provided by individuals possessing such skills. A number of volunteers have made a contribution of their time to the School to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the financial statements as such services either do not require specialized skills or would not typically be purchased had they not been provided as donations.

### **Functional Expenses**

Directly identifiable expenses are charged to program services in the statement of support, revenues, expenses and changes in net assets – modified cash basis. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School. Development expenses represent marketing and other promotional expenses of the School. Expenses related to more than one function are charged to program services, management and general, and development on the basis of the School's allocation.

# **EAGLE COLLEGE PREP ENDEAVOR, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### **Income Taxes**

The School is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, except to the extent that it has taxable income from business that is not related to its tax exempt purpose. Unrelated business income, if there was any, would be taxed at the applicable corporate income tax rate. The School did not have any unrelated business income during the year ended June 30, 2017, and accordingly, no provision for income taxes has been made in the financial statements.

The School is not currently under examination by any taxing jurisdiction. Federal and state taxing authorities no longer have the right to examine tax years ending prior to June 30, 2013. For the year ended June 30, 2017, there were no interest or penalties associated with tax positions recorded in the accompanying financial statements.

### **Subsequent Events**

The School evaluates the events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was December 4, 2017, for these financial statements.

## EAGLE COLLEGE PREP ENDEAVOR, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

|                               |                   |
|-------------------------------|-------------------|
| General Equipment             | \$ 233,603        |
| Building Improvements         | 30,097            |
| Instruction Related           | 100,615           |
| LEA Executive                 | 3,793             |
| Building Level                | 35,816            |
| Business Support              | 898               |
| Food Service                  | <u>101,390</u>    |
|                               | 506,212           |
| Less accumulated depreciation | <u>(164,208)</u>  |
|                               | <u>\$ 342,004</u> |

Depreciation expense was \$72,707 for the year ended June 30, 2017.

#### NOTE 4 – LEASE COMMITMENTS

##### Buildings

The School entered into an operating lease agreement for the sublease of educational facilities leased by EEI Real Estate Holdings, located at 3716 Morganford Road, St. Louis, Missouri. The lease expires on June 30, 2033. The rent amount is based on 20% of the State per-pupil payments allocated from the State of Missouri. The total amount for rent for the facilities for the year ended June 30, 2017 was \$352,446.

The School entered into an operating lease agreement for the sublease of educational facilities leased by Eagle Emmaus Property, LLC, located at 2617 Shenandoah Ave., St. Louis, Missouri. The lease expires on June 30, 2035. The rent amount is based on 20% of the State per-pupil payments allocated from the State of Missouri. The total amount for rent for the facilities for the year ended June 30, 2017 was \$251,747.

The School entered into an operating lease agreement for the sublease of educational facilities leased by Eagle Messiah Property, LLC, located at 2900 S. Grand Blvd., St. Louis, Missouri (known as the Tower Grove East location). The lease expires on June 30, 2036. The rent amount is based on 20% of the State per-pupil payments allocated from the State of Missouri. The total amount for rent for the facilities for the year ended June 30, 2017 was \$251,747.



# EAGLE COLLEGE PREP ENDEAVOR, INC.

## NOTES TO FINANCIAL STATEMENTS

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### Equipment

The School leases copiers for each school with base monthly amounts of \$195 for Fox Park, \$321 for Tower Grove South and Tower Grove East, and \$435 for Gravois Park. The leases run through July 2018, October 2019, and June 2021, respectively.

Future minimum lease commitments are as follows:

| Year Ending<br>June 30 | Facilities*         | Equipment        | Total               |
|------------------------|---------------------|------------------|---------------------|
| 2018                   | \$ 1,371,024        | \$ 15,264        | \$ 1,386,288        |
| 2019                   | 1,539,504           | 13,119           | 1,552,623           |
| 2020                   | 1,721,475           | 7,788            | 1,729,263           |
| 2021                   | 1,908,571           | 5,220            | 1,913,791           |
| 2022                   | 2,078,538           | -                | 2,078,538           |
|                        | <u>\$ 8,619,112</u> | <u>\$ 41,391</u> | <u>\$ 8,660,503</u> |

\*Facilities lease commitments based on management's estimated future projections.

### NOTE 5 – RISK MANAGEMENT

The School is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School maintains commercial insurance, with limitation, to protect the School from certain of such risks.

