

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL, INC.

**Financial Statements and Supplemental Schedule Together with
Reports of Independent Public Accountants**

For the Years Ended June 30, 2021 And 2020

JUNE 30, 2021 AND 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of the
Girls Global Academy Public Charter School, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of Girls Global Academy Public Charter School, Inc.(the Academy) as of June 30, 2021, and 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the auditing standards established pursuant to the District of Columbia School Reform Act, Public Law No. 104-134, 110 Stat. 1321-121, 2204(c)(ii)(B)(ix)(1996); D.C. Official Code 38-1802.04(ii)(B)(2001, as amended). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2021, and 2020 and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the Academy's internal controls over financial reporting and 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal controls over financial reporting and compliance.

Washington, D.C.
November 30, 2021

SB & Company, LLC

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Statements of Financial Position As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash	\$ 172,305	\$ 84,942
Cash for rent reserve	150,000	150,000
Accounts receivable	152,214	199,694
Prepaid expense	37,362	24,274
Total current assets	511,881	458,910
Deposits	12,550	-
Property and equipment, net	260,549	6,233
Total Assets	\$ 784,980	\$ 465,143
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 53,597	\$ 28,538
Accrued salaries and payroll withholdings	61,888	16,692
Total current liabilities	115,485	45,230
Loan payable	-	1,954
Total Liabilities	115,485	47,184
Net Assets		
Net assets without donor restrictions	508,647	264,959
Net assets with donor restrictions	160,848	153,000
Total Net Assets	669,495	417,959
Total Liabilities and Net Assets	\$ 784,980	\$ 465,143

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Support		
Per Pupil general education	\$ 925,481	\$ -
Per Pupil Special education	415,054	-
Per-Pupil at risk	86,752	-
DC Facility allowance	221,520	-
Federal entitlements	667,363	308,871
Federal grants	107,867	3,423
Foundation grants	221,804	422,568
Contributions and other revenue	93,138	5,059
In-kind contributions	184,943	223,253
Released from restriction	3,000	-
Total Revenue and Support	<u>2,926,922</u>	<u>963,174</u>
Expenses		
Educational programs	2,371,305	136,085
General and administrative	283,914	614,662
Fundraising	29,969	5,114
Total Expenses	<u>2,685,188</u>	<u>755,861</u>
Change in Net Assets Without Donor Restrictions before Other Grant Activity	<u>241,734</u>	<u>207,313</u>
Other Grant Revenue		
Paycheck Protection Program Funding	<u>1,954</u>	<u>57,646</u>
Change in Net Assets Without Donor Restrictions	<u>243,688</u>	<u>264,959</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	10,848	153,000
Release from restriction	<u>(3,000)</u>	<u>-</u>
Change in Net Assets With Donor Restrictions	<u>7,848</u>	<u>153,000</u>
Changes in net assets	251,536	417,959
Net assets, beginning of year	417,959	-
Net Assets, End of Year	<u>\$ 669,495</u>	<u>\$ 417,959</u>

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Statement of Functional Expenses For the Year Ended June 30, 2021 with Comparative 2020 Totals

