

AMANI PUBLIC CHARTER SCHOOL

ADVISORY COMMENT LETTER

JUNE 30, 2020

October 23, 2020

To the Board of Trustees
Amani Public Charter School

In planning and performing our audit of the financial statements of Amani Public Charter School as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Amani Public Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Amani Public Charter 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

Status of matters included in our letter as of June 30, 2019, dated October 26, 2019

Accounts Receivable

During our 2019 audit, we noted there was a significant amount in accounts receivable that was an older balance. Upon review with management the receivable was determined to be uncollectible. This led to a significant adjustment in which the receivable and related revenue were written off.

Recommendation

We recommend the Charter School implement a formal process to reconcile and follow-up on outstanding receivables on a monthly basis to determine amounts are still expected to be collectible.

Status at June 30, 2020

During our 2020 audit we noted no significant older accounts receivable balances or writeoffs of prior receivables recorded during 2020.

Billing for Special Education Services

During our 2019 audit, we noted the special education billing rate used by the Charter School had not been updated to the appropriate rate based on the students' districts of residence.

Recommendation

We recommend the Charter School review special education tuition rates for accuracy and completeness to ensure amounts billed are proper and represent the entire amount due.

Status at June 30, 2020

During our 2020 audit, we noted special education services were billed at the correct rate during the year.

* * * * *

This communication is intended solely for the information and use of Management, Board Members, others within the organization, and governmental authorities and is not intended to be, and should not be, used by anyone other than these specified parties.

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amani Public Charter School's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

We appreciated the cooperation from your staff that our personnel received during the audit of Amani Public Charter School's financial statements. Should you have any question or comments, please contact Jackie Lee or Kurt Button.

Very truly yours,



MENGEL, METZGER, BARR & CO. LLP

AMANI PUBLIC CHARTER SCHOOL

MOUNT VERNON, NEW YORK

AUDITED FINANCIAL STATEMENTS

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2020

(With Comparative Totals for 2019)

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Amani Public Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Amani Public Charter School, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amani Public 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.

Report on Summarized Comparative Information

We have previously audited Amani Public Charter School's June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020 on our consideration of Amani Public Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amani Public Charter School's internal control over financial reporting and compliance.

Emphasis of Matters

As discussed in Note A to the financial statements, in 2020, Amani Public Charter School adopted new accounting guidance for recognition of revenue, contributions received, and statement of cash flows presentation. Our opinion is not modified with respect to these matters.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 23, 2020

AMANI PUBLIC CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

<u>ASSETS</u>	June 30,	
	2020	2019
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 2,645,383	\$ 2,006,920
Certificate of deposit	787,176	773,864
Grants and other receivables	342,191	135,767
Prepaid expenses and other current assets	10,088	110,723
TOTAL CURRENT ASSETS	3,784,838	3,027,274
<u>OTHER ASSETS</u>		
Cash in escrow	75,000	75,000
Property and equipment, net	484,709	500,454
	559,709	575,454
TOTAL ASSETS	\$ 4,344,547	\$ 3,602,728
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 43,140	\$ 68,018
Accrued expenses	88,514	92,844
Accrued payroll and benefits	318,198	275,066
Deferred revenue	301,504	301,504
Current portion of long-term debt	331,155	-
TOTAL CURRENT LIABILITIES	1,082,511	737,432
<u>LONG-TERM LIABILITIES</u>		
Deferred lease liability	903,775	838,789
Long-term debt	531,145	-
	1,434,920	838,789
TOTAL LIABILITIES	2,517,431	1,576,221
<u>NET ASSETS</u>		
Without donor restrictions	1,782,687	1,998,757
With donor restrictions	44,429	27,750
TOTAL NET ASSETS	1,827,116	2,026,507
TOTAL LIABILITIES AND NET ASSETS	\$ 4,344,547	\$ 3,602,728

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

AMANI PUBLIC CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

	Year Ended June 30,			2019
	2020		Total	
	Without Donor Restrictions	With Donor Restrictions		
Operating revenue and support:				
State and local per pupil operating revenue	\$ 6,765,860	\$ -	\$ 6,765,860	\$ 6,602,178
Governmental grants	374,617	-	374,617	437,316
Contributions	61,455	-	61,455	81,865
Contributed legal and educational services	55,000	-	55,000	55,047
Special events	10,111	16,879	26,990	17,389
Other income	28,673	-	28,673	22,986
Net assets released from restriction	200	(200)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	7,295,916	16,679	7,312,595	7,216,781
Expenses:				
Program:				
Regular education	5,347,009	-	5,347,009	5,429,455
Special education	1,347,610	-	1,347,610	1,294,995
Management and general	810,275	-	810,275	825,034
Fundraising and special events	7,092	-	7,092	12,686
TOTAL EXPENSES	7,511,986	-	7,511,986	7,562,170
Other income:				
Insurance proceeds	-	-	-	83,124
TOTAL OTHER INCOME	-	-	-	83,124
CHANGE IN NET ASSETS	(216,070)	16,679	(199,391)	(262,265)
Net assets at beginning of year	1,998,757	27,750	2,026,507	2,288,772
NET ASSETS AT END OF YEAR	<u>\$ 1,782,687</u>	<u>\$ 44,429</u>	<u>\$ 1,827,116</u>	<u>\$ 2,026,507</u>

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

AMANI PUBLIC CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020
 (With Comparative Totals for June 30, 2019)

