



Bold Charter School
1090 Close Ave
Bronx, NY 10472

Mengel, Metzger, Barr & Co. LLP
Certified Public Accountants
100 Chestnut Street, Suite 1200
Rochester, New York 14604

This representation letter is provided in connection with your audit of the financial statements of BOLD 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 period from June 12, 2018 (date of inception) to June 30, 2020, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 15, 2020, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.
- Other than as disclosed in Notes D and L to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in those financial statements.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statements all assets and liabilities under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Reclassifications between net asset classes are proper.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.
- We have reviewed the Charter School's draft financial statements prepared by you based upon financial information we provided to you. We have reviewed all supporting schedules and accept full responsibility for the Charter School's financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Charter School's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Charter School's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statements as a Whole

- With respect to the supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
 - We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Other Representations

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We have considered the accounting and reporting requirements of FASB ASC 740-10. We believe there are no material liabilities (or reduction in amounts refundable) required for unrecognized tax benefits related to our tax positions, as defined and described in FASB ASC 740-10-20.

Very truly yours,

BOLD CHARTER SCHOOL



Andrew Foglia
Founder & Executive Director



Jon Barfield
Board Treasurer

BOLD CHARTER SCHOOL

BRONX, NEW YORK

AUDITED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
BOLD Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of BOLD 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 period from June 12, 2018 (date of inception) to June 30, 2020, 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 BOLD Charter School as of June 30, 2020, and the changes in its net assets and its cash flows for the period from June 12, 2018 (date of inception) to June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note A to the financial statements, in 2020, BOLD 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.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2020 on our consideration of BOLD Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BOLD Charter School's internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 8, 2020

BOLD CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$	486,331
Grants and other receivables		71,415
Due from related party		93,602
Prepaid expenses and other current assets		<u>138,189</u>
TOTAL CURRENT ASSETS		789,537

PROPERTY AND EQUIPMENT, net		235,660
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OTHER ASSETS

Security deposits		57,450
Cash in escrow		<u>75,006</u>
		<u>368,116</u>
TOTAL ASSETS	\$	<u><u>1,157,653</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	52,367
Accrued payroll and benefits		78,195
Current portion of Paycheck Protection Program note payable		<u>84,030</u>
TOTAL CURRENT LIABILITIES		214,592

OTHER LIABILITIES

Non-current portion of Paycheck Protection Program note payable		133,042
Deferred lease liability		<u>376,000</u>
		<u>509,042</u>
TOTAL LIABILITIES		723,634

NET ASSETS

Without donor restrictions		<u>434,019</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,157,653</u></u>

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

BOLD CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

PERIOD FROM JUNE 12, 2018 (DATE OF INCEPTION) TO JUNE 30, 2020

Operating revenue and support:		
State and local per pupil operating revenue		\$ 2,146,092
NYC DOE rental assistance		430,000
Government grants		1,040,549
Private grants		353,234
Other income		<u>5</u>
	TOTAL OPERATING REVENUE AND SUPPORT	3,969,880
Expenses:		
Program:		
Regular education		2,035,705
Special education		445,250
Management and general		<u>1,054,906</u>
	TOTAL EXPENSES	<u>3,535,861</u>
	CHANGE IN NET ASSETS	434,019
Net assets at beginning of period		<u>-</u>
	NET ASSETS AT END OF PERIOD	<u>\$ 434,019</u>

