



Consolidated Financial Statements  
June 30, 2020

**Endeavor College Preparatory School**  
**Charter No. 1094**

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## Independent Auditor's Report

Governing Board  
Endeavor College Preparatory Charter School  
Los Angeles, California

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Endeavor College Preparatory School (the Organization) (a California Nonprofit Public Benefit Corporation), which are comprised of the statement of financial position as of June 30, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the Organization, as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information such as the Schedule of Expenditures of Federal Awards, as required by 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 other supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

The schedule of expenditures of federal awards and the other supplementary information as listed in the table of contents is the responsibility of management, and was derived from, and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the other accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated 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 March 16, 2021 on our consideration of the Organization'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
March 16, 2021

Endeavor College Preparatory School  
Consolidated Statement of Financial Position  
June 30, 2020

Assets		
Current assets		
Cash		\$ 1,045,428
Accounts receivable		1,385,048
Prepaid expenses		<u>52,383</u>
Total current assets		<u>2,482,859</u>
Non-current assets		
Restricted cash		266,008
Security deposit		13,000
Property and equipment, net		<u>19,392,869</u>
Total non-current assets		<u>19,671,877</u>
Total assets		<u><u>\$ 22,154,736</u></u>
Liabilities		
Current liabilities		
Accounts payable		\$ 432,445
Accrued liabilities		181,347
Current portion of notes payable		<u>283,643</u>
Total current liabilities		<u>897,435</u>
Long-term liabilities		
Tenant security deposit		47,801
Notes payable, less current portion		<u>17,482,480</u>
Total long-term liabilities		<u>17,530,281</u>
Total liabilities		<u>18,427,716</u>
Net Assets		
Without donor restrictions		<u>3,727,020</u>
Total liabilities and net assets		<u><u>\$ 22,154,736</u></u>

Endeavor College Preparatory School  
Consolidated Statement of Activities  
Year Ended June 30, 2020

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Support and revenues	
Local Control Funding Formula	\$ 6,838,682
Federal revenue	832,801
Other state revenue	1,255,778
Local revenues	900,529
Interest income	247
	<hr/>
Total support and revenues	9,828,037
	<hr/>
Expenses	
Program services	7,418,659
Management and general	2,464,420
	<hr/>
Total expenses	9,883,079
	<hr/>
Change in Net Assets	(54,938)
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Net Assets, Beginning of Year	3,781,958
	<hr/>
Net Assets, End of Year	\$ 3,727,020
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Endeavor College Preparatory School  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2020

	Program Services	Management and General	Total Expenses
Salaries	\$ 3,715,849	\$ 769,547	\$ 4,485,396
Employee benefits	309,111	80,063	389,174
Payroll taxes	1,070,785	59,021	1,129,806
Fees for services	484,305	285,738	770,043
Advertising and promotions	-	40,621	40,621
Office expenses	-	38,576	38,576
Information technology	-	35,155	35,155
Occupancy	823,462	156,421	979,883
Travel	6,580	-	6,580
Interest	-	810,733	810,733
Depreciation	781,069	-	781,069
Insurance	36,410	65,592	102,002
Other expenses	30,427	155,544	185,971
Capital outlay	126,161	-	126,161
Special education	102,422	-	102,422
Instructional materials	83,365	-	83,365
Nutrition	341,733	-	341,733
District oversight fees	-	68,389	68,389
	<u>7,911,679</u>	<u>2,565,400</u>	<u>10,477,079</u>
Eliminations	<u>(493,020)</u>	<u>(100,980)</u>	<u>(594,000)</u>
Total functional expenses	<u>\$ 7,418,659</u>	<u>\$ 2,464,420</u>	<u>\$ 9,883,079</u>