	2021				2020 Totals
	Educational Programs	General and Administrative	Fundraising	Total	
Personnel, Salaries and Benefits					
Salaries	\$ 1,065,743	\$ 151,063	\$ -	\$ 1,216,806	\$ 237,738
Employee benefits	58,507	8,293	-	66,800	13,046
Payroll taxes	92,425	13,101	-	105,526	21,125
Professional development	39,999	5,670	-	45,669	33,738
Travel and meetings	-	-	-	-	5,593
Total personnel, salaries and benefits	<u>1,256,674</u>	<u>178,127</u>	<u>-</u>	<u>1,434,801</u>	<u>311,240</u>
Direct Student Costs					
Supplies and materials	28,234	-	-	28,234	5,078
Contracted instruction fees	119,653	-	-	119,653	3,483
Textbooks	52,493	-	-	52,493	2,400
Food service/catering	69,343	-	-	69,343	-
Student assessments	1,077	-	-	1,077	-
Other student costs	116,827	-	-	116,827	65,147
Total direct student costs	<u>387,627</u>	<u>-</u>	<u>-</u>	<u>387,627</u>	<u>76,108</u>
Occupancy Expenses					
Rent	234,587	26,065	-	260,652	6,000
Maintenance and repairs	6,341	705	-	7,046	-
Contracted building services	851	95	-	946	-
Facility consulting fee	-	-	-	-	13,746
Total occupancy expenses	<u>241,779</u>	<u>26,865</u>	<u>-</u>	<u>268,644</u>	<u>19,746</u>
Office Expenses					
Office supplies and materials	11,480	1,627	-	13,107	3,223
Equipment rental	2,848	404	-	-	-
Telecommunications	27,099	3,841	-	30,940	437
Professional fees	234,450	33,232	-	267,682	322,366
Printing and publications	-	-	-	-	1,075
Postage and shipping	5,015	711	-	5,726	903
Computer and related	-	-	-	-	7,292
Total office expenses	<u>280,892</u>	<u>39,815</u>	<u>-</u>	<u>320,707</u>	<u>335,296</u>
General Expenses					
Insurance	10,047	1,424	-	11,471	3,262
Administration fee (to PCSB)	-	21,741	-	21,741	-
Depreciation	38,606	5,303	-	43,909	847
Fees and licenses	-	-	-	-	7,507
Other general expense	155,680	10,639	29,969	196,288	1,855
Total general expenses	<u>204,333</u>	<u>39,107</u>	<u>29,969</u>	<u>273,409</u>	<u>13,471</u>
Total Expenses	<u>\$ 2,371,305</u>	<u>\$ 283,914</u>	<u>\$ 29,969</u>	<u>\$ 2,685,188</u>	<u>\$ 755,861</u>

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Statement of Functional Expenses For the Year Ended June 30, 2020

	Educational Programs	General and Administrative	Fundraising	Total
Personnel, Salaries and Benefits				
Salaries	\$ 42,946	\$ 190,417	\$ 4,375	\$ 237,738
Employee benefits	2,357	10,449	240	13,046
Payroll taxes	3,816	16,920	389	21,125
Professional development	6,209	27,529	-	33,738
Travel and meetings	1,029	4,564	-	5,593
Total personnel, salaries and benefits	<u>56,357</u>	<u>249,879</u>	<u>5,004</u>	<u>311,240</u>
Direct Student Costs				
Supplies and materials	5,078	-	-	5,078
Contracted instruction fees	3,483	-	-	3,483
Textbooks	2,400	-	-	2,400
Other student costs	65,147	-	-	65,147
Total direct student costs	<u>76,108</u>	<u>-</u>	<u>-</u>	<u>76,108</u>
Occupancy Expenses				
Rent	1,084	4,806	110	6,000
Facility consulting fee	-	13,746	-	13,746
Total occupancy expenses	<u>1,084</u>	<u>18,552</u>	<u>110</u>	<u>19,746</u>
Office Expenses				
Office supplies and materials	594	2,629	-	3,223
Telecommunications	80	357	-	437
Professional fees	-	322,366	-	322,366
Printing and publications	198	877	-	1,075
Postage and shipping	166	737	-	903
Computer and related	1,342	5,950	-	7,292
Total office expenses	<u>2,380</u>	<u>332,916</u>	<u>-</u>	<u>335,296</u>
General Expenses				
Insurance	-	3,262	-	3,262
Depreciation	156	691	-	847
Fees and licenses	-	7,507	-	7,507
Other general expense	-	1,855	-	1,855
Total general expenses	<u>156</u>	<u>13,315</u>	<u>-</u>	<u>13,471</u>
Total Expenses	<u>\$ 136,085</u>	<u>\$ 614,662</u>	<u>\$ 5,114</u>	<u>\$ 755,861</u>

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Statements of Cash Flows For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	\$ 251,536	\$ 417,959
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	43,909	847
Forgiveness of loan payable	(1,954)	(57,646)
Effect of changes in non-cash assets and liabilities:		
Accounts receivable	47,480	(199,694)
Prepaid expenses	(13,088)	(24,274)
Deposits	(12,550)	-
Accounts payable	25,059	28,538
Accrued salaries and payroll withholdings	45,196	16,692
Net Cash from Operating Activities	385,588	182,422
Cash Flows from Investing Activities		
Purchase of property and equipment	(298,225)	(7,080)
Cash Flows from Financing Activities		
Proceeds from loan	-	59,600
Net change in cash	87,363	234,942
Cash, beginning of year	234,942	-
Cash, End of Year	\$ 322,305	\$ 234,942
Reconciliation of cash to statement of financial position		
Cash	\$ 172,305	\$ 84,942
Cash for rent reserve	150,000	150,000
Total Cash	\$ 322,305	\$ 234,942

