



RICHARD MILBURN ACADEMY/TX, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Paul J. Christensen & Associates, LLC
Certified Public Accountants
Waco, Texas

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Richard Milburn Academy/TX, Inc.
(Federal Employer Identification Number: 06-1585988)
Certificate of Board

We, the undersigned, certify that the attached Financial and Compliance Report of Richard Milburn Academy/TX, Inc. was reviewed and (check one) approved disapproved for the year ended June 30, 2021 at a meeting of governing body of the charter holder on the 19th day of November, 2021.



Signature of Board Secretary



Signature of Board President

If the governing body of the charter holder does not approve the Independent Auditor's Report, it must forward a written statement discussing the reason(s) for not approving the report.

Paul J. Christensen & Associates, LLC

Certified Public Accountants

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Paul J. Christensen, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Richard Milburn Academy/TX, Inc.
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Richard Milburn Academy/TX, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited the Richard Milburn Academy/TX, Inc.'s June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 19 through 21 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of Richard Milburn Academy/TX, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Richard Milburn Academy/TX, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Richard Milburn Academy/TX, Inc.'s internal control over financial reporting and compliance.



Waco, Texas
November 19, 2021

FINANCIAL STATEMENTS

RICHARD MILBURN ACADEMY/TX, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(with summarized comparative totals as of June 30, 2020)

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 7,009,340	\$ 4,588,044
Due from governments	2,895,532	2,661,678
Deferred expenses	34,399	26,459
Other receivables	182,240	201,765
Total Current Assets	<u>10,121,511</u>	<u>7,477,946</u>
Property and Equipment		
Land	941,985	941,985
Building and improvements	11,683,929	6,749,654
Construction in progress	-	3,896,203
Furniture and equipment	2,105,711	2,105,711
	<u>14,731,625</u>	<u>13,693,553</u>
Less: Accumulated depreciation	(3,179,227)	(2,825,821)
Net Property and Equipment	<u>11,552,398</u>	<u>10,867,732</u>
Other Assets		
Security deposits	6,280	6,280
Total Other Assets	<u>6,280</u>	<u>6,280</u>
Total Assets	<u>\$ 21,680,189</u>	<u>\$ 18,351,958</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 332,940	\$ 1,291,683
Accrued wages payable	616,418	1,589,273
Paycheck protection program loan	2,000,000	-
Current portion of long-term debt	228,743	195,931
Total Current Liabilities	<u>3,178,101</u>	<u>3,076,887</u>
Long-Term Liabilities		
Construction loan	-	402,803
Long-term debt net of current portion	7,297,948	5,634,012
Total Long-Term Liabilities	<u>7,297,948</u>	<u>6,036,815</u>
Total Liabilities	<u>10,476,049</u>	<u>9,113,702</u>
Net Assets		
Without donor restrictions	485,281	224,411
With donor restrictions	10,718,859	9,013,845
Total Net Assets	<u>11,204,140</u>	<u>9,238,256</u>
Total Liabilities and Net Assets	<u>\$ 21,680,189</u>	<u>\$ 18,351,958</u>

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

RICHARD MILBURN ACADEMY/TX, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with summarized comparative totals for the year ended June 30, 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues				
Local support:				
Interest and other income	\$ 268,396	\$ -	\$ 268,396	\$ 224,411
Total local support	268,396	-	268,396	224,411
State program revenues:				
Foundation school program act	-	15,485,792	15,485,792	17,291,133
Other state aid	-	28,589	28,589	196,405
Total state program revenues	-	15,514,381	15,514,381	17,487,538
Federal program revenues:				
ESEA Title I, Part A	-	1,175,663	1,175,663	1,231,477
ESEA Title II, Part A	-	57,314	57,314	51,518
IDEA - Part B, Formula	-	318,745	318,745	248,082
Career and Technical	-	20,135	20,135	18,810
National School Lunch and Breakfast Program	-	33,485	33,485	52,455
ESEA, Title III, Part A	-	5,610	5,610	6,823
ESEA, Title IV, Part A	-	83,870	83,870	-
ESEA Title I, Part C, Migrant	-	1,576	1,576	2,357
ESSER Grant	-	11,835	11,835	389,631
Prior Purchase Reimbursement Program	-	8,276	8,276	-
Total federal program revenues	-	1,716,509	1,716,509	2,001,153
Net assets released from restrictions:				
Restrictions satisfied by payments	15,525,876	(15,525,876)	-	-
Total Revenues	15,794,272	1,705,014	17,499,286	19,713,102
Expenses				
Program Services:				
11 Instruction	7,053,917	-	7,053,917	8,172,978
13 Curriculum development and instructional staff development	635,763	-	635,763	1,311,270
21 Instructional leadership	103,842	-	103,842	289,570
23 School leadership	1,621,256	-	1,621,256	2,102,313
31 Guidance, counseling and evaluation services	920,828	-	920,828	1,062,340
33 Health services	5,428	-	5,428	17,934
34 Student (Pupil) Transportation	1,018	-	1,018	7,371
35 Food services	130,105	-	130,105	131,155
Total Program Services	10,472,157	-	10,472,157	13,094,931
Support services:				
41 General administration	868,269	-	868,269	946,673
51 Plant maintenance and operations	2,316,935	-	2,316,935	2,537,720
52 Security and monitoring services	267,105	-	267,105	128,993
53 Data processing services	829,118	-	829,118	920,247
61 Community services	429,921	-	429,921	439,565
71 Debt service	349,897	-	349,897	270,142
Total Support Services	5,061,245	-	5,061,245	5,243,340
Total Expenses	15,533,402	-	15,533,402	18,338,271
Change in Net Assets	260,870	1,705,014	1,965,884	1,374,831
Net Assets, Beginning of Year	224,411	9,013,845	9,238,256	7,863,425
Net Assets, End of Year	\$ 485,281	\$10,718,859	\$ 11,204,140	\$ 9,238,256

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

RICHARD MILBURN ACADEMY/TX, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(with summarized comparative totals for the year ended June 30, 2020)

	2021	2020
Cash Flows from Operating Activities:		
Foundation school program payments	\$ 15,254,598	\$ 17,667,677
Other state aid	25,930	372,940
Grant payments	1,716,509	1,842,355
Miscellaneous sources	287,921	100,161
Payments to vendors for goods and services rendered	(10,445,245)	(5,915,093)
Payments to charter school personnel for services rendered	(6,324,392)	(11,148,159)
Interest payments	(349,897)	(270,142)
Net Cash Provided by Operating Activities	165,424	2,649,739
Cash Flows from Investing Activities:		
Purchase of capital assets	(1,038,072)	(3,010,117)
Proceeds from sale of assets	-	-
Net Cash Used by Investing Activities	(1,038,072)	(3,010,117)
Cash Flows from Financing Activities:		
Issuance of long-term debt	3,498,517	402,803
Repayment of long-term debt	(204,572)	(183,556)
Net Cash Provided by Financing Activities	3,293,945	219,247
Net Increase (Decrease) in Cash	2,421,297	(141,131)
Cash at Beginning of Year	4,588,044	4,729,175
Cash at End of Year	\$ 7,009,341	\$ 4,588,044
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Net Assets	\$ 1,965,884	\$ 1,374,831
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	353,406	264,123
(Increase) Decrease in assets:		
Due from governments	(233,854)	453,230
Other receivables	19,525	(124,250)
Deferred expenses	(7,940)	14,724
Security deposits	-	(6,280)
Increase (Decrease) in liabilities:		
Accounts payable	(958,743)	276,670
Accrued wages payable	(972,855)	455,640
Due to other federal agencies	-	(58,949)
Net Cash Provided by Operating Activities	\$ 165,423	\$ 2,649,739

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

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The financial statements of Richard Milburn Academy/TX, Inc. (the "Charter Holder") were prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Reporting Entity

The Charter Holder is a not-for-profit organization incorporated in the State of Texas in 2000 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The Charter Holder is operated as a single charter school and does not conduct any other charter or non-charter activities. The Charter Holder is governed by a Board of Directors comprised of five members. The Board of Directors are 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.

Since the Charter Holder received funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

Corporate Operations

The State Board of Education of the State of Texas granted the Charter Holder an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code. Pursuant to the program described in the charter application approved by the State Board of Education and the terms of the applicable Contract for Charter, Richard Milburn Academy/TX, Inc. was opened. Richard Milburn Academy/TX, Inc. was organized to provide educational services to at-risk students and their programs, services, activities and functions are governed by the Charter Holder's Board of Directors.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles generally accepted in the United States of America (GAAP).

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

Net Assets Without Donor Restrictions - net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.

Net Assets With Donor Restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Use of Estimates

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

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Contributions

The Charter Holder accounts for contributions as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

For financial statement purposes, the Charter Holder considers all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets, which include land, buildings and improvements, construction in progress, vehicles, and furniture and equipment are reported in the financial statements. Capital assets are defined by the Charter Holder as assets with an individual cost of more than \$5,000 and an estimated useful life of more than one year. 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.

Due From Governments

The Charter Holder considers all government grants and contracts as exchange transactions rather than contributions. The Charter Holder recognizes revenue from fee-for-service transactions as services are rendered and, for grants, as eligible expenditures are incurred. Advances from government agencies are recorded as deferred revenues. Eligible expenditures incurred in excess of grant fund reimbursements are recorded as receivables.

Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of any noncompliance with terms of the grant of contract.

Impairment of Long-Lived Assets

The Charter Holder reviews the carrying value of capital assets for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, and the effects of obsolescence, demand, competition, and other economic factors. The Charter Holder did not recognize an impairment loss during the year ended June 30, 2021.

State Funding

The amount of state foundation school program act revenue the Charter Holder earns may vary until the time when final values for all factors in the state aid formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation school program act revenue estimate for the year ended June 30, 2021 will change.

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenues from the state of Texas are based on reported attendance. Public and private grants received are recognized in the period received and when the terms of the grant are met.

Donated Services and Assets

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and which would typically need to be purchased if not provided by donation are recorded at the estimated fair market value in the period received.

Contributions of donated noncash assets are recorded at the estimated fair market value in the period received.

Functional Allocation of Expenses

The Charter Holder provides educational services to at-risk students. The relationship between functional expense classifications as summarized on the statement of activities and their natural expense classifications is presented in the table below:

	2021			2020		
	Program Services	Support Services	Total	Program Services	Support Services	Total
<u>Expenses</u>						
6100 Payroll Cost	\$ 8,070,185	\$ 1,394,267	\$ 9,464,452	\$ 10,072,647	\$ 1,531,152	\$ 11,603,799
6200 Professional and contracted services	743,683	2,988,667	3,732,350	890,659	3,117,773	4,008,432
6300 Supplies and materials	1,115,994	106,454	1,222,448	1,576,835	102,393	1,679,228
6400 Other operating costs	542,294	221,961	764,255	554,790	221,880	776,670
6500 Debt Service	-	349,897	349,897	-	270,142	270,142
	<u>\$ 10,472,156</u>	<u>\$ 5,061,246</u>	<u>\$ 15,533,402</u>	<u>\$ 13,094,931</u>	<u>\$ 5,243,340</u>	<u>\$ 18,338,271</u>

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Charter Holder which will only be resolved when one or more future events occur or fail to occur. The Charter Holder's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingences related to legal proceedings that are pending against the Charter Holder or unasserted claims that may result in such proceedings, the Charter Holder's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is possible that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Charter Holder's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

RICHARD MILBURN ACADEMY/TX, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Charter Holder's audited financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Checking accounts	\$ 6,232,986	\$ 3,812,742
Money market accounts	776,354	775,302
	\$ 7,009,340	\$ 4,588,044

Note 3 - Due from Governments

Amounts due from governments as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Texas Department of Education, Texas Education Agency	\$ 2,488,863	\$ 2,257,669
U.S. Department of Education passed through Texas Education Agency	406,669	404,009
Total	\$ 2,895,532	\$ 2,661,678

Note 4 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>2021</u>	Accumulated <u>Depreciation</u>	Net Capital <u>Assets</u>
Land	\$ 941,985	\$ -	\$ -	\$ 941,985	\$ -	\$ 941,985
Buildings and Improvements	6,749,654	4,934,275	-	11,683,929	1,073,516	10,610,413
Construction in Progress	3,896,203	937,701	4,833,904	-	-	-
Furniture and Equipment	2,105,711	-	-	2,105,711	2,105,711	-
	\$ 13,693,553	\$ 5,871,976	\$ 4,833,904	\$ 14,731,625	\$ 3,179,227	\$ 11,552,398

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 4 - Capital Assets (continued)

Capital assets acquired with public funds received by the Charter Holder for the operation of Richard Milburn Academy/TX, Inc. constitute public property pursuant to Chapter 12 of the Texas Education Code. These assets are specifically identified on the Schedule of Capital Assets.

Depreciation expense for the year ended June 30, 2021 and 2020, was \$353,406 and \$264,123, respectively.

Note 5 - Pension Plan Obligations

Plan Description

The Charter Holder contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiemployer defined benefit pension plan with one exception; all risks and costs are not shared by the Charter Holder, but are the liability of the State of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas.

The plan operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trstate.tx.us, under the TRS Publications Heading.

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer pension plans is different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas State legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contributions

State law provides for a member contribution rate of 7.7% for fiscal year 2021 and 2020. The state's contribution rate as a non-employer contributing entity was 7.5% for fiscal year 2021.

The Charter Holder's employees' contributions to the System for the years ending June 30, 2021 and 2020 were \$443,276 and \$427,835, respectively, equal to the required contributions for each year. Other contributions made from federal and private grants and from the Charter Holder for salaries above the statutory minimum for the years ending June 30, 2021 and 2020 were \$9,577 and \$9,868, respectively, equal to the required contributions for each year. The Charter Holder's contributions into this plan do not represent more than 5% of the total contributions to the plan.

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 6 - Health Care Coverage

During the year ended June 30, 2021 and 2020, employees of the Charter Holder were covered by a Health Insurance Plan ("Plan"). The Charter Holder contributed \$465 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

Note 7 - Risk Management Program

Worker's compensation coverage, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have historically not exceeded commercial coverage.

Note 8 - Leases

Richard Milburn Academy/TX, Inc. leases its facilities under non-cancellable operating leases, which contain varying renewal options. Approximate aggregate remaining minimum rental commitments as of June 30, 2021 under these leases are summarized as follows:

<u>Fiscal Year Ending June 30,</u>	
2022	\$ 716,289
2023	498,624
2024	373,616
2025	21,350
	<u>\$ 1,609,879</u>

Rent expense for all operating leases for the year ended June 30, 2021 and 2020 was \$1,032,870 and \$1,266,624, respectively.

Note 9 - Long Term Debt

On July 6, 2016, the Charter Holder signed a promissory note with a bank for \$2,120,000 to finance the purchase of property and improvements located in Pasadena, Texas. The note bears interest at 4.24% and matures July 6, 2021. Monthly interest only payments are required through July 6, 2017 at which time it will convert into monthly installments of \$11,473 and one balloon payment of the entire unpaid balance of principal and interest on July 6, 2021. The note is secured by the property and improvements.

On January 8, 2018, the Charter Holder signed a promissory note with a bank for \$3,556,812 to finance the purchase of property and improvements located in Killeen, Lubbock, and Odessa, Texas. The note bears interest at 4.49% and matures October 3, 2022 and is payable in monthly installments of \$22,606 including one balloon payment of the entire unpaid balance of principal and interest on October 3, 2022. The note is secured by the property and improvements.

