

# **America Can! (The Charter Holder)**

Annual Consolidated Financial Report  
For The Year Ended  
August 31, 2017

**America**  **CAN!**

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AMERICA CAN!  
CERTIFICATE OF BOARD  
AUGUST 31, 2017

Name of Charter Holder  
Texans Can!

County  
Dallas

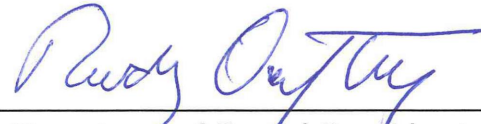
Co-Dist Numbers  
057-804

Federal EIN: 75-2251099

We, the undersigned, certify that the attached annual financial and compliance reports of the above-named charter schools were reviewed and (check one)  approved  disapproved for the year ended August 31, 2017, at a meeting of the governing body of the charter holder on the 18<sup>th</sup> day of January, 2018.



Signature of Board Secretary



Signature of Board President

If the governing body of the Charter Holder does not approve the auditors' report, the reason(s) for disapproving it is (are): (attached list as necessary)

**America  CAN!**



## Independent Auditor's Report

Members of the Board of Directors  
America Can!  
Dallas, Texas

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of America Can! (a nonprofit organization), which comprise the consolidated statements of financial position as of August 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the 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 did not audit the financial statements of America Can! Cars for Kids as of and for the year ended August 31, 2017 which represents 8%, 6%, and 10% of the assets, net assets, and revenues of the consolidated financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for America Can! Cars for Kids is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Members of the Board of Directors  
America Can!

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of America Can! and its subsidiaries as of August 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

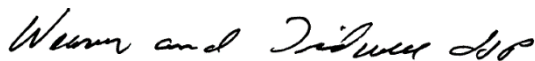
*Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole, as listed in the table of contents. The Specific-Purpose Financial Statements and the TEA Required Supplementary Information are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying 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), is presented for purposes of additional analysis and, is also not a required part of the consolidated financial statements. The Specific-Purpose Financial Statements, the TEA Required Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 Specific-Purpose Financial Statements, the TEA Required Supplementary Information and the Schedule of Expenditures of Federal Awards are 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 January 18, 2018, on our consideration of the America Can!'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the America Can!'s internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 18, 2018



**General-Purpose  
Consolidated Financial Statements**

**America  CAN!**

# America Can!

## Consolidated Statements of Financial Position

### August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 15,194,347	\$ 10,890,742
Accounts receivable	233,100	605,646
Due from employees	6,058	2,156
Due from other governments	2,529,950	1,456,407
Accrued interest	741	464
Inventory	594,546	558,495
Prepaid expense	346,884	245,981
Assets held for sale	-	775,000
	18,905,626	14,534,891
Investments	250,000	392,775
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>	<b>31,282,092</b>	<b>31,398,183</b>
<b>TOTAL ASSETS</b>	<b>\$ 50,437,718</b>	<b>\$ 46,325,849</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 2,011,778	\$ 223,325
Current maturities of long term debt	469,327	2,085,927
Accounts payable	1,722,682	3,260,320
Accrued liabilities	654,169	620,450
Payroll deductions payable	584,410	494,899
Accrued interest payable	22,570	-
Accrued wages payable	452,377	224,787
Deferred revenue	-	44,476
	5,917,313	6,954,184
<b>LONG TERM DEBT</b>		
Notes payable - future maturities	6,759,114	4,246,923
<b>TOTAL LIABILITIES</b>	<b>12,676,427</b>	<b>11,201,107</b>
<b>NET ASSETS</b>		
Unrestricted	30,052,532	28,563,272
Temporarily restricted	7,708,759	6,561,470
	37,761,291	35,124,742
<b>TOTAL NET ASSETS</b>	<b>37,761,291</b>	<b>35,124,742</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 50,437,718</b>	<b>\$ 46,325,849</b>

The Notes to Consolidated Financial Statements are an integral part of these statements.

# America Can!

## Consolidated Statement of Activities

### Year Ended August 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2017</u>
<b>REVENUES</b>			
5700 Local Support	\$ 11,893,227	\$ 1,710,880	\$ 13,604,107
5700 Local Support remitted to charter schools	(2,412,938)	-	(2,412,938)
5800 State program revenues	523,841	48,861,197	49,385,038
5900 Federal program revenues	165,390	7,425,931	7,591,321
	<hr/>	<hr/>	<hr/>
Total Revenue	10,169,520	57,998,008	68,167,528
Net assets released from restrictions satisfaction of purpose restrictions	56,850,719	(56,850,719)	-
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support	67,020,239	1,147,289	68,167,528
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
11 Instruction	19,830,655	-	19,830,655
12 Instructional resources	-	-	-
13 Curriculum and instructional staff development	3,093,824	-	3,093,824
21 Instructional leadership	1,458,473	-	1,458,473
23 School leadership	6,699,259	-	6,699,259
31 Guidance, counseling and evaluation services	6,176,121	-	6,176,121
32 Social work services	-	-	-
33 Health services	98,373	-	98,373
34 Student transportation	1,011,291	-	1,011,291
35 Food services	1,521,878	-	1,521,878
36 Cocurricular/extracurricular activities	174,064	-	174,064
41 General administration	4,020,349	-	4,020,349
51 Plant maintenance and operations	8,242,730	-	8,242,730
52 Security and monitoring services	1,708,552	-	1,708,552
53 Data processing services	2,383,481	-	2,383,481
61 Community services	2,031,020	-	2,031,020
71 Debt service	390,153	-	390,153
81 Fund raising	6,749,137	-	6,749,137
	<hr/>	<hr/>	<hr/>
Total Expenses	65,589,360	-	65,589,360
	<hr/>	<hr/>	<hr/>
<b>RESULTS FROM OPERATIONS</b>	1,430,879	1,147,289	2,578,168
	<hr/>	<hr/>	<hr/>
<b>NON OPERATING ACTIVITIES</b>			
Bad debt expense (recoveries)	(98,544)	-	(98,544)
Loss on sale of property	40,163	-	40,163
	<hr/>	<hr/>	<hr/>
Loss from non-operating activities	(58,381)	-	(58,381)
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	1,489,260	1,147,289	2,636,549
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, BEGINNING OF YEAR</b>	28,563,272	6,561,470	35,124,742
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 30,052,532</u>	<u>\$ 7,708,759</u>	<u>\$ 37,761,291</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

# America Can!

## Consolidated Statement of Activities

### Year Ended August 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2016</u>
<b>REVENUES</b>			
5700 Local Support	\$ 9,230,248	\$ 1,398,356	\$ 10,628,604
5700 Local Support remitted to charter schools	(1,012,304)	-	(1,012,304)
5800 State program revenues	411,303	42,794,591	43,205,894
5900 Federal program revenues	116,112	6,940,377	7,056,489
	<hr/>	<hr/>	<hr/>
Total Revenue	8,745,359	51,133,324	59,878,683
Net assets released from restrictions satisfaction of purpose restrictions	57,652,984	(57,652,984)	-
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support	66,398,343	(6,519,660)	59,878,683
<b>EXPENSES</b>			
11 Instruction	17,935,763	-	17,935,763
12 Instructional resources	-	-	-
13 Curriculum and instructional staff development	3,271,299	-	3,271,299
21 Instructional leadership	1,182,289	-	1,182,289
23 School leadership	5,519,207	-	5,519,207
31 Guidance, counseling and evaluation services	4,644,370	-	4,644,370
32 Social work services	-	-	-
33 Health services	31,116	-	31,116
34 Student transportation	963,870	-	963,870
35 Food services	1,552,275	-	1,552,275
36 Cocurricular/extracurricular activities	170,820	-	170,820
41 General administration	4,026,341	-	4,026,341
51 Plant maintenance and operations	7,865,581	-	7,865,581
52 Security and monitoring services	1,467,915	-	1,467,915
53 Data processing services	2,482,545	-	2,482,545
61 Community services	1,755,432	-	1,755,432
71 Debt service	415,487	-	415,487
81 Fund raising	7,542,974	-	7,542,974
	<hr/>	<hr/>	<hr/>
Total Expenses	60,827,284	-	60,827,284
	<hr/>	<hr/>	<hr/>
<b>RESULTS FROM OPERATIONS</b>	5,571,059	(6,519,660)	(948,601)
<b>NON-OPERATING ACTIVITIES</b>			
Gain on disposal of assets	(1,605,267)	-	(1,605,267)
Gain on sale of property	511,125	-	511,125
	<hr/>	<hr/>	<hr/>
Gain from non-operating activities	(1,094,142)	-	(1,094,142)
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	6,665,201	(6,519,660)	145,541
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, BEGINNING OF YEAR</b>	21,898,071	13,081,130	34,979,201
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 28,563,272</u>	<u>\$ 6,561,470</u>	<u>\$ 35,124,742</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**America Can!**  
Consolidated Statements of Cash Flows  
August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,636,549	\$ 145,541
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	2,047,754	1,735,993
(Gain) loss on disposal	-	(1,605,267)
(Gain) loss on land held for sale	40,163	511,125
Accounts receivable	372,546	120,074
Notes receivable	-	1,148,363
Due from employees	(3,902)	2,483
Due from other governments	(1,073,543)	179,770
Accrued interest payable	19,070	-
Accrued interest receivable	(277)	468
Inventory	(36,051)	84,807
Prepaid expense	(100,903)	49,760
Accounts payable	(1,537,638)	1,429,085
Accrued liabilities	37,219	85,480
Payroll deductions payable	89,511	96,168
Accrued wages payable	227,590	52,325
Deferred revenue	(44,476)	44,476
Net cash provided by operating activities	2,673,612	4,080,651
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of land	734,837	2,501,877
Transfer to affiliate	143,080	-
Purchase of investments	(305)	(392,775)
Acquisition of land, buildings and equipment	(1,931,663)	(7,309,204)
Net cash used by investing activities	(1,054,051)	(5,200,102)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	1,788,453	-
Proceeds from long term debt	1,863,114	-
Principal payments on debt	(967,523)	(2,790,308)
Net cash provided (used in) financing activities	2,684,044	(2,790,308)
 Net increase in cash and cash equivalents	4,303,605	(3,909,759)
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	10,890,742	14,800,501
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 15,194,347	\$ 10,890,742
 Interest paid	\$ 367,583	\$ 415,487

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Notes to  
Consolidated Financial Statements**

**America**  **CAN!**



# America Can!

## Notes to Consolidated Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### Organization and Nature of Activities

America Can! (the Charter Holder) is a not-for-profit Texas Charter Holder formed in 1988 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The Charter Holder is governed by a Board of Directors comprised of nine members. The Board of Directors is selected pursuant to the bylaws of the Charter Holder and has the authority to make decisions, appoint the chief executive officer of the Charter Holder, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the Charter Holder.