**Endeavor College Preparatory School**  
 Consolidated Statement of Cash Flows  
 Year Ended June 30, 2020

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Cash Flows used for Operating Activities	
Change in net assets	\$ (54,938)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation expense	781,069
Changes in operating assets and liabilities	
Accounts receivable	(102,312)
Prepaid expenses	(21,598)
Tenant security deposits	(3,945)
Accounts payable	242,115
Accrued liabilities	37,630
Deferred revenue	<u>(41,946)</u>
Net Cash from Operating Activities	<u>836,075</u>
Cash Flows used for Investing Activities	
Purchases of property and equipment	<u>(10,021)</u>
Cash Flows used for Financing Activities	
Principal payments on notes	<u>(325,456)</u>
Net Change in Cash and Restricted Cash	500,598
Cash and Restricted Cash, Beginning of Year	<u>810,838</u>
Cash and Restricted Cash, End of Year	<u>\$ 1,311,436</u>
Cash	\$ 1,045,428
Cash Restricted for major facility repairs and to cover tenant's rents	<u>266,008</u>
Total Cash and Restricted Cash	<u>\$ 1,311,436</u>
Supplemental Cash Flow Disclosure	
Cash paid during the year in interest	<u>\$ 810,733</u>

**Note 1 - Principal Activity and Significant Accounting Policies****Organization**

Endeavor College Preparatory School (the Organization) was incorporated in the State of California in 2008, as a nonprofit public benefit corporation that is organized under the Nonprofit Public Benefit Corporation Law exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1954. The Charter School was approved by the State of California Department of Education on July 9, 2009. The Charter School opened in 2009, and currently serves approximately 661 students in grades transitional kindergarten through eight. On November 27, 2018, the Charter School was renewed by Los Angeles Unified School District for five years ending in 2024.

Charter school number authorized by the State: 1094.

The Charter School is a California public charter school, organized for the purpose of preparing students with the academic skills, character traits, and intellectual discipline to excel as leaders in high school, college, and their community.

**Other Related Entities****Endeavor Facility Corp**

During 2016, Endeavor Facility Corp, a separate 501(c)(3) corporation (the Corporation), was formed exclusively for the benefit of, to perform the functions of, or to carry out the purposes of, owning and operating community and school facilities. The Corporation is organized and operated exclusively for educational and charitable purpose as specified in Section 501(c)(3) of the Internal Revenue Service. The Corporation has no activity for the current year.

**1241-1263 South Soto LLC**

During 2017, Endeavor Facility Corp formed the 1241-1263 South Soto, LLC (the LLC) (exclusively for charitable purpose solely related to property and assets of the Endeavor Facility Corp), as specified in Section 501(c)(3) of the Internal Revenue Service.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Organization, Corporation, and the LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as Endeavor College Preparatory School.

**Basis of Accounting**

The accompanying consolidated financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the Organization deems all amounts to be fully collectible. Substantially all outstanding accounts receivable as of June 30, 2020 are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

**Property and Equipment**

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2020.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The majority of the Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Contributions of goods are recorded at fair value. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when the Organization would otherwise purchase the services. No amounts have been reflected in the accompanying consolidated financial statements for contributed goods or services during the year being reported because items did not meet the definition above. Contributions with donor restrictions received are recorded as increases in net assets with donor restrictions. Net assets with donor restrictions received are recognized as revenue without donor restrictions when the terms of the restrictions are met, which may be in the same period if the revenue is received and the restriction satisfied during the same period. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

**Functional Allocation of Expenses**

The consolidated financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. The expenses that are allocated include occupancy, depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, insurance, and other, which are allocated on the basis of estimates of time and effort.

**Income Taxes**

The Organization is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The entity's Forms 990, 990-T and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2010.

### **Estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### **Recent Accounting Pronouncements**

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. Although the full impact of this update on the Organization's consolidated financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

The ASU is effective for the Organization for the year ended June 30, 2022. Management is evaluating the impact of the adoption of this standard.

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Topic 606 is effective for the Organization for the year ended June 30, 2021. Management is evaluating the impact of the adoption of this standard.

### Change in Accounting Principle

The Consolidated Entity has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received and has early adopted the provisions of contributions made. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the Organization in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2019, the Organization has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management has determined that the adoption of this standard did not have a significant impact on the Organization's consolidated financial statements

On June 3, 2020, the FASB issued Accounting Standards Update (ASU) 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) Effective Dates for Certain Entities, as part of its efforts to support and assist stakeholders as they cope with the many challenges and hardships related to the COVID-19 pandemic.