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

BOLD CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

PERIOD FROM JUNE 12, 2018 (DATE OF INCEPTION) TO JUNE 30, 2020

	No. of Positions	Program Services			Supporting Services	Total
		Regular Education	Special Education	Sub-total	Management and General	
Personnel services costs:						
Administrative staff personnel	5	\$ 309,131	\$ 54,914	\$ 364,045	\$ 459,942	\$ 823,987
Instructional personnel	<u>6</u>	<u>343,447</u>	<u>128,246</u>	<u>471,693</u>	<u>-</u>	<u>471,693</u>
Total salaries and wages	11	652,578	183,160	835,738	459,942	1,295,680
Fringe benefits and payroll taxes		134,945	37,875	172,820	95,109	267,929
Retirement		14,752	4,140	18,892	10,397	29,289
Legal service		-	-	-	49,464	49,464
Accounting / audit services		-	-	-	27,400	27,400
Other purchased / professional / consulting services		96,025	17,058	113,083	153,815	266,898
Building and land rent / lease		625,399	111,096	736,495	135,980	872,475
Repairs and maintenance		3,267	580	3,847	710	4,557
Insurance		25,588	4,545	30,133	5,563	35,696
Supplies / materials		127,246	23,572	150,818	-	150,818
Equipment / furnishings		23,476	4,170	27,646	5,104	32,750
Staff development		14,877	2,643	17,520	3,235	20,755
Marketing / recruitment		74,332	13,204	87,536	16,162	103,698
Technology		87,750	15,588	103,338	19,079	122,417
Food services		95,140	16,901	112,041	-	112,041
Office expense		1,910	339	2,249	57,820	60,069
Depreciation and amortization		57,672	10,245	67,917	12,540	80,457
Other		748	134	882	2,586	3,468
		<u>\$ 2,035,705</u>	<u>\$ 445,250</u>	<u>\$ 2,480,955</u>	<u>\$ 1,054,906</u>	<u>\$ 3,535,861</u>

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

BOLD CHARTER SCHOOL

STATEMENT OF CASH FLOWS

PERIOD FROM JUNE 12, 2018 (DATE OF INCEPTION) TO JUNE 30, 2020

CASH FLOWS - OPERATING ACTIVITIES

Change in net assets	\$ 434,019
Adjustments to reconcile change in net assets to net cash provided from operating activities:	
Depreciation and amortization	80,457
Changes in certain assets and liabilities affecting operations:	
Grants and other receivables	(71,415)
Due from related party	(93,602)
Prepaid expenses and other current assets	(138,189)
Security deposits	(57,450)
Accounts payable and accrued expenses	52,367
Accrued payroll and benefits	78,195
Deferred lease liability	<u>376,000</u>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	660,382

CASH FLOWS - INVESTING ACTIVITIES

Purchases of property and equipment	<u>(316,117)</u>
NET CASH USED FOR INVESTING ACTIVITIES	(316,117)

CASH FLOWS - FINANCING ACTIVITIES

Borrowings on Paycheck Protection Program note payable	<u>217,072</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>217,072</u>

NET INCREASE IN CASH AND RESTRICTED CASH 561,337

Cash and restricted cash at beginning of period	<u>-</u>
CASH AND RESTRICTED CASH AT END OF PERIOD	<u>\$ 561,337</u>

Reconciliation of cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:

Cash	\$ 486,331
Cash in escrow	<u>75,006</u>
	<u>\$ 561,337</u>

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

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter School

BOLD Charter School (the “Charter School”) is an educational corporation that operates as a charter school in Bronx, New York. The Charter School provides a world-class public education that equips all students with the academic and charter foundation to succeed in college and serve as the next generation of leaders. On June 12, 2018 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 through June 2024 and renewable upon expiration.

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.

The assets, liabilities, activities, and net assets 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 available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Trustees has discretionary control to use these in carrying on operations in accordance with the guidelines established by the Charter School.

Net Assets With Donor Restrictions

Net assets subject to 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. The Charter School had no net assets with donor restrictions at June 30, 2020.

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.

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

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

The Charter School records substantially all revenue over time as follows:

Public school district revenue

The Charter School recognizes revenue as educational programming is provided to students throughout the year. The Charter School earns public school district 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 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.

Rental assistance

Facilities rental assistance funding is provided by the New York City Department of Education (NYCDOE) to qualifying charter schools located in the five boroughs of NYC. In order to receive rental assistance funding, a charter school must have commenced instruction or added grade levels in the 2014-15 school year or thereafter, and go through a space request process with the NYCDOE. If NYCDOE is not able to provide adequate space, the charter school can become eligible for rental assistance. Rental assistance is calculated as the lesser of 30% of the per-pupil tuition rate for NYC times the number of students enrolled, or actual total rental costs. As rental assistance is based on the number of students enrolled, revenue is recognized throughout the year as educational programming is provided to students.

