



**AGORA CYBER CHARTER SCHOOL
KING OF PRUSSIA, PENNSYLVANIA**

FINANCIAL STATEMENTS

JUNE 30, 2025

AGORA CYBER CHARTER SCHOOL
JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

December 22, 2025

To the Board of Trustees
Agora Cyber Charter School
King of Prussia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Agora Cyber Charter School, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agora Cyber Charter School as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agora Cyber Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

To the Board of Trustees
Agora Cyber Charter School

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agora Cyber Charter School's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agora Cyber Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agora Cyber Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Trustees
Agora Cyber Charter School

Report on Summarized Comparative Information

We have previously audited the Agora Cyber Charter School's June 30, 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 24, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the Agora Cyber Charter School'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 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 Agora Cyber Charter School's internal control over financial reporting and compliance.


BARBACANE, THORNTON & COMPANY LLP

**AGORA CYBER CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,091,127	\$ 39,329,505
Accounts receivable, net	4,055,551	4,592,840
Grants receivable	1,735,903	3,008,451
Prepaid expenses	178,395	273,772
Total Current Assets	43,060,976	47,204,568
NONCURRENT ASSETS:		
Property and equipment:		
Leasehold improvements	193,909	193,909
Computer equipment and software	347,752	347,752
Office equipment	149,241	149,241
Less Accumulated depreciation	(618,476)	(599,085)
Total Property and Equipment	72,426	91,817
Right-of-use asset, office building	1,414,495	1,722,189
Total Noncurrent Assets	1,486,921	1,814,006
TOTAL ASSETS	\$ 44,547,897	\$ 49,018,574
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,944,059	\$ 9,118,179
Accrued salaries and benefits	6,933,420	6,800,743
Unearned revenue	-	3,969,881
Current portion of lease liability	325,521	307,694
Total Current Liabilities	19,203,000	20,196,497
NONCURRENT LIABILITIES:		
Noncurrent portion of lease liability	1,088,974	1,414,495
NET ASSETS:		
Net assets without donor restrictions		
Assigned	20,000,000	20,000,000
Unassigned	4,255,923	7,407,582
Total Net Assets	24,255,923	27,407,582
TOTAL LIABILITIES AND NET ASSETS	\$ 44,547,897	\$ 49,018,574

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

**AGORA CYBER CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(With Summarized Totals for the Year Ended June 30, 2024)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Operating subsidy	\$ 95,854,847	\$ -	\$ 95,854,847	\$ 94,219,181
Federal grants	-	10,861,455	10,861,455	16,022,688
Interest income	1,693,928	-	1,693,928	1,926,587
Other income	1,041,747	-	1,041,747	355,970
Subtotal	98,590,522	10,861,455	109,451,977	112,524,426
Net assets released from restriction:				
Satisfaction of program restrictions	10,861,455	(10,861,455)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	109,451,977	-	109,451,977	112,524,426
 EXPENSES				
Program Services:				
Instruction	62,211,548	-	62,211,548	57,628,843
IDEA	1,724,641	-	1,724,641	1,866,776
Medical Access Administrative	67,843	-	67,843	38,626
Title I	3,330,576	-	3,330,576	3,354,964
Title II	201,032	-	201,032	188,425
Education Stabilization	3,813,870	-	3,813,870	10,335,865
Title IV	223,493	-	223,493	238,032
Total Program Services	71,573,003	-	71,573,003	73,651,531
Support services	41,030,633	-	41,030,633	35,708,415
TOTAL EXPENSES	112,603,636	-	112,603,636	109,359,946
 NET OPERATING INCOME	(3,151,659)	-	(3,151,659)	3,164,480
 CHANGE IN NET ASSETS	(3,151,659)	-	(3,151,659)	3,164,480
 NET ASSETS, BEGINNING OF YEAR	27,407,582	-	27,407,582	24,243,102
 NET ASSETS, END OF YEAR	\$ 24,255,923	\$ -	\$ 24,255,923	\$ 27,407,582

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

**AGORA CYBER CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(With Summarized Totals for the Year Ended June 30, 2024)**