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021 and 2020

1. ORGANIZATION

Girls Global Academy Public Charter School (the Academy) was incorporated in the District of Columbia in June 2019 and opened its doors in August 2020 to students. The Academy is an all-girls public charter school, with a goal to be the premier training ground for high school girls in the areas of global citizenship, business and engineering in Washington, DC. The Academy's mission is to ignite female empowerment and develop their confidence to lead and succeed at the local or global level.

On July 1, 2020, the Academy entered into a contract with the District of Columbia Public Charter School Board (the Board), granting the Academy a charter for the establishment of a public charter school in Washington, DC. The charter expires on June 30, 2035. The Board has the authority to revoke the charter for violations of applicable laws and conditions, terms and procedures set forth in the charter. The Academy's current charter provides for enrollment of up to 450 students. The Academy reserves the right to adjust the number of students in each grade, while staying within the confines of the total local educational agency ("LEA") enrollment for each school year. Under the provisions of the contract, the Board is to make annual payments to the Academy for services provided to the students based on the number of students attending the Academy each year. The Academy is and shall remain a District of Columbia nonprofit organization in accordance with the District of Columbia Nonprofit Corporation Act.

The Academy started operations on July 1, 2019. For the year ended June 30, 2020, the Academy was still in its planning year and did not have enrollment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Academy are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash for rent reserve

Cash for rent reserve is related to cash held in connection with its lease agreement. As of June 30, 2021 and 2020 the cash balance for the rent reserve was \$150,000.

Accounts Receivable

Accounts receivable consist primarily of amounts due from governmental agencies and are recorded at their net realizable value. The Academy records an allowance for doubtful accounts equal to estimated losses that will be incurred in the collection of receivables. The estimated losses are based on historical collection experience and the review of the current status of existing receivables. Management believes that all receivables were fully collectible as of June 30, 2021 and 2020.

Property and Equipment

Property and equipment valued in excess of \$500, with an estimated useful life of more than one year, is capitalized and recorded at cost. Bulk purchases of property and equipment with unit costs less than \$500, but total monetary value acquisitions exceeding \$5,000, with an estimated useful of more than one year, are capitalized as a group. Depreciation of property and equipment is computed using the straight-line method over the estimated useful life of the asset. Replacements, maintenance, and repairs that do not improve the useful life of an asset are expensed as incurred.

Net Assets

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

Net assets with donor restrictions are those whose use by the Academy has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions. As of June 30, 2021 and 2020, there was \$160,848 and \$153,000 respectively, in net assets with donor restrictions for a specific time period or purpose.

Net assets with donor restrictions are also those that are restricted by donors to be maintained by the Academy in perpetuity. There were no net assets with donor restrictions in perpetuity as of June 30, 2021 and 2020.

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted and Unrestricted Support and Revenue

The Academy receives a student allocation from the District of Columbia as well as Federal funding to cover the cost of academic expenses. The student allocation is on a per pupil basis and includes the academic year funding and a facilities allotment. The Academy recognizes this funding in the year in which the school term is conducted. Funding received in advance of the school term is recorded as deferred revenue in the accompanying statements of financial position. Revenue from other government sources are recognized as earned.

Grants and contributions received are recorded as net assets without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets, depending on the nature of the restriction.

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

Revenue from other government sources is recognized as earned. It is considered earned once all conditions are met.

In-Kind Contributions

The Academy received donated supplies and materials of \$7,742 and donated legal services of \$177,201 for the year ended June 30, 2021. For the year ended June 30, 2020, the donated supplies and materials and donated legal services were \$1,855 and \$221,398, respectively. Such amounts, which are based upon information provided by third parties, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and program services and supporting services on the accompanying statements of activities and changes in net assets and functional expenses.