	Year ended June 30, 2020							Year Ended June 30, 2019 Total	
	No. of positions	Program Services			Supporting Services				
		Regular Education	Special Education	Sub-total	Management and general	Fundraising and special events	Sub-total		Total
Personnel Service Costs:									
Administrative Staff	8	\$ 443,443	\$ 102,966	\$ 546,409	\$ 388,809	\$ -	\$ 388,809	\$ 935,218	\$ 895,611
Instructional Personnel	41	2,098,041	633,472	2,731,513	-	-	-	2,731,513	2,600,755
Non-instructional Personnel	14	406,838	30,993	437,831	1,714	-	1,714	439,545	404,089
Total Salaries and Wages	63	2,948,322	767,431	3,715,753	390,523	-	390,523	4,106,276	3,900,455
Fringe benefits & payroll taxes		658,165	171,316	829,481	87,178	-	87,178	916,659	806,949
Retirement		37,496	9,760	47,256	4,967	-	4,967	52,223	38,190
Legal service		-	-	-	13,716	-	13,716	13,716	37,076
Accounting / Audit services		-	-	-	100,447	-	100,447	100,447	99,739
Other Purchased / Professional / Consulting services		245,926	89,373	335,299	34,231	-	34,231	369,530	548,726
Building and land rent / Lease		755,585	196,674	952,259	100,082	-	100,082	1,052,341	1,052,401
Repairs and maintenance		39,265	10,221	49,486	5,201	-	5,201	54,687	103,103
Insurance		28,102	7,315	35,417	3,722	-	3,722	39,139	31,374
Utilities		61,902	16,113	78,015	8,199	-	8,199	86,214	106,009
Supplies / Materials		120,428	8,204	128,632	-	4,595	4,595	133,227	182,787
Equipment / Furnishings		11,338	2,951	14,289	1,502	-	1,502	15,791	21,354
Staff development		24,654	1,680	26,334	25,857	-	25,857	52,191	33,593
Marketing / Recruitment		11,713	1,782	13,495	678	-	678	14,173	19,809
Technology		42,749	5,581	48,330	1,839	-	1,839	50,169	33,315
Food service		101,126	6,890	108,016	-	-	-	108,016	151,211
Student services		80,240	5,467	85,707	-	-	-	85,707	130,316
Office expense		109,076	28,392	137,468	14,448	-	14,448	151,916	159,726
Depreciation and amortization		70,260	18,288	88,548	9,307	-	9,307	97,855	100,229
Other		662	172	834	8,378	2,497	10,875	11,709	5,808
		<u>\$ 5,347,009</u>	<u>\$ 1,347,610</u>	<u>\$ 6,694,619</u>	<u>\$ 810,275</u>	<u>\$ 7,092</u>	<u>\$ 817,367</u>	<u>\$ 7,511,986</u>	<u>\$ 7,562,170</u>

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

AMANI PUBLIC CHARTER SCHOOL

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

	<u>Year Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ (199,391)	\$ (262,265)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation and amortization	97,855	100,229
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	(206,424)	116,394
Prepaid expenses and other current assets	100,635	(86,800)
Accounts payable	(24,878)	(35,295)
Accrued expenses	(4,330)	37,486
Accrued payroll and benefits	43,132	(17,135)
Deferred revenue	-	6,173
Deferred lease incentive	-	(168)
Deferred lease liability	<u>64,986</u>	<u>93,808</u>
NET CASH USED FOR OPERATING ACTIVITIES	(128,415)	(47,573)
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchase of certificate of deposit	(13,312)	(16,839)
Purchases of property and equipment	<u>(82,110)</u>	<u>(71,019)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(95,422)</u>	<u>(87,858)</u>
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Proceeds from long-term debt	<u>862,300</u>	<u>-</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>862,300</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	638,463	(135,431)
Cash and cash equivalents and restricted cash at beginning of year	<u>2,081,920</u>	<u>2,217,351</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 2,720,383</u>	<u>\$ 2,081,920</u>

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

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter School

Amani Public Charter School (“the Charter School”) is an educational corporation that operates as a charter school in Mount Vernon, New York. On December 14, 2010, the Board of Regents of the University of the State of New York granted the Charter School a provisional charter valid for a term of five years and renewable upon expiration. The charter was renewed in April 2016 for a term of three years. The Charter was renewed for the second time in April 2019 for a term of three years through June 30, 2022. The Charter School was established to provide its students in grades 5-8 with the academic skills necessary to succeed in competitive high school programs, college and career of their choice.

Basis of accounting

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

Classification of net assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Charter School, the accounts of the Charter School are maintained in accordance with the principles of accounting for not-for-profit organizations. This is the procedure by which resources are classified for reporting purposes into net asset groups, established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by net asset group.

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

Net Assets Without Donor Restrictions

Net assets over which the Governing Board has discretionary control to use in carrying on the Charter School’s operations in accordance with the guidelines established by the Charter School.

Net Assets With Donor Restrictions

Net assets resulting from contributions and other inflows of assets whose use by the Charter School is limited by donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue recognition

Revenue from Exchange Transactions: The Charter School recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

The Charter School records revenues both over time and at a point in time as follows:

	June 30,	
	2020	2019
Revenues earned over time	\$ 6,799,442	\$ 6,626,589
Revenues earned at a point in time	26,990	17,389
	<u>\$ 6,826,432</u>	<u>\$ 6,643,978</u>

State and local per pupil revenue

The Charter School recognizes revenue as educational programming is provided to students throughout the year. The Charter School earns state and local per pupil revenue based on the approved per pupil tuition rate of the public school district in which the pupil resides. The amount received each year from the resident district is the product of the approved per pupil tuition rate and the full-time equivalent student enrollment of the School. Each NYS school district has a fixed per pupil tuition rate which is calculated annually by NYSED in accordance with NYS Education Law. Amounts are billed in advance every other month and payments are typically received in six installments during the year. At the end of each school year, a reconciliation of actual enrollment to billed enrollment is performed and any additional amounts due or excess funds received are agreed upon between the Charter School and the district(s) and are paid or recouped. Additional funding is available for students requiring special education services. The amount of additional funding is dependent upon the length of time and types of services provided by the Charter School to each student, subject to a maximum amount based upon a set rate for each district as calculated by NYSED.

Special events

The Charter School conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event— the exchange component, and a portion represents a contribution to the Charter School. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Charter School. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Charter School, are recorded as fundraising expense in the statement of functional expenses. The performance obligation is delivery of the event. The event fee is set by the Charter School. Special event fees collected by the Charter School in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. For special event fees received before year-end for an event to occur after year-end, the Charter School follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

The following table summarizes contract balances at their respective statement of financial position dates:

	<u>2020</u>	<u>June 30, 2019</u>	<u>2018</u>
Grants and other receivables	\$ 113,374	\$ 48,779	171,469

Contributions

The Charter School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. A contribution that is received and expended in the same year for a specified purpose is classified as revenue without donor restrictions. Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Grant revenue

Some of the Charter School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Charter School has incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying statement of financial position. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying statement of financial position. There was no deferred revenue relating to cost-reimbursement grants at June 30, 2020 or 2019. The Charter School received cost-reimbursement grants of approximately \$5,355 and \$1,062 that have not been recognized at June 30, 2020 and 2019, respectively, because qualifying expenditures have not yet been incurred.

Cash and cash equivalents

Cash and cash equivalents are maintained at financial institutions located in Mount Vernon, New York and are insured by the FDIC up to \$250,000 at each institution. The Charter School considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consist of money market accounts. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash and cash equivalents.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,645,383	\$ 2,006,920
Cash in escrow	<u>75,000</u>	<u>75,000</u>
	<u>\$ 2,720,383</u>	<u>\$ 2,081,920</u>

Certificate of deposit

The Charter School maintains its certificate of deposit with a financial institution. The balance is insured at the financial institution up to \$250,000 by the FDIC. At times the Charter School's balance may exceed federally insured limits. The Charter School has not experienced any losses in such account and does not believe it is exposed to any significant risk. The CD matured in July 2020 and was renewed for an additional year.

Cash in escrow

The Charter School maintained cash in an escrow account in accordance with the terms of its Charter agreement.

Grants and other receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2020 and 2019.

Property and equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to fifteen years.

Deferred lease liability

The Charter School leases its facility. The lease contains pre-determined fixed escalations of the base rent. In accordance with GAAP, the Charter School recognizes the related rent expense on a straight-line basis and records the difference between the recognized rental expense and the amounts payable under the lease as a deferred lease liability.

Deferred revenue

The Charter School records grant revenue as deferred revenue until it is expended for the purpose of the grant, at which time it is recognized as revenue.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Tax exempt status

The Charter School is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income. The Charter School has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

The Charter School files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2017 through June 30, 2020 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits.

Contributed services

The Charter School receives contributed services from volunteers to develop its academic program and to serve on the Board of Trustees. These services are not valued in the financial statements because they do not require “specialized skills” and would typically not be purchased if they were not contributed.

The Charter School received contributed educational services which were valued at approximately \$55,000 and \$53,000, which are included in the accompanying statements of activities and changes in net assets for both of the years ended June 30, 2020 and 2019. The Charter School received contributed legal services valued at approximately \$2,500, which are included in the accompanying statements of activities and changes in net assets for the year ended June 30, 2019. The Charter School did not receive any contributed legal services for the year ended June 30, 2020.

Marketing and recruiting costs

The Charter School expenses marketing and recruiting costs as they are incurred. Total marketing and recruiting costs approximated \$14,000 and \$20,000 for the years ended June 30, 2020 and 2019, respectively.

Accounting/Audit services

Accounting/Audit services is made up of expenses for financial management services as well as professional service expenses related to the annual financial statement audit.

Other purchased/professional/consulting services

Other purchased/professional/consulting services primarily consists of professional service expenses related to technology, security, regular and special education consultants, and payroll services.

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.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Comparatives for year ended June 30, 2019

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. 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 Charter School's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Adoption of New Accounting Standards

Revenue from contracts with customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued a new standard related to revenue recognition. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. For nonpublic entities, the guidance in this new standard is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The Charter School adopted ASC 606 with the date of initial application of July 1, 2019.

The Charter School applied ASC 606 using the cumulative effect method, which generally requires the recognition of the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of net assets, at July 1, 2019. There was no adjustment to the opening balance of net assets at July 1, 2019, as a result of this new accounting standard. In addition, the comparative information has not been adjusted and continues to be reported under existing revenue guidance. The Charter School does not expect the adoption of the new revenue standard to have a material impact on its income on an ongoing basis.

As part of the adoption of ASC 606, the Charter School elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligation, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

Contributions received and contributions made

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. For most resource recipients, this standard is effective for annual reporting periods beginning after December 15, 2018. The Charter School adopted the provisions of ASU 2018-08 applicable to contributions received with a date of initial application of July 1, 2019 under a modified prospective basis. Accordingly, there is no effect on net assets.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE A: THE SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Statement of cash flows

In November 2016, the FASB issued new guidance related to the statement of cash flows (ASC 230), which requires entities to include restricted cash in the reconciliation of the beginning-of-year to the end-of-year balance of cash in the statement of cash flows. ASC 230 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Charter School adopted this standard as of July 1, 2019 using the retrospective transition method.