	Program Services							Total Program Services	Total Support Services	Totals	
	Instruction	IDEA	Medical Access Administrative	Title I	Title II	Education Stabilization	Title IV			2025	2024
	Salaries	\$ 18,374,014	\$ -	\$ -	\$ 1,517,787	\$ 101,907	\$ 1,213,857			\$ 125,468	\$ 21,333,033
Benefits and payroll taxes	16,793,141	-	-	1,493,195	86,518	1,089,022	98,025	19,559,901	13,007,606	32,567,507	29,305,064
Total Salaries and Related Expenses	35,167,155	-	-	3,010,982	188,425	2,302,879	223,493	40,892,934	27,967,829	68,860,763	69,088,195
Advertising	-	-	-	-	-	-	-	-	1,812,260	1,812,260	1,852,734
Books and materials	1,044,536	-	-	552	-	-	-	1,045,088	3,220	1,048,308	1,282,056
Depreciation	19,391	-	-	-	-	-	-	19,391	-	19,391	34,315
Dues and fees	1,583	-	-	1,075	-	-	-	2,658	922,916	925,574	648,549
Insurance	-	-	-	-	-	-	-	-	343,624	343,624	196,644
Instructional expenses and software	751,010	-	-	-	-	-	-	751,010	126,396	877,406	645,145
Legal services	-	-	-	-	-	-	-	-	506,462	506,462	469,562
Occupancy	-	-	-	-	-	-	-	-	418,861	418,861	384,865
Postage	-	-	-	10,158	-	-	-	10,158	92,040	102,198	117,024
Professional services	13,036,386	1,724,641	67,843	199,556	12,607	758,963	-	15,799,996	5,579,352	21,379,348	18,102,051
Short term rental expense	39,464	-	-	7,993	-	233,148	-	280,605	27,388	307,993	291,457
Repairs and maintenance	1,888,411	-	-	-	-	-	-	1,888,411	-	1,888,411	1,946,846
Scholarship	835	-	-	-	-	-	-	835	23,165	24,000	1,335
Special education services	544,594	-	-	-	-	-	-	544,594	525,923	1,070,517	1,261,884
Student activities	-	-	-	-	-	-	-	-	31,323	31,323	27,098
Supplies and small equipment	61,130	-	-	-	-	-	-	61,130	184,589	245,719	303,137
Technology expense	9,025,866	-	-	89,606	-	446,378	-	9,561,850	1,155,606	10,717,456	11,268,867
Telephone and internet	527,637	-	-	-	-	-	-	527,637	700,541	1,228,178	823,887
Transportation	133	-	-	-	-	-	-	133	216,922	217,055	58,018
Travel and entertainment	103,417	-	-	10,654	-	72,502	-	186,573	392,216	578,789	556,277
TOTAL EXPENSES	\$ 62,211,548	\$ 1,724,641	\$ 67,843	\$ 3,330,576	\$ 201,032	\$ 3,813,870	\$ 223,493	\$ 71,573,003	\$ 41,030,633	\$ 112,603,636	\$ 109,359,946

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

**AGORA CYBER CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (3,151,659)	\$ 3,164,480
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	19,391	34,315
(Increase) Decrease in:		
Accounts receivable	537,289	(789,929)
Grants receivable	1,272,548	(2,344,819)
Prepaid expenses	95,377	509,711
Increase (Decrease) in:		
Accounts payable	2,825,880	144,233
Accrued salaries and benefits	132,677	826,001
Unearned revenue	(3,969,881)	(1,279,442)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,238,378)	264,550
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,238,378)	264,550
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,329,505	39,064,955
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 37,091,127	\$ 39,329,505
SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

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

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 NATURE OF THE ORGANIZATION

The Agora Cyber Charter School ("the School") is organized as a not-for-profit organization and operates a cyber charter school in King of Prussia, Pennsylvania, under an approved charter received from the Pennsylvania Department of Education, acting pursuant to authority conferred under Act 88. The School's initial operations began on July 1, 2005.

The mission of the School is to provide an innovative and intense academic preparation that inspires and educates students to achieve the highest levels of academic knowledge and skills, and develop proficiency in the design and use of new computer technologies and scientific research. Through a combination of computer-supported instruction in the home; face-to-face meetings; and video conferencing with a certified teacher, specifically tailored research-based curriculum, and access to a community of experts in science and technology, our students will be fully prepared to be leaders in the digital age.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the School have been prepared using the accrual basis of accounting.

Financial Statement Presentation

In accordance with the portion of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) regarding financial statements of not-for-profit organizations, the School is required to report information regarding its financial position and activities according to the following two classes of net assets:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions or law.
- Net Assets With Donor Restrictions – Net assets subject to restrictions imposed by the donor. These restrictions may be removed either by actions of the School or the passage of time or may exist in perpetuity.

In addition, the School is required to present a statement of cash flows.