The Charter Holder operates and does business as the Dallas Can! Academy, Houston Can! Academy, Fort Worth Can! Academy, San Antonio Can! Academy, Garland Can! Academy and Austin Can! Academy (the Academies) in Texas. The Academies are state authorized, fully accredited high schools. America Can! Corporate provides leadership for all of the academies and America Can! Cars for Kids fundraises on behalf of the academies. During 2014, America Can! Cars for Kids (Cars for Kids), a not-for-profit-entity exempt from federal income tax pursuant to Section 501( c ) (3) of the Internal Revenue Code, was formed and operates for the benefit of America Can!. Previously Cars for Kids was a division of America Can!.

Dallas Can! was formed in 1985 to aid adjudicated juveniles in the Dallas community. The program was expanded to include dropouts and at-risk youths. The program provided accelerated education, specialized academic opportunities, life and coping skills, prevocational training, practical job training, and placement with continual job retention encouragement. Community volunteers are selected as tutors, teachers, guest speakers, role models, counselors and friends. The Dallas Can! Academy was authorized as a charter high school in April 1996 and began operations in September 1996. The same model and philosophy were instrumental in opening the Houston Can! Academy in 1998, Fort Worth Can! Academy in 2000, San Antonio Can! Academy in 2001, Austin Can! Academy in 2002, and Garland Can! Academy in 2016 to aid at-risk youths in those communities. On July 1, 2013, the five remaining Academies, Dallas Can! Academy, Houston Can! Academy, Fort Worth Can! Academy, San Antonio Can! Academy, and Austin Can! Academy, were merged into one charter and began operations as Texans Can! Academy.

During January 2016, the Charter Holder's Board of Directors were elected to serve as the Can! Academy Education Foundation's board members. The Can! Academy Education Foundation operates for the benefit of the Charter Holder and is a subsidiary of the Charter Holder.

#### Accounting Policies

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The consolidated financial statements include the accounts of America Can!, America Can! Cars for Kids and Can! Academy Education Foundation. All significant intercompany and transactions have been eliminated.

The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter School Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide.

# America Can!

## Notes to Consolidated Financial Statements

The significant accounting policies are as follows:

To insure observance of limitations and restrictions placed on the use of resources available to the Academies, the accounts are maintained in accordance with the principles of fund accounting during the year. Resources for various purposes are classified into funds according to their nature and purposes.

Separate accounts are maintained for each fund; however, the accompanying statements of financial position and of activities focus on the organization as a whole and reports the amounts of its total assets, liabilities, net assets, and changes in net assets.

The statements of financial position report the amounts of each of two classes of net assets: temporarily restricted and unrestricted net assets.

Temporarily restricted - net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Charter Holder, the charter schools, and/or the passage of time. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted – net assets that are not subject to donor-imposed stipulations.

### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, cash and cash equivalents are comprised of cash on hand and in banks. This category also includes all highly liquid investment instruments with an original maturity of twelve months or less.

### **Capital Assets**

Capital assets, which include buildings and improvements, furniture and equipment, vehicles and other personal property, are reported in the general-purpose and specific-purpose financial statements. Capital assets are defined by the Charter Holder as assets with an estimated useful life of more than one year and a cost of \$5,000 or more. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from three to thirty years, using the straight-line method of depreciation. Expenditures for additions, major renewals and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Contributions**

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily restricted or permanently restricted net assets in the reporting period in which the support is recognized.

# America Can!

## Notes to Consolidated Financial Statements

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. No amounts have been reflected in the financial statements for donated materials or services since no objective basis is available to measure the value thereof; however, a substantial number of volunteers donate their time to the school program services and in fund-raising activities. Contributions received are recognized as revenue in the period received and are reported as either restricted or unrestricted support. Contributions with donor imposed restrictions are reported as restricted support. Restricted support increases temporarily restricted net assets. Contributions without donor imposed restrictions are reported as unrestricted support. Unrestricted support increases unrestricted net assets.

### **Functional Allocation of Expenses**

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses incurred by the central administrative offices of the Charter Holder are accounted for in the "America Can! Corporate" accounts and are allocated to the respective charter schools based on the number of campus locations served by each Academy. Expenses reflected by America Can! Corporate are therefore "net" of these reallocated amounts for the year.

### **Personal Leave**

Employees earn five days of state paid personal and sick leave per year. There is no liability for unpaid accumulated sick leave since the Charter Holder does not have a policy to pay any amounts when the employees separate from service with the Charter Holder, and any unused state balance is transferable to other schools.

### **Investments in Marketable Securities**

Investments are reported as fair value in the consolidated statements of financial position. Realized and unrealized gains and losses are included in the consolidated statements of activities.

### **Unrealized Loss on Investment**

During the year ended August 31, 2015, Cars for Kids invested \$560,000, respectively, in Educational Innovation Solutions, Inc. (EIS), a newly formed for-profit corporation that provides information technology solutions. However, because EIS was a startup business with no revenue for the year ended August 31, 2015, Cars for Kids recorded a write down of this investment as an unrealized loss on investment. During the year ended August 31, 2015, Cars for Kids received a note receivable of \$790,449 from EIS to repurchase the Cars for Kids investment. Cars for Kids has recorded an allowance for the full amount of the note receivable.

During the year ended August 31, 2016, Cars for Kids reached a settlement agreement with EIS in which EIS was dissolved and all rights were transferred to a separate Texas entity (Newco). In the agreement Newco shall pay CFK a percentage of the collected gross revenues arising out of the software. Royalty payments shall be made until the full America Can! Cars for Kids investment of \$1,500,000 has been received. Cars for kids has not received any royalty payments under this agreement during the years ended August 31, 2017 and 2016.

# America Can!

## Notes to Consolidated Financial Statements

### Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958 Presentation of Financial Statements for Not-for-Profit Entities). The objective of this ASU is to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit's liquidity, financial performance, and cash flows. The key provisions include net asset classes, investment return, expenses, liquidity and availability of resources, and statement of cash flows. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments is permitted. The Charter Holder is currently assessing the impact this standard will have on its financial statements.

In February, 2016, the FASB issued ASU Update No. 2016-02, Leases (Topic 842). Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP - which requires only capital leases to be recognized on the balance sheet- the new ASU will require both types of leases to be recognized on the balance sheet. ASU 2016-02 is effective for the years beginning after January 1, 2020 and for all periods presented. Early application of the amendments in this ASU is permitted. The Charter Holder is currently assessing the impact this standard will have on its financial statements.

### Note 2. Cash Deposits

The Charter Holder's funds are deposited and invested with depository banks. The depository bank for the charter school accounts should deposit for safekeeping and trust with the Charter Holder's agent bank approved pledged securities in an amount sufficient to protect charter school funds on a day-to-day basis during the period of the contract.

The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2017, the combined carrying amount of the charter schools' deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) at the Charter Holder's contracted depository banks were \$14,632,574 and the bank balance was \$15,067,560. The charter schools' cash deposits at August 31, 2016, and during the year ended August 31, 2017, were entirely covered by FDIC insurance or by pledged collateral held by the Charter Holder's agent bank in the Charter Holder's name.

At August 31, 2017, the combined carrying amount of Cars for Kids' deposits (cash and certificates of deposits) was \$811,773.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

The market value of securities pledged, on behalf of the charter schools, as of the date of the highest combined balance on deposit was \$15,766,081 and FDIC insured balances totaled \$2,654,575. The highest combined balances of cash, savings and time deposit accounts for the charter schools amounted to \$15,067,560 and occurred during the month of August 2017.

# America Can!

## Notes to Consolidated Financial Statements

### Note 3. Property Held for Sale

At August 31, 2016, the Charter Holder held an unused property for sale. The property is a building that had been originally purchased to relocate a Fort Worth campus. After purchase of the building in fiscal year 2012, it was determined that the building was not suitable for a high school campus and the property was written down to the estimated fair market value. The property is recorded at the estimated fair market value of \$775,000. The property was sold during September 2016. The loss on the sale of the property is included in the Consolidated Statement of Activities under non operating activities.

### Note 4. Capital Assets

Activity in the capital asset accounts for the Charter Holder for the year ended August 31, 2017 was as follows:

	Balance 8/31/2016	Additions	Transfers	Retirements	Balance 8/31/2017
Construction in progress	\$ 2,327,802	\$ 1,166,718	\$ (3,467,470)	\$ -	\$ 27,050
Land	1,401,384	-	-	-	1,401,384
Building and improvements	34,975,640	735,157	3,440,389	(518,991)	38,632,195
Vehicles	289,055	-	-	-	289,055
Computer	2,491,416	-	27,081	(10,128)	2,508,369
Furniture	738,345	29,788	-	(65,523)	702,610
Educational Software	90,055	-	-	(21,934)	68,121
	<u>42,313,697</u>	<u>1,931,663</u>	<u>-</u>	<u>(616,576)</u>	<u>43,628,784</u>
Accumulated Depreciation	<u>(10,915,514)</u>	<u>(2,047,754)</u>	<u>-</u>	<u>616,576</u>	<u>(12,346,692)</u>
Total capital assets	<u>\$ 31,398,183</u>	<u>\$ (116,091)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,282,092</u>

### Note 5. Defined Benefit Pension Plan

#### Plan Description

The charter schools contribute to the Teacher Retirement System of Texas (the System), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the charter schools, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits and death benefits to plan members and beneficiaries. The charter schools are legally separate entities from the state and each other and the assets that are contributed by one charter or school district may be used for the benefit of an employee of another school district or charter. The unfunded obligations are passed along to the other charters and school districts. There is no withdrawal penalty for leaving the System.

# America Can!

## Notes to Consolidated Financial Statements

The System operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701-2698 or by calling (800) 877-0123.

### Funding Policy

The following table includes the disclosures required per FASB ASC- 715-80-50-5:

Legal name of the plan	Teacher Retirement System of Texas
Plan's employer identification number	N/A
Zone Status	
Total plan assets	134,008,637,473
Accumulated benefit obligations	171,797,150,487
% Funded	78%
Expiration date of the collective-bargaining agreements requiring contributions to the plan	There is not a collective-bargaining agreement.
Employer contributions for the period ending August 31, 2017	246,854
Status of funding improvement plan or rehabilitation plan had been implemented or pending:	N/A
Did employer pay surcharge?	Yes
Contribution rates	
Member	7.70%
Non-Employer Contributing Entity (State)	6.80%
Employers	6.80%

American Can! Academies employees' contributions to the System, equal to the required contributions for each year, for the years ending August 31, 2017 and 2016 were:

Contributions	2017	2016
Employer Contributions	\$ 246,854	\$ 497,134
Member Contributions	2,370,743	2,125,125
On- behalf Contributions	1,595,989	1,369,667
Non-OASDI Participating surcharge	461,917	406,934
Other contributions made from private and federal grants	194,880	227,544

The contributions do not represent more than 5% of the total contributions to the plan.

# America Can!

## Notes to Consolidated Financial Statements

There have been no changes that would affect the comparison on employer contributions from year to year.

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below, which are paid by the employers. Employers are required to pay the employer contribution rate in the following instances:

- During a new members' first 90 days of employment
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source

In addition to the employer contributions listed above, when employing a retiree of the Teachers Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

### **Note 6. Public School Retiree Health Plan**

#### **Plan Description**

The charter schools contribute to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost sharing multiple employer defined benefit post employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retirement Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, chapter 1575, Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants.