On July 26, 2020, the Charter Holder signed a promissory note with a bank for \$580,000 to finance the purchase of property and improvements located in Corpus Christi, Texas. The note bears interest at 4.99% and matures July 26, 2023 and is payable in monthly installments of \$3,825 including one balloon payment of the entire unpaid balance of principal and interest on July 26, 2023. The note is secured by property and improvements.

RICHARD MILBURN ACADEMY/TX, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

Note 9 - Long Term Debt (continued)

On April 27, 2021, the Charter Holder entered into a construction loan agreement and signed a promissory note with a bank for \$2,150,000 to finance the improvements located in Corpus Christi, Texas. The note bears interest at 5.49% and matures April 27, 2025 and is payable in monthly installments that will be determined by the Lender based on an amortization of the principal balance as of April 27, 2021. The note is secured by property and improvements.

Future requirements to service the notes are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 228,743	\$ 245,008	\$ 473,751
2023	263,496	276,459	539,955
2024	253,349	286,606	539,955
2025	297,126	242,830	539,956
2026-therafter	6,483,977	1,240,641	7,724,618
	<u>\$ 7,526,691</u>	<u>\$ 2,291,544</u>	<u>\$ 9,818,235</u>

Note 10 - Income Tax

The Charter Holder is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business taxable income. The Charter Holder has no material unrelated business income for the year ended June 30, 2021.

Generally accepted accounting principles requires 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. Accordingly, the Charter Holder has not recorded an income tax liability for uncertain tax benefits. For the year ended June 30, 2021 and 2020, there were no interest or penalties related to income taxes recorded or included in the financial statements. As of June 30, 2021, the Charter Holder's tax years 2017 through 2020 remain subject to examination.

Note 11 - Credit Risk

Financial instruments that potentially subject the Charter Holder to credit risk consist of cash at financial institutions. At times, the balances in cash accounts may be in excess of FDIC insurance limits. The financial institution pledges investment securities to compensate for deposits in excess of FDIC insurance limits.

Note 12 - Commitments and Contingencies

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

From time to time, the Charter Holder is subject to certain claims and contingent liabilities that arise in the normal course of business. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material effect on the Charter Holder's financial position.

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12 - Commitments and Contingencies (continued)

Certain federal grants which the Charter Holder administers and for which it receives reimbursements are subject to audit and final acceptance by federal granting agencies. Current and prior year costs of such grants are subject to adjustment upon audit. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time, although the Charter Holder expects such amounts, if any, would not have a significant impact on the financial position of the Charter Holder.

Note 13 - Liquidity and Availability of Financial Resources

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

Cash and cash equivalents	<u>\$7,009,340</u>
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Except for the financial assets listed above, the Charter Holder's cash and cash equivalents and due from governments are restricted by the Texas Education Agency and federal agencies for charter school operations.

Note 14 - Evaluation of Subsequent Events

The Charter Holder has evaluated subsequent events through November 19, 2021, the date which the financial statements were available to be issued.

On August 11, 2021, the Charter Holder consolidated all loan debt in the amount of \$7,647,863. The annual interest rate is 3.61% and monthly payments are \$44,996. Payments will begin on September 11, 2021 with an maturity date of August 11, 2031, when the remaining unpaid principal balance will be due.

SUPPLEMENTARY INFORMATION

RICHARD MILBURN ACADEMY/TX, INC.
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(with summarized comparative totals for the year ended June 30, 2020)

Expenses	<u>2021</u>	<u>2020</u>
6100 Payroll Cost	\$ 9,464,450	\$ 11,603,799
6200 Professional and contracted services	3,732,351	4,008,431
6300 Supplies and materials	1,222,448	1,679,228
6400 Other operating costs	764,256	776,671
6500 Debt Service	349,897	270,142
	<u>\$ 15,533,402</u>	<u>\$ 18,338,271</u>

RICHARD MILBURN ACADEMY/TX, INC.
 SCHEDULE OF CAPITAL ASSETS
 JUNE 30, 2021

	Ownership Interest		
	<u>Local</u>	<u>State</u>	<u>Federal</u>
1510 Land	\$ -	\$ 941,985	\$ -
1520 Building	-	11,683,929	-
1521 Construction in progress	-	-	-
1549 Furniture and equipment	-	2,050,555	55,156
	<u>\$ -</u>	<u>\$ 14,676,469</u>	<u>\$ 55,156</u>

RICHARD MILBURN ACADEMY/TX, INC.
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Local support:				
5740 Other revenues from local sources	\$ 155,800	\$ 235,800	\$ 268,307	\$ 32,507
5750 Other revenues cocurricular, enterprising services		-	89	89
State program revenues:				
5810 Foundation school program act	18,121,661	18,321,661	15,485,792	(2,835,869)
5820 Other State Aid	1,400	9,100	28,589	19,489
Federal program revenues:				
5920 Federal revenues distributed by the Texas Education Agency	2,405,963	2,390,963	1,716,509	(674,454)
Total Revenues	<u>20,684,824</u>	<u>20,957,524</u>	<u>17,499,286</u>	<u>(3,458,239)</u>
Expenses				
11 Instruction	9,452,125	9,502,125	7,053,917	2,448,208
13 Curriculum development and instructional staff development	1,577,508	1,077,508	635,763	441,745
21 Instructional leadership	321,893	221,893	103,842	118,051
23 School leadership	2,089,647	1,889,647	1,621,256	268,391
31 Guidance, counseling and evaluation services	1,632,599	1,617,599	920,828	696,771
33 Health services	45,498	30,498	5,428	-
34 Student (Pupil) Transportation	7,620	5,620	1,018	-
35 Food services	192,003	150,003	130,105	-
36 Cocurricular/extracurricular activities	-	-	-	-
41 General administration	1,053,044	1,033,044	868,269	164,775
51 Plant maintenance and operations	2,465,550	2,465,550	2,316,935	148,615
52 Security and monitoring services	396,933	396,933	267,105	129,828
53 Data processing services	942,924	1,042,924	829,118	213,806
61 Community services	453,742	433,742	429,921	3,821
71 Debt service	281,966	431,966	349,897	82,069
Total Expenses	<u>20,913,052</u>	<u>20,299,052</u>	<u>15,533,402</u>	<u>4,716,081</u>
Change in Net Assets	(228,228)	658,472	1,965,884	1,257,843
Net Assets, Beginning of Year	<u>9,238,256</u>	<u>9,238,256</u>	<u>9,238,256</u>	
Net Assets, End of Year	<u>\$ 9,010,028</u>	<u>\$ 9,896,728</u>	<u>\$ 11,204,140</u>	<u>\$ 1,257,843</u>

COMPLIANCE AND INTERNAL CONTROLS SECTION

Paul J. Christensen & Associates, LLC

Certified Public Accountants

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Waco, Texas 76701
(254)752-3436
FAX (254)752-3463
<http://www.waco-cpa.com>

Paul J. Christensen, C.P.A.
Gary L. Sauls, C.P.A.

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
Richard Milburn Academy/TX, Inc.
San Antonio, 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 Richard Milburn Academy/TX, Inc. (the "Charter Holder") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Richard Milburn Academy/TX, Inc.'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 Richard Milburn Academy/TX, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Richard Milburn Academy/TX, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Richard Milburn Academy/TX, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Paul J. [Signature] + [Signature], LLC

Waco, Texas
November 19, 2021

Paul J. Christensen & Associates, LLC

Certified Public Accountants

2110 Austin Avenue
Waco, Texas 76701
(254)752-3436
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Paul J. Christensen, C.P.A.
Gary L. Sauls, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Richard Milburn Academy/TX, Inc.
San Antonio, Texas

Report on Compliance For Each Major Federal Program

We have audited Richard Milburn Academy/TX, Inc.'s (the "Charter Holder") (a nonprofit organization), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Richard Milburn Academy/TX, Inc.'s major federal programs for the year ended June 30, 2021. Richard Milburn Academy/TX, Inc.'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Richard Milburn Academy/TX, Inc.'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 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 Richard Milburn Academy/TX, Inc.'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 Richard Milburn Academy/TX, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Richard Milburn Academy/TX, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Richard Milburn Academy/TX, Inc. 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 Richard Milburn Academy/TX, Inc.'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 Richard Milburn Academy/TX, Inc.'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.