Income Tax Status

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The School has been classified as an organization that is not a private foundation under Sections 509(a)(1) and 170(b)(1)(a)(iv) of

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

the Internal Revenue Code. The School did not engage in any unrelated business activities during the fiscal year. Management believes more likely than not that its tax-exempt status and tax positions will be sustained if examined by authorities.

Cash and Cash Equivalents

The School considers all short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

Property and Equipment

The School defines property and equipment as assets with an initial individual cost equal to or greater than \$1,000 and an estimated useful life in excess of one year. All property and equipment are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Property and equipment of the School are depreciated using the straight-line method over the following estimated useful lives:

Leasehold improvements	5 - 10 years
Computer equipment and software	2 - 5 years
Office equipment	3 - 10 years
Right-of-use asset	Lease term

Net Assets

Net assets represent the difference between assets and liabilities.

Funding

The School is funded primarily from the local school district in which a student resides by receiving an amount equal to the calculation of selected expenditures per average daily

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

membership for each child attending the School. Funding is recognized as revenue as it is earned. The rate of funding per student is determined on an annual basis.

Advertising Costs

The School expenses advertising costs as incurred.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses are allocated to program and supporting services based upon employees' time for each function, purpose of each expenditure, and service provided for each program.

Use of Estimates in the Preparation of Financial Statements

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

Prior Year Financial Statements

The 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. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 3 DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned. The School does not have a policy in place for custodial credit risk. As of June 30, 2025, the carrying amount of the School's deposits was \$37,091,127, and the bank balance was \$37,951,326. Of the bank balance, \$250,000 was covered by FDIC insurance, and \$784,196 was uninsured and exposed to custodial credit risk. The remaining bank balance of \$36,917,130 was held in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). Although not registered

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 DEPOSITS (cont'd)

with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that the objective is to maintain a stable net asset value of \$1 per share. PSDLAF is rated by a nationally recognized rating organization and, on June 30, 2025, was rated AAAM.

NOTE 4 RECEIVABLES

Receivables as of June 30, 2025 consist primarily of charges to school districts. The allowance for uncollectible accounts is based on management's evaluation of outstanding receivables. Accounts receivable at June 30, 2025 consisted of:

	Accounts	Grants
Due from school districts	\$ 5,584,891	\$ -
Federal receivables	-	1,735,903
Less: Allowance for uncollectible accounts	(1,529,340)	-
Totals	\$ 4,055,551	\$ 1,735,903

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment activity were as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Leasehold improvements	\$ 193,909	\$ -	\$ -	\$ 193,909
Computer equipment and software	347,752	-	-	347,752
Office equipment	149,241	-	-	149,241
	690,902	-	-	690,902
Accumulated depreciation	(599,085)	(19,391)	-	(618,476)
	\$ 91,817	\$ (19,391)	\$ -	\$ 72,426

NOTE 6 OPERATING LEASES

In September 2018, the School entered into a 126-month lease for its King of Prussia location at 1018 West 8th Avenue with Pios Grande KOP Business Center, L.P. for approximately 17,000 rentable square feet ("RSF") to be used for its administrative offices beginning on January 1, 2019. The lease called for monthly payments beginning at \$18.50/RSF annually from January 2019

AGORA CYBER CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025

NOTE 6 OPERATING LEASES (cont'd)

through December 2025, increasing by \$0.50/RSF annually each year thereafter on January 1. The monthly payments also call for \$2.50/RSF for utilities. In lieu of a security deposit, the School has a \$150,426 irrevocable letter of credit. At June 30, 2025, there have been no draws against the letter of credit.

The discounted present value of the future minimum lease obligations under the operating agreements are as follows:

Year Ending June 30,	Amount
2026	\$ 363,530
2027	371,886
2028	380,244
2029	388,601
Less discount	(89,766)
	\$ 1,414,495

Rent expense for the year ended June 30, 2025 was \$355,173 and has been included in occupancy expense.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Educational Products and Services Agreement

In the year ended June 30, 2025, the School was using K12 to provide educational products and administrative and technology services to the School. The School incurred expenses totaling \$17,404,589 during the year ended June 30, 2025. As of June 30, 2025, the School owed K12 \$5,264,489 related to the expenses incurred during the year ended June 30, 2025.

NOTE 8 PENSION PLANS

The School contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System (PSERS). Benefit provisions of the plan are established under the provisions of the Pennsylvania Public School Employees' Retirement Code (the Code) and may be amended by an act of the Pennsylvania State Legislature. The plan provides retirement, disability, and death benefits; legislatively mandated *ad hoc* cost-of-living adjustments; and healthcare insurance premium

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 PENSION PLANS (cont'd)

assistance to qualifying plan members and beneficiaries. It also provides for refunds of a member's accumulated contribution upon termination of the member's employment in the public school sector. The PSERS issues annual publicly available financial reports that include financial statements for the plan. The report may be obtained by writing to PSERS, P.O. Box 125, Harrisburg, PA 17108-0125.