The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS website at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communication Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

#### **Funding Policy**

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas contribution rates for fiscal year 2017 and 2016 were 1.0%. The contribution rates for active public school employee contribution rates for 2017 and 2016 was 0.65% of public school payroll, respectively, with public schools contributing a percentage of payrolls set at 0.55% for fiscal years 2017 and 2016. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school.

# America Can!

## Notes to Consolidated Financial Statements

For the years ended August 31, 2017 and 2016, the State's contributions to TRS-Care were \$307,944 and \$271,295, respectively, the active member contributions were \$200,165 and \$161,243, respectively, and the public school's contributions were \$268,293 and \$300,513, respectively, which equaled the required contributions each year.

### **Note 7. Additional Plans**

Certain employees of the Charter Holder are also provided with Social Security and Medicare coverage. Under provisions of federal law, covered employees contribute 6.2% (Social Security) and 1.45% (Medicare) of their annual covered salary and the Charter Holder contributes matching amounts of the covered payroll. Cars for Kids contributes 4% of all employees' salary into America Can Cars for Kids 401(k) Profit Sharing Plan and Trust. Cars for Kids' contribution for the years ended August 31, 2017 and 2016 totaled \$ 21,630 and \$19,692, respectively.

### **Note 8. Health Care Coverage**

During the year ended August 31, 2017, full time employees of the charter school were covered by a health insurance plan (the Plan). The charter school paid premiums on covered employees to the Plan ranging from \$225 to \$719 per month per employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to licensed insurers.



# America Can!

## Notes to Consolidated Financial Statements

### Note 9. Long-Term Debt

Long-term debt at August 31 consists of the following:

	2017	2016
\$2,650,000 line of credit with Bank of Texas, monthly interest only, with a maturity on September 19, 2019. <i>Pleasant Grove</i>	\$ 2,011,778	\$ 223,325
\$1,557,500 note payable to Capital One Bank, variable interest, principal and interest due monthly in installments of \$9,484, commencing on June 1, 2012, with maturity on August 31, 2021. <i>Houston North</i>	1,280,276	1,320,087
\$2,192,000 note payable to BB&T Bank, 3.067% interest, principal and interest due in monthly installment of \$12,279 commencing November 30, 2011 with maturity on November 29, 2019 <i>Austin</i>	1,715,100	1,787,206
\$521,337 note payable to City Bank, prime rate (3.5%), all accrued an unpaid interest on the outstanding principal balance shall be due and payable in 6 monthly installments of interest only beginning on March 10, 2016 through and including August 10, 2016. Beginning on September 10, 2016, 53 principal and interest due monthly installments calculated to allow all principal outstanding to be amortized over an assumed term of 20 years, with level payments during such period. A final 54th balloon installment equal to the remaining outstanding principal balance and interest shall be due in full on the maturity date on February 10, 2021. On September 16, 2016, the note was refinanced through Plains Capital Bank, 4% fixed rate of 5 years and the greater of 4% fixed rate for 5 years and the greater of 4% or WSJ prime one month floating rate thereafter, with 120 principal and interest due monthly installments. <i>Westcreek</i>	-	521,337
\$1,913,000 note payable to Plains Capital Bank, 4% fixed rate of 5 years and the greater of 4% fixed rate for 5 years and the greater of 4% or WSJ prime one month floating rate thereafter, with 120 principal and interest due monthly installments, with maturity on September 19, 2021. <i>Westcreek</i>	1,863,114	-
\$1,600,000 note payable to Grand Bank of Texas, 5% interest, principal and interest due monthly in installments of \$21,412, commencing on September 11, 2015, with maturity on February 28, 2023. <i>Cars for Kids</i>	1,230,980	1,420,253
\$1,575,000 note payable to BB&T, 2.906% interest, with 60 principal and interest payments due in monthly installments of \$8,757, commencing on September 28, 2014, with a balloon payment at maturity on August 28, 2019. <i>San Antonio</i>	1,138,971	1,283,967
Total long-term debt	9,240,219	6,556,175
Less current portion of long-term debt	(469,327)	(2,085,927)
Less line of credit	(2,011,778)	(223,325)
Long-term portion of long-term debt	\$ 6,759,114	\$ 4,246,923

# America Can!

## Notes to Consolidated Financial Statements

Future maturities of long-term debt at August 31, 2017 are as follows:

Year Ended August 31,	Principal	Interest	Total
2018	\$ 470,140	\$ 357,029	\$ 827,169
2019	1,504,297	321,921	1,826,218
2020	2,464,987	221,936	2,686,923
2021	1,557,501	178,533	1,736,034
2022	1,578,728	94,543	1,673,271
2023 and Thereafter	1,664,566	232,217	1,896,783
	<u>\$ 9,240,219</u>	<u>\$ 1,406,179</u>	<u>\$ 10,646,398</u>

On December 19, 2016, America Can! Academy modified its line of credit (LOC) agreement with Bank of Texas. The terms of the LOC modification allow the America Can! Academy to borrow up to \$2,650,000. The LOC bears interest on the daily outstanding financed balance at 4.50% per annum and matures on December 19, 2019. The outstanding balance on the line of credit was \$2,011,778 and \$223,325, respectively at August 31, 2017 and 2016.

### Note 10. Transfers/Contributions

During the year ended August 31, 2017, cash was contributed to Texans Can! by the America Can! Cars for Kids segment. The amount of transfers between business segments were as follows:

For the year ended August 31, 2017:

Business Segment	Transfers In	Transfers Out
Corporate		
From Cars for Kids	\$ 1,856,000	\$ -
Cars for Kids		
To Corporate	-	1,856,000
To Schools		403,375
Schools		
From Cars for Kids	403,375	-
Schools	153,563	
From Education Foundation	-	153,563
	<u>\$ 2,412,938</u>	<u>\$ 2,412,938</u>

The transfers/contributions to other segments are recorded in Local Support revenues and Contra Local Support and eliminate in the consolidated statement of activities.

# America Can!

## Notes to Consolidated Financial Statements

During the year ended August 31, 2016, assets were contributed to the America Can! Cars for Kids by the Corporate business segment. These were assets attributable to the Cars for Kids business segment as of August 31, 2016. During the year ended August 31, 2016, cash was contributed to Texans Can! by the America Can! Cars for Kids segment. The amount of transfers between business segments were as follows:

For the year ended August 31, 2016:

<u>Business Segment</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Corporate		
From Cars for Kids	\$ 699,129	\$ -
Cars for Kids		
To Corporate	-	699,129
To Schools		313,175
Schools		
From Cars for Kids	313,175	-
	<u>\$ 1,012,304</u>	<u>\$ 1,012,304</u>

The transfers/contributions to other segments are recorded in Local Support revenues and Contra Local Support and eliminate in the consolidated statement of activities.

### Note 11. Commitments and Contingencies

The Charter Holder receives funds through state and federal programs which are governed by various rules and regulations of the grantor agency. State Foundation program entitlements are based on student enrollment and attendance as reported to the Texas Education Agency by the Charter Holder.

These student enrollment and attendance reports are subject to audit by the Texas Education Agency and amounts paid to the Charter Holder may be adjusted according to the results of any such TEA audit. Expenses charged to the grant programs are subject to audit and adjustment by the grantor agency. In the opinion of management, there are no contingent liabilities relating to enrollment and attendance reports as filed or relative to compliance with the rules and regulations governing grant expenditures; therefore, no provision has been made in the accompanying financial statements for such contingencies.

# America Can!

## Notes to Consolidated Financial Statements

### Note 12. Commitments Under Operating Leases

Commitments under operating (non-capitalized) lease agreements for campuses and facilities require future rental payments as of August 31, 2017, as follows:

Fiscal year ending August 31:

2018	\$	996,879
2019		700,638
2020		676,064
2021		546,047
2022 and		280,887
Thereafter		66,706
	\$	<u>3,267,221</u>

Rent expense for the year ended August 31, 2017, totaled \$1,277,052, consisting of rental expenses for building and facilities of \$438,930 and equipment expense of \$838,122.

Rent expense for the year ended August 31, 2016, totaled \$1,151,544 consisting of rental expenses for building and facilities of \$492,177 and equipment expense of \$659,367.

### Note 13. Economic Dependency

During the years ended August 31, 2017 and 2016, the Academies earned revenue of \$49,385,038 and \$43,205,894, respectively, from the Texas Education Agency (TEA). These amounts constitute approximately 72% and 72%, respectively of total revenues earned for the years ended August 31, 2017 and 2016. Any unforeseen loss of the charter agreement with TEA or changes in legislative funding could have a material effect on the ability of the charter school to continue to provide the current level of services to its students.

### Note 14. Inventory

Inventory consists primarily of donated vehicles on hand at year end that have not yet been sold by the Cars for Kids program. These inventories are valued at their estimated fair value. The Charter Holder considers inventory of all consumable goods to be immaterial to the financial statements.

### Note 15. Deferred Revenues

At August 31, 2017 and 2016, the Charter Holder had received state allotments in advance of the funds being expended or revenues being earned in that year totaling \$0 and \$44,476, respectively.

	<u>2017</u>	<u>2016</u>
State Instructional Materials Allotment	<u>\$ -</u>	<u>\$ 44,476</u>

# America Can!

## Notes to Consolidated Financial Statements

### Note 16. Due from Other Governments

At August 31, 2017 and 2016, the Charter Holder had earned the following revenues on grants and entitlements which were not received until after September 1, 2017 and 2016:

	2017	2016
Federal grant revenue	\$ 1,008,739	\$ 707,488
Foundation School Program	1,169,071	732,452
Other state revenue	352,140	16,467
	<u>\$ 2,529,950</u>	<u>\$ 1,456,407</u>

### Note 17. Fair Value Measurements

The recorded value of the investment securities are stated at fair value. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

The three levels of the fair value hierarchy are described below:

Level 1 inputs: Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 inputs: Inputs (other than quoted market prices included within level 1) that are either directly or indirectly observable for the asset or liability, through correlation with market data at the measurement date and fair value is determined through the use of models or other valuation techniques. The investments included in level 2 are funds held in the Dallas Foundation valued using the net asset value of the units held and certificates of deposit valued using amortized cost and approximate fair value.

Level 3 inputs: Prices or valuations that require unobservable inputs that are both significant to the fair measurement and unobservable. Fair value for these investments are determined using valuation methodologies that consider a range of factors including but not limited to the nature of the investment, market conditions, current and projected operating performance and changes in operating characteristics of the investment.

A financial instrument's level within the fair value of hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in operating characteristics of the investments or methodologies used at August 31, 2017 and 2016.