Functional Allocation of Expenses

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

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Academy is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Academy performed an evaluation of uncertain tax positions as of June 30, 2021, and determined that there were no matters that would require recognition in the financial statements, or which may have any effect on its tax-exempt status. As of June 30, 2021, the statute of limitations for fiscal year 2020 and 2021 remains open with the U.S. Federal jurisdiction and local jurisdictions in which the Academy files tax returns. It is the Academy's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Recent Accounting Pronouncements

In July 2018, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-10, *Codification Improvements to Topic 842, Leases*, and in February 2016, ASU No. 2016-02, *Leases*, which created a singular reporting model for leases. This standard will be effective for periods beginning after December 15, 2021.

Management is evaluating the impact of this pronouncement on the financial statements and will implement this pronouncement by its effective date.

Subsequent Events

The Academy's management evaluated the accompanying financial statements for subsequent events and transactions through November 30, 2021, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources

The table below presents financial assets available to be used within one year as of June 30, 2021 and 2020:

Liquidity and Availability of Resources	2021	2020
Cash	\$ 172,305	\$ 84,942
Cash for rent reserve	150,000	150,000
Accounts receivable	152,214	199,694
Total financial assets at year end	474,519	434,636
Less amounts not available to be used within one year:		
Donor contributions restricted to specific purposes	160,848	153,000
Financial assets available to meet cash needs for general expenditures within one year	\$ 313,671	\$ 281,636

The Academy has a policy to structure its financial assets to be available for its general expenses, liabilities, and other obligations as they come due. The Academy has a goal to maintain financial assets on hand to meet at least 45 days of operating expenses.

3. PROPERTY AND EQUIPMENT

As of June 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020	Estimated Useful Lives
Computer equipment	\$ 200,731	\$ 7,080	3 Years
Leasehold improvement	104,574	-	Life of the lease
Total	305,305	7,080	
Less: accumulated depreciation	44,756	847	
Total Property and Equipment, Net	\$ 260,549	\$ 6,233	

Depreciation expense was \$43,909 and \$847 for the years ended June 30, 2021 and 2020, respectively.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021 and 2020, consisted of contributions that were restricted based on purpose and time:

	2021	2020
Time restrictions	\$ 10,848	\$ 3,000
Purpose restrictions - rent reserve	150,000	150,000
Total	\$ 160,848	\$ 153,000

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Financial Statements June 30, 2021 and 2020

5. LOAN PAYABLE

During the year ended June 30, 2020, the Academy received a Paycheck Protection Program (PPP) loan in the amount of \$59,600. The terms of the loan require the proceeds to be spent on eligible expenses, which were primarily payroll related costs. Part or all of the loan maybe forgiven based on meeting certain conditions as set forth in the loan agreement. Any portion of the PPP loan that is not forgiven must be repaid over two years after a six-month deferral period at an interest rate of 1%.

The PPP loan was received from the U.S Federal government under the Coronavirus Aid Relief and Economic Security (CARES) Act passed by Congress. As of June 30, 2020, the Academy believes it has met the conditions to have the \$57,646 of the PPP loan forgiven and has recorded the PPP loan as other grant revenue in the accompanying statement of activities and changes in net assets. During the year ended June 30, 2021, management recorded the remaining PPP loan balance of \$1,954 as other grant revenue in the accompanying statement of activities and changes in net assets. As of June 30, 2021 the loan was fully forgiven.

6. COMMITMENTS AND CONTINGENCIES

Grants

The Academy receives financial assistance from Federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the Academy. The Academy's management believes such disallowance, if any, would be immaterial.

The Academy receives a substantial portion of its revenue from the District of Columbia. If a significant reduction in this revenue should occur, it may have a material effect on the School's programs.

During the year ended June 30, 2021, the Academy earned revenue of \$2,424,037 from the District of Columbia, which was 83% of the total revenue and support. These amounts are reflected as per pupil allocation, special education, risk, DC facilities allowance, Federal entitlement and Federal grants in the accompanying statements of activities and changes in net assets.

7. COMMITMENTS AND CONTINGENCIES (continued)

Operating Lease

The Academy entered into a building lease starting July 1, 2020, for 15 years commencing on June 30, 2035, with an option to renew for one additional five- year term. The projected base rent is calculated using a projected enrollment multiplied by the annual facility allotment per pupil, whereby the minimum base rent cannot fall below 85% of the projection, as outlined in the lease agreement. In connection with the lease agreement, the Academy maintains \$150,000, in a reserve fund in the event that enrollment falls below 80% of the enrollment forecast projections, and/or in the event of any other monetary default. For the years ended June 30, 2021, and 2020, the Academy paid \$260,652 and \$6,000 of rent expense, respectively.