### NOTE 6 – RETIREMENT PLAN

The School contributes to the Public School Retirement System of the City of St. Louis, a cost-sharing, multiple-employer defined benefit pension plan. Participation is mandatory under Missouri Revised Statutes, Chapter 105 and 169.

The Retirement System members are required to contribute 5.00% of their annual covered salary for the year 2017. The School was required to contribute 15.14% of covered school compensation for July 1, 2016 to December 31, 2016 and 15.73% for the remainder of the school year ended June 30, 2017. The employer rates are determined annually as part of the Annual Valuation Report made by the Plan's actuary and the employee contribution rate is determined by the statute.

The total employer contributions for the year ended June 30, 2017 were \$343,533.

## **EAGLE COLLEGE PREP ENDEAVOR, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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The retirement system issues a publicly available financial report that includes financial statements and other required information. That report may be obtained by writing to: The Public School Retirement System of the City of St. Louis, 3641 Olive Street Suite 300, St. Louis, Missouri, 63108, or by calling 1-314-534-7444.

#### **NOTE 7 - CONTINGENCY**

Amounts received from grants or contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

#### **NOTE 8 – DEBT**

The School has a note payable with the Lutheran Foundation of St. Louis, Missouri for \$450,000. At June 30, 2017, the School had drawn \$400,000, with an additional \$50,000 available to be drawn on in the future. The note had a principal payment of \$50,000 due June 1, 2017, which was paid. Annual payments of \$100,000 are due beginning July 1, 2018. The note bears an interest rate of 4%. Interest is paid quarterly on the first day of October, January, April and July. The School made interest payments of \$7,984 during the year ended June 30, 2017.

The School also has a note payable with Educational Enterprises, Inc. in the amount of \$200,000. The note is due in full on June 30, 2021. The note bears an interest rate of 1%, and all accrued unpaid interest is due on June, 30, 2021.

The School also has two notes payable with Charter Fund, Inc. in the amount of \$100,000 each. The notes are due in full on June 30, 2021 and 2023, respectively. The notes bear interest rates of 1%, and all accrued unpaid interest is due on June 30, 2021 and 2023 respectively.



## **SUPPLEMENTARY INFORMATION**

**EAGLE COLLEGE PREP ENDEAVOR, INC.****SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES –  
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS – UNAUDITED  
Year Ended June 30, 2017**

|               | <u>General</u>    | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Total</u>      |
|---------------|-------------------|----------------------------|-----------------------------|-------------------|
| ASSETS        |                   |                            |                             |                   |
| Cash          | <u>\$ 988,021</u> | <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ 988,021</u> |
| FUND BALANCES |                   |                            |                             |                   |
| Unassigned    | <u>\$ 988,021</u> | <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ 988,021</u> |

# EAGLE COLLEGE PREP ENDEAVOR, INC.

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS – UNAUDITED Year Ended June 30, 2017

|                                    | General     | Special<br>Revenue | Capital<br>Projects | Total      |
|------------------------------------|-------------|--------------------|---------------------|------------|
| REVENUES                           |             |                    |                     |            |
| Local                              | \$ 573,772  | \$ 134,704         | \$ -                | \$ 708,476 |
| State                              | 1,089,190   | 3,262,157          | -                   | 4,351,347  |
| Federal                            | 1,144,249   | -                  | 5,092               | 1,149,341  |
| Total revenues                     | 2,807,211   | 3,396,861          | 5,092               | 6,209,164  |
| EXPENSES                           |             |                    |                     |            |
| Current:                           |             |                    |                     |            |
| Elementary                         | 828,485     | 1,230,557          | -                   | 2,059,042  |
| Special education                  | 187,012     | 113,763            | -                   | 300,775    |
| Supplemental instruction           | -           | 64,343             | -                   | 64,343     |
| Professional development           | 52,364      | -                  | -                   | 52,364     |
| Executive administration           | 646,443     | -                  | -                   | 646,443    |
| Building level administration      | 684,923     | 197,502            | -                   | 882,425    |
| Support services                   | 172,924     | -                  | -                   | 172,924    |
| Operation of plant                 | 988,191     | -                  | -                   | 988,191    |
| Food service                       | 334,694     | -                  | -                   | 334,694    |
| Technology services                | 195,652     | -                  | -                   | 195,652    |
| Parental involvement               | 5,835       | -                  | -                   | 5,835      |
| Debt Service:                      |             |                    |                     |            |
| Principal payments                 | 50,000      | -                  | -                   | 50,000     |
| Interest payments                  | 7,984       | -                  | -                   | 7,984      |
| Capital Outlay                     | -           | -                  | 186,457             | 186,457    |
| Total expenses                     | 4,154,507   | 1,606,165          | 186,457             | 5,947,129  |
| Revenues over (under) expenses     | (1,347,296) | 1,790,696          | (181,365)           | 262,035    |
| Other financing sources and (uses) |             |                    |                     |            |
| Debt proceeds                      | 300,000     | -                  | -                   | 300,000    |
| Transfers                          | 1,609,331   | (1,790,696)        | 181,365             | -          |
| NET CHANGE IN FUND BALANCE         | 562,035     | -                  | -                   | 562,035    |
| Fund balance at July 1, 2016       | 425,986     | -                  | -                   | 425,986    |
| Fund balance at June 30, 2017      | \$ 988,021  | \$ -               | \$ -                | \$ 988,021 |

**EAGLE COLLEGE PREP ENDEAVOR, INC.****SCHEDULE OF REVENUES COLLECTED BY SOURCE –  
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS – UNAUDITED  
Year Ended June 30, 2017**

|  | <u>General</u>     | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Total</u>       |
|--|--------------------|----------------------------|-----------------------------|--------------------|
| LOCAL                                    |                    |                            |                             |                    |
| Prop C                                   | \$ 224,507         | \$ 134,704                 | \$ -                        | \$ 359,211         |
| Food service                             | 10,115             | -                          | -                           | 10,115             |
| Contribution revenue                     | 20,395             | -                          | -                           | 20,395             |
| Other                                    | 318,755            | -                          | -                           | 318,755            |
| Total local                              | <u>573,772</u>     | <u>134,704</u>             | <u>-</u>                    | <u>708,476</u>     |
| STATE                                    |                    |                            |                             |                    |
| Basic formula                            | 1,087,386          | 3,262,157                  | -                           | 4,349,543          |
| Food and nutrition                       | 1,804              | -                          | -                           | 1,804              |
| Total state                              | <u>1,089,190</u>   | <u>3,262,157</u>           | <u>-</u>                    | <u>4,351,347</u>   |
| FEDERAL                                  |                    |                            |                             |                    |
| Title I                                  | 387,808            | -                          | -                           | 387,808            |
| Title II                                 | 56,817             | -                          | -                           | 56,817             |
| Special Ed part B                        | 99,584             | -                          | -                           | 99,584             |
| CSP grant                                | 202,500            | -                          | -                           | 202,500            |
| E-Rate                                   | 62,361             | -                          | -                           | 62,361             |
| Food and nutrition services equip. grant | -                  | -                          | 5,092                       | 5,092              |
| School lunch program                     | 226,620            | -                          | -                           | 226,620            |
| School breakfast program                 | 108,559            | -                          | -                           | 108,559            |
| Total federal                            | <u>1,144,249</u>   | <u>-</u>                   | <u>5,092</u>                | <u>1,149,341</u>   |
| Total revenues                           | <u>\$2,807,211</u> | <u>\$3,396,861</u>         | <u>\$ 5,092</u>             | <u>\$6,209,164</u> |

**EAGLE COLLEGE PREP ENDEAVOR, INC.****SCHEDULE OF EXPENDITURES PAID BY OBJECT –  
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS – UNAUDITED  
Year Ended June 30, 2017**

|                        | <u>General</u>      | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Total</u>        |
|------------------------|---------------------|----------------------------|-----------------------------|---------------------|
| Salaries               | \$ 1,075,859        | \$ 1,138,032               | \$ -                        | \$ 2,213,891        |
| Employee benefits      | 369,752             | 468,133                    | -                           | 837,885             |
| Purchased services     | 2,107,361           | -                          | -                           | 2,107,361           |
| Supplies and materials | 543,551             | -                          | -                           | 543,551             |
| Principal              | 50,000              | -                          | -                           | 50,000              |
| Interest and fees      | 7,984               | -                          | -                           | 7,984               |
| Capital outlay         | -                   | -                          | 186,457                     | 186,457             |
|                        | <u>\$ 4,154,507</u> | <u>\$ 1,606,165</u>        | <u>\$ 186,457</u>           | <u>\$ 5,947,129</u> |