# America Can!

## Notes to Consolidated Financial Statements

The table below summarizes the fair value of investment securities and pledge receivables by level:

	2017	2016
Level 2:		
Certificates of deposit	\$ 250,000	\$ 249,695
Dallas Foundation	-	143,080
	250,000	392,775
Total assets in the fair value hierarchy		
	250,000	392,775
Investment at fair value	\$ 250,000	\$ 392,775

### Note 18. Temporarily Restricted Net Assets

Temporarily restricted net assets for the year ending August 31, 2017 and 2016, consisted of the following:

	2017	2016
Restricted for Specific Charter Purpose	\$ 4,971,171	\$ 4,166,279
Can! Academy Education Foundation	-	143,080
National School Breakfast and Lunch Program	468,381	468,381
Campus Activity Funds	426,058	69,443
School Development Council	1,817,953	1,612,754
WP & Bulah Luse Foundation	13,942	13,942
KLE Foundation	699	699
Sunshine Committee	370	370
Miscellaneous Foundations	10,185	86,522
	\$ 7,708,759	\$ 6,561,470

# America Can!

## Notes to Consolidated Financial Statements

### Note 19. Income Tax

Under a group ruling issued by the Internal Revenue Service, the Charter Holder is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended, as a Charter Holder described in Section 501(c)(3), except to the extent it has unrelated business taxable income. The Charter Holder had no material unrelated business income for the years ended August 31, 2017 and 2016.

Generally accepted accounting principles require that the Charter Holder recognize in its financial statements the financial effects of a tax position, if that position is more likely than not of being sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the tax position. The new requirements also provide guidance on measurement, classification, interest and penalties and disclosure.

Tax positions taken related to the Charter Holder's tax exempt status, unrelated business activities taxable income and deductibility of expenses and other miscellaneous tax positions have been reviewed, and management is of the opinion that material positions taken would more likely than not be sustained by examination. For the year ended August 31, 2017 and 2016, tax liabilities of \$0 and \$150,000, respectively, were recorded. For the year ended August 31, 2016, there were no interest or penalties related to income taxes recorded or included in the financial statements. As of August 31, 2017, the Charter Holder's tax years 2014 and thereafter remain subject to examination.

### Note 20. Related Party Transactions

During the fiscal year ended August 31, 2016 and 2015, America Can! Cars for Kids approved payments totaling \$152,000 and \$144,000, respectively, to Marqcom, Inc. for access to software to be utilized by Texans Can!. Rights for the utilization of the software was contributed to Texan's Can! by America Can! Cars for Kids for the years ended August 31, 2017 and 2016. Marqcom, Inc. is a corporation owned by the CEO of the Charter Holder and these payments were in addition to his employment contract and performance bonuses.

During the fiscal year ended August 31, 2017, a transaction was entered into for employee ancillary benefits with Summit Financial Group which is 100% owned by a Board Trustee. During the fiscal year end August 31, 2017, payments to Summit Financial group totaled \$94,250.

During the fiscal years ended August 31, 2015 and 2014, America Can! Cars for Kids formed Education Innovation Solutions, Inc. (EIS), a for profit corporation. During the fiscal year ended August 31, 2015 and 2014, America Can! Cars for Kids was issued non-voting shares and made investments and advances to EIS of \$230,449 and \$560,000, respectively. America Can! Cars for Kids has written off its investments and EIS has repurchased the non-voting shares issued to America Can! Cars for Kids with a note receivable for \$790,449. The note receivable has been fully allowed for as EIS has no sales to date. Voting shareholders of EIS consist of the CEO of the Charter Holder and another employee. Three board members of America Can! Cars for Kids have been elected as the Board of Directors of EIS. During the year ended August 31, 2016, Cars for Kids reached a settlement agreement with EIS in which EIS was dissolved and all rights were transferred to a separate Texas entity (Newco). In the agreement Newco shall pay CFK a percentage of the collected gross revenues arising out of the software. Royalty payments shall be made until the full America Can! Cars for Kids investment of \$1,500,000 has been received. America Can! Cars for kids has not received any royalty payments under this agreement during the years ended August 31, 2017 and 2016

# America Can!

## Notes to Consolidated Financial Statements

### **Note 21. Subsequent Events**

The Charter Holder has adopted U.S. generally accepted accounting principles relating to subsequent events. This standard establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. Management has evaluated all events or transactions that occurred after August 31, 2017 up through January 18, 2018, the date the financial statements were available to be issued, and determined that no events have occurred that warrant disclosure.



# **Specific-Purpose Financial Statements**

**America**  **CAN!**

# America Can!

## Consolidating Statements of Financial Position

### Year Ended August 31, 2017

ASSETS	America Can!	America Can!	Can Education	Texans	Consolidated Entries		Consolidated
	Corporate	Cars for Kids	Foundation	Can!	Debit	Credit	
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 2,860,091	\$ 811,773	\$ -	\$ 11,522,483	\$ -	\$ -	15,194,347
Accounts receivable	37,510	134,338	-	61,252	-	-	233,100
Note receivable - current portion	-	-	-	-	-	-	-
Due from employees	5,444	-	-	614	-	-	6,058
Due from other governments	45,012	-	-	2,484,938	-	-	2,529,950
Accrued interest	741	-	-	-	-	-	741
Inventory	-	594,546	-	-	-	-	594,546
Prepaid expense	-	63,122	-	283,762	-	-	346,884
Assets held for sale	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>2,948,798</b>	<b>1,603,779</b>	<b>-</b>	<b>14,353,049</b>			<b>18,905,626</b>
Investments	250,000	-	-	-	-	-	250,000
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>	<b>379,407</b>	<b>2,596,679</b>	<b>-</b>	<b>28,306,006</b>	<b>-</b>	<b>-</b>	<b>31,282,092</b>
<b>TOTAL ASSETS</b>	<b>3,578,205</b>	<b>4,200,458</b>	<b>-</b>	<b>42,659,055</b>	<b>-</b>	<b>-</b>	<b>50,437,718</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Line of credit	\$ -	\$ -	\$ -	\$ 2,011,778			\$ 2,011,778
Current maturities of long term debt	-	199,127	-	270,200			469,327
Accounts payable	176,019	296,365	-	1,250,298			1,722,682
Accrued liabilities	420,755	197,920	-	35,494			654,169
Payroll deductions payable	581,762	2,648	-	-			584,410
Accrued interest payable	-	3,500	-	19,070			22,570
Accrued wages payable	55,307	34,332	-	362,738			452,377
Deferred revenue	-	-	-	-			-
<b>Total Current Liabilities</b>	<b>1,233,843</b>	<b>733,892</b>	<b>-</b>	<b>3,949,578</b>	<b>-</b>	<b>-</b>	<b>5,917,313</b>
<b>LONG TERM DEBT</b>							
Notes payable - future maturities	-	1,031,853	-	5,727,261	-	-	6,759,114
<b>TOTAL LIABILITIES</b>	<b>1,233,843</b>	<b>1,765,745</b>	<b>-</b>	<b>9,676,839</b>	<b>-</b>	<b>-</b>	<b>12,676,427</b>
<b>NET ASSETS</b>							
Unrestricted	2,190,799	2,434,713	-	25,427,020	-	-	30,052,532
Temporarily restricted	153,563	-	-	7,555,196	-	-	7,708,759
<b>TOTAL NET ASSETS</b>	<b>2,344,362</b>	<b>2,434,713</b>	<b>-</b>	<b>32,982,216</b>	<b>-</b>	<b>-</b>	<b>37,761,291</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,578,205</b>	<b>\$ 4,200,458</b>	<b>\$ -</b>	<b>\$ 42,659,055</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,437,718</b>

**America Can! Corporate**  
 Statements of Financial Position  
 Years Ended August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,860,091	\$ 1,752,466
Accounts receivable	37,510	778
Due from employees	5,444	2,156
Due from other governments	45,012	24,932
Accrued interest	741	464
	2,948,798	1,780,796
Investments	250,000	249,695
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>	<b>379,407</b>	<b>214,442</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,578,205</b>	<b>\$ 2,244,933</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 176,019	\$ 49,250
Accrued liabilities	420,755	293,840
Payroll deductions payable	581,762	492,635
Accrued wages payable	55,307	43,244
	1,233,843	878,969
<b>LONG TERM DEBT</b>		
Notes payable - future maturities	-	-
<b>TOTAL LIABILITIES</b>	1,233,843	878,969
<b>NET ASSETS</b>		
Unrestricted	2,190,799	1,116,269
Temporarily restricted	153,563	-
<b>TOTAL NET ASSETS</b>	2,344,362	1,116,269
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,578,205</b>	<b>\$ 1,995,238</b>

**America Can! Cars for Kids**  
 Statements of Financial Position  
 Years Ended August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 811,773	\$ 514,076
Accounts receivable	134,338	48,089
Inventory	594,546	558,495
Prepaid expense	63,122	31,338
Total current assets	1,603,779	1,151,998
 <b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>		
	2,596,679	2,657,899
 <b>TOTAL ASSETS</b>		
	\$ 4,200,458	\$ 3,809,897
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current maturities of long term debt	\$ 199,127	\$ 190,256
Accounts payable	296,365	313,098
Accrued interest	3,500	-
Accrued liabilities	197,920	275,766
Payroll deductions payable	2,648	2,264
Accrued wages payable	34,332	21,532
Total current liabilities	733,892	802,916
 <b>LONG TERM DEBT</b>		
Notes payable - future maturities	1,031,853	1,229,997
 <b>TOTAL LIABILITIES</b>		
	1,765,745	2,032,913
 <b>NET ASSETS</b>		
Unrestricted	2,434,713	1,776,984
 <b>TOTAL LIABILITIES AND NET ASSETS</b>		
	\$ 4,200,458	\$ 3,809,897

**Texans Can!**  
 Statements of Financial Position  
 Years Ended August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 11,522,483	\$ 8,873,895
Accounts receivable	61,252	556,779
Due from employees	614	-
Due from other governments	2,484,938	1,431,475
Prepaid expense	283,762	214,643
Assets held for sale	-	775,000
	14,353,049	11,851,792
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>	<b>28,306,006</b>	<b>28,525,842</b>
<b>TOTAL ASSETS</b>	<b>\$ 42,659,055</b>	<b>\$ 40,377,634</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 2,011,778	\$ 223,325
Current maturities of long term debt	270,200	1,895,671
Accounts payable	1,250,298	2,857,972
Accrued liabilities	35,494	50,844
Accrued wages payable	362,738	160,011
Accrued interest	19,070	-
Due to student groups	-	-
Deferred revenue	-	44,476
	3,949,578	5,232,299
<b>LONG TERM DEBT</b>		
Notes payable - future maturities	5,727,261	3,016,926
<b>TOTAL LIABILITIES</b>	<b>9,676,839</b>	<b>8,249,225</b>
<b>NET ASSETS</b>		
Unrestricted	25,427,020	25,670,019
Temporarily restricted	7,555,196	6,418,390
<b>TOTAL NET ASSETS</b>	<b>32,982,216</b>	<b>32,088,409</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 42,659,055</b>	<b>\$ 40,337,634</b>

# Can! Academy Education Foundation

Statements of Financial Position  
Years Ended August 31, 2017 and 2016

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Investments	\$ -	\$ 143,080
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 143,080</u>
<b>NET ASSETS</b>		
<b>NET ASSETS</b>		
Temporarily restricted	\$ -	\$ 143,080
<b>TOTAL NET ASSETS</b>	<u>-</u>	<u>143,080</u>
<b>TOTAL NET ASSETS</b>	<u>\$ -</u>	<u>\$ 143,080</u>

# America Can!

## Consolidating Statements of Activities

### Year Ended August 31, 2017

	America Can!	America Can!	Can Education	Texans	Consolidated Entries		Consolidated
	Corporate	Cars for Kids	Foundation	Can!	Debit	Credit	
<b>REVENUES</b>							
5700 Local Support	\$ 863,585	\$ 9,258,742	\$ 10,483	\$ 1,341,513	\$ 283,154	\$ -	\$ 11,191,169
5700 Local Support remitted from charter schools	1,856,000	(2,259,375)	(153,563)	556,938	-	-	-
5800 State program revenues	523,841	-	-	48,861,197	-	-	49,385,038
5900 Federal program revenues	165,390	-	-	7,425,931	-	-	7,591,321
Total Revenue	<u>3,408,816</u>	<u>6,999,367</u>	<u>(143,080)</u>	<u>58,185,579</u>	<u>283,154</u>	<u>-</u>	<u>68,167,528</u>
<b>EXPENSES</b>							
11 Instruction	-	-	-	19,847,455	-	(16,800)	19,830,655
12 Instructional resources	-	-	-	-	-	-	-
13 Curriculum and instructional staff development	-	-	-	3,093,824	-	-	3,093,824
21 Instructional leadership	-	-	-	1,458,473	-	-	1,458,473
23 School leadership	-	-	-	6,699,259	-	-	6,699,259
31 Guidance, counseling and evaluation services	-	-	-	6,176,121	-	-	6,176,121
32 Social work services	-	-	-	-	-	-	-
33 Health services	-	-	-	98,373	-	-	98,373
34 Student transportation	-	-	-	1,011,291	-	-	1,011,291
35 Food services	-	-	-	1,521,878	-	-	1,521,878
36 Cocurricular/extracurricular activities	-	-	-	174,064	-	-	174,064
41 General administration	314,633	31,481	-	3,674,235	-	-	4,020,349
51 Plant maintenance and operations	(8,371)	275,976	-	7,975,125	-	-	8,242,730
52 Security and monitoring services	-	-	-	1,708,552	-	-	1,708,552
53 Data processing services	15,000	-	-	2,368,481	-	-	2,383,481
61 Community services	1,859,461	-	-	437,913	-	(266,354)	2,031,020
71 Debt service	-	71,175	-	318,978	-	-	390,153
81 Fund raising	-	6,061,550	-	687,587	-	-	6,749,137
Total expenses	<u>2,180,723</u>	<u>6,440,182</u>	<u>-</u>	<u>57,251,609</u>	<u>-</u>	<u>(283,154)</u>	<u>65,589,360</u>
<b>RESULTS FROM OPERATIONS</b>	<u>1,228,093</u>	<u>559,185</u>	<u>(143,080)</u>	<u>933,970</u>	<u>283,154</u>	<u>283,154</u>	<u>2,578,168</u>
<b>NON-OPERATING ACTIVITIES</b>							
Bad debt expense (recoveries)	-	(98,544)	-	-	-	-	(98,544)
Loss on sale of property	-	-	-	40,163	-	-	40,163
Gain from non-operating activities	-	(98,544)	-	40,163	-	-	(58,381)
<b>CHANGE IN NET ASSETS</b>	<u>1,228,093</u>	<u>657,729</u>	<u>(143,080)</u>	<u>893,807</u>	<u>-</u>	<u>-</u>	<u>2,636,549</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,116,269</u>	<u>1,776,984</u>	<u>143,080</u>	<u>32,088,409</u>	<u>-</u>	<u>-</u>	<u>35,124,742</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,344,362</u>	<u>\$ 2,434,713</u>	<u>\$ -</u>	<u>\$ 32,982,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,761,291</u>



# America Can! Corporate

## Statement of Activities Year Ended August 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2017</u>
<b>REVENUES</b>			
5700 Local Support	\$ 710,022	\$ 153,563	\$ 863,585
5700 Remitted from Cars for Kids	1,856,000	-	1,856,000
5800 State program revenues	523,841	-	523,841
5900 Federal program revenues	165,390	-	165,390
	<hr/>	<hr/>	<hr/>
Total Revenue	3,255,253	153,563	3,408,816
Net assets released from restrictions satisfaction of purpose restrictions	<hr/> -	<hr/> -	<hr/> -
Total revenues, gains and other support	<hr/> 3,255,253	<hr/> 153,563	<hr/> 3,408,816
 <b>EXPENSES</b>			
41 General administration	314,633	-	314,633
51 Plant maintenance and operations	(8,371)	-	(8,371)
53 Data processing services	15,000	-	15,000
61 Community services	1,859,461	-	1,859,461
71 Debt service	-	-	-
81 Fund raising	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenses	2,180,723	-	2,180,723
 <b>RESULTS FROM OPERATIONS</b>	<hr/> 1,074,530	<hr/> 153,563	<hr/> 1,228,093
 <b>NON-OPERATING ACTIVITIES:</b>			
Loss on sale of land	<hr/> -	<hr/> -	<hr/> -
Loss from Non-Operating Activities	<hr/> -	<hr/> -	<hr/> -
 <b>CHANGE IN NET ASSETS</b>	<hr/> 1,074,530	<hr/> 153,563	<hr/> 1,228,093
 <b>NET ASSETS, BEGINNING OF YEAR</b>	<hr/> 1,116,269	<hr/> -	<hr/> 1,116,269
 <b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 2,190,799</u></u>	<u><u>\$ 153,563</u></u>	<u><u>\$ 2,344,362</u></u>

**America Can! Corporate**  
Statement of Activities  
Year Ended August 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2016</u>
<b>REVENUES</b>			
5700 Local Support	\$ 628,281	\$ -	\$ 628,281
5700 Less contributions remitted to Cars for Kids	699,129	-	699,129
5800 State program revenues	411,303	-	411,303
5900 Federal program revenues	116,112	-	116,112
	<hr/>	<hr/>	<hr/>
Total Revenue	1,854,825	-	1,854,825
Net assets released from restrictions satisfaction of purpose restrictions	<hr/>	<hr/>	<hr/>
	-	-	-
Total revenues, gains and other support	<hr/>	<hr/>	<hr/>
	1,854,825	-	1,854,825
<b>EXPENSES</b>			
11 Instruction	-	-	-
13 Curriculum and instructional staff development	47,327	-	47,327
21 Instructional leadership	735	-	735
23 School leadership	-	-	-
31 Guidance, counseling, and evaluation services	9,960	-	9,960
32 Social work services	-	-	-
33 Health services	-	-	-
34 Student transportatoin	-	-	-
35 Food Services	-	-	-
36 Cocurricular/extracurricular activities	-	-	-
41 General administration	341,729	-	341,729
51 Plant maintenance and operations	182,071	-	182,071
53 Data processing services	3,968	-	3,968
61 Community services	1,555,658	-	1,555,658
71 Debt service	36,744	-	36,744
81 Fund raising	479	-	479
	<hr/>	<hr/>	<hr/>
Total Expenses	2,178,671	-	2,178,671
<b>RESULTS FROM OPERATIONS</b>	<hr/>	<hr/>	<hr/>
	(323,846)	-	(323,846)
<b>NON-OPERATING ACTIVITIES:</b>			
Gain on sale of land	<hr/>	<hr/>	<hr/>
	(1,605,267)	-	(1,605,267)
Loss from Non-Operating Activities	<hr/>	<hr/>	<hr/>
	(1,605,267)	-	(1,605,267)
<b>CHANGE IN NET ASSETS</b>	1,281,421	-	1,281,421
<b>NET ASSETS, BEGINNING OF YEAR</b>	<hr/>	<hr/>	<hr/>
	(165,152)	-	(165,152)
<b>NET ASSETS, END OF YEAR</b>	<hr/>	<hr/>	<hr/>
	\$ 1,116,269	\$ -	\$ 1,116,269

# America Can! Cars For Kids

## Statement of Activities Year Ended August 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
			<u>2017</u>
<b>REVENUES</b>			
5700 Local Support	\$ 9,258,742	\$ -	\$ 9,258,742
5700 Less contributions remitted	(2,259,375)	-	(2,259,375)
Total revenue	<u>6,999,367</u>	<u>-</u>	<u>6,999,367</u>
<b>EXPENSES</b>			
41 General administration	31,481	-	31,481
51 Plant maintenance and operations	275,976	-	275,976
52 Security and monitoring services	-	-	-
71 Debt service	71,175	-	71,175
81 Fund raising	6,061,550	-	6,061,550
Total expenses	<u>6,440,182</u>	<u>-</u>	<u>6,440,182</u>
<b>RESULTS FROM OPERATIONS</b>	<u>559,185</u>	<u>-</u>	<u>559,185</u>
<b>NON-OPERATING ACTIVITIES:</b>			
Bad debt expense (recoveries)	(98,544)	-	(98,544)
Loss from non-operating activities	<u>(98,544)</u>	<u>-</u>	<u>(98,544)</u>
<b>CHANGE IN NET ASSETS</b>	657,729	-	657,729
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,776,984</u>	<u>-</u>	<u>1,776,984</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,434,713</u>	<u>\$ -</u>	<u>\$ 2,434,713</u>

# America Can! Cars For Kids

## Statement of Activities Year Ended August 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2016</u>
<b>REVENUES</b>			
5700 Local Support	\$ 7,836,133	\$ -	\$ 7,836,133
5700 Less contributions remitted	<u>(1,012,304)</u>	<u>-</u>	<u>(1,012,304)</u>
Total revenue	<u>6,823,829</u>	<u>-</u>	<u>6,823,829</u>
<b>EXPENSES</b>			
41 General administration	5,411	-	5,411
51 Plant maintenance and operations	335,103	-	335,103
52 Security and monitoring services	-	-	-
71 Debt service	95,700	-	95,700
81 Fund raising	<u>6,782,947</u>	<u>-</u>	<u>6,782,947</u>
Total expenses	<u>7,219,161</u>	<u>-</u>	<u>7,219,161</u>
<b>RESULTS FROM OPERATIONS</b>	<u>(395,332)</u>	<u>-</u>	<u>(395,332)</u>
<b>NON-OPERATING ACTIVITIES:</b>			
Unrealized loss on investments	(98,544)	-	(98,544)
Gain on sale of property	<u>-</u>	<u>-</u>	<u>-</u>
Loss from non-operating activities	<u>(98,544)</u>	<u>-</u>	<u>(98,544)</u>
<b>CHANGE IN NET ASSETS</b>	(493,876)	-	(493,876)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,270,860</u>	<u>-</u>	<u>2,270,860</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,776,984</u>	<u>\$ -</u>	<u>\$ 1,776,984</u>