New accounting pronouncement - leases

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among entities by requiring the recognition of right-of-use (“ROU”) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. For nonpublic entities, the FASB voted on May 20, 2020, to extend the guidance in this new standard to be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Charter School is currently evaluating the provisions of this standard to determine the impact the new standard will have on the Charter School’s financial position or results of operations.

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 23, 2020, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE B: LIQUIDITY AND AVAILABILITY

The Charter School regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Charter School's main source of liquidity is its cash accounts.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Charter School considers all expenditures related to its ongoing activities of education and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

Due to a strong focus on improving educational quality, the Charter School's Board of Trustees has approved an annual budget for the fiscal year ending June 30, 2021 with a deficit of approximately \$195,000. This deficit is anticipated to be funded through existing financial assets. In addition, the Charter School has a \$400,000 line of credit available for use if necessary.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2020 and 2019:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,645,383	\$ 2,006,920
Certificate of deposit	787,176	773,864
Grants and other receivables	<u>342,191</u>	<u>135,767</u>
Total financial assets available within one year	\$ 3,774,750	\$ 2,916,551
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	<u>(44,429)</u>	<u>(27,750)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 3,730,321</u>	<u>\$ 2,888,801</u>

NOTE C: SCHOOL FACILITY

Beginning September 1, 2014, the Charter School leases facilities from T & Z Partners, Inc. through August 30, 2029 with the option to renew for an additional 15 years. Current monthly rental payments are \$84,117. Other expenses in excess of the first year's base costs will be paid for by the Charter School. Starting April 1, 2016, base rent will increase every year by the Per Pupil Funding rate increase up to 3%, as indicated by the New York State Education Department. In years where the Per Pupil Funding is below 3% the remaining amount will be deferred to a period where the rate is above 3% and be included in base rent for that lease year. Total rent expense for both of the years ended June 30, 2020 and 2019 was approximately \$1,052,000. Total approximate square footage usage for all facilities as of June 30, 2020 and 2019 was 45,000.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE C: SCHOOL FACILITY, Cont'd

The future minimum payments on these agreements, assuming a 3% increase per year, are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 1,016,974
2022	1,047,483
2023	1,078,907
2024	1,111,275
2025	1,144,613
Thereafter	<u>5,151,798</u>
	<u>\$ 10,551,050</u>

NOTE D: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 290,911	\$ 278,675
Office equipment	294,573	283,787
Leasehold improvements	<u>648,980</u>	<u>589,892</u>
	1,234,464	1,152,354
Less accumulated depreciation and amortization	<u>749,755</u>	<u>651,900</u>
	<u>\$ 484,709</u>	<u>\$ 500,454</u>

NOTE E: LINE OF CREDIT

During April 2013 the Charter School obtained a \$150,000 Line of Credit. In February 2019, the Line of Credit was modified to increase the amount available to \$250,000 and extend the maturity date to February 1, 2020. The Line of Credit provides for interest at .5% over the Prime Rate (effective rate of 3.75% as of June 30, 2020). In May 2020, the Line of Credit was modified to increase the amount available to \$400,000 and extend the maturity date to February 1, 2021. As of June 30, 2020 and 2019, there were no outstanding balances. The line is secured by all assets of the Charter School.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE F: COMMITMENTS

The Charter School leases office equipment under lease agreements that expire at various dates through June 2024. The future minimum payments on these agreements are approximately as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 77,000
2022	77,000
2023	62,000
2024	51,000
	<u>\$ 267,000</u>

The Charter School's landlord is currently making leasehold improvements to the Charter School's facility. In accordance with the terms of the lease, once construction is complete, the School will be required to reimburse the landlord for the leasehold improvements. The lease agreement calls for reimbursement of up to \$3,000,000 plus any additional changes approved by the Charter School. The Charter School is unable to estimate the amount due. Upon completion, the School expects to repay the landlord in monthly payments over 15 years plus interest at 7%. The amount and terms of the note have not yet been finalized.

NOTE G: RETIREMENT PLAN

The Charter School sponsors a 401(k) retirement plan (the "Plan") for its employees. All employees of the Charter School are eligible to participate. The Plan allows for a discretionary employer match contribution. The Charter School made contributions of approximately \$46,000 and \$38,000 for the years ended June 30, 2020 and 2019, respectively.

NOTE H: CONTINGENCY

Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowance of costs submitted for reimbursement by the Charter School. Management is of the opinion that such disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE I: CONCENTRATIONS

At June 30, 2020 approximately 23% of grants and other receivables were due from the New York State Department of Education, relating to certain grants. At June 30, 2019 approximately 17% of grants and receivables were due from the New York State Department of Education.

During the years ended June 30, 2020 and 2019, 93% and 91% of total operating revenue and support came from per-pupil funding provided by New York State, respectively. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students reside.

NOTE J: FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses (including salaries, benefits, payroll taxes, purchased services, rent, repairs, insurance, utilities, supplies, and depreciation) which are attributable to more than one program or supporting function are allocated on the basis of estimates of time, effort, and usage.