**MISSOURI COMPLIANCE SECTION**

**Independent Accountants' Report on Management's  
Assertions about Compliance with Specified  
Requirements of Missouri Laws and Regulations**

Board of Directors  
Eagle College Prep Endeavor  
St. Louis, Missouri

**Report on Compliance with State Requirements**

We have examined Eagle College Prep Endeavor, Inc.'s compliance with the requirements of the Missouri laws and regulations regarding accurate disclosure by the School's records of average daily attendance and other statutory requirements as listed in the schedule of selected statistics for the year ended June 30, 2017.

**Management's Responsibility**

Management is responsible for the School's compliance with those requirements.

**Accountants' Responsibility**

Our responsibility is to express an opinion on management's assertions about the School's compliance with specified requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis of our opinion. Our examination does not provide a legal determination on the School's compliance with specified requirements.



### **Opinion on Compliance with State Requirements**

In our opinion, management's assertions that Eagle College Prep Endeavor, Inc. complied with the aforementioned requirements for the year ended June 30, 2017 are fairly stated in all material respects.

The purpose of this report is solely for the information and use of the Board of Directors, management, the Missouri Department of Elementary and Secondary Education and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Kenner, Eck & Brinckel LLP". The signature is written in a cursive, flowing style.

Litchfield, Illinois  
December 4, 2017

# EAGLE COLLEGE PREP ENDEAVOR, INC.

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED Year Ended June 30, 2017

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|                          |               |          |
|--------------------------|---------------|----------|
| Type of Audit performed: | Yellow Book:  | <u>X</u> |
|                          | Single Audit: | <u>X</u> |

### 1. Calendar (Sections 160.041 and 171.031, RSMo)

A. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was as follows:

|         |     |                    |
|---------|-----|--------------------|
| Grades: | K-6 | <u>1,144</u> Hours |
|---------|-----|--------------------|

B. The number of days classes were in session and pupils were under the direction of teachers during this school year was as follows:

|         |     |                 |
|---------|-----|-----------------|
| Grades: | K-6 | <u>178</u> Days |
|---------|-----|-----------------|

### 2. Average Daily Attendance (ADA)

|         |     |   |
|---------|-----|---|
| Grades: | K-6 | <u>Full-Time &amp;<br/>Part-Time</u><br><u>441.1367</u> |
|---------|-----|---|

### 3. September Membership

|                      |                                      |
|----------------------|--------------------------------------|
| September Membership | <u>Full-Time &amp;<br/>Part-Time</u> |
| FTE Count            | <u>480</u>                           |

### 4. Free and Reduced Priced Lunch FTE Count

|                    |                                      |
|--------------------|--------------------------------------|
| Eligible Students: | <u>Full-Time &amp;<br/>Part-Time</u> |
| Free               | 463                                  |
| Reduced            | -                                    |
| Total              | <u>463</u>                           |

## EAGLE COLLEGE PREP ENDEAVOR, INC.

### SCHEDULE OF SELECTED STATISTICS – UNAUDITED Year Ended June 30, 2017

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#### 5. Finance

- |  |             |
|--|-------------|
| A. As required by Setion 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of:  | <u>N/A</u>  |
| B. The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.   | <u>N/A</u>  |
| C. The district maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo.   | <u>N/A</u>  |
| D. Salaries reported for educators in the October Core Data cycle are supported by the payroll and contract records.   | <u>TRUE</u> |
| E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. | <u>N/A</u>  |
| F. The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.   | <u>TRUE</u> |
| G. The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.                       | <u>N/A</u>  |
| H. The amount spent for approved professional development committee plan activities was:   | <u>N/A</u>  |
- There were no findings noted in the above responses.

#### 6. Transportation

The School did not participate in the transportation program for the year ended June 30, 2017.

## **FEDERAL COMPLIANCE SECTION**



Kerber, Eck & Braeckel LLP

CPAs and  
Management Consultants

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**Independent Auditors' Report on Internal Control Over  
Financial Reporting and Other Matters Based on and  
Audit of Financial Statements Performed in Accordance  
With *Governmental Auditing Standards***

The Board of Directors  
Eagle College Prep Endeavor  
St. Louis, Missouri

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 Eagle College Prep Endeavor (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2017, and the related statement of support, revenues, expenses and changes in net assets – modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2017. Our report on the financial statements disclosed that, as described in Note 2, the School prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Litchfield, Illinois  
December 4, 2017



**Independent Auditors' Report on Compliance  
For Each Major Program and on Internal Control Over  
Compliance Required by The Uniform Guidance**

Board of Directors  
Eagle College Prep Endeavor  
St. Louis, Missouri

**Report on Compliance for Each Major Federal Program**

We have audited Eagle College Prep Endeavor's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Eagle College Prep Endeavor's major federal programs for the year ended June 30, 2017. Eagle College Prep Endeavor's major federal programs are identified in 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Eagle College Prep Endeavor'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 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Eagle College Prep Endeavor'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 Eagle College Prep Endeavor's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Eagle College Prep Endeavor 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, 2017.

### **Report on Internal Control over Compliance**

Management of Eagle College Prep Endeavor 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 Eagle College Prep Endeavor's internal control 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 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 Eagle College Prep Endeavor'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.

*Kerben, Eck & Brueckel LLP*

Litchfield, Illinois

December 4, 2017

# EAGLE COLLEGE PREP ENDEAVOR, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

| <u>Federal Grantor/Pass-Through<br/>Grantor/Program Title</u>                    | <u>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity<br/>Identifying<br/>Number</u> | <u>Expenditures</u> |
|--|------------------------|---|---------------------|
| <u>U.S. Department of Agriculture</u>  |                        |   |                     |
| Passed through the Missouri Department of<br>Secondary and Elementary Education: |                        |   |                     |
| Child Nutrition Cluster  |                        |   |                     |
| School Breakfast Program   | 10.553                 | 115-923   | \$ 93,604           |
| National School Lunch Program  | 10.555                 | 115-923   | 224,689             |
| Total Child Nutrition Cluster  |                        |   | 318,293             |
| Total U.S. Department of Agriculture   |                        |   | 318,293             |
| <u>U.S. Department of Education</u>  |                        |   |                     |
| Passed through the Missouri Department of<br>Secondary and Elementary Education: |                        |   |                     |
| Title I Grants to Local Education Agencies                                       | 84.010                 | 115-923   | 393,995             |
| Special Education Grants to States   | 84.027                 | 115-923   | 99,584              |
| Charter Schools  | 84.282                 | 115-923   | 202,500             |
| Medicaid Administrative Claim  | 93.778                 | 115-923   | 19,987              |
| Improving Teacher Quality State Grants   | 84.367                 | 115-923   | 56,086              |
| Total U.S. Department of Education   |                        |   | 772,152             |
| Total Expenditures of Federal Awards   |                        |   | \$ 1,090,446        |

## **EAGLE COLLEGE PREP ENDEAVOR, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Eagle College Preparatory Academy under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Eagle College Preparatory Academy, it is not intended to and does not present the financial position and changes in financial position of Eagle College Preparatory Academy.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The School has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under Uniform Guidance.

#### **NOTE 3 - SUBRECIPIENTS**

There have been no awards passed through to subrecipients.

# EAGLE COLLEGE PREP ENDEAVOR, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### I. SUMMARY OF AUDITORS' RESULTS

#### **Financial Statements**

Type of auditors' report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiencies identified that are not considered material weakness? No

Noncompliance material to financial statements noted? No

#### **Federal Awards**

Internal control over major programs:

- Material weakness identified? No
- Significant deficiencies identified that are not considered material weakness? No

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

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

The programs tested as major programs were:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u>    |
|-----------------------|--|
| 84.010                | Title I Grants to Local Educational Agencies |
| 10.553/10.555         | Child Nutrition Cluster                      |

Dollar threshold for distinguishing between Type A and B programs: \$750,000

Auditee qualified as a low-risk auditee? No

## **EAGLE COLLEGE PREP ENDEAVOR, INC.**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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#### **II. FINANCIAL STATEMENT FINDINGS**

There were no findings which are required to be reported in accordance with Generally Accepted Government Auditing Standards.

#### **III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings and questioned costs related to Federal Awards.