**Texans Can!**  
Statement of Activities  
Year Ended August 31, 2017

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2017</b>
<b>REVENUES</b>			
Local Support	\$ 198,054	\$ 1,700,397	\$ 1,898,451
Local Support remitted to charter schools	-	-	-
State program revenues	-	48,861,197	48,861,197
Federal program revenues	-	7,425,931	7,425,931
Total revenue	198,054	57,987,525	58,185,579
Net assets released from restrictions satisfaction of purpose restrictions	56,850,719	(56,850,719)	-
Total revenues, gains and other support	57,048,773	1,136,806	58,185,579
<b>EXPENSES</b>			
11 Instruction	19,847,455	-	19,847,455
13 Curriculum and instructional staff development	3,093,824	-	3,093,824
21 Instructional leadership	1,458,473	-	1,458,473
23 School leadership	6,699,259	-	6,699,259
31 Guidance, counseling and evaluation services	6,176,121	-	6,176,121
32 Social work services	-	-	-
33 Health services	98,373	-	98,373
34 Student transportation	1,011,291	-	1,011,291
35 Food services	1,521,878	-	1,521,878
36 Cocurricular/extracurricular activities	174,064	-	174,064
41 General administration	3,674,235	-	3,674,235
51 Plant maintenance and operations	7,975,125	-	7,975,125
52 Security and monitoring services	1,708,552	-	1,708,552
53 Data processing services	2,368,481	-	2,368,481
61 Community services	437,913	-	437,913
71 Debt service	318,978	-	318,978
81 Fund raising	687,587	-	687,587
Total expenses	57,251,609	-	57,251,609
<b>RESULTS FROM OPERATIONS</b>	(202,836)	1,136,806	933,970
<b>NON-OPERATING ACTIVITIES:</b>			
Loss on building held for sale	40,163	-	40,163
Loss from non-operating activities	40,163	-	40,163
<b>CHANGE IN NET ASSETS</b>	(242,999)	1,136,806	893,807
<b>NET ASSETS, BEGINNING OF YEAR</b>	25,670,019	6,418,390	32,088,409
<b>NET ASSETS, END OF YEAR</b>	\$ 25,427,020	\$ 7,555,196	\$ 32,982,216

**Texans Can!**  
Statement Of Activities  
Year Ended August 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2016</u>
<b>REVENUES</b>			
Local Support	\$ 4,160	\$ 1,245,866	\$ 1,250,026
Local Support remitted to charter schools	313,175	-	313,175
State program revenues	-	42,794,591	42,794,591
Federal program revenues	-	6,940,377	6,940,377
Total revenue	<u>317,335</u>	<u>50,980,834</u>	<u>51,298,169</u>
Net assets released from restrictions satisfaction of purpose restrictions	<u>57,643,574</u>	<u>(57,643,574)</u>	<u>-</u>
Total revenues, gains and other support	<u>57,960,909</u>	<u>(6,662,740)</u>	<u>51,298,169</u>
<b>EXPENSES</b>			
11 Instruction	17,952,563	-	17,952,563
12 Instructional resources	-	-	-
13 Curriculum and instructional staff development	3,223,972	-	3,223,972
21 Instructional leadership	1,181,554	-	1,181,554
23 School leadership	5,519,207	-	5,519,207
31 Guidance, counseling and evaluation services	4,634,410	-	4,634,410
32 Social work services	-	-	-
33 Health services	31,116	-	31,116
34 Student transportation	963,870	-	963,870
35 Food services	1,552,275	-	1,552,275
36 Cocurricular/extracurricular activities	170,820	-	170,820
41 General administration	3,669,791	-	3,669,791
51 Plant maintenance and operations	7,348,407	-	7,348,407
52 Security and monitoring services	1,467,915	-	1,467,915
53 Data processing services	2,478,577	-	2,478,577
61 Community services	300,924	-	300,924
71 Debt service	283,043	-	283,043
81 Fund raising	892,228	-	892,228
Total expenses	<u>51,670,672</u>	<u>-</u>	<u>51,670,672</u>
<b>RESULTS FROM OPERATIONS</b>	<u>6,290,237</u>	<u>(6,662,740)</u>	<u>(372,503)</u>
<b>NON-OPERATING ACTIVITIES:</b>			
Loss on sale of property	<u>(412,581)</u>	<u>-</u>	<u>(412,581)</u>
Gain from non-operating activities	<u>(412,581)</u>	<u>-</u>	<u>(412,581)</u>
<b>CHANGE IN NET ASSETS</b>	<u>5,877,656</u>	<u>(6,662,740)</u>	<u>(785,084)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>19,792,363</u>	<u>13,081,130</u>	<u>32,873,493</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 25,670,019</u>	<u>\$ 6,418,390</u>	<u>\$ 32,088,409</u>

# Can! Academy Education Foundation

## Statement of Activities Year Ended August 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2017</u>
<b>REVENUES</b>			
5700 Local Support	\$ -	\$ 10,483	\$ 10,483
5700 Less contributions remitted	-	(153,563)	(153,563)
Total revenue	<u>-</u>	<u>(143,080)</u>	<u>(143,080)</u>
Net assets released from restrictions satisfaction of purpose restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>-</u>	<u>(143,080)</u>	<u>(143,080)</u>
<b>EXPENSES</b>			
11 Instruction	-	-	-
13 Curriculum and instructional staff development	-	-	-
21 Instructional leadership	-	-	-
23 School leadership	-	-	-
31 Guidance, counseling, and evaluation services	-	-	-
32 Social work services	-	-	-
33 Health services	-	-	-
34 Student transportatoin	-	-	-
35 Food Services	-	-	-
36 Cocurricular/extracurricular activities	-	-	-
41 General administration	-	-	-
51 Plant maintenance and operations	-	-	-
52 Security and monitoring services	-	-	-
53 Data processing services	-	-	-
61 Community services	-	-	-
71 Debt service	-	-	-
81 Fund raising	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Results from operations</b>	<u>-</u>	<u>(143,080)</u>	<u>(143,080)</u>
<b>Change in net assets</b>	-	(143,080)	(143,080)
<b>Net assets, beginning of year</b>	<u>-</u>	<u>143,080</u>	<u>143,080</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Can! Academy Education Foundation

## Statement of Activities Year Ended August 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
			<u>2016</u>
<b>REVENUES</b>			
5700 Local Support	\$ -	\$ 152,490	\$ 152,490
Total revenue	-	152,490	152,490
Net assets released from restrictions satisfaction of purpose restrictions	9,410	(9,410)	-
Total revenues, gains and other support	9,410	143,080	152,490
<b>EXPENSES</b>			
11 Instruction	-	-	-
13 Curriculum and instructional staff development	-	-	-
21 Instructional leadership	-	-	-
23 School leadership	-	-	-
31 Guidance, counseling, and evaluation services	-	-	-
32 Social work services	-	-	-
33 Health services	-	-	-
34 Student transportatoin	-	-	-
35 Food Services	-	-	-
36 Cocurricular/extracurricular activities	-	-	-
41 General administration	9,410	-	9,410
51 Plant maintenance and operations	-	-	-
52 Security and monitoring services	-	-	-
53 Data processing services	-	-	-
61 Community services	-	-	-
71 Debt service	-	-	-
81 Fund raising	-	-	-
Total expenses	9,410	-	9,410
<b>Results from operations</b>	-	143,080	143,080
<b>Change in net assets</b>	-	143,080	143,080
<b>Net assets, beginning of year</b>	-	-	-
<b>NET ASSETS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 143,080</u>	<u>\$ 143,080</u>



# America Can!

## Consolidating Statements of Cash Flow

### Year Ended August 31, 2017

	America Can!	America Can!	Can Education	Texans	Consolidated Entries		Consolidated
	Corporate	Cars for Kids	Foundation	Can!	Debit	Credit	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Change in net assets	\$ 1,228,093	657,729	\$ (143,080)	\$ 893,807	\$ -	\$ -	\$ 2,636,549
Adjustments to reconcile change in net assets to cash provided by operating activities:							
Depreciation	(104,604)	107,109	-	2,045,249	-	-	2,047,754
Accounts receivable	(36,732)	(86,249)	-	495,527	-	-	372,546
Unrealized loss	-	-	-	40,163	-	-	40,163
Due from employees	(3,288)	-	-	(614)	-	-	(3,902)
Due from other governments	(20,080)	-	-	(1,053,463)	-	-	(1,073,543)
Accrued interest payable	-	-	-	19,070	-	-	19,070
Accrued interest receivable	(277)	-	-	-	-	-	(277)
Inventory	-	(36,051)	-	-	-	-	(36,051)
Prepaid expense	-	(31,784)	-	(69,119)	-	-	(100,903)
Accounts payable	126,769	(16,733)	-	(1,647,674)	-	-	(1,537,638)
Accrued liabilities	126,915	(74,346)	-	(15,350)	-	-	37,219
Payroll deductions payable	89,127	384	-	-	-	-	89,511
Accrued wages payable	12,063	12,800	-	202,727	-	-	227,590
Deferred revenue	-	-	-	(44,476)	-	-	(44,476)
Net cash provided by (used in) operating activities	1,417,986	\$ 532,859	\$ (143,080)	\$ 865,847	\$ -	\$ -	\$ 2,673,612
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sale of land	-	-	-	734,837	-	-	734,837
Transfer to affiliate	-	-	143,080	-	-	-	143,080
Purchase of investments	(305)	-	-	-	-	-	(305)
Acquisition of land, buildings and equipment	(60,361)	(45,889)	-	(1,825,413)	-	-	(1,931,663)
Net cash (used in) by investing activities	(60,666)	(45,889)	143,080	(1,090,576)	-	-	(1,054,051)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Proceeds from line of credit	-	-	-	1,788,453	-	-	1,788,453
Proceeds from long term debt	-	-	-	1,863,114	-	-	1,863,114
Principal payments on debt	-	(189,273)	-	(778,250)	-	-	(967,523)
Net cash provided (used in) provided by financing activities	-	(189,273)	-	2,873,317	-	-	2,684,044
Net increase in cash and cash equivalents	1,357,320	297,697	-	2,648,588	-	-	4,303,605
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>1,502,771</u>	<u>514,076</u>	<u>-</u>	<u>8,873,895</u>	<u>-</u>	<u>-</u>	<u>10,890,742</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 2,860,091</u>	<u>\$ 811,773</u>	<u>\$ -</u>	<u>\$ 11,522,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,194,347</u>
Interest paid	\$ -	\$ 67,675	\$ -	\$ 299,908	\$ -	\$ -	\$ 367,583

**America Can! Corporate**  
 Statements of Cash Flows  
 Years Ended August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,228,093	\$ 1,281,421
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	(104,604)	107,809
Gain on sale of land	-	(1,605,267)
Accounts receivable	(36,732)	1,933
Due from employees	(3,288)	2,483
Due from other governments	(20,080)	476
Accrued interest	(277)	468
Accounts payable	126,769	8,933
Accrued liabilities	126,915	(97,759)
Payroll deductions payable	89,127	99,196
Accrued wages payable	12,063	3,066
Net cash provided by (used in) operating activities	1,417,986	(197,241)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of land	-	2,501,877
Purchase of investments	(305)	(249,695)
Acquisition of land, buildings and equipment	(60,361)	-
Net cash (used in) provided by investing activities	(60,666)	2,252,182
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on debt	-	(1,273,978)
Net cash (used in) financing activities	-	(1,273,978)
Net increase in cash and cash equivalents	1,357,320	780,963
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	1,502,771	721,808
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 2,860,091	\$ 1,502,771
 <b>INTEREST PAID</b>	 \$ -	 \$ 36,744

**America Can! Cars For Kids**  
 Statements of Cash Flows  
 Years Ended August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 657,729	\$ (493,876)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	107,109	107,011
Accounts receivable	(86,249)	37,188
Loss on investments	-	98,544
Note receivable	-	1,148,363
Inventory	(36,051)	84,807
Prepaid expense	(31,784)	19,002
Accounts payable	(16,733)	(216,192)
Accrued liabilities	(74,346)	154,693
Payroll deductions payable	384	(3,028)
Accrued wages payable	12,800	(36,359)
Net cash provided by operating activities	532,859	900,153
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of land, buildings and equipment	(45,889)	(24,136)
Net cash used in investing activities	(45,889)	(24,136)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on debt	(189,273)	(742,792)
Net cash used in financing activities	(189,273)	(742,792)
Net increase in cash and cash equivalents	297,697	133,225
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	514,076	380,851
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 811,773	\$ 514,076
 <b>INTEREST PAID</b>	\$ 67,675	\$ 95,700

**Texans Can!**  
 Statements of Cash Flows  
 Years Ended August 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 893,807	\$ (785,084)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	2,045,249	1,521,173
Loss on disposal	-	87,581
Accounts receivable	495,527	80,953
Unrealized loss	40,163	325,000
Due from other governments	(1,053,463)	179,294
Due from others	(614)	-
Prepaid expense	(69,119)	30,758
Accounts payable	(1,647,674)	1,636,344
Accrued liabilities	(15,350)	28,546
Accrued wages	202,727	85,618
Accrued interest payable	19,070	-
Deferred revenue	(44,476)	44,476
Net cash provided by operating activities	865,847	3,234,659
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	-	-
Proceeds from disposal	734,837	-
Acquisition of land, buildings and equipment	(1,825,413)	(7,285,068)
Net cash used investing activities	(1,090,576)	(7,285,068)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	1,788,453	-
Proceeds from long term debt	1,863,114	-
Principal payments on debt	(778,250)	(773,538)
Net cash provided by (used in) financing activities	2,873,317	(773,538)
Net increase in cash and cash equivalents	2,648,588	(4,823,947)
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	8,873,895	13,697,842
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 11,522,483	\$ 8,873,895
 <b>INTEREST PAID</b>	\$ 299,908	\$ 283,044

# Can! Academy Education Foundation

## Statement of Cash Flows

Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (143,080)	\$ 143,080
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Accounts receivable	-	-
Accounts payable	-	-
Net cash (used in) provided by operating activities	<u>(143,080)</u>	<u>143,080</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Transfer to affiliate	143,080	-
Purchase of investments	<u>-</u>	<u>(143,080)</u>
Net cash provided by (used in) investing activities	<u>143,080</u>	<u>(143,080)</u>
Net increase in cash and cash equivalents	-	-
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**America**  **CAN!**

**TEA Required  
Supplementary Information**

**America Can! Corporate**  
Schedules of Expenses  
Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Expenses</b>		
6100 Payroll costs	\$ 1,499,073	\$ 1,460,263
6200 Professional and contracted services	318,517	137,473
6300 Supplies and material	309,262	269,040
6400 Other operating costs	53,871	275,151
6500 Debt costs	-	36,744
	<u>                    </u>	<u>                    </u>
<b>TOTAL EXPENSES</b>	<u>\$ 2,180,723</u>	<u>\$ 2,178,671</u>



**America Can! Cars for Kids**  
Schedules of Expenses  
Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Expenses</b>		
6100 Payroll costs	\$ 1,493,644	\$ 1,515,131
6200 Professional and contracted services	4,604,025	4,915,808
6300 Supplies and material	126,978	131,991
6400 Other operating costs	144,360	560,531
6500 Debt costs	<u>71,175</u>	<u>95,700</u>
<b>TOTAL EXPENSES</b>	<u>\$ 6,440,182</u>	<u>\$ 7,219,161</u>

**Texans Can!**  
Schedules of Expenses  
Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Expenses</b>		
6100 Payroll costs	\$ 37,896,114	\$ 32,527,680
6200 Professional and contracted services	11,369,680	11,532,350
6300 Supplies and material	3,590,262	4,074,286
6400 Other operating costs	4,076,575	3,253,312
6500 Debt costs	<u>318,978</u>	<u>283,044</u>
<b>TOTAL EXPENSES</b>	<u>\$ 57,251,609</u>	<u>\$ 51,670,672</u>

# Can! Academy Education Foundation

## Schedule of Expenses

Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Expenses</b>		
6100 Payroll costs	\$ -	\$ -
6200 Professional and contracted services	-	-
6300 Supplies and material	-	-
6400 Other operating costs	-	9,410
6500 Debt costs	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>\$ -</u>	<u>\$ 9,410</u>

# America Can! Corporate

## Schedule of Capital Assets

August 31, 2017

		Ownership Interest			
		Local	State	Federal	Total
1520	Construction in progress	\$ 27,050	\$ -	\$ -	\$ 27,050
1510	Land and improvements	134,894	-	-	134,894
1520	Building and improvements	565,705	-	-	565,705
1531	Vehicles	51,685	-	-	51,685
1533	Computer equipment	34,678	-	-	34,678
1539	Furniture and equipment	93,940	-	-	93,940
1560	Library books and media	68,120	-	-	68,120
1570	Less accumulated depreciation	<u>(596,665)</u>	<u>-</u>	<u>-</u>	<u>(596,665)</u>
<b>TOTAL CAPITAL ASSETS</b>		<u>\$ 379,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379,407</u>

# America Can! Cars for Kids

## Schedule of Capital Assets

August 31, 2017

		Ownership Interest			
		Local	State	Federal	Total
1520	Building and improvements	\$ 2,776,153	\$ -	-	2,776,153
1531	Vehicles	12,100	-	-	12,100
1533	Computer equipment	50,611	-	-	50,611
1539	Furniture and equipment	30,345	-	-	30,345
1560	Library books and media	-	-	-	-
1570	Less accumulated depreciation	(272,530)	-	-	(272,530)
<b>TOTAL CAPITAL ASSETS</b>		<u>\$ 2,596,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,596,679</u>

**Texans Can!**  
Schedule of Capital Assets  
August 31, 2017

	Ownership Interest			Total
	Local	State	Federal	
1520 Construction in progress	\$ -	\$ -	\$ -	\$ -
1510 Land and improvements	-	1,266,490	-	1,266,490
1520 Building and improvements	1,327,757	33,962,578	-	35,290,335
1531 Vehicles	-	225,270	-	225,270
1533 Computer equipment	-	2,452,694	-	2,452,694
1539 Furniture and equipment	74,190	455,190	19,335	548,715
1560 Library books and media	-	-	-	-
1570 Less accumulated depreciation	(538,607)	(10,926,348)	(12,543)	(11,477,498)
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 863,340</u>	<u>\$ 27,435,874</u>	<u>\$ 6,792</u>	<u>\$ 28,306,006</u>

# Texans Can!

## Budgetary Comparison Schedule (Unaudited)

### Year Ended August 31, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget	
	Original	Final			
<b>REVENUES</b>					
5700	Local Support	\$ 462,197	\$ 2,426,306	\$ 1,898,451	\$ (527,855)
5800	State program revenues	45,792,471	48,100,987	48,861,197	760,210
5900	Federal program revenues	1,555,479	6,781,902	7,425,931	644,029
	Total Revenue	47,810,147	57,309,195	58,185,579	876,384
<b>EXPENSES</b>					
11	Instruction	16,218,245	19,688,113	19,847,455	(159,342)
12	Instructional resources	-	-	-	-
13	Curriculum and instructional staff development	746,042	2,933,988	3,093,824	(159,836)
21	Instructional leadership	687,283	1,346,423	1,458,473	(112,050)
23	School leadership	6,100,464	6,752,833	6,699,259	53,574
31	Guidance, counseling and evaluation services	4,919,387	6,256,084	6,176,121	79,963
32	Social work services	20,289	20,289	-	20,289
33	Health services	156,890	156,890	98,373	58,517
34	Student transportation	1,166,149	1,269,193	1,011,291	257,902
35	Food services	1,619,883	1,562,670	1,521,878	40,792
36	Cocurricular/extracurricular activities	61,858	204,729	174,064	30,665
41	General administration	3,616,050	3,698,377	3,674,235	24,142
51	Plant maintenance and operations	7,124,215	7,685,115	7,975,125	(290,010)
52	Security and monitoring services	1,667,752	1,767,170	1,708,552	58,618
53	Data processing services	2,426,684	2,426,684	2,368,481	58,203
61	Community services	369,781	484,756	437,913	46,843
71	Debt service	236,374	345,864	318,978	26,886
81	Fund raising	672,801	710,017	687,587	22,430
	Total Expenses	47,810,147	57,309,195	57,251,609	57,586
	Loss on sale of property	-	-	(40,163)	40,163
	Change in net assets	-	-	893,807	893,807
	Net assets, beginning of year	32,088,409	32,088,409	32,088,409	-
	<b>NET ASSETS, END OF YEAR</b>	<b>\$ 32,088,409</b>	<b>\$ 32,088,409</b>	<b>\$ 32,982,216</b>	<b>\$ 893,807</b>

### Budget Amendments

During the year, numerous budget amendments are approved by the Board in order to redistribute the budget to align specific amounts to meet projected expenditures. The changes between the original and final budget were due to the original budget not including grant revenue and expenses and also additional students resulted in additional revenue received and expenses that were incurred.

**America**  **CAN!**



**Reports on  
Compliance, Internal Controls  
and Federal Awards**

**America**  **CAN!**



## Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance And other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors  
America Can!  
Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of America Can! (a nonprofit organization), which comprise the consolidated statement of financial position as of August 31, 2017, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 18, 2018. Our report includes a reference to other auditors who audited the financial statements of America Can! Cars for Kids, as described in our report on the financial statements of America Can!. The financial statements of America Can! Cars for Kids was not audited in accordance with Government Auditing Standards and this report does not include the results of other auditors testing of internal control over financial reporting on compliance.

### Internal Control Over Financial Reporting

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

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

Our consideration of the 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 America Can!'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

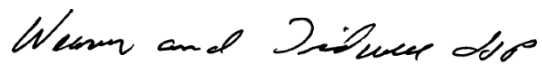
However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Board of Directors  
America Can!