ASU 2020-05 defers the effective date of FASB ASC 606, *Revenue from Contract with Customers*, for certain entities that have not yet issued their consolidated financial statements (or made consolidated financial statements available for issuance) reflecting the adoption of FASB ASC 606. Those entities may elect to adopt FASB ASC 606 for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Those entities may elect to follow the original effective date of annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

The effective date for a public business entity, a nonprofit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and an employee benefit plan that files or furnishes consolidated financial statements with or to the Securities and Exchange Commission (SEC) is not affected by the amendments in this ASU.

The effective date of FASB ASC 842, *Leases*, is deferred by one year, as follows:

For private companies and private nonprofits, to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

For public nonprofits that have not yet issued their consolidated financial statements (or made consolidated financial statements available for issuance) reflecting the adoption of FASB ASC 842, to fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

The Organization has adopted this standard as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2020-05.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash		\$	1,045,428
Accounts receivable			<u>1,385,048</u>
 Total			 <u><u>\$ 2,430,476</u></u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**Note 3 - Property and Equipment**

Property and equipment consist of the following at June 30, 2020:

Land		\$	6,342,000
Buildings			365,816
Leasehold improvements			14,463,254
Computer and equipment			<u>238,553</u>
			21,409,623
 Less accumulated depreciation and amortization			 <u>(2,016,754)</u>
 Total			 <u><u>\$ 19,392,869</u></u>

**Note 4 - Notes Payable**

The Organization entered into a loan agreement with Excellent Education Development. The Organization received a loan in the amount of \$1,500,000. The loan bears an annual interest rate of 1.5 percent with a maturity date in September 2023.

Future maturities of notes payable are as follows:

<u>Year Ending June 30,</u>			<u>Principal</u>
2021		\$	185,944
2022			205,795
2023			136,407
2024			<u>32,034</u>
 Total			 <u><u>\$ 560,180</u></u>

The LLC entered into a loan agreement with Low Income Investment Fund. The LLC received a loan in the amount of \$775,000. The loan bears an annual interest rate of 5.8 percent with a maturity date in December 2024.

Future maturities of notes payable are as follows:

Year Ending June 30,	Principal
2021	\$ 97,699
2022	112,660
2023	119,371
2024	126,481
2025	77,232
Total	\$ 533,443

The LLC entered into a loan agreement with ExED Facilities XIX, LLC. The LLC received a loan in the amount of \$11,712,409. The loan bears an annual interest rate of 4.60 percent on the unpaid principal. The entirety of the principal amount is due on the maturity date of December 20, 2024.

Future maturities of notes payable are as follows:

Year Ending June 30,	Principal
2021	\$ -
2022	-
2023	-
2024	-
2025	11,712,409
Total	\$ 11,712,409

The LLC entered into an additional loan agreement with ExED Facilities XIX, LLC. The LLC received a loan in the amount of \$4,960,091. The loan bears an annual interest rate of 4.60 percent. Accrued and unpaid interest only is payable in monthly installments through November 30, 2024. During the period commencing on December 1, 2024 through December 20, 2047, accrued and unpaid interest and principal is payable in monthly installments, calculated based on two hundred seventy-six-month amortization schedule.

Future payments are as follows:

Year Ending June 30,	Principal
2021	\$ -
2022	-
2023	-
2024	-
2025	61,456
Thereafter	4,898,635
Total	\$ 4,960,091

**Note 5 - Related Party**

The Organization entered into a lease agreement with PCSD 1241 Soto LLC, in which the Organization would occupy 1241 Soto Street, 1226 South Boyle Ave and 1228 South Boyle Ave located in Los Angeles, California for its campus locations. The term of the lease commences on the date the lease is mutually executed by the both parties and end on June 30 of the tenth (10th) calendar year following the commencement date.

On December 20, 2017, the LLC purchased the property from PCSD 1241 Soto LLC and the Organization signed a revised lease agreement with the LLC. The building was divided into two addresses in which the Organization would occupy 1263 S. Soto. The term of the lease expires on December 19, 2027. The lease agreement has two options to extend the terms for ten years each option. The Organization also received a tenant allowance in the amount of \$180,000. As of June 30, 2020, the balance of the lease allowance was \$134,500. Lease expense and amortization of the lease allowance the for fiscal year 2019-2020 was \$594,000 and \$18,000, respectively.

Future minimum lease payments are as follows:

Year Ending June 30,	Lease Payment
2021	\$ 594,000
2022	594,000
2023	594,000
2024	594,000
2025	725,831
Thereafter	18,449,910
Total	\$ 21,551,741

**Note 6 - Lease Revenue**

On July 31, 2017, Schools In Action (a California Nonprofit Public Benefit Corporation) entered into an agreement with PCSD 1241 Soto LLC, in which Schools In Action would occupy a portion of 1241 Soto Street. On December 20, 2017, the LLC purchased the property from PCSD 1241 Soto LLC and the LLC assumed the lease with Schools In Action under the existing terms. The lease agreement expires in July 2022. Upon assumption of the lease, the LLC received a security deposit in the amount of \$51,746. Lease revenue for the year ended June 30, 2020 was \$399,630.

Year Ending June 30,	Lease Payment
2021	\$ 410,167
2022	423,536
Total	\$ 833,703

**Note 7 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS).

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and State contribution rates are set by the California Legislature, and (c) if the Organization chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from this multi-employer plan.

The details of the plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The Organization contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The Organization contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

**Contributions**

Required member, Organization, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the Organization's total contributions were \$561,665.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the Organization. These payments consist of State General Fund contributions to CalSTRS in the amount of \$320,583 (10.328 percent of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these consolidated financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2019–2020 contribution on-behalf of school employers of \$1.1 billion for CalSTRS. A proportionate share of this contribution has been recorded in the amount of \$107,534 in these consolidated financial statements.

### **Note 8 - Contingencies**

The Organization has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

### **Note 9 - Subsequent Events**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements through March 16, 2021, which is the date the consolidated financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year consolidated financial statements.

Subsequent to year-end, the Organization has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these consolidated financial statements, the full impact to the Organization's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.



Supplementary Information  
June 30, 2020

# Endeavor College Preparatory School

Endeavor College Preparatory School  
 Schedule of Expenditures of Federal Awards  
 June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster			
Basic Local Assistance	84.027	13379	<u>\$ 128,513</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	273,679
Title II, Part A, Supporting Effective Instruction	84.367	14341	30,506
Title III, English Learner Student Program	84.365	14346	<u>51,312</u>
Subtotal			<u>355,497</u>
Total U.S. Department of Education			<u>484,010</u>
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
Especially Needy Breakfast	10.553	13526	100,063
National School Lunch Program	10.555	13524	<u>248,728</u>
Total Child Nutrition Cluster			<u>348,791</u>
Total Federal Programs			<u><u>\$ 832,801</u></u>

## ORGANIZATION

Endeavor College Preparatory School (the Organization) (Charter Number 1094) was granted on April 14, 2009 by the Los Angeles Unified School District. The Organization operates one school, grades transitional kindergarten through eight.

## GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Emilio Gonzalez	Chair	June 30, 2022
Todd Sugimoto	Vice-Chair	June 30, 2021
James Lee <sup>1</sup>	Treasurer	June 30, 2021
Tammy Stanton <sup>2</sup>	Treasurer	June 30, 2022
Leticia Ochoa	Secretary	June 30, 2020
Brandon Ammann	Member	June 30, 2020
Michelle Cheang	Member	June 30, 2021
Julie Jhun	Member	June 30, 2022
Brooke Rios	Member	June 30, 2022
Nazareth Riquelme	Member	June 30, 2022
Manuel Romero	Member	June 30, 2022

## ADMINISTRATION

Edward Morris	Founder
Danielle Lukk	Head of School

<sup>1</sup> Resigned 12/9/19

<sup>2</sup> Effective 12/16/19

Endeavor College Preparatory School  
 Schedule of Average Daily Attendance  
 Year Ended June 30, 2020

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	Second Period Report 43DCFE18	Annual Report 8608C5AA
Regular ADA		
Transitional kindergarten through third	287.57	287.57
Fourth through sixth	203.37	203.37
Seventh and eighth	134.64	134.64
Total Regular ADA	625.58	625.58
Classroom Based ADA		
Transitional kindergarten through third	287.48	287.48
Fourth through sixth	203.37	203.37
Seventh and eighth	134.64	134.64
Total Classroom Based ADA	625.49	625.49

Endeavor College Preparatory School

Schedule of Instructional Time

Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	67,820	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		63,700	180	N/A	Complied
Grade 2		64,030	180	N/A	Complied
Grade 3		64,220	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		64,220	180	N/A	Complied
Grade 5		64,220	180	N/A	Complied
Grade 6		64,220	180	N/A	Complied
Grade 7		65,640	180	N/A	Complied
Grade 8		65,640	180	N/A	Complied

Endeavor College Preparatory School  
Consolidating Statement of Financial Position  
June 30, 2020

	Charter School	LLC	Eliminations	Total
<b>Assets</b>				
Current assets				
Cash	\$ 911,982	\$ 133,446	\$ -	\$ 1,045,428
Accounts receivable	1,351,983	33,065	-	1,385,048
Intercompany receivable	49,500	-	(49,500)	-
Prepaid expenses	52,383	-	-	52,383
Total current assets	<u>2,365,848</u>	<u>166,511</u>	<u>(49,500)</u>	<u>2,482,859</u>
Non-current assets				
Restricted cash	-	266,008	-	266,008
Net investment in lease, non-current portion	3,135,000	-	(3,135,000)	-
Security deposit	13,000	-	-	13,000
Tenant Improvement allowance	-	134,500	(134,500)	-
Property and equipment, net	935,776	18,457,093	-	19,392,869
Total non-current assets	<u>4,083,776</u>	<u>18,857,601</u>	<u>(3,269,500)</u>	<u>19,671,877</u>
Total assets	<u>\$ 6,449,624</u>	<u>\$ 19,024,112</u>	<u>\$ (3,319,000)</u>	<u>\$ 22,154,736</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 417,031	\$ 15,414	\$ -	\$ 432,445
Accrued liabilities	116,636	64,711	-	181,347
Intercompany payable	-	49,500	(49,500)	-
Current portion of notes payable	185,944	97,699	-	283,643
Total current liabilities	<u>719,611</u>	<u>227,324</u>	<u>(49,500)</u>	<u>897,435</u>
Long-term liabilities				
Lease Incentive liability	134,500	-	(134,500)	-
Tenant security deposit	-	47,801	-	47,801
Notes payable, less current portion	374,236	17,108,244	-	17,482,480
Total long-term liabilities	<u>508,736</u>	<u>17,156,045</u>	<u>(134,500)</u>	<u>17,530,281</u>
Total liabilities	<u>1,228,347</u>	<u>17,383,369</u>	<u>(184,000)</u>	<u>18,427,716</u>
<b>Net Assets</b>				
Without donor restrictions - capital contributions				
	3,135,000	-	(3,135,000)	-
Without donor restrictions	<u>2,086,277</u>	<u>1,640,743</u>	<u>-</u>	<u>3,727,020</u>
Total net assets	<u>5,221,277</u>	<u>1,640,743</u>	<u>(3,135,000)</u>	<u>3,727,020</u>
Total liabilities and net assets	<u>\$ 6,449,624</u>	<u>\$ 19,024,112</u>	<u>\$ (3,319,000)</u>	<u>\$ 22,154,736</u>

Endeavor College Preparatory School  
Consolidating Statement of Activities  
June 30, 2020

	Charter School	LLC	Eliminations	Total
Support and revenues				
Local Control Funding Formula	\$ 6,838,682	\$ -	\$ -	\$ 6,838,682
Federal revenue	832,801	-	-	832,801
Other state revenue	1,255,778	-	-	1,255,778
Local revenues	518,899	975,630	(594,000)	900,529
Interest income	104	247	-	247
Total support and revenues	<u>9,446,264</u>	<u>975,877</u>	<u>(594,000)</u>	<u>9,828,037</u>
Expenses				
Program services	7,111,141	800,538	(493,020)	7,418,659
Management and general	<u>1,759,212</u>	<u>806,188</u>	<u>(100,980)</u>	<u>2,464,420</u>
Total expenses	<u>8,870,353</u>	<u>1,606,726</u>	<u>(594,000)</u>	<u>9,883,079</u>
Change in Net Assets	<u>575,911</u>	<u>(630,849)</u>	<u>-</u>	<u>(54,938)</u>
Net Assets, Beginning of Year	<u>4,645,366</u>	<u>2,271,592</u>	<u>(3,135,000)</u>	<u>3,781,958</u>
Net Assets, End of Year	<u>\$ 5,221,277</u>	<u>\$ 1,640,743</u>	<u>\$ (3,135,000)</u>	<u>\$ 3,727,020</u>

Endeavor College Preparatory School  
Reconciliation of Annual Financial and Budget Report with Audited Consolidated Financial Statements  
Year Ended June 30, 2020

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited consolidated financial statements at June 30, 2020.