The following table summarizes contract balances:

Grants and other receivables	<u>\$ 25,102</u>
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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 and unconditional promises to give are recorded as revenue in the appropriate class of net assets depending on the existence of any donor restrictions. A contribution that is received and expended in the same period for a specific 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 donor restriction expires, that is, when a stipulated purpose restriction is accomplished, 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 restriction.

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

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

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 and other receivables in the accompanying statement of financial position.

Cash

Cash balances are maintained at a financial institution located in New York and are insured by the Federal Deposit Insurance Corporation up to \$250,000. 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.

Cash in escrow

The Charter School maintains cash in an escrow account, pursuant to its Charter Agreement, to pay off expenses in the event of dissolution of the Charter School. The amount in escrow was approximately \$75,000 at June 30, 2020.

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.

Due from related party

The Charter School has an amount due from BOLD Schools Inc. ("BSI") which is in the same network and subleases the facility to the Charter School. (See Note F). The Charter School paid for certain facility improvements that will be reimbursed by BSI. The amounts due from BSI approximated \$93,600 at June 30, 2020.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are 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 seven years.

Deferred lease liability

The Charter School leases its facility. The lease contains significant pre-determined fixed escalations of the base rent. In accordance with accounting principles generally accepted in the United States of America ("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 paid under the lease as a deferred lease liability. The amount of additional rent expense in excess of rent paid under the lease was \$376,000 for the period from June 12, 2018 (date of inception) to June 30, 2020.

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

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

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. In addition, the Charter School received donated transportation services, occupational, physical, and speech therapy, and counseling that was provided for the students from the local district. The Charter School was unable to determine a value for these services.

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 files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2019 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.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated \$103,700 for the period from June 12, 2018 (date of inception) to June 30, 2020.

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.

Adoption of New Accounting Standards

Revenue from contracts with customers

In May 2014, the Financial Accounting Standards Board (“FASB”) issued new guidance related to revenue recognition (ASC 606), which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 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 ASC 606 with a date of initial application of July 1, 2019.

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

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

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. The Charter School does not expect the adoption of the new revenue standard to have a material impact on its change in net assets 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

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 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 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 8, 2020, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted except as disclosed in Note F.

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

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.

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Charter School's cash and shows positive cash generated by operations for the period ended June 30, 2020.

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:

	<u>Amount</u>
Cash	\$ 486,331
Grants and other receivables	<u>71,415</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 557,746</u>

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020:

Furniture	\$ 80,647
Office equipment	35,895
Leasehold improvements	118,181
Technology	27,949
Computer equipment	<u>53,445</u>
	316,117
Less accumulated depreciation and amortization	<u>80,457</u>
	<u>\$ 235,660</u>

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

NOTE D: PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

In response to the COVID-19 outbreak, in April 2020, the Charter School applied for and was approved by a bank for a loan of \$217,072 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 in May 2020.

Annual maturities of the note payable are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 84,030
2022	<u>133,042</u>
	<u>\$ 217,072</u>

NOTE E: NET ASSETS

Net assets without donor restrictions consist of the following at June 30, 2020:

Undesignated net assets	\$ 198,359
Invested in property and equipment	<u>235,660</u>
	<u>\$ 434,019</u>

NOTE F: SCHOOL FACILITY

From June 12, 2018 (date of inception) through April 30, 2019, the Charter School was renting out conference rooms and office space as needed on a month to month basis. Effective May 1, 2019, the Charter School subleases its facilities from BSI. The agreement goes through June 30, 2021 with a one-year extension that was signed in September 2020, extending the agreement through June 30, 2022. Rent expense totaled approximately \$872,000 for the period from June 12, 2018 (date of inception) to June 30, 2020.

The Charter School paid a nonrefundable deposit in the amount of \$55,500 which is included in security deposits in the accompanying statement of financial position at June 30, 2020.

The future payments on this agreement are approximately as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 900,000
2022	<u>940,000</u>
	<u>\$ 1,840,000</u>

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

NOTE F: SCHOOL FACILITY, Cont'd

The lease signed between BSI and a third party is guaranteed by the Charter School. The future minimum payments on this agreement through June 2022 are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 333,000
2022	<u>349,350</u>
	<u>\$ 682,350</u>

NOTE G: 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.