NOTE K: NET ASSETS

Net assets without donor restrictions are as follows:

	June 30,	
	2020	2019
Undesignated	\$ 1,297,978	\$ 1,498,303
Invested in property and equipment	<u>484,709</u>	<u>500,454</u>
	<u>\$ 1,782,687</u>	<u>\$ 1,998,757</u>

Net assets with donor restrictions are as follows:

	June 30,	
	2020	2019
Subject to expenditure for specified purpose:		
Latin scholarship fund	\$ 5,200	\$ 5,400
21st Century library fund	22,350	22,350
Student travel fund	<u>16,879</u>	<u>-</u>
	<u>\$ 44,429</u>	<u>\$ 27,750</u>

AMANI PUBLIC CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for June 30, 2019)

NOTE L: LONG-TERM DEBT

In response to the COVID-19 outbreak, as disclosed in Note M, in May 2020, the Charter School applied for and was approved by a bank for a loan of \$862,300 through the Paycheck Protection Program established by the Small Business Administration. The loan has a maturity of 2 years and an interest rate of 1%. The loan has the potential for forgiveness provided certain requirements are met by the Charter School. The loan was funded on May 6, 2020.

Estimated annual maturities of long-term debt are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 331,155
2022	<u>531,145</u>
	<u>\$ 862,300</u>

NOTE M: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

AMANI PUBLIC CHARTER SCHOOL

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Amani Public Charter School

We have audited, 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, the financial statements of Amani Public Charter School, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, 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 October 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amani Public Charter 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 Amani Public Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of Amani Public Charter 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.

Our consideration of internal control was for the limited purpose described in the first paragraph 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 over financial reporting 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 Amani Public Charter 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2020-001.

We noted certain matters that we have reported to management of Amani Public Charter School in a separate letter dated October 23, 2020.

Amani Public Charter School's Response to Finding

Amani Public Charter School's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Amani Public Charter School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 23, 2020

AMANI PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020

Finding 2020-001

Statement of condition

During our audit we noted that the School did not adhere to their bylaws and Education Law Section 226 with respect to the minimum number of trustees. For a portion of the year the board of trustees consisted of only 4 members, less than the minimum requirement of 5.

Criteria and effect of conditions

The Charter School's bylaws state in Article III, Section B that the number of trustees on the board "shall not be fewer than five (5)..." Education Law Section 226 [1] states that the number of trustees shall not be less than five. During our audit we noted for a portion of the year, the Charter School had only 4 trustees on the board that were approved by the New York State Education Department.

The Charter School was not in compliance with these requirements until December 2019 when additional trustees were appointed to the board.

Recommendation

We recommend the Charter School consider maintaining a board of trustees consisting of at least six members to prevent instances of noncompliance should a trustee step down from the board for any reason.

Management response

We had an unexpected resignation of a Trustee in September 2019 that brought us below the minimum requirement of five Trustees. Additional Trustees were approved by the New York State Education Department by December 2019, bringing the total number of Trustees to six.



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Charter School Name
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	Mount Vernon City School District
If located in NYC DOE select CSD:	-
School Fiscal Contact Name:	Philip Salmon
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Mengel Metzger Barr & Co. LLP
School Audit Contact Name:	Jacqueline B. Lee
School Audit Contact Email:	[REDACTED]
School Audit Contact Phone:	[REDACTED]
Audit Period:	2019-20
Prior Year:	2018-19

The following items are required to be included:

- 1.) The independent auditor's report on financial statements and notes.
- 2.) Excel template file containing the Financial Position, Statement of Activities, Cash Flow and Functional Expenses worksheets.
- 3.) Reports on internal controls over financial reporting and on compliance.

The additional items listed below should be included if applicable. Please explain the reason(s) if the items are not included. Examples might include: a written management letter was not issued; the school did not expend federal funds in excess of the Single Audit Threshold of \$750,000; the management letter response will be submitted by the following date (should be no later than 30 days from the submission of the report); etc.

Item	If not included, state the reason(s) below (if not applicable fill in N/A):
Management Letter	
Management Letter Response	
Form 990	Extension to be filed
Federal Single Audit (A-133)	N/A
Corrective Action Plan	N/A

Charter School Name
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 2,645,383	\$ 2,006,920
Grants and contracts receivable	342,191	135,767
Accounts receivables	-	-
Prepaid Expenses	10,088	110,723
Contributions and other receivables	-	-
Other current assets	787,176	773,864
TOTAL CURRENT ASSETS	3,784,838	3,027,274
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 484,709	\$ 500,454
Restricted Cash	75,000	75,000
Security Deposits	-	-
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	559,709	575,454
TOTAL ASSETS	<u>4,344,547</u>	<u>3,602,728</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 131,654	\$ 160,862
Accrued payroll, payroll taxes and benefits	318,198	275,066
Current Portion of Loan Payable	331,155	-
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	301,504	301,504
Other Current Liabilities	-	-
TOTAL CURRENT LIABILITIES	1,082,511	737,432
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 531,145	\$ -
Deferred Rent	903,775	838,789
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
TOTAL LONG-TERM LIABILITIES	1,434,920	838,789
TOTAL LIABILITIES	<u>2,517,431</u>	<u>1,576,221</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 1,782,687	\$ 1,998,757
Temporarily restricted	44,429	27,750
Permanently restricted	-	-
TOTAL NET ASSETS	<u>1,827,116</u>	<u>2,026,507</u>
TOTAL LIABILITIES AND NET ASSETS	<u>4,344,547</u>	<u>3,602,728</u>