Paul J. Utter + Utter, LLC

Waco, Texas
November 19, 2021

RICHARD MILBURN ACADEMY/TX, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? ___ Yes X No

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal Control over Major Programs:

Material weakness(es) identified? ___ Yes X No

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

Type of auditor's report issued on compliance for major programs Unmodified

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

Identification of Major Programs:

<u>CFDA Number(s)</u>	Name of Federal Program
84.010A	ESEA, Title I, Part A - Improving Basic Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes ___ No

RICHARD MILBURN ACADEMY/TX, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

I. FINANCIAL STATEMENT FINDINGS

None

II. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

RICHARD MILBURN ACADEMY/TX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass-Through/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education:</u>			
Passed-Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101014801	\$ 370,138
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101014801	805,525
ESEA, Title I, Part C, Migrant	84.011A	20615001015950	1,222
ESEA, Title I, Part C, Migrant	84.011A	21615001015950	354
Special Education Cluster (IDEA)			
IDEA - Part B, Formula	84.027A	206600010148016000	39,159
IDEA - Part B, Formula	84.027A	216600010148016000	279,586
Total Special Education Cluster (IDEA)			<u>318,745</u>
ESEA, Title III, Part A	84.365A	20671001015950	5,610
ESEA, Title II, Part A - Teacher and Principal Training	84.367A	21694501014801	57,314
ESEA, Title II, Part A - Teacher and Principal Training	84.367A	20680101014801	83,870
Career and Technical	84.048A	21420006015950	20,135
Education Stabilization Fund	84.425D	52102135	8,276
ESSER Grant	84.425D	20521001014801	<u>11,835</u>
Total U.S. Department of Education			<u>187,040</u>
<u>U.S. Department of Agriculture:</u>			
Passed-Through Texas Education Agency			
Child Nutrition Cluster			
School Breakfast Program	10.553	71402001	33,485
Total U.S. Department of Agriculture			<u>33,485</u>
Total Expenditures of Federal Awards			<u>\$ 1,716,509</u>

RICHARD MILBURN ACADEMY/TX, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) presents the activity of all applicable federal award programs of Richard Milburn Academy/TX, Inc. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Corporation.

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

Note 2 - Indirect Cost Rate

Richard Milburn Academy/TX, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**REAL PROPERTY OWNERSHIP
AND
RELATED PARTY TRANSACTIONS**

RICHARD MILBURN ACADEMY/TX, INC.
Schedule of Real Property Ownership Interest
Year Ended June 30, 2021

Description	Property Address	Total Assessed Value	Ownership Interest		
			Local	State	Federal
Lubbock Campus	2333 50th Street, Lubbock, TX 79412	\$ 1,080,812		\$ 1,080,812	
Killeen Campus	802 North 8th Street, Killeen, TX 76541	331,254		331,254	
Killeen Records Storage	807 North 8th Street, Killeen, TX 76541	58,624		58,624	
Odessa Campus	2419 North County Road West, Suite #100, Odessa, TX 79763	1,413,449		1,413,449	
Pasadena Campus	320 East Southmore Ave., Suite #306, Pasadena, Tx 77502	922,043		922,043	

RICHARD MILBURN ACADEMY/TX, INC.
Schedule of Related Party Transactions
Year Ended June 30, 2021

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Condition</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During Fiscal Year</u>	<u>Principal Balance Due</u>
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NONE

RICHARD MILBURN ACADEMY/TX, INC.
Schedule of Related Party Compensation and Benefits
Year Ended June 30, 2021

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Description of Terms and Condition</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During Fiscal Year</u>
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NONE