## **Note 1 - Purpose of Supplementary Schedules**

### **Schedule of Expenditures of Federal Awards**

#### Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2020. The information 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

The Charter does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

### **Local Education Agency Organization Structure**

This schedule provides information about the Organization's operations, members of the governing board, and members of the administration.

### **Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Organization. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students at the Organization.

### **Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization complied with the provisions of *Education Code* Sections 47612 and 47612.5, if applicable.

The Organization must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 47612.5.

Due to school closures caused by COVID-19, the Organization filed the COVID-19 School Closure Certification certifying that schools were closed for 57 days due to the pandemic. As a result, the Organization received credit for these 57 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

**Consolidating Statement of Financial Position and Consolidating Statement of Activities**

The Consolidating Statement of Financial Position and Consolidating Statement of Activities report the activities of Endeavor College Preparatory School and 1241-1263 South Soto, LLC and are presented on the accrual basis of accounting. Eliminating entries in the Consolidating Statement of Financial Position and Consolidating Statement of Activities are for activities between Endeavor College Preparatory School and 1241-1263 South Soto, LLC.

**Reconciliation of Annual Financial Report with Audited Consolidated Financial Statements**

This schedule provides the information necessary to reconcile the net assets reported on the unaudited actual financial report to the audited consolidated financial statements.



Independent Auditor's Reports  
June 30, 2020

# Endeavor College Preparatory School



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards***

Governing Board  
Endeavor College Preparatory School  
Los Angeles, California

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 consolidated financial statements of Endeavor College Preparatory School (the Organization) which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 16, 2021.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
March 16, 2021



## **Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Governing Board  
Endeavor College Preparatory School  
Los Angeles, California

### **Report on Compliance for the Major Federal Program**

We have audited Endeavor College Preparatory School's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2020. The Organization's major federal program is 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 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 the Organization's major federal program 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 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 Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on the Major Federal Program**

In our opinion, the Organization 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, 2020.

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

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

The image shows a handwritten signature in cursive script that reads "Esde Sully LLP". The signature is written in black ink and is positioned above the printed text of the firm's name and location.

Rancho Cucamonga, California  
March 16, 2021



## Independent Auditor's Report on State Compliance

Governing Board  
Endeavor College Preparatory School  
Los Angeles, California

### Report on State Compliance

We have audited Endeavor College Preparatory School's (the Organization) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

### Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Organization's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit 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 the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the Organization's compliance.

## Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the Organization's compliance with the State laws and regulations applicable to the following items:

	<u>Procedures Performed</u>
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS</b>	
Attendance	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	No, see below
Instructional Materials	No, see below
Ratio of Administrative Employees to Teachers	No, see below
Classroom Teacher Salaries	No, see below
Early Retirement Incentive	No, see below
Gann Limit Calculation	No, see below
School Accountability Report Card	No, see below
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	No, see below
District of Choice	No, see below
<b>SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS</b>	
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program:	Yes
General Requirements	Yes
After School	Yes
Before School	No, See below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
<b>CHARTER SCHOOLS</b>	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No, See below
Determination of Funding for Nonclassroom-Based Instruction	No, See below
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Programs listed above for local education agencies are not applicable to charter schools; therefore, we did not perform any related procedures.

We did not perform California Clean Energy Jobs Act procedures because the Organization did not receive funding for this program.

The Organization does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

The Organization does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

We did not perform procedures for the Nonclassroom-Based Instruction/Independent Study nor for Determination of Funding for Nonclassroom-Based Instruction because the Organization is classroom-based.

***Unmodified Opinion***

In our opinion, Endeavor College Preparatory School complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
March 16, 2021

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

Name of Federal Program or Cluster	CFDA Number
Child Nutrition Cluster	10.553 and 10.555
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**STATE COMPLIANCE**

Type of auditor's report issued on compliance for programs:	Unmodified
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None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.