Funding Policy

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members and employers and the Commonwealth. In the past, most active members were required to contribute 5.25% of their compensation if they joined the plan before July 22, 1983 and 6.25% if they joined on or after that date.

Members enrolled at June 1, 2001 had to elect to maintain the same contribution rate as stated above or change to a higher contribution rate that provides greater retirement benefits. The new higher contribution rates, effective January 1, 2002, are 6.5% if the member joined prior to July 22, 1983 and 7.5% if they joined on or after that date. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payroll during the period for which the amount is determined. For the fiscal year ended June 30, 2025, the rate of employer contribution was 33.90% of covered payroll, which was comprised of 32.92% for pension contributions, 0.35% for defined contributions, and 0.63% for healthcare contributions.

The School's contributions to PSERS for the years ended June 30, 2025, 2024, and 2023 were \$9,285,050, \$10,349,377, and \$9,779,430, respectively. Those amounts are equal to the required contribution for each year.

403(b) Plan Description

For all employees hired after June 1, 2015, the School participates in the Agora Cyber Charter School 403(b) Plan (the 403(b) Plan) as an alternative to the PSERS plan. The plan requires a 5% mandatory employee contribution as well as a 5% employer nonelective contribution for the employee. The employer may also, if desired, add a discretionary nonelective contribution to be determined on an annual basis. Employer contributions become 100% vested after one year of participation in the 403(b) Plan.

Funding Policy

The contribution policy is established by the 403(b) Plan document and requires contributions by employees and the employer. For the years ended June 30, 2025, 2024, and 2023, the School's contributions were \$324,784, \$335,821, and \$310,677, respectively.

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 GRANTS

The School participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 10 LINE OF CREDIT

In December 2021, the School obtained a \$500,000 revolving line of credit with Meridian Bank, interest payable monthly at the Wall Street Journal U.S. Prime Rate, which was 8.50% at June 30, 2025. The line of credit is due on demand. The outstanding balance as of June 30, 2025 was \$0.

NOTE 11 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for such risks. The School self-funds health insurance claims on a pay-as-you-go basis. During the year ended June 30, 2025, the School paid \$10,871,112 in medical claims.

NOTE 12 ECONOMIC DEPENDENCY

The largest source of revenue for the School is the amount received through operating subsidies from local education agency assistance. This amount was \$95,854,847, or 87.6%, of total public support, revenue, and gains for the year ended June 30, 2025. Of this amount, 38.2% came from the School District of Philadelphia.

NOTE 13 LIQUIDITY AND AVAILABILITY OF RESOURCES

The School's financial assets consist of cash and cash equivalents, accounts receivable, and grants receivable.

The School has a goal to maintain financial assets on hand to meet, at a minimum, 60 days of normal operating expenses, which is approximately \$18,500,000. At June 30, 2025, the School had \$42,882,581 in highly liquid financial assets. The School has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

AGORA CYBER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 ASSIGNED NET ASSETS

Board-designated net assets are available for the following purposes as of June 30, 2025:

Funding reduction reserve	<u>\$ 20,000,000</u>
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NOTE 15 UNCERTAINTY

The School receives a significant portion of its operating revenues from tuition payments from local education agencies, which are dependent upon appropriations made by the Commonwealth of Pennsylvania. On November 12, 2025, the Commonwealth enacted its budget for fiscal year 2025-2026, which includes provisions that may adversely affect funding for charter schools.

As a result of these provisions, management anticipates a potential reduction in revenues of approximately 20% - 22%. While the ultimate impact of the budgetary changes is subject to interpretation, implementation, and potential legal or legislative actions, there can be no assurance that the School will receive funding at historical levels.

Management is actively evaluating the financial impact of these developments and has implemented, or plans to implement, measures to mitigate the effects of potential funding reductions. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 16 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through December 22, 2025, the date the financial statements were available to be issued.