SUPPLEMENTAL SCHEDULE

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Vendors Contracted for Services in Excess of \$25,000 For the Year Ended June 30, 2021 (UNAUDITED)

<u>Vendor Name</u>	<u>Service Provided</u>	<u>Total Contract Amount</u>	<u>Amount Paid During the Fiscal Year</u>	<u>Related-Party</u>
EdOps	Financial and Data Management Services	\$ 79,020	\$ 79,020	No
Genuine Foods	School Food Catering Services	Variable	78,845	No
DC Healthlink	Health Insurance	Variable	63,103	No
Psychological Assessment Solutions, LLC	Special Education Assessment Services	Variable	43,579	No
Tardel, LLC	Marketing through Direct Mail Services	34,784	34,784	No
LearnServe International	Education Program Services	32,000	32,000	Yes
Dynamic Network Solutions	Information Technology Services	Variable	129,997	No
MCN Build	General Construction	78,858	78,858	No
Hertz Furniture	Furniture	44,973	44,973	No



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

The Board of Trustees
Girls Global Academy Public Charter School

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Girls Global Academy Public Charter School (the Academy), which comprise the statement of financial position as of June 30, 2021, the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2021.

Internal Controls over Financial Reporting

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

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

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



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Washington, DC
November 30, 2021

SB & Company, LLC



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

The Board of Trustees
Girls Global Academy Public Charter School

Report on Compliance for Each Major Federal Program

We have audited the Girls Global Academy Public Charter School (the Academy) compliance 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 each of the Academy's major Federal programs for the year ended June 30, 2021. The Academy's major Federal program is identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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

Washington, DC
November 30, 2021

SB & Company, LLC

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

<u>Funding Agency/Pass-through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant or Passthrough Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Education</u>				
Passed through D.C. Office of the State Superintendent of Education (OSSE):				
Title I: Grants to Local Educational Agencies	84.010A	N/A	\$ 49,551	\$ -
Title II: Improving Teacher Quality State Grants	84.367A	N/A	10,346	-
Title IV: Student Support and Academic Enrichment Grants	84.424A	N/A	9,787	-
Special Education Clusters:				
Part B section 611 – Grant to Local Education Agencies - IDEA	84.027A	N/A	19,434	-
Elementary & Secondary School Emergency Relief Fund - CARES Act	84.425D	N/A	37,700	-
Title Vb: Charter School Programs	84.282A	N/A	597,679	-
Total U.S. Department of Education			<u>724,497</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>				
Passed through D.C. Public Schools:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	30,735	-
School Breakfast Program	10.555	N/A	19,606	-
School Snack Program	10.555	N/A	392	-
Total Child Nutrition Cluster			<u>50,733</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>50,733</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 775,230</u>	<u>\$ -</u>

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Girls Global Academy Public Charter School (the Academy) are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant program noted below. The programs on the schedule of expenditures of Federal awards represents all Federal award programs with fiscal year 2021, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 40% of Federally granted funds. Actual coverage is 77%. The major Federal program tested is listed below.

The Academy has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guide.

<u>Federal Department / Grant Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Educations Title Vb: Charter School Programs	84.282A	<u>\$ 597,679</u>

2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the Academy is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the cost principles contained in the Single Audit.

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

Schedule of Findings and Question Costs For the Year Ended June 30, 2021

Section I – Summary of Independent Public Accountants’ Results

Type of Report of Independent Public Accountants issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountants' Report issued on compliance for major Federal programs:	Unmodified
Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Audit finding disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance	No

Identification of Major Program:

<u>Federal Department / Grant Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Educations Title Vb: Charter School Programs	84.282A	\$ 597,679
Threshold for distinguishing between Type A and B programs		\$ 750,000
Did the Academy qualify as a low risk auditee?		No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings

None noted.

GIRLS GLOBAL ACADEMY PUBLIC CHARTER SCHOOL

**Schedule of Prior Year Findings
For the Year Ended June 30, 2021**

There was no single audit performed in the prior year.