Charter School Name
Statement of Activities
as of June 30

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 6,582,331	\$ -	\$ 6,582,331	\$ 6,434,063
State and Local Per Pupil Revenue - SPED	183,529	-	183,529	168,115
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	374,617	-	374,617	437,316
State and City Grants	-	-	-	-
Other Operating Income	28,673	-	28,673	22,986
Food Service/Child Nutrition Program	-	-	-	-
TOTAL OPERATING REVENUE	7,169,150	-	7,169,150	7,062,480
EXPENSES				
Program Services				
Regular Education	\$ 5,347,009	\$ -	\$ 5,347,009	\$ 5,429,455
Special Education	1,347,610	-	1,347,610	1,294,995
Other Programs	-	-	-	-
Total Program Services	6,694,619	-	6,694,619	6,724,450
Management and general	810,275	-	810,275	825,034
Fundraising	7,092	-	7,092	12,686
TOTAL EXPENSES	7,511,986	-	7,511,986	7,562,170
SURPLUS / (DEFICIT) FROM OPERATIONS	(342,836)	-	(342,836)	(499,690)
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ -	\$ -	\$ -	\$ 83,124
Contributions and Grants	61,455	-	61,455	81,865
Fundraising Support	10,111	16,879	26,990	17,389
Investments	-	-	-	-
Donated Services	55,000	-	55,000	55,047
Other Support and Revenue	200	(200)	-	-
TOTAL SUPPORT AND OTHER REVENUE	126,766	16,679	143,445	237,425
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	(216,070)	16,679	(199,391)	(262,265)
NET ASSETS - BEGINNING OF YEAR	\$ 1,998,757	\$ 27,750	\$ 2,026,507	\$ 2,288,772
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 1,782,687	\$ 44,429	\$ 1,827,116	\$ 2,026,507

Charter School Name
Statement of Cash Flows

as of June 30

	2020	2019
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (199,391)	\$ (262,265)
Revenues from School Districts	-	-
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	97,855	100,229
Grants Receivable	(206,424)	116,394
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	100,635	(86,800)
Accounts Payable	(24,878)	(35,295)
Accrued Expenses	(4,330)	37,486
Accrued Liabilities	43,132	(17,135)
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	-
Deferred Revenue	-	6,173
Interest payments	-	-
Other	-	(168)
Other	64,986	93,808
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ (128,415)	\$ (47,573)
CASH FLOWS - INVESTING ACTIVITIES	\$	\$
Purchase of equipment	(82,110)	(71,019)
Other	(13,312)	(16,839)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (95,422)	\$ (87,858)
CASH FLOWS - FINANCING ACTIVITIES	\$	\$
Principal payments on long-term debt	862,300	-
Other	-	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ 862,300	\$ -
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ 638,463	\$ (135,431)
Cash at beginning of year	2,081,920	2,217,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,720,383	\$ 2,081,920

Charter School Name
Statement of Functional Expenses
as of June 30

		2020							2019	
No. of Positions	Program Services				Supporting Services			Total	Total	
	Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total			
Personnel Services Costs										
Administrative Staff Personnel	8.00	443,443	102,966	-	546,409	-	388,809	388,809	935,218	895,611
Instructional Personnel	41.00	2,098,041	633,472	-	2,731,513	-	-	-	2,731,513	2,600,755
Non-Instructional Personnel	14.00	406,838	30,993	-	437,831	-	1,714	1,714	439,545	404,089
Total Salaries and Staff	63.00	2,948,322	767,431	-	3,715,753	-	390,523	390,523	4,106,276	3,900,455
Fringe Benefits & Payroll Taxes		658,165	171,316	-	829,481	-	87,178	87,178	916,659	806,949
Retirement		37,496	9,760	-	47,256	-	4,967	4,967	52,223	38,190
Management Company Fees		-	-	-	-	-	-	-	-	-
Legal Service		-	-	-	-	-	13,716	13,716	13,716	37,076
Accounting / Audit Services		-	-	-	-	-	100,447	100,447	100,447	99,739
Other Purchased / Professional / Consulting Services		245,926	89,373	-	335,299	-	34,231	34,231	369,530	548,726
Building and Land Rent / Lease		755,585	196,674	-	952,259	-	100,082	100,082	1,052,341	1,052,401
Repairs & Maintenance		39,265	10,221	-	49,486	-	5,201	5,201	54,687	103,103
Insurance		28,102	7,315	-	35,417	-	3,722	3,722	39,139	31,374
Utilities		61,902	16,113	-	78,015	-	8,199	8,199	86,214	106,009
Supplies / Materials		120,428	8,204	-	128,632	4,595	-	4,595	133,227	182,787
Equipment / Furnishings		11,338	2,951	-	14,289	-	1,502	1,502	15,791	21,354
Staff Development		24,654	1,680	-	26,334	-	25,857	25,857	52,191	33,593
Marketing / Recruitment		11,713	1,782	-	13,495	-	678	678	14,173	19,809
Technology		42,749	5,581	-	48,330	-	1,839	1,839	50,169	33,315
Food Service		101,126	6,890	-	108,016	-	-	-	108,016	151,211
Student Services		80,240	5,467	-	85,707	-	-	-	85,707	130,316
Office Expense		109,076	28,392	-	137,468	-	14,448	14,448	151,916	159,726
Depreciation		70,260	18,288	-	88,548	-	9,307	9,307	97,855	100,229
OTHER		662	172	-	834	2,497	8,378	10,875	11,709	5,808
Total Expenses		\$ 5,347,009	\$ 1,347,610	\$ -	\$ 6,694,619	\$ 7,092	\$ 810,275	\$ 817,367	\$ 7,511,986	\$ 7,562,170

New York State Education Department

Request for Proposals to Establish Charter Schools Authorized by the Board of Regents

2020-21 Budget & Cash Flow Template

General Instructions and Notes for New Application Budgets and Cash Flows Templates

1	Complete ALL SIX columns in BLUE
2	Enter information into the GRAY cells
3	Cells containing RED triangles in the upper right corner in columns B through G contain guidance on that particular item
4	School district per-pupil tuition information is located on the State Aid website at https://stateaid.nysed.gov/charter/ . Rows may be inserted in the worksheet to accommodate additional districts if necessary.
5	The Assumptions column should be completed for all revenue and expense items unless the item is self-explanatory. Where applicable, please reference the page number or section in the application narrative that indicates the assumption being made. For instance, student enrollment would reference the applicable page number in Section I, C of the application narrative.

Amni Public 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.

Assumptions

DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable

While we show a deficit of \$392,927, this includes \$198,000 in non-cash depreciation, so our cash short fall is \$194,927. Board authorized the use of reserves to cover deficit in 2021.
At 6/30/2020, we had \$1.8 million in net assets and \$3.3 million in cash and short term investments.

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Total Revenue	6,744,790	190,708	165,000	45,500	3,750	7,149,748
Total Expenses	5,432,697	647,716	165,691	78,412	1,218,159	7,542,675
Net Income	1,312,093	(457,008)	(691)	(32,912)	(1,214,409)	(392,927)
Actual Student Enrollment	329	20				
Total Paid Student Enrollment						

PROGRAM SERVICES

SUPPORT SERVICES

REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
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REVENUE

REVENUES FROM STATE SOURCES

Per Pupil Revenue

CY Per Pupil Rate

District of Location (Mount Vernon)	\$18,398.00	6,218,524	146,140				6,364,664
NYC	\$16,123.00	161,230					161,230
New Rochelle	\$17,424.00	17,424					17,424
School District 4 (Enter Name)							
School District 5 (Enter Name)							
		6,397,178	146,140				6,543,318

Special Education Revenue

Grants

Stimulus

Other

Other State Revenue

TOTAL REVENUE FROM STATE SOURCES

REVENUE FROM FEDERAL FUNDING

IDEA Special Needs

Title I

Title Funding - Other

School Food Service (Free Lunch)

Charter School Program (CSP) Planning & Implementation

STRONG Grant 21st Century

Other Federal Revenue

Other Federal Revenue

TOTAL REVENUE FROM FEDERAL SOURCES

LOCAL and OTHER REVENUE

Contributions and Donations, Fundraising

Erate Reimbursement

Interest Income, Earnings on Investments,

NYC-DYCD (Department of Youth and Community Developmt.)

Food Service (Income from meals)

Text Book

Other Local Revenue

TOTAL REVENUE FROM LOCAL and OTHER SOURCES

TOTAL REVENUE

EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

No. of Positions

Executive Management	1.00				4,180	79,427	83,607	Executive Director (5% / 95%)
Instructional Management	4.00	323,163	20,627				343,790	Principal, STEAM Dept. Chair., Humanities Dept. Chair., Academic Data Coordinator
Deans, Directors & Coordinators	3.00	162,470	10,450	30,000	50,000		252,920	Upper School Dean, Lower School Dean, Cultural Aide, Director of Fundraising
CFO / Director of Finance	1.00				5,835	110,864	116,699	Director of Finance
Operation / Business Manager	3.00	126,885	9,063			90,632	226,581	Director of Operations, Technology Coordinator, Registrar
Administrative Staff	4.00	114,670	8,191			81,907	204,768	Marketing & Recruitment Coordinator, Office Manager, Bookkeeper, Executive Assistant
TOTAL ADMINISTRATIVE STAFF	16	727,188	48,332	30,000	60,015	362,830	1,228,365	

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular

Teachers - SPED

Substitute Teachers

Teaching Assistants

Specialty Teachers

Aides

Therapists & Counselors

Other

TOTAL INSTRUCTIONAL

NON-INSTRUCTIONAL PERSONNEL COSTS

Nurse

Nurse	1.00	61,100	3,900				65,000	94% / 6%
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List exact titles and staff FTE's (Full time equivalent)

Amni Public Charter School

PROJECTED BUDGET FOR 2020-2021

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Total Paid Student Enrollment	-	-				

PROGRAM SERVICES

SUPPORT SERVICES

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
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Librarian	-	-	-	-	-	-
Custodian	3.00	66,116	4,723	-	47,226	118,064
Security	-	-	-	-	-	-
Other	1.00	31,960	2,040	-	-	34,000
TOTAL NON-INSTRUCTIONAL	5	159,176	10,663	-	47,226	217,064
SUBTOTAL PERSONNEL SERVICE COSTS	61	3,011,144	423,584	133,000	60,015	4,037,799

94% / 6%

See Building below. Contracted service.

94% / 6%

PAYROLL TAXES AND BENEFITS

Payroll Taxes	263,919	35,189	10,557	3,519	38,708	351,892
Fringe / Employee Benefits	438,224	58,430	17,529	5,843	64,273	584,298
Retirement / Pension	51,375	6,850	2,055	685	7,535	68,500
TOTAL PAYROLL TAXES AND BENEFITS	753,517	100,469	30,141	10,047	110,516	1,004,690

Based on personnel cost %

75% / 10% / 3% / 1% / 11%

75% / 10% / 3% / 1% / 11%

75% / 10% / 3% / 1% / 11%

TOTAL PERSONNEL SERVICE COSTS

3,764,662	524,053	163,141	70,062	520,572	5,042,489
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CONTRACTED SERVICES

Accounting / Audit	-	-	-	-	77,500	77,500
Legal	-	-	-	-	20,000	20,000
Management Company Fee	-	-	-	-	-	-
Nurse Services	-	-	-	-	-	-
Food Service / School Lunch	122,200	7,800	-	-	-	130,000
Payroll Services	63,750	8,500	2,550	850	9,350	85,000
Special Ed Services	-	22,000	-	-	-	22,000
Titlement Services (i.e. Title I)	-	-	-	-	-	-
Other Purchased / Professional / Consulting	-	-	-	-	7,000	7,000
TOTAL CONTRACTED SERVICES	185,950	38,300	2,550	850	113,850	341,500

94% / 6%

75% / 10% / 3% / 1% / 11%

Speech

SCHOOL OPERATIONS

Board Expenses	-	-	-	-	5,000	5,000
Classroom / Teaching Supplies & Materials	16,920	1,080	-	-	-	18,000
Special Ed Supplies & Materials	-	3,000	-	-	-	3,000
Textbooks / Workbooks	26,320	1,680	-	-	-	28,000
Supplies & Materials other	30,000	2,000	-	-	-	32,000
Equipment / Furniture	-	-	-	-	12,500	12,500
Telephone	7,050	450	-	-	7,500	15,000
Technology	67,500	4,500	-	-	18,000	90,000
Student Testing & Assessment	18,800	1,200	-	-	-	20,000
Field Trips	4,700	300	-	-	-	5,000
Transportation (student)	4,700	300	-	-	-	5,000
Student Services - other	16,450	1,050	-	-	-	17,500
Office Expense	85,875	5,725	-	-	22,900	114,500
Staff Development	27,000	1,800	-	-	7,200	36,000
Staff Recruitment	3,750	250	-	-	1,000	5,000
Student Recruitment / Marketing	6,110	390	-	-	-	6,500
School Meals / Lunch	-	-	-	-	4,000	4,000
Travel (Staff)	-	-	-	-	500	500
Fundraising	-	-	-	7,500	-	7,500
Other	15,825	1,055	-	-	4,220	21,100
TOTAL SCHOOL OPERATIONS	331,000	24,780	-	7,500	82,820	446,100

Other = After School program STRONG grant

Dues and subscription, athletics

FACILITY OPERATION & MAINTENANCE

Insurance	35,244	1,855	-	-	9,275	46,374
Janitorial	11,400	600	-	-	3,000	15,000
Building and Land Rent / Lease	917,481	48,288	-	-	241,442	1,207,212
Repairs & Maintenance	45,600	2,400	-	-	12,000	60,000
Equipment / Furniture	-	-	-	-	-	-
Security	64,600	3,400	-	-	17,000	85,000
Utilities	76,760	4,040	-	-	20,200	101,000
TOTAL FACILITY OPERATION & MAINTENANCE	1,151,085	60,583	-	-	302,917	1,514,586

75% / 4% / 20%

75% / 4% / 20%

75% / 4% / 20%

75% / 4% / 20%

75% / 4% / 20%

75% / 4% / 20%

DEPRECIATION & AMORTIZATION

-	-	-	-	198,000	198,000
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DISSOLUTION ESCROW & RESERVES / CONTINGENCY

-	-	-	-	-	-
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Amni Public Charter School

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

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PROJECTED BUDGET FOR 2020-2021							Assumptions	
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Total Paid Student Enrollment	-	-						
PROGRAM SERVICES								
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL		
TOTAL EXPENSES	5,432,697	647,716	165,691	78,412	1,218,159	7,542,675		
NET INCOME	1,312,093	(457,008)	(691)	(32,912)	(1,214,409)	(392,927)		
ENROLLMENT - *School Districts Are Linked To Above Entries*	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED					
District of Location (Mount Vernon)	318	20	338					
NYC	10		10					
New Rochelle	-		-					
School District 4 (Enter Name)	1		1					
School District 5 (Enter Name)			-					
TOTAL ENROLLMENT	329	20	349					
REVENUE PER PUPIL	20,501	9,535	473					
EXPENSES PER PUPIL	16,513	32,386	475					

AMANI PUBLIC CHARTER SCHOOL
C/O DEBRA STERN
60 S 3RD AVE
MOUNT VERNON NY 10550-3313

Contact Us

-  Client Services 855-274-2800
-  Mailing Address 21 Scarsdale Road
Yonkers, NY 10707
-  Online Access <https://www.snb.com>

SUMMARY OF ACCOUNTS

ACCOUNT TYPE	ACCOUNT NUMBER	ENDING BALANCE
ENHANCED BUSINESS CHECKING	██████████	\$75,000.00

ENHANCED BUSINESS CHECKING - XXXXXX8601

Account Summary

Date	Description			
06/01/2020	Beginning Balance	\$75,000.00	Average Ledger Balance	\$75,000.00
	0 Debit(s) this period	\$0.00	Average Available Balance	\$75,000.00
	0 Credit(s) this period	\$0.00		
06/30/2020	Ending Balance	\$75,000.00		

Transaction Activity

Transaction Date	Description	Debits	Credits	Balance
06/01/2020	Beginning Balance			\$75,000.00
	No activity this statement period			
06/30/2020	Ending Balance			\$75,000.00

Daily Balances

Date	Amount
05/31/2020	\$75,000.00

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Returned Item Fees	\$0.00	\$0.00
Total Overdraft Fees	\$0.00	\$0.00

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