SINGLE AUDIT INFORMATION



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

December 22, 2025

To the Board of Trustees
Agora Cyber Charter School
King of Prussia, Pennsylvania

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 the Agora Cyber Charter School ("the School"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

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

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

To the Board of Trustees
Agora Cyber Charter School

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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


BARBACANE, THORNTON & COMPANY LLP



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

December 22, 2025

To the Board of Trustees
Agora Cyber Charter School
King of Prussia, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the Agora Cyber Charter School's ("the School") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June 30, 2025. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence

To the Board of Trustees
Agora Cyber Charter School

we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of Trustees
Agora Cyber Charter School

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**AGORA CYBER CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR/PROJECT TITLE	SOURCE CODE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (UNEARNED) REVENUE 07/01/2024	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE 06/30/2025	AMOUNT PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF EDUCATION											
Passed through Pennsylvania Department of Education											
Title I - Grants to Local Educational Agencies	I	84.010	042-231057	08/30/23 - 09/30/24	\$ 384,531	\$ 164,799	\$ -	\$ 164,799	\$ 164,799	\$ -	\$ -
Title I - Grants to Local Educational Agencies	I	84.010	042-251057	08/30/24 - 09/30/25	329,793	329,793	-	329,793	329,793	-	-
Title I - Grants to Local Educational Agencies	I	84.010	013-251057	07/01/24 - 09/30/25	2,760,152	2,760,152	-	2,760,152	2,760,152	-	-
Title I - Grants to Local Educational Agencies	I	84.010	013-241057	07/01/23 - 09/30/24	3,015,639	(47,915)	(123,747)	75,832	75,832	-	-
Total ALN 84.010						3,206,829	(123,747)	3,330,576	3,330,576	-	-
Title II - Improving Teacher Quality	I	84.367	020-251057	07/01/24 - 09/30/25	187,533	181,386	-	187,533	187,533	6,147	-
Title II - Improving Teacher Quality	I	84.367	020-241057	07/01/23 - 09/30/24	210,329	(21,904)	(35,403)	13,499	13,499	-	-
Total ALN 84.367						159,482	(35,403)	201,032	201,032	6,147	-
Title IV - Student Support and Enrichment	I	84.424	144-221057	07/01/24 - 09/30/25	223,493	223,493	-	223,493	223,493	-	-
Title IV - Student Support and Enrichment	I	84.424	144-241057	07/01/23 - 09/30/24	238,032	11,943	11,943	-	-	-	-
Total ALN 84.424						235,436	11,943	223,493	223,493	-	-
Education Stabilization Grant:											
ARP ESSER	I	84.425U	223-211057	03/13/20 - 09/30/24	24,243,079	2,644,699	(1,166,032)	3,810,731	3,810,731	-	-
ARP ESSER Homeless Children and Youth	I	84.425W	181-212004	07/01/21 - 09/30/24	122,411	3,139	3,139	3,139	3,139	3,139	-
Total ALN 84.425						2,647,838	(1,162,893)	3,813,870	3,813,870	3,139	-
Passed through Montgomery County I.U.											
Special Education - Grants to State (IDEA, Part B)	I	84.027	062-24-0023	07/01/23 - 06/30/24	1,866,776	346,694	346,694	-	-	-	-
Special Education - Grants to State (IDEA, Part B)	I	84.027	062-25-0023	07/01/24 - 06/30/25	1,724,641	-	-	1,724,641	1,724,641	1,724,641	-
Total ALN 84.027						346,694	346,694	1,724,641	1,724,641	1,724,641	-
Special Education - Preschool Grants (IDEA Preschool)	I	84.173	N/A	07/01/21 - 06/30/22	1,976	-	1,976	-	-	1,976	-
Total Special Education Cluster						346,694	348,670	1,724,641	1,724,641	1,726,617	-
TOTAL U.S. DEPARTMENT OF EDUCATION						6,596,279	(961,430)	9,293,612	9,293,612	1,735,903	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES											
Passed through Pennsylvania Department of Health and Human Services											
Medical Assistance Reimbursement	I	93.778	N/A	N/A	67,843	67,843	-	67,843	67,843	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						67,843	-	67,843	67,843	-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS						\$ 6,664,122	\$ (961,430)	\$ 9,361,455	\$ 9,361,455	\$ 1,735,903	\$ -

SOURCE CODE:

I - Indirect Funding

AGORA CYBER CHARTER SCHOOL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A REPORTING ENTITY

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the Agora Cyber Charter School. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE B BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

NOTE C INDIRECT COST RATE

The School has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. For the year ended June 30, 2025, there were no indirect costs included in the schedule of expenditures of federal awards.

NOTE D ACCESS PROGRAM

The ACCESS Program is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2025 was \$1,500,000.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

AGORA CYBER CHARTER SCHOOL

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes No

Identification of major programs:

Assistance Listing Numbers
84.010

Name of Federal Program or Cluster
Title I - Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

AGORA CYBER CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.