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 America Can!'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering America Can!'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 18, 2018



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance In Accordance with the Uniform Guidance**

Board of Directors  
America Can!  
Dallas, Texas

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

We have audited America Can!'s (a nonprofit organization) 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 America Can!'s major federal programs for the year ended August 31, 2017. America Can!'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of America Can!'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 America Can!'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 America Can!'s compliance.

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

In our opinion, America Can! complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

Board of Directors  
America Can!

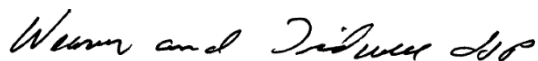
### **Report on Internal Control Over Compliance**

Management of America Can! 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 America Can!'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of America Can!'s internal control over compliance.

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

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

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



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 18, 2018

# America Can!

## Schedule of Findings and Questioned Costs Year Ended August 31, 2017

### Section I – Summary of Auditor’s Results

An unmodified opinion was issued on the financial statements.  
Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

### Federal Awards:

Internal control over major programs:

- Material weakness(es) identified?  Yes  None reported
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Uniform Guidance?  Yes  No

Identification of major programs:

CFDA Number(s)  
10.553 & 10.555 & 10.550  
84.374A  
84.027

Name of Federal Programs or Cluster  
Child Nutrition Cluster  
Teacher Incentive Program  
IDEA – B Formula

Threshold for distinguishing Type A and B programs: \$750,000

Auditee qualified as a low- risk auditee?  Yes  No

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Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2017

## **Section II – Financial Statement Findings**

None

## **Section III – Federal Award Findings and Questioned Costs**

None



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Schedule of Prior Audit Findings  
Year Ended August 31, 2016

**Section IV – Summary Schedule of Prior Year Findings**

None

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## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2017

Fund Code	Federal/State Grantor-Pass Through Grantor/Program Title	Co. or Org	Federal CFDA Number	Pass-Through Entity Identifying Number	Direct Federal Expenditures	Indirect Cost	Total
<b>U.S. Department of Education</b>							
202	Project READ2	01	84.215G	S215G160059	\$ 94,466	\$ 13,351	\$ 107,817
202	Project READ2	41	84.215G	S215G160059	258,103	-	258,103
202	Project READ2	61	84.215G	S215G160059	102,600	-	102,600
	Total CFDA Number 84.215G				455,170	13,351	\$ 468,521
204	Project Ready 2 Excel	01	84.374A	U374A160003	1,023,654	34,387	1,058,041
204	Project Ready 2 Excel	21	84.374A	U374A160003	185,201	-	185,201
204	Project Ready 2 Excel	5	84.374A	U374A160003	387,361	-	387,361
204	Project Ready 2 Excel	51	84.374A	U374A160003	69,303	-	69,303
204	Project Ready 2 Excel	61	84.374A	U374A160003	111,386	-	111,386
204	Project Ready 2 Excel	71	84.374A	U374A160003	71,916	-	71,916
	Total CFDA Number 84.374A				1,848,819	34,387	1,883,206
	<b>Total U.S. Department of Education</b>				<b>2,303,989</b>	<b>47,738</b>	<b>2,351,727</b>
<b>Passed Through Texas Education Agency</b>							
211	Title I, Part A - Improving Basic Programs	01	84.010A	16610101057804	16,306	15,035	31,341
211	Title I, Part A - Improving Basic Programs	21	84.010A	16610101057804	274,111	-	274,111
211	Title I, Part A - Improving Basic Programs	41	84.010A	16610101057804	655,382	-	655,382
211	Title I, Part A - Improving Basic Programs	51	84.010A	16610101057804	112,017	-	112,017
211	Title I, Part A - Improving Basic Programs	61	84.010A	16610101057804	242,757	-	242,757
211	Title I, Part A - Improving Basic Programs	71	84.010A	16610101057804	135,845	-	135,845
216	Title I 1003 (A), Priority and Focus School Grant - Ross	001	84.010A	16610112057804000	9,998	5,164	15,161
216	Title I 1003 (A), Priority and Focus School Grant - OC	002	84.010A	16610112057804000	11,635	-	11,635
216	Title I 1003 (A), Priority and Focus School Grant - CFB	003	84.010A	16610112057804000	15,017	-	15,017
216	Title I 1003 (A), Priority and Focus School Grant - Pleasant Grove	004	84.010A	16610112057804000	9,068	-	9,068
216	Title I 1003 (A), Priority and Focus School Grant - Austin	006	84.010A	16610112057804000	12,420	-	12,420
216	Title I 1003 (A), Priority and Focus School Grant - Campus Drive	007	84.010A	16610112057804000	25,227	-	25,227
216	Title I 1003 (A), Priority and Focus School Grant - Lancaster	008	84.010A	16610112057804000	21,847	-	21,847
216	Title I 1003 (A), Priority and Focus School Grant - North	009	84.010A	16610112057804000	49,116	-	49,116
216	Title I 1003 (A), Priority and Focus School Grant - Hobby	010	84.010A	16610112057804000	21,087	-	21,087
216	Title I 1003 (A), Priority and Focus School Grant - San Antonio	011	84.010A	16610112057804000	19,421	-	19,421
	Total CFDA Number 84.010A				1,631,254	20,199	1,651,453
224	IDEA-B Formula	01	84.027A	166600010578046600	473,813	29,670	503,483
224	IDEA-B Formula	21	84.027A	166600010578046600	74,744	-	74,744
224	IDEA-B Formula	41	84.027A	166600010578046600	254,662	-	254,662
224	IDEA-B Formula	51	84.027A	166600010578046600	27,889	-	27,889
224	IDEA-B Formula	61	84.027A	166600010578046600	33,069	-	33,069
224	IDEA-B Formula	71	84.027A	166600010578046600	23,753	-	23,753
	Total CFDA Number 84.027				887,931	29,670	917,601
255	Title II, Part A - Teacher & Principal Training & Recruitment	01	84.367A	16694501057804	145,542	6,194	151,737
255	Title II, Part A - Teacher & Principal Training & Recruitment	21	84.367A	16694501057804	14,098	-	14,098
255	Title II, Part A - Teacher & Principal Training & Recruitment	41	84.367A	16694501057804	6,794	-	6,794
255	Title II, Part A - Teacher & Principal Training & Recruitment	51	84.367A	16694501057804	6,477	-	6,477
255	Title II, Part A - Teacher & Principal Training & Recruitment	61	84.367A	16694501057804	1,659	-	1,659
255	Title II, Part A - Teacher & Principal Training & Recruitment	71	84.367A	16694501057804	10,748	-	10,748
	Total CFDA Number 84.367A				185,318	6,194	191,513

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## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2017

Fund Code	Federal/State Grantor-Pass Through Grantor/Program Title	Co. or Org	Federal CFDA Number	Pass-Through Entity Identifying Number	Direct Federal Expenditures	Indirect Cost	Total
263	Title III, Part A - LEP	21	84.365A	16671001057804	\$ 17,652	\$ 1,676	\$ 19,328
263	Title III, Part A - LEP	41	84.365A	16671001057804	40,892	-	40,892
263	Title III, Part A - LEP	51	84.365A	16671001057804	6,356	-	6,356
263	Title III, Part A - LEP	61	84.365A	16671001057804	12,362	-	12,362
263	Title III, Part A - LEP	71	84.365A	16671001057804	6,533	-	6,533
	Total CFDA Number 84.367A				<u>83,795</u>	<u>1,676</u>	<u>85,471</u>
265	21st CCLC Cycle 8 Year	01	84.287C	166950197110002	530,950	35,453	566,403
265	21st CCLC Cycle 8 Year	41	84.287C	166950197110002	731,224	-	731,224
	Total CFDA Number 84.287C				<u>1,262,173</u>	<u>35,453</u>	<u>1,297,626</u>
<b>Total Passed Through Texas Education Agency</b>					<u>4,050,472</u>	<u>93,192</u>	<u>4,143,664</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>					<u>6,354,461</u>	<u>140,930</u>	<u>6,495,391</u>
<b>State Department of Agriculture</b>							
<b>Child Nutrition Cluster</b>							
240	National School Breakfast Program	21		71400901	49,329	-	49,329
240	National School Breakfast Program	41	10.553	71400901	116,957	63,077	180,034
240	National School Breakfast Program	51		71400901	14,419	-	14,419
240	National School Breakfast Program	61		71400901	55,197	-	55,197
240	National School Breakfast Program	71		71400901	10,952	-	10,952
	Total CFDA Number 10.553				<u>246,853</u>	<u>63,077</u>	<u>309,930</u>
240	National School Lunch Program	21		71300901	111,292	-	111,292
240	National School Lunch Program	41	10.555	71300901	149,829	112,136	261,965
240	National School Lunch Program	51		71300901	30,918	-	30,918
240	National School Lunch Program	61		71300901	115,115	-	115,115
240	National School Lunch Program	71		71300901	32,168	-	32,168
	Total CFDA Number 10.555				<u>439,321</u>	<u>112,136</u>	<u>551,457</u>
240	Food Distribution	21		057-804	15,697	-	15,697
240	Food Distribution	41	10.550	057-804	31,394	-	31,394
240	Food Distribution	51		057-804	5,232	-	5,232
240	Food Distribution	61		057-804	10,465	-	10,465
240	Food Distribution	71		057-804	5,232	-	5,232
	Total CFDA Number 10.550				<u>68,020</u>	<u>-</u>	<u>68,020</u>
<b>Total Child Nutrition Cluster</b>					<u>754,194</u>	<u>175,213</u>	<u>929,407</u>
170	USDA Revenue - ECDC	501	10.558	0570527	72,253	-	72,253
170	USDA Revenue - ECDC	503		0570527	39,351	-	39,351
170	USDA Revenue - ECDC	504		0570527	12,206	-	12,206
170	USDA Revenue - ECDC	505		0570527	23,093	-	23,093
170	USDA Revenue - ECDC	530		0570527	18,487	-	18,487
	Total CFDA Number 10.558				<u>165,390</u>	<u>-</u>	<u>165,390</u>
<b>Total Passed Through the State Department of Agriculture</b>					<u>919,584</u>	<u>175,213</u>	<u>1,094,797</u>
<b>GRAND TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<u>\$ 7,274,045</u>	<u>\$ 316,143</u>	<u>\$ 7,590,188</u>

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## Notes on Accounting Policies for Federal Awards Year Ended August 31, 2017

1. For all Federal programs, the Charter Holder uses the funds specified by the Texas Education Agency in the Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts. Temporarily restricted funds are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in temporarily restricted funds.
2. The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The accrual basis of accounting is described in Note 1 to the financial statements.
3. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant.
4. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, the Uniform Guidance.
5. Expenditures of federal and states awards are reported in the Charter Holder's financial statements as follows:

Federal revenue per the Statement of Activities	\$ 7,591,321
Shars revenue	<u>(1,133)</u>
Per Schedule of Expenditures of Federal Awards	<u><u>\$ 7,590,188</u></u>

6. Indirect costs and total non-cash assistance included in total expenditures of federal and states awards totaled \$316,143 and \$68,020, respectively.