NOTE H: CONCENTRATIONS

The Charter School's primary source of funding is obtained from the New York State Department of Education and is reported as state and local per pupil operating revenue in the accompanying statement of activities and changes in net assets. This funding is based on the home district of each pupil. The total per pupil income for the period from June 12, 2018 (date of inception) to June 30, 2020 was \$2,135,972. This is approximately 54% of total operating revenue and support for the period from June 12, 2018 (date of inception) to June 30, 2020. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located.

At June 30, 2020, approximately 65% of grants and other receivables are due from the Federal government relating to certain grants and approximately 35% is due from New York State relating to per-pupil funding.

NOTE I: RETIREMENT PLAN

The Charter School sponsors a 403(b) retirement plan ("the Plan") for its employees. All employees are immediately eligible to participate in the Plan. The Plan allows for the Charter School to make a matching contribution to the Plan. The Charter School contributed approximately \$29,300 to the Plan for the period from June 12, 2018 (date of inception) to June 30, 2020.

BOLD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

NOTE J: OPERATING LEASES AND COMMITMENTS

The Charter School entered into a non-cancellable lease agreement for office equipment expiring June 2022. The future payments on this agreement is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 7,800
2022	<u>7,800</u>
	<u>\$ 15,600</u>

The Charter School entered into an agreement on July 1, 2019 with an organization to provide financial management and reporting services expiring June 2024. The future payments on this agreement is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 110,000
2022	125,000
2023	128,750
2024	<u>132,613</u>
	<u>\$ 496,363</u>

NOTE K: 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. All expenses that are allocated to more than one program or supporting function are allocated on the basis of estimates of time, effort, and usage.

NOTE L: 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 originating in Wuhan, China (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.

BOLD CHARTER SCHOOL

OTHER FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
BOLD Charter School

We have audited the financial statements of BOLD Charter School as of June 30, 2020 and for the period from June 12, 2018 (date of inception) to June 30, 2020, and have issued our report thereon dated October 8, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The financial information hereinafter is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements for the period from June 12, 2018 (date of inception) to June 30, 2020.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 8, 2020

BOLD CHARTER SCHOOL

SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2020 AND THE PERIOD FROM
JUNE 12, 2018 (DATE OF INCEPTION) TO JUNE 30, 2019

	Year ended June 30, 2020	Period from June 12, 2018 (date of inception) to June 30, 2019	Total
Operating revenue and support:			
State and local per pupil operating revenue	\$ 2,146,092	\$ -	\$ 2,146,092
NYC DOE rental assistance	430,000	-	430,000
Government grants	337,562	702,987	1,040,549
Private grants	28,233	325,001	353,234
Other income	5	-	5
TOTAL OPERATING REVENUE AND SUPPORT	2,941,892	1,027,988	3,969,880
Personnel services costs:			
Administrative staff personnel	624,321	199,666	823,987
Instructional personnel	471,693	-	471,693
Total salaries and wages	1,096,014	199,666	1,295,680
Fringe benefits and payroll taxes	233,065	34,864	267,929
Retirement	26,638	2,651	29,289
Legal service	15,040	34,424	49,464
Accounting / audit services	24,900	2,500	27,400
Other purchased / professional / consulting services	150,553	116,345	266,898
Building and land rent / lease	732,781	139,694	872,475
Repairs and maintenance	-	4,557	4,557
Insurance	32,046	3,650	35,696
Supplies / materials	73,695	77,123	150,818
Equipment / furnishings	30,613	2,137	32,750
Staff development	14,916	5,839	20,755
Marketing / recruitment	71,835	31,863	103,698
Technology	96,216	26,201	122,417
Food services	112,041	-	112,041
Office expense	53,073	6,996	60,069
Depreciation and amortization	79,418	1,039	80,457
Other	1,341	2,127	3,468
TOTAL EXPENSES	2,844,185	691,676	3,535,861
CHANGE IN NET ASSETS	\$ 97,707	\$ 336,312	\$ 434,019

BOLD 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
BOLD 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 BOLD 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 period from June 12, 2018 (date of inception) to June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered BOLD 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 BOLD Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of BOLD 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 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 BOLD 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 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 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 8, 2020



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Bold Charter School
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	New York City Department of Education
If located in NYC DOE select CSD:	NYCSD #8
School Fiscal Contact Name:	Kyle Pellerin
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Mengel Metzger Barr & Co LLP
School Audit Contact Name:	Michelle Cain
School Audit Contact Email:	[REDACTED]
School Audit Contact Phone:	[REDACTED]
Audit Period:	2019-20
Prior Year:	

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	filing extension
Federal Single Audit (A-133)	N/A
Corrective Action Plan	N/A

Bold Charter School
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>-</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 486,331	\$ -
Grants and contracts receivable	71,415	-
Accounts receivables	-	-
Prepaid Expenses	138,189	-
Contributions and other receivables	93,602	-
Other current assets	-	-
TOTAL CURRENT ASSETS	789,537	-
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 235,660	\$ -
Restricted Cash	75,006	-
Security Deposits	57,450	-
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	368,116	-
TOTAL ASSETS	<u>1,157,653</u>	<u>-</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 52,367	\$ -
Accrued payroll, payroll taxes and benefits	78,195	-
Current Portion of Loan Payable	84,030	-
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	-	-
Other Current Liabilities	-	-
TOTAL CURRENT LIABILITIES	214,592	-
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 133,042	\$ -
Deferred Rent	376,000	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
TOTAL LONG-TERM LIABILITIES	509,042	-
TOTAL LIABILITIES	<u>723,634</u>	<u>-</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 434,019	\$ -
Temporarily restricted	-	-
Permanently restricted	-	-
TOTAL NET ASSETS	<u>434,019</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1,157,653</u>	<u>-</u>

**Bold Charter School
Statement of Activities
as of June 30**

	2020			-
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 1,916,908	\$ -	\$ 1,916,908	\$ -
State and Local Per Pupil Revenue - SPED	206,123	-	206,123	-
State and Local Per Pupil Facilities Revenue	430,000	-	430,000	-
Federal Grants	932,945	-	932,945	-
State and City Grants	31,921	-	31,921	-
Other Operating Income	353,239	-	353,239	-
Food Service/Child Nutrition Program	98,744	-	98,744	-
TOTAL OPERATING REVENUE	3,969,880	-	3,969,880	-
EXPENSES				
Program Services				
Regular Education	\$ 2,035,705	\$ -	\$ 2,035,705	\$ -
Special Education	445,250	-	445,250	-
Other Programs	-	-	-	-
Total Program Services	2,480,955	-	2,480,955	-
Management and general	1,054,906	-	1,054,906	-
Fundraising	-	-	-	-
TOTAL EXPENSES	3,535,861	-	3,535,861	-
SURPLUS / (DEFICIT) FROM OPERATIONS	434,019	-	434,019	-
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ -	\$ -	\$ -	\$ -
Contributions and Grants	-	-	-	-
Fundraising Support	-	-	-	-
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	-
TOTAL SUPPORT AND OTHER REVENUE	-	-	-	-
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	434,019	-	434,019	-
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ -	\$ -	\$ -
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 434,019	\$ -	\$ 434,019	\$ -

**Bold Charter School
Statement of Cash Flows**

as of June 30

	<u>2020</u>	<u>-</u>
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 434,019	\$ -
Revenues from School Districts	-	-
Accounts Receivable	(93,602)	-
Due from School Districts	-	-
Depreciation	80,457	-
Grants Receivable	(37,990)	-
Due from NYS	(33,425)	-
Grant revenues	-	-
Prepaid Expenses	(138,189)	-
Accounts Payable	26,471	-
Accrued Expenses	104,091	-
Accrued Liabilities	-	-
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	-
Deferred Revenue	-	-
Interest payments	-	-
Security Deposits	(57,450)	-
Deferred Lease Liability	376,000	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 660,382	\$ -
CASH FLOWS - INVESTING ACTIVITIES		
Purchase of equipment	(316,117)	-
Other	-	-
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (316,117)	\$ -
CASH FLOWS - FINANCING ACTIVITIES		
Principal payments on long-term debt	217,072	-
Other	-	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ 217,072	\$ -
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ 561,337	\$ -
Cash at beginning of year	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 561,337	\$ -

**Bold Charter School
Statement of Functional Expenses
as of June 30**

		2020										-
	No. of Positions	Program Services				Supporting Services			Total			
		Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total				
Personnel Services Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Administrative Staff Personnel	5.00	309,131	54,914	-	364,045	-	459,942	459,942	823,987	-		
Instructional Personnel	6.00	343,447	128,246	-	471,693	-	-	-	471,693	-		
Non-Instructional Personnel	-	-	-	-	-	-	-	-	-	-		
Total Salaries and Staff	11.00	652,578	183,160	-	835,738	-	459,942	459,942	1,295,680	-		
Fringe Benefits & Payroll Taxes		134,945	37,875	-	172,820	-	95,109	95,109	267,929	-		
Retirement		14,752	4,140	-	18,892	-	10,397	10,397	29,289	-		
Management Company Fees		-	-	-	-	-	-	-	-	-		
Legal Service		-	-	-	-	-	49,464	49,464	49,464	-		
Accounting / Audit Services		-	-	-	-	-	27,400	27,400	27,400	-		
Other Purchased / Professional / Consulting Services		96,025	17,058	-	113,083	-	153,815	153,815	266,898	-		
Building and Land Rent / Lease		625,399	111,096	-	736,495	-	135,980	135,980	872,475	-		
Repairs & Maintenance		3,267	580	-	3,847	-	710	710	4,557	-		
Insurance		25,588	4,545	-	30,133	-	5,563	5,563	35,696	-		
Utilities		-	-	-	-	-	-	-	-	-		
Supplies / Materials		127,246	23,572	-	150,818	-	-	-	150,818	-		
Equipment / Furnishings		23,476	4,170	-	27,646	-	5,104	5,104	32,750	-		
Staff Development		14,877	2,643	-	17,520	-	3,235	3,235	20,755	-		
Marketing / Recruitment		74,332	13,204	-	87,536	-	16,162	16,162	103,698	-		
Technology		87,750	15,588	-	103,338	-	19,079	19,079	122,417	-		
Food Service		95,140	16,901	-	112,041	-	-	-	112,041	-		
Student Services		-	-	-	-	-	-	-	-	-		
Office Expense		1,910	339	-	2,249	-	57,820	57,820	60,069	-		
Depreciation		57,672	10,245	-	67,917	-	12,540	12,540	80,457	-		
OTHER		748	134	-	882	-	2,586	2,586	3,468	-		
Total Expenses		\$ 2,035,705	\$ 445,250	\$ -	\$ 2,480,955	\$ -	\$ 1,054,906	\$ 1,054,906	\$ 3,535,861	\$ -		

BOLD CHARTER SCHOOL

AGREED UPON PROCEDURES

PERIOD FROM
JUNE 12, 2018 (Date of Inception)
TO JUNE 30, 2020

INDEPENDENT ACCOUNTANT’S REPORT ON CSP FUNDING

Board of Trustees
BOLD Charter School

We have performed the procedures enumerated below, which were agreed to by the management of BOLD Charter School (the “Charter School”) and the New York State Education Department (“NYSED”), solely to assist the specified parties in evaluating the Charter School’s assertion to NYSED that it has maintained compliance with the requirements of the CSP grant and Federal and NYSED guidelines in managing the CSP grant. The Charter School’s management is responsible for these procedures. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which the report has been requested or for any other purpose.

The procedures we performed and the related results are as follows:

Procedure #1: We will obtain the detail of expenditures incurred for the period under review relating to the CSP grant from the Charter School’s accounting software and reconcile to the grant revenue recorded by the Charter School. If the CSP grant revenue does not equal the grant expenditures, we will investigate the differences.

Result

We observed that the detail of expenditures agreed to the Charter School’s CSP revenue.

Procedure #2: We will obtain the NYSED approved CSP grant award information, including the budget and any amendments, to determine if the revenue and expenditures recorded for the period appear reasonable.

Result

We observed the Charter School’s approved FS-10, FS-10-A, and final expenditure summary, and it appears that revenue and expenditures in the period are reasonable.

Procedure #3: We will select a sample of expenditures from the detail obtained in Procedure #1.

- a. Payroll – We will select 10 items or 10% of the total number of payroll items charged to the grant, whichever is less.
- b. Other expenditures – We will select 10 items or 10% of the total number of other expenditures items charged to the grant, whichever is less.
- c. Using the above selected items, we will:
 - i. Determine if the expenditure is in accordance with the purpose of the grant and that pre-opening expenditures are charged to pre-opening periods.
 - ii. Determine if the expenditure falls into an approved budget category.
 - iii. Determine if the expenditure was charged to the appropriate fiscal period.

Result

We selected a sample of ten payroll items and ten other expenditures. Based on our testing, we noted the payroll items and other expenditures fall into the appropriate budget category and the payroll items and other expenditures were charged to the appropriate fiscal period. For all selections, we observed the payroll items and other expenditures were in accordance with the purpose of the grant, and pre-opening payrolls and other expenditures were charged to pre-opening periods.

Procedure #4: We will obtain FS-25 form(s) submitted to NYSED during the period under review and perform the following:

- a. Trace expenditures selected in Procedure #3 to requests for reimbursement. Determine that items requested for reimbursement had previously been expended or were expended within a month following the request for reimbursement. If items have not yet been requested for reimbursement, inquire of responsible charter school officials as to the plan for requesting reimbursement, and determine if a receivable is recorded, if appropriate.
- b. If FS-25 forms included amounts on Line 4 (Cash Expenditures Anticipated During Next Month), we will select one FS-25 and determine if funds were expended within one month following the date of the request.

Result

We obtained the Charter School's FS-25s and noted the selected items were appropriately included in the request for reimbursement. The requests for reimbursement appear to be in the appropriate period. The Charter School had three FS-25s during the period which had a balance on Line 4 (Cash Expenditures Anticipated During Next Month). We examined one FS-25 Line 4 balance and noted the amount was properly expended within one month following the date of the request.

Procedure # 5: For schools with a weighted lottery during the period under review we will:

- a. Obtain documentation that the school received permission from the NYSED Charter School Office for the weighted lottery.
- b. Obtain the results of the weighted lottery.
 - Note that weighted lotteries must be conducted using the NYSED Weighted Lottery Generator (WLG). When the WLG is used, a copy of the 'lottery PDF' should be observed. (This PDF is generated after the WLG has conducted the lottery.)

Result

The Charter School did not hold a weighted lottery during the period under review.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, on these procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of BOLD Charter School and the New York State Education Department, and it is not intended to be and should not be used by anyone other than the specified parties.

Mengel, Metzger, Barz & Co. LLP

Rochester, New York
September 3, 2020

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.

Bold Charter School

PROJECTED BUDGET FOR 2020-21

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

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Total Revenue	3,271,298	983,558	-	-	-	4,254,857
Total Expenses	2,385,402	538,589	-	-	1,201,884	4,125,874
Net Income	885,897	444,970	-	-	(1,201,884)	128,982
Actual Student Enrollment	148	28	-	-	-	-
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	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
District of Location	\$15,746.00	2,327,926	443,414	-	-	-	2,771,340
School District 2 (Enter Name)		-	-	-	-	-	-
School District 3 (Enter Name)		-	-	-	-	-	-
School District 4 (Enter Name)		-	-	-	-	-	-
School District 5 (Enter Name)		-	-	-	-	-	-
		2,327,926	443,414	-	-	-	2,771,340
Special Education Revenue		-	349,894	-	-	-	349,894
Grants		-	-	-	-	-	-
Stimulus		-	-	-	-	-	-
Other		698,378	133,024	-	-	-	831,402
Other State Revenue		12,271	2,337	-	-	-	14,608
TOTAL REVENUE FROM STATE SOURCES		3,038,574	928,670	-	-	-	3,967,244

Assumed a 2.75% cut to per pupil on the revenue side - 180 target enrollment, assumes 176

Rent Assistance

FAMIS

REVENUE FROM FEDERAL FUNDING

IDEA Special Needs		-	10,560	-	-	-	10,560
Title I		62,832	11,968	-	-	-	74,800
Title Funding - Other		10,964	2,088	-	-	-	13,053
School Food Service (Free Lunch)		147,840	28,160	-	-	-	176,000
Grants		-	-	-	-	-	-
Charter School Program (CSP) Planning & Implementation		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other Federal Revenue		-	-	-	-	-	-
TOTAL REVENUE FROM FEDERAL SOURCES		221,636	52,776	-	-	-	274,413

IDEA

Title I

Title II and Title IV

Breakfast and Lunch - NSLP

LOCAL and OTHER REVENUE

Contributions and Donations, Fundraising		-	-	-	-	-	-
Erate Reimbursement		11,088	2,112	-	-	-	13,200
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		11,088	2,112	-	-	-	13,200

TOTAL REVENUE

3,271,298	983,558	-	-	-	4,254,857
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EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

No. of Positions

	No. of Positions	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Executive Management	1.00	-	-	-	-	148,526	148,526
Instructional Management	1.00	96,600	18,400	-	-	-	115,000
Deans, Directors & Coordinators	1.00	76,440	14,560	-	-	-	91,000
CFO / Director of Finance	-	-	-	-	-	-	-
Operation / Business Manager	3.00	-	-	-	-	286,700	286,700
Administrative Staff	-	-	-	-	-	-	-
TOTAL ADMINISTRATIVE STAFF	6	173,040	32,960	-	-	435,226	641,226

List exact titles and staff FTE's (Full time equivalent)

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	6.00	427,358	81,402	-	-	-	508,760
Teachers - SPED	1.00	-	72,000	-	-	-	72,000
Substitute Teachers	-	-	-	-	-	-	-
Teaching Assistants	4.00	234,360	44,640	-	-	-	279,000

Lead Teacher

SPED

Teaching Fellows

Bold Charter School

PROJECTED BUDGET FOR 2020-21

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	3,271,298	983,558	-	-	-	4,254,857
Total Expenses	2,385,402	538,589	-	-	1,201,884	4,125,874
Net Income	885,897	444,970	-	-	(1,201,884)	128,982
Actual Student Enrollment	148	28	-	-	-	-
Total Paid Student Enrollment	-	-	-	-	-	-

		PROGRAM SERVICES			SUPPORT SERVICES			TOTAL	
		REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL			
Specialty Teachers	1.00	60,480	11,520	-	-	-	72,000	Co-Curricular Teacher	
Aides	-	-	-	-	-	-	-		
Therapists & Counselors	-	-	-	-	-	-	-		
Other	-	129,225	24,614	-	-	-	153,839	Bonus and Stipend for Instructional Staff	
TOTAL INSTRUCTIONAL	12	851,423	234,176	-	-	-	1,085,599		
NON-INSTRUCTIONAL PERSONNEL COSTS									
Nurse	-	-	-	-	-	-	-		
Librarian	-	-	-	-	-	-	-		
Custodian	-	-	-	-	-	-	-		
Security	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-		
TOTAL NON-INSTRUCTIONAL	-	-	-	-	-	-	-		
SUBTOTAL PERSONNEL SERVICE COSTS	18	1,024,463	267,136	-	-	435,226	1,726,825		
PAYROLL TAXES AND BENEFITS									
Payroll Taxes	-	78,371	20,436	-	-	33,295	132,102	Social Security and Medicare	
Fringe / Employee Benefits	-	158,828	41,415	-	-	67,475	267,719	Insurance, Transportation Benefit, WC and UI	
Retirement / Pension	-	30,734	8,014	-	-	13,057	51,805	3% match	
TOTAL PAYROLL TAXES AND BENEFITS	-	267,933	69,865	-	-	113,827	451,625		
TOTAL PERSONNEL SERVICE COSTS		1,292,396	337,001	-	-	549,053	2,178,450		
CONTRACTED SERVICