

REPORT TO THE TRUSTEES

October 28, 2020

The Board of Trustees
Buffalo Academy of Science Charter School

Dear Trustees:

We have audited the financial statements of Buffalo Academy of Science Charter School (the School) for the year ended June 30, 2020, and have issued our report thereon dated October 28, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in note 2 to the financial statements. For the year ended June 30, 2020, the School adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-18, "Statement of Cash Flows - Restricted Cash." ASU 2016-18 requires that the statements of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. The School also adopted FASB ASU 2018-08, "Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made." ASU 2018-08 provides clarification for determining if grants and contracts should be considered contributions or exchange transactions, as well as guidance for determining if a contribution is conditional. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended June 30, 2020, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Sensitive Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of bonds payable in note 8 and the contingency in note 17.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. Management and accounting personnel were very helpful in assisting us during our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed and management accepted eight adjusting journal entries amounting to \$711,182.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the School’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to appointment as the School’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our appointment.

Recent Accounting Standards Issued

In February 2016, the FASB issued ASU 2016-02 - “Leases (Topic 842).” ASU 2016-02 modifies the current presentation of operating leases. Currently, operating leases are not recorded on the balance sheet as obligations, rather there is a footnote disclosure that includes the expected future lease payments for operating leases. This update will now require organizations that lease assets to recognize assets and liabilities on their balance sheet for operating leases with lease terms of more than 12 months. Operating leases will be required to recognize a right-of-use asset and a lease liability, measured at the present value of the lease payment, recognize a single lease cost, generally allocating the lease over a straight-line basis and classify all cash payments within operating activities of cash flows. These changes will require expanded footnote disclosure to enhance the financial statement user’s understanding of the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for fiscal years beginning after December 15, 2021, which is the fiscal year beginning July 1, 2022 for the School.

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This information is intended solely for the use of the Board of Trustees and management of Buffalo Academy of Science Charter School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC

BUFFALO ACADEMY OF SCIENCE
CHARTER SCHOOL

Financial Statements

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Buffalo Academy of Science Charter School
Buffalo, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of Buffalo Academy of Science Charter School (a nonprofit organization) (the School), which comprise the statements of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to 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 School'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 School'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.

Basis for Qualified Opinion

We did not observe the taking of physical inventory at June 30, 2020 (stated at \$99,164), since that date was prior to the time we were initially engaged as auditors for the School. We were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Buffalo Academy of Science Charter School as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Buffalo Academy of Science Charter School as of June 30, 2019, were audited by other auditors whose report dated October 21, 2019, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2020, on our consideration of the 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 the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 28, 2020

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
 Statements of Financial Position
 June 30, 2020 and 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and equivalents:			
Unrestricted		\$ 238,161	555,597
Extraclassroom funds		6,151	13,212
Accounts receivable		341,801	89,883
Grants receivable		17,350	66,229
Inventory		99,164	58,360
		<u>702,627</u>	<u>783,281</u>
Total current assets			
Property and equipment, at cost		12,353,497	8,088,519
Less accumulated depreciation and amortization		<u>(2,213,653)</u>	<u>(1,737,758)</u>
Net property and equipment		<u>10,139,844</u>	<u>6,350,761</u>
Other assets:			
Deposits		13,158	5,480
Escrow account		76,158	76,074
		<u>89,316</u>	<u>81,554</u>
Total other assets			
Total assets		<u>\$ 10,931,787</u>	<u>7,215,596</u>

(Continued)

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Statements of Financial Position, Continued

<u>Liabilities and Net Assets</u>	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 145,896	237,576
Accrued payroll and benefits	1,087,784	1,286,516
Extraclassroom funds	6,151	13,212
Demand note	175,000	-
Current installments of bonds payable	451,944	474,008
Current installments of notes payable	291,176	-
	<u>2,157,951</u>	<u>2,011,312</u>
Total current liabilities		
Long-term liabilities:		
Bonds payable, excluding current installments and unamortized debt issuance costs	799,676	1,228,806
Notes payable, excluding current installments and unamortized debt issuance costs	2,617,220	-
Promissory note - paycheck protection program	1,250,000	-
Interest rate swap contracts	22,760	4,797
	<u>4,689,656</u>	<u>1,233,603</u>
Total long-term liabilities		
Total liabilities		
	<u>6,847,607</u>	<u>3,244,915</u>
Net assets:		
Net assets without donor restrictions	4,030,886	3,889,772
Net assets with donor restrictions	53,294	80,909
	<u>4,084,180</u>	<u>3,970,681</u>
Total net assets		
Total liabilities and net assets		
	<u>\$ 10,931,787</u>	<u>7,215,596</u>

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL

Statement of Activities

Year ended June 30, 2020

with comparative totals for 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Revenue and other support:				
Public school districts:				
Resident student enrollment	\$10,171,589	-	10,171,589	8,914,562
Students with disabilities	291,453	-	291,453	276,919
Grants and contracts:				
Special Charter School Aid	-	-	-	190,482
Federal grants	341,566	-	341,566	339,221
State grants	277,423	-	277,423	194,735
Contributions	259,845	-	259,845	256,851
Other income	42,004	-	42,004	49,111
Net assets released from restrictions	<u>27,615</u>	<u>(27,615)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>11,411,495</u>	<u>(27,615)</u>	<u>11,383,880</u>	<u>10,221,881</u>
Expenses:				
Program services:				
Regular education	9,055,184	-	9,055,184	7,149,205
Special education	316,563	-	316,563	402,808
Other programs	<u>117,310</u>	<u>-</u>	<u>117,310</u>	<u>139,122</u>
Total program services	9,489,057	-	9,489,057	7,691,135
Supporting services - management and general	<u>1,763,361</u>	<u>-</u>	<u>1,763,361</u>	<u>2,059,771</u>
Total expenses	<u>11,252,418</u>	<u>-</u>	<u>11,252,418</u>	<u>9,750,906</u>
Nonoperating expenses - unrealized loss on interest rate swap contracts	<u>17,963</u>	<u>-</u>	<u>17,963</u>	<u>33,768</u>
Change in net assets	141,114	(27,615)	113,499	437,207
Net assets at beginning of year	<u>3,889,772</u>	<u>80,909</u>	<u>3,970,681</u>	<u>3,533,474</u>
Net assets at end of year	<u>\$ 4,030,886</u>	<u>53,294</u>	<u>4,084,180</u>	<u>3,970,681</u>

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Statement of Activities
Year ended June 30, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue and other support:			
Public school districts:			
Resident student enrollment	\$ 8,914,562	-	8,914,562
Students with disabilities	276,919	-	276,919
Grants and contracts:			
Special Charter School Aid	190,482	-	190,482
Federal grants	339,221	-	339,221
State grants	194,735	-	194,735
Contributions	175,942	80,909	256,851
Other income	49,111	-	49,111
	<u>10,140,972</u>	<u>80,909</u>	<u>10,221,881</u>
Total revenue and other support			
Expenses:			
Program services:			
Regular education	7,149,205	-	7,149,205
Special education	402,808	-	402,808
Other programs	139,122	-	139,122
	<u>7,691,135</u>	<u>-</u>	<u>7,691,135</u>
Total program services			
Supporting services - management and general	<u>2,059,771</u>	<u>-</u>	<u>2,059,771</u>
Total expenses	<u>9,750,906</u>	<u>-</u>	<u>9,750,906</u>
Nonoperating expenses - unrealized loss on interest rate swap contracts	<u>33,768</u>	<u>-</u>	<u>33,768</u>
Change in net assets	356,298	80,909	437,207
Net assets at beginning of year	<u>3,533,474</u>	<u>-</u>	<u>3,533,474</u>
Net assets at end of year	<u>\$ 3,889,772</u>	<u>80,909</u>	<u>3,970,681</u>

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL

Statement of Functional Expenses

Year ended June 30, 2020

with comparative totals for 2019

	Program Services					Supporting Services	Total	
	<u>No. of positions</u>	<u>Regular education</u>	<u>Special education</u>	<u>Other programs</u>	<u>Total</u>	<u>Management and general</u>	<u>2020</u>	<u>2019</u>
Personnel services costs:								
Instructional personnel	100	\$ 4,664,169	188,988	15,250	4,868,407	-	4,868,407	4,354,593
Non-instructional personnel	26	1,295,316	-	-	1,295,316	-	1,295,316	620,218
Administrative personnel	<u>28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>819,445</u>	<u>819,445</u>	<u>933,620</u>
Total salaries and staff	<u>154</u>	5,959,485	188,988	15,250	6,163,723	819,445	6,983,168	5,908,431
Fringe benefits and payroll taxes		1,122,375	47,406	-	1,169,781	110,220	1,280,001	1,105,443
Retirement		367,267	19,312	-	386,579	84,457	471,036	434,742
Legal services		-	-	-	-	48,137	48,137	23,027
Accounting and auditing fees		-	-	-	-	11,950	11,950	11,000
Other professional services		173,415	15,678	-	189,093	29,196	218,289	184,899
Repairs and maintenance		147,074	7,024	-	154,098	20,976	175,074	131,101
Insurance		60,529	2,505	-	63,034	76,783	139,817	117,324
Utilities		133,535	6,359	-	139,894	19,076	158,970	146,729
Supplies and materials		209,023	-	-	209,023	61,408	270,431	312,694
Equipment and furnishings		-	-	-	-	60,522	60,522	36,617
Professional development		81,162	-	-	81,162	33,291	114,453	111,898
Marketing and recruitment		-	-	-	-	90,856	90,856	81,210
Technology		135,096	3,183	-	138,279	95,274	233,553	230,770
Student services		51,594	-	102,060	153,654	10,815	164,469	202,988
Office expense		596	-	-	596	50,807	51,403	30,289
Travel and parking		34,630	1,549	-	36,179	21,029	57,208	58,933
Other expenses		64,359	-	-	64,359	45,574	109,933	106,692
Depreciation		399,752	19,036	-	418,788	57,107	475,895	417,694
Interest		<u>115,292</u>	<u>5,523</u>	<u>-</u>	<u>120,815</u>	<u>16,438</u>	<u>137,253</u>	<u>98,425</u>
Total expenses		<u>\$ 9,055,184</u>	<u>316,563</u>	<u>117,310</u>	<u>9,489,057</u>	<u>1,763,361</u>	<u>11,252,418</u>	<u>9,750,906</u>

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Statement of Functional Expenses
Year ended June 30, 2019

	Program Services					Supporting Services	Total
	<u>No. of positions</u>	<u>Regular education</u>	<u>Special education</u>	<u>Other programs</u>	<u>Total</u>	<u>Management and general</u>	
Personnel services costs:							
Instructional personnel	91	\$ 4,080,501	261,217	12,250	4,353,968	625	4,354,593
Non-instructional personnel	33	620,218	-	-	620,218	-	620,218
Administrative personnel	17	-	-	-	-	933,620	933,620
	<u>141</u>	<u>4,700,719</u>	<u>261,217</u>	<u>12,250</u>	<u>4,974,186</u>	<u>934,245</u>	<u>5,908,431</u>
Total salaries and staff							
Fringe benefits and payroll taxes		760,034	76,998	977	838,009	267,434	1,105,443
Retirement		341,403	27,741	-	369,144	65,598	434,742
Legal services		-	-	-	-	23,027	23,027
Accounting and auditing fees		-	-	-	-	11,000	11,000
Other professional services		89,695	11,778	-	101,473	83,426	184,899
Repairs and maintenance		90,060	5,637	-	95,697	35,404	131,101
Insurance		80,653	4,781	-	85,434	31,890	117,324
Utilities		100,803	6,309	-	107,112	39,617	146,729
Supplies and materials		259,960	-	-	259,960	52,734	312,694
Equipment and furnishings		-	-	-	-	36,617	36,617
Professional development		98,138	-	-	98,138	13,760	111,898
Marketing and recruitment		-	-	-	-	81,210	81,210
Technology		49,641	2,608	-	52,249	178,521	230,770
Student services		61,602	-	125,895	187,497	15,491	202,988
Office expense		-	-	-	-	30,289	30,289
Travel and parking		35,330	2,142	-	37,472	21,461	58,933
Other expenses		26,780	-	-	26,780	79,912	106,692
Depreciation		376,392	-	-	376,392	41,302	417,694
Interest		77,995	3,597	-	81,592	16,833	98,425
		<u>\$ 7,149,205</u>	<u>402,808</u>	<u>139,122</u>	<u>7,691,135</u>	<u>2,059,771</u>	<u>9,750,906</u>
Total expenses							

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Statements of Cash Flows
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 113,499	437,207
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	475,895	417,694
Amortization	31,609	22,814
Unrealized loss on interest rate swap contracts	17,963	33,768
Changes in:		
Accounts receivable	(251,918)	50,589
Grants receivable	48,879	13,122
Inventory	(40,804)	(21,889)
Deposits	(7,678)	5,000
Accounts payable	(91,680)	52,013
Accrued payable and benefits	(198,732)	370,471
Net cash provided by operating activities	<u>97,033</u>	<u>1,380,789</u>
Cash flows from investing activities - purchase of property and equipment	<u>(4,264,978)</u>	<u>(1,062,362)</u>
Cash flows from financing activities:		
Proceeds from line of credit	1,310,942	1,050,000
Payments on line of credit	(1,310,942)	(1,050,000)
Proceeds from demand note	175,000	-
Principal payments on bonds payable	(474,008)	(423,576)
Proceeds from notes payable	2,974,000	-
Payments for debt issuance costs	(74,399)	-
Proceeds from promissory note - paycheck protection program	1,250,000	-
Net cash provided by (used in) financing activities	<u>3,850,593</u>	<u>(423,576)</u>
Net change in cash and equivalents	(317,352)	(105,149)
Cash and equivalents at beginning of year	<u>631,671</u>	<u>736,820</u>
Cash and equivalents at end of year	<u>\$ 314,319</u>	<u>631,671</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 105,644</u>	<u>83,644</u>
Classifications of cash and equivalents:		
Unrestricted	238,161	555,597
Escrow account	<u>76,158</u>	<u>76,074</u>
	<u>\$ 314,319</u>	<u>631,671</u>

See accompanying notes to financial statements.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL

Notes to Financial Statements

June 30, 2020 and 2019

(1) Organization and Purpose

Buffalo Academy of Science Charter School (the School) is a not-for-profit education corporation that operates kindergarten through 12th grades and is dedicated to providing quality education to a diverse body of students in the Buffalo region of New York State. Located in the heart of Buffalo's downtown business/government sector, the School continually provides a rigorous, innovative and enhanced curriculum - highlighting science, technology, engineering and math (STEM) - in order to prepare students for successful futures in the global environment.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

The School's financial statements are presented in accordance with the provisions of Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." As a result, the School reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the School's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the School or are required to be held in perpetuity.

(c) Estimates

The preparation of financial statements in accordance 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.

(d) Cash and Equivalents

For purposes of the statements of cash flows, the School considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and equivalents.

(e) Concentration of Credit Risk

Financial instruments that potentially subject the School to concentration of credit risk consist principally of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Accounts and Grants Receivable

The School uses the allowance method to account for uncollectible receivables. Management has determined that no allowance was deemed necessary as of June 30, 2020 and 2019.

(g) Inventories

Inventories consist of school uniforms and is recorded at the lower of cost or market.

(h) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities. Capitalization thresholds and estimated useful lives of property and equipment are as follows:

	<u>Cost</u>	<u>Years</u>
Land	All	N/A
Buildings	\$5,000	40
Improvements	5,000	10 - 20
Furniture, fixtures and equipment	2,000	3 - 5
Vehicles	All	5

Furniture, fixtures and equipment purchased as a bundle greater than \$20,000 will also be capitalized and depreciated using the straight-line method over their estimated useful lives.

(i) Fair Value Measurement

Generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that prioritizes the use of observable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the School. Unobservable inputs are inputs that reflect the School's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy broken down into three levels based on the reliability on inputs is as follows:

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Fair Value Measurement, Continued

Level 1 - Valuations are based on quoted prices in active markets for identical assets and liabilities that the School has the ability to access.

Level 2 - Valuations are based on quoted prices in active markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The School's interest rate swap is considered level 3.

(j) Public School District Revenue

The School receives per pupil aid passed through from each student's home public school district. The New York State Department of Education mandates the rate per pupil. The regular education per pupil rate from Buffalo City School District, the district from which the School receives its largest pass through of district revenue, was \$13,494 and \$13,350 for the years ended June 30, 2020 and 2019, respectively.

(k) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statements of financial position as deferred revenue.

(l) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the School. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(m) Marketing and Recruitment

The School uses marketing to promote recruitment and its program activities. These costs are expensed as incurred and amounted to \$90,856 and \$81,210 for the years ended June 30, 2020 and 2019, respectively.

(n) Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The School has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The School presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the School has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the School are subject to examination by taxing authorities.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(o) Subsequent Events

The School has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the School and its future results and financial position is not presently determinable.

(p) Recent Accounting Standards Issued

In November 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-18, "Statement of Cash Flows - Restricted Cash." The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This guidance is effective for fiscal years beginning after December 15, 2018. These financial statements and notes reflect adoption of this new standard.

In June 2018, the FASB issued ASU 2018-08, "Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made." ASU 2018-08 provides clarification for determining if grants and contracts should be considered contributions or exchange transactions, as well as guidance for determining if a contribution is conditional. This guidance is effective for fiscal years beginning after December 15, 2018. These financial statements and notes reflect adoption of this new standard.

On July 2, 2020, the School purchased certain land and improvements located at 335 Doat Street, Buffalo, New York for \$1,150,000.

The School is in the process of refinancing all outstanding loans payable on property purchased as part of their expansion. The terms of the refinanced loan would be up to \$8,750,000 and bear interest at the five-year Treasury Constant Maturity Index rate plus 4.3%, amortized over a 25-year period. The refinanced loan would mature 60 months from the date of closing.

(q) Reclassifications

Reclassifications have been made to certain 2019 balances in order to conform them to the 2020 presentation.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(3) Liquidity

The School has \$597,312 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of \$238,161 of cash and equivalents, \$341,801 of accounts receivable and \$17,350 of grants receivable. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2020 statement of financial position date. As more fully described in note 6, the School has an escrow account with a balance of \$76,158 which it can utilize in the event of an unanticipated liquidity need. Additionally, the School has available a committed line of credit which could be drawn on to fund current operations.

(4) Accounts and Grants Receivables

Accounts and grants receivable as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
School district tuition	\$ 341,801	89,227
Other receivables	<u>-</u>	<u>656</u>
	<u>341,801</u>	<u>89,883</u>
U.S. Department of Education	-	9,638
E-rate reimbursements	<u>17,350</u>	<u>56,591</u>
	<u>17,350</u>	<u>66,229</u>
	<u>\$ 359,151</u>	<u>156,112</u>

(5) Property and Equipment

Property and equipment are recorded at cost. Property and equipment as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 579,518	578,308
Building and improvements	9,473,386	5,658,013
Furniture, fixtures and equipment	2,295,852	1,847,457
Vehicles	<u>4,741</u>	<u>4,741</u>
	12,353,497	8,088,519
Less accumulated depreciation	<u>(2,213,653)</u>	<u>(1,737,758)</u>
Net property and equipment	<u>\$ 10,139,844</u>	<u>6,350,761</u>

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(6) Escrow Account

As set forth in its charter, the School established an escrow account to be used upon school closure. The balance in the escrow account was \$76,158 and \$76,074 as of June 30, 2020 and 2019, respectively.

(7) Demand Note

The School received a Grid Promissory Demand Note from the Cullen Foundation in an amount not to exceed \$375,000. The note is due upon demand with five days of written notice, and bears interest at 2.5% per annum. As of June 30, 2020, the School has been advanced \$175,000 of funding from the demand note. This amount is expected to be repaid in full in October 2020.

(8) Bonds Payable

Bonds payable consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Tax-exempt revenue bonds with the Buffalo and Erie County Industrial Land Development Corporation, due in monthly installments of approximately \$40,000 including interest at 67% of the London Inter Banks Offer Rate (LIBOR) plus 2.75% (2.87% at June 30, 2020) due April 2023. The bonds are collateralized by certain real property and the agreement is secured by an irrevocable letter of credit.	\$ 1,316,258	1,790,266
Less current installments	<u>(451,944)</u>	<u>(474,008)</u>
Bonds payable, excluding current installments	864,314	1,316,258
Less unamortized debt issuance costs	<u>(64,638)</u>	<u>(87,452)</u>
Bonds payable, excluding current installments and unamortized debt issuance costs	\$ <u>799,676</u>	<u>1,228,806</u>

The aggregate maturity of bonds payable for the years following June 30, 2020 and thereafter is as follows:

2021	\$ 451,944
2022	466,332
2023	<u>397,982</u>
Total	\$ <u>1,316,258</u>

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(8) Bonds Payable, Continued

The bond financing requires the School to meet certain restrictive covenants. These covenants include a requirement for the School to maintain a minimum debt service coverage ratio of not less than 1.2 to 1.0, calculated as of the end of each fiscal year. The School was in compliance with all of the covenants at June 30, 2020 and 2019.

(9) Notes Payable

Notes payable at June 30, 2020 are summarized as follows:

Note payable to KeyBank National Association (KeyBank) requiring monthly installments of \$24,926 including interest at LIBOR plus 2.50% (2.6875% at June 30, 2020) per annum, due July 1, 2027. This note is collateralized by certain real property.	\$ 1,880,000
Note payable to KeyBank requiring monthly installments of \$3,580 including interest at LIBOR plus 2.50% (2.6875% at June 30, 2020) per annum, due July 1, 2027. This note is collateralized by certain real property.	270,000
Note payable to KeyBank requiring monthly installments of \$7,995 including interest at LIBOR plus 2.50% (2.75% at June 30, 2020) per annum, due December 1, 2030. This note is collateralized by certain real property.	<u>824,000</u>
Notes payable	2,974,000
Less current installments	<u>(291,176)</u>
Notes payable, excluding current installments	2,682,824
Less unamortized debt issuance costs	<u>(65,604)</u>
Notes payable, excluding current installments and unamortized debt issuance costs	\$ <u>2,617,220</u>

The aggregate maturities for notes payable for the five years following June 30, 2020 and thereafter is as follows:

2021	\$ 291,176
2022	359,921
2023	371,239
2024	382,912
2025	394,953
Thereafter	<u>1,173,799</u>
	\$ <u>2,974,000</u>

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL

Notes to Financial Statements, Continued

(10) Promissory Note - Paycheck Protection Program

On April 22, 2020, the School received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$1,250,000 with a 1% interest rate.

The School must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, unless otherwise forgiven in whole or part in accordance with the CARES Act as described below, beginning seven months from the month this note is dated until April 22, 2022 (the maturity date) when the entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable in full. Payments of principal and interest must be made on such date as designated by the lender in the months they are due.

Pursuant to the terms of the CARES Act and any implementing rules and regulations, the School may apply for the loan to be forgiven by the SBA in whole or in part. Any loan balance remaining following forgiveness by the SBA will be fully reamortized over the remaining term of the loan. The entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable on the maturity date. If there is a default without notice or demand and without giving up any of its rights, lender may require immediate payment of all amounts owing under this note; collect all amounts owing from any borrower; or file suit and obtain judgment.

(11) Interest Rate Swaps

The School uses interest rate swap contracts as cash flow hedges to eliminate the cash flow exposure of interest rate movements on variable rate debt. The School has a swap agreement with KeyBank, where a portion of the variable rate debt relating to bonds payable, is converted to fixed rates. The estimated future liability under these swap agreements as of June 30, 2020 and 2019 were \$22,760 and \$4,797, respectively.

(12) Line of Credit

The School has a line of credit with a maximum authorization of \$500,000. Advances against this line bear interest at a rate of .75% plus prime (4.0% at June 30, 2020). Any borrowings are secured by assets of the School. There were no amounts outstanding at June 30, 2020 and 2019.

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(13) Net Assets With Donor Restrictions

Net assets with donor restrictions related to the after school STEM program amounted to \$53,294 and \$80,909 at June 30, 2020 and 2019, respectively.

(14) Pension Expense

The School participates in the New York State Teachers' Retirement System (the System), a cost-sharing, multiple-employer, defined benefit pension plan administered by the New York State Teacher's Retirement Board. The System provides retirement, disability, withdrawal and death benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York.

Plan members who joined the System before July 27, 1976 are not required to make contributions. Those joining after that date and before January 1, 2010, who have less than ten years of service or membership are required to contribute 3% of their annual salary. 3.5% of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute 3% and 6%, dependent upon their salary for their entire working career.

Employers are required to contribute at an actuarially determined rate. Rates applicable to the fiscal years ended June 30, 2020 and 2019 were 8.86% and 10.62%, respectively. The total retirement contribution expense amounted to \$471,036 and \$434,742 for the years ended June 30, 2020 and 2019, respectively.

(15) Concentration of Credit Risk

The School receives a substantial portion of its funding from school districts where students reside. One school district comprised approximately 84% and 82% of total revenue and support for the years ended June 30, 2020 and 2019, respectively.

(16) Commitments

The School leases various office equipment under operating leases that expire at various dates through September 2021. Total leasing expenses amounted to \$26,570 and \$22,807 for the years ended June 30, 2020 and 2019, respectively, and is included in the accompanying statements of functional expenses. Future minimum lease payments under these arrangements are as follows:

2021	\$ 1,919
2022	480

BUFFALO ACADEMY OF SCIENCE CHARTER SCHOOL
Notes to Financial Statements, Continued

(17) Contingency

The School has received grants which are subject to audit by agencies of the state and Federal government. Such audits may result in disallowances and a request for a return of funds. Based on prior experience, the School's administration believes that disallowances, if any, will be immaterial.

(18) Functional Expenses

The School is dedicated to providing quality education to a diverse body of students in the Buffalo region of New York State. The financial statements report certain categories of expenses that are attributed to both program and supporting functions. Therefore, allocation on a reasonable basis that is consistently applied is required. The expenses that are allocated include utilities, repairs and maintenance, insurance and depreciation. Other expenses such as salaries and wages, benefits, payroll taxes, other purchased services, student services, supplies, office expenses and other expenses, which are allocated on the basis of estimates of time and effort for each category.

INDEPENDENT AUDITORS' 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

The Board of Trustees
Buffalo Academy of Science Charter School
Buffalo, New York:

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 Buffalo Academy of Science Charter School (a nonprofit organization) (the School), which comprise the statements of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated October 28, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 School'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 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 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 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 28, 2020

Buffalo Academy of Science Charter School
Statement of Financial Position
as of June 30

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	314,319	631,671
Restricted Cash - Extra Classroom Funds	0	0
Grants and contracts receivable	17,350	66,229
Accounts receivables	341,801	89,883
Prepaid Expenses	0	0
Contributions and other receivables	0	0
Other current assets - Inventory etc.	99,164	58,360
TOTAL CURRENT ASSETS	772,634	846,143
NON-CURRENT ASSETS		
Property, Building and Equipment, net	10,139,844	6,350,761
Restricted Cash - Student Act and escrow	6,151	13,212
Security Deposits	13,158	5,480
Other Non-Current Assets - Interest Swap Contracts etc.	0	0
TOTAL NON-CURRENT ASSETS	10,159,153	6,369,453
TOTAL ASSETS	10,931,787	7,215,596
CURRENT LIABILITIES		
Accounts payable and accrued expenses	145,896	239,294
Accrued payroll, payroll taxes and benefits	1,087,784	1,286,516
Current Portion of Loan Payable	451,944	436,939
Current Portion of Notes Payable	291,176	-
Due to Related Parties - Extra Classroom Funds	6,151	0
Refundable Advances	0	0
Deferred Revenue	0	0
Other Current Liabilities - Demand Note	175,000	11,494
TOTAL CURRENT LIABILITIES	2,157,951	1,974,243
LONG-TERM LIABILITIES		
Loan Payable; Due in More than One Year	799,676	1,270,672
Notes Payable; Due in More than One Year	2,617,220	-
Deferred Rent	0	0
Due to Related Party	0	0
Promissory Note	1,250,000	-
Other Long-Term Liabilities	22,760	0
TOTAL LONG-TERM LIABILITIES	4,689,656	1,270,672
TOTAL LIABILITIES	6,847,607	3,244,915
NET ASSETS		
Unrestricted	4,030,886	3,889,772
Temporarily restricted	53,294	80,909
Permanently restricted	0	0
TOTAL NET ASSETS	4,084,180	3,970,681
TOTAL LIABILITIES AND NET ASSETS	10,931,787	7,215,596

**Buffalo Academy of Science Charter School
Statement of Activities
as of June 30**

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 10,171,589	\$ -	\$ 10,171,589	\$ 8,914,562
State and Local Per Pupil Revenue - SPED	291,453	-	291,453	276,919
Special Charter School Aid	-	-	-	190,482
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	341,566	-	341,566	339,221
State and City Grants	277,423	-	277,423	194,735
Other Operating Income	42,004	-	42,004	49,111
Net Assets released from restrictions	27,615	(27,615)	-	-
Food Service/Child Nutrition Program	-	-	-	-
TOTAL OPERATING REVENUE	11,151,650	(27,615)	11,124,035	9,965,030
EXPENSES				
Program Services				
Regular Education	\$ 9,055,184	\$ -	\$ 9,055,184	\$ 7,149,205
Special Education	316,563	-	316,563	402,808
Other Programs	117,310	-	117,310	139,122
Total Program Services	9,489,057	-	9,489,057	7,691,135
Management and general	1,763,361	-	1,763,361	2,059,771
Fundraising	-	-	-	-
Nonoperating expenses - unrealized loss on interest rate swap contracts	17,963	-	17,963	-
TOTAL EXPENSES	11,270,381	-	11,270,381	9,750,906
SURPLUS / (DEFICIT) FROM OPERATIONS	\$ (118,731)	\$ (27,615)	-146,346	214,124
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ -	\$ -	\$ -	\$ -
Contributions and Grants	259,845	-	259,845	256,851
Fundraising Support	\$ -	\$ -	\$ -	\$ -
Investments	\$ -	\$ -	\$ -	\$ -
Donated Services	\$ -	\$ -	\$ -	\$ -
Other Support and Revenue	\$ -	\$ -	\$ -	\$ -
TOTAL SUPPORT AND OTHER REVENUE	259,845	-	259,845	256,851
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	141,114	(27,615)	113,499	470,975
NET ASSETS - BEGINNING OF YEAR	\$ 3,889,772	\$ 80,909	3,970,681	3,533,474
PRIOR YEAR/PERIOD ADJUSTMENTS				(33,768)
NET ASSETS - END OF YEAR	\$ 4,030,886	\$ 53,294	\$ 4,084,180	\$ 3,970,681

Buffalo Academy of Science Charter School
Statement of Functional Expenses
as of June 30

	No. of Positions	2020				2019		
		Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total
Personnel Services Costs		\$		\$	\$	\$	\$	\$
Administrative Staff Personnel	28	-	-	-	-	-	819,445	819,445
Instructional Personnel	100	4,664,169	188,988	15,250	4,868,407	-	-	4,354,593
Non-Instructional Personnel	26	1,295,316	-	-	1,295,316	-	-	620,218
Total Salaries and Staff	154.00	5,959,485	188,988	15,250	6,163,723	-	819,445	5,908,431
Fringe Benefits & Payroll Taxes		1,122,375	47,406	-	1,169,781	-	110,220	1,105,443
Retirement		367,267	19,312	-	386,579	-	84,457	434,742
Management Company Fees		-	-	-	-	-	-	-
Legal Service		-	-	-	-	-	48,137	23,027
Accounting / Audit Services		-	-	-	-	-	11,950	11,000
Other Purchased / Professional / Consulti		173,415	15,678	-	189,093	-	29,196	184,899
Building and Land Rent / Lease		-	-	-	-	-	-	-
Repairs & Maintenance		147,074	7,024	-	154,098	-	20,976	131,101
Insurance		60,529	2,505	-	63,034	-	76,783	117,324
Utilities		133,535	6,359	-	139,894	-	19,076	146,729
Supplies / Materials		209,023	-	-	209,023	-	61,408	312,694
Equipment / Furnishings		-	-	-	-	-	60,522	36,617
Staff Development		-	-	-	-	-	-	-
Travel/parking		34,630	1,549	-	36,179	-	21,029	58,933
Marketing / Recruitment		-	-	-	-	-	90,856	81,210
Technology		135,096	3,183	-	138,279	-	95,274	230,770
Food Service		-	-	-	-	-	-	-
Student Services		51,594	-	102,060	153,654	-	10,815	202,988
Office Expense		596	-	-	596	-	50,807	30,289
Depreciation		399,752	19,036	-	418,788	-	57,107	417,694
Interest		115,292	5,523	-	120,815	-	16,438	98,425
Professional Development		81,162	-	-	81,162	-	33,291	111,898
Other		64,359	-	-	64,359	-	45,574	106,692
Total Expenses		\$ 9,055,184	\$ 316,563	\$ 117,310	\$ 9,489,057	\$ -	\$ 1,763,361	\$ 9,750,906

Buffalo Academy of Science Charter School
Statement of Cash Flows
as of June 30

	2020	2019
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	113,499.00	437,207
Revenues from School Districts		
Accounts Receivable	(251,918.00)	50,589.00
Due from School Districts		
Depreciation	475,895.00	417,694.00
Amortization	31,609.00	22,814.00
Grants Receivable	48,879.00	13,122.00
Due from NYS		
Grant revenues		
Prepaid Expenses		
Accounts Payable	(91,680.00)	52,013.00
Accrued Expenses	(198,732.00)	370,471.00
Accrued Liabilities		
Contributions and fund-raising activities		
Miscellaneous sources		
Deferred Revenue		
Interest payments	17,963.00	33,768.00
Inventory	(40,804.00)	(21,889.00)
Deposits	(7,678.00)	5,000.00
Payments to vendors (-)		
Payments to Charter School Personnel for Services Rendered (-)		
NET CASH PROVIDED FROM OPERATING ACTIVITIES	97,033.00	1,380,789.00
CASH FLOWS - INVESTING ACTIVITIES		-
Purchase of equipment	(4,264,978.00)	(1,062,361.00)
Other		
NET CASH PROVIDED FROM INVESTING ACTIVITIES	(4,264,978.00)	(1,062,361.00)
CASH FLOWS - FINANCING ACTIVITIES		\$
Proceeds from Line of Credit	1,310,942.00	1,050,000.00
Payments on Line of Credit	(1,310,942.00)	(1,050,000.00)
Proceeds from demand note	175,000.00	-
Principal payments on bonds payable	(474,008.00)	(423,576.00)
Proceeds from notes payable	2,974,000.00	-
Payments for debt issuance costs	(74,399.00)	-
Proceeds from promissory note- PPP program	1,250,000.00	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	3,850,593.00	(423,576.00)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(317,352.00)	(105,148.00)
Cash at beginning of year	631,671.00	736,820.00
CASH AND CASH EQUIVALENTS AT END OF YEAR	314,319.00	631,672.00

Buffalo Academy of Science Charter School

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Total Revenue	11,371,849	558,482	213,000	160,000	383,000	12,686,331
Total Expenses	10,485,834	-	-	-	2,024,752	12,510,586
Net Income	886,015	558,482	213,000	160,000	(1,641,752)	175,745
Actual Student Enrollment	745	68				
Total Paid Student Enrollment	-	-				

Assumptions

DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable

		PROGRAM SERVICES			SUPPORT SERVICES			
		REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL		TOTAL
INSTRUCTIONAL PERSONNEL COSTS								
Teachers - Regular	46.00	2,393,647	-	-	-	-	2,393,647	3 1st Grade t., 3 2nd Grade t., 3 3rd Grade t., 3 4th Grade t., 3 Algebra t., 1 Chemistry t., 1 Earth Science t., 8 ELA t., 1 Geometry t., 2 Global t., 4 Kindergarten t., 1 Living Environment t., 4 Math t., 2 Math Specialist, 1 PiG/Econ t., 2 Reading Specialist, 4 Science t., 2 Social studies t., 1 US History t.
Teachers - SPED	11.00	485,362	-	-	-	-	485,362	11 Special Ed Teachers
Substitute Teachers	4.00	110,598	-	-	-	-	110,598	4 Building Substitutes
Teaching Assistants	13.00	368,900	-	-	-	-	368,900	13 Support Teachers
Specialty Teachers	17.00	748,370	-	-	-	-	748,370	2 Art Teacher, 1Basketball Coach, 3 Computer teacher, 1 Creative Expressions, 4 ESL Teacher, 1 Music teacher, 3 Phys. Ed. teacher, 2 Spanish teacher, 2 STEM, 2 Turkish Teacher
Aides	5.00	123,093	-	-	-	-	123,093	4 Teacher Aid, 2 Support Teacher
Therapists & Counselors	7.00	307,722	-	-	-	-	307,722	2 Guidance Counselors, 2 ISS, 1 School Psychologist, 3 Social Workers
Other	6.00	302,592	-	-	-	-	302,592	2 IT specialists, 1 Instructional Technology Coordinator, 1 IT Systems Administrator, 1 District Data Coordinator, 1 PSR teacher
TOTAL INSTRUCTIONAL	109	4,840,284	-	-	-	-	4,840,284	
NON-INSTRUCTIONAL PERSONNEL COSTS								
Nurse	3.00	133,600	-	-	-	-	133,600	3 School Nurse
Librarian	1.00	42,313	-	-	-	-	42,313	1 Librarian
Custodian	10.00	-	-	-	-	272,059	272,059	10 Custodians
Security	5.00	-	-	-	-	118,033	118,033	5 Hall monitors
Other	1.00	-	-	-	-	15,000	15,000	1 Boiler Engineer
TOTAL NON-INSTRUCTIONAL	20	175,913	-	-	-	405,092	581,005	
SUBTOTAL PERSONNEL SERVICE COSTS	153	5,016,197	-	-	-	1,783,323	6,799,520	
PAYROLL TAXES AND BENEFITS								
Payroll Taxes		511,496	-	-	-	-	511,496	
Fringe / Employee Benefits		1,242,422	-	-	-	-	1,242,422	
Retirement / Pension		656,858	-	-	-	-	656,858	
TOTAL PAYROLL TAXES AND BENEFITS		2,410,775	-	-	-	-	2,410,775	
TOTAL PERSONNEL SERVICE COSTS		7,426,972	-	-	-	1,783,323	9,210,295	
CONTRACTED SERVICES								
Accounting / Audit		-	-	-	-	15,253	15,253	
Legal		-	-	-	-	12,500	12,500	
Management Company Fee		-	-	-	-	-	-	
Nurse Services		-	-	-	-	1,500	1,500	
Food Service / School Lunch		-	-	-	-	-	-	
Payroll Services		-	-	-	-	51,451	51,451	
Special Ed Services		-	-	-	-	-	-	
Titement Services (i.e. Title I)		-	-	-	-	-	-	
Other Purchased / Professional / Consulting		138,688	-	-	-	45,000	183,688	
TOTAL CONTRACTED SERVICES		138,688	-	-	-	125,704	264,391	
SCHOOL OPERATIONS								
Board Expenses		-	-	-	-	5,000	5,000	
Classroom / Teaching Supplies & Materials		141,736	-	-	-	-	141,736	
Special Ed Supplies & Materials		-	-	-	-	-	-	
Textbooks / Workbooks		84,526	-	-	-	-	84,526	
Supplies & Materials other		-	-	-	-	-	-	
Equipment / Furniture		161,614	-	-	-	-	161,614	
Telephone		95,661	-	-	-	-	95,661	
Technology		32,982	-	-	-	-	32,982	
Student Testing & Assessment		-	-	-	-	-	-	
Field Trips		13,249	-	-	-	-	13,249	
Transportation (student)		58,148	-	-	-	-	58,148	
Student Services - other		65,955	-	-	-	-	65,955	
Office Expense		-	-	-	-	76,725	76,725	
Staff Development		25,000	-	-	-	-	25,000	

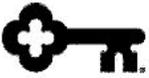
Buffalo Academy of Science Charter School

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.

PROJECTED BUDGET FOR 2020-2021							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	11,371,849	558,482	213,000	160,000	383,000	12,686,331	
Total Expenses	10,485,834	-	-	-	2,024,752	12,510,586	
Net Income	886,015	558,482	213,000	160,000	(1,641,752)	175,745	
Actual Student Enrollment	745	68					
Total Paid Student Enrollment	-	-					
PROGRAM SERVICES							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Staff Recruitment	-	-	-	-	-	-	
Student Recruitment / Marketing	-	-	-	-	-	-	
School Meals / Lunch	-	-	-	-	-	-	
Travel (Staff)	12,500	-	-	-	-	12,500	
Fundraising	-	-	-	-	-	-	
Other	244,642	-	-	-	34,000	278,642	
TOTAL SCHOOL OPERATIONS	936,014	-	-	-	115,725	1,051,739	
FACILITY OPERATION & MAINTENANCE							
Insurance	109,212	-	-	-	-	109,212	
Janitorial	36,050	-	-	-	-	36,050	
Building and Land Rent / Lease	753,678	-	-	-	-	753,678	
Repairs & Maintenance	319,501	-	-	-	-	319,501	
Equipment / Furniture	-	-	-	-	-	-	
Security	5,000	-	-	-	-	5,000	
Utilities	207,420	-	-	-	-	207,420	
TOTAL FACILITY OPERATION & MAINTENANCE	1,430,861	-	-	-	-	1,430,861	
DEPRECIATION & AMORTIZATION	553,300	-	-	-	-	553,300	
DISSOLUTION ESCROW & RESERVES / CONTIGENCY	-	-	-	-	-	-	
TOTAL EXPENSES	10,485,834	-	-	-	2,024,752	12,510,586	
NET INCOME	886,015	558,482	213,000	160,000	(1,641,752)	175,745	
ENROLLMENT - *School Districts Are Linked To Above Entries*							
	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED				
BUFFALO CITY SCHOOL DISTRICT	719	68	787				
CHEEKTOWAGA CENTRAL SCHOOL DISTRICT	11		11				
CHEEKTOWAGA SLOAN SCHOOL DISTRICT	2		2				
CLEVELAND HILL SCHOOL DISTRICT	2		2				
ELLCOTTVILLE SCHOOL DISTRICT	1		1				
GRAND ISLAND SCHOOL DISTRICT	1		1				
LACKAWANNA SCHOOL DISTRICT	4		4				
LOCKPORT SCHOOL DISTRICT	2		2				
NIAGARA FALLS SCHOOL DISTRICT	1		1				
SWEETHOME SCHOOL DISTRICT	1		1				
WEST SENECA SCHOOL DISTRICT	1		1				
TOTAL ENROLLMENT	745	68	813				
REVENUE PER PUPIL	15,264	8,213	262				
EXPENSES PER PUPIL	14,075	-	-				



KeyBank
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 Cleveland, OH 44101-5885

Business Banking Statement
October 31, 2020
 [REDACTED] 1 of 2

31 T 928 0000 R EM AO
 BUFFALO ACADEMY OF SCIENCE CHARTER
 SCHOOL
 190 FRANKLIN ST
 BUFFALO NY 14202-2407

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 BUFFALO ACADEMY OF SCIENCE CHARTER
 SCHOOL

Beginning balance 9-30-20	\$76,162.07
Interest paid	+1.29
Ending balance 10-31-20	\$76,163.36

Interest earned

Annual percentage yield (APY) earned	0.02%
Number of days this statement period	31
Interest paid 10-30-20	\$1.29
Interest earned this statement period	\$1.29
Interest paid year-to-date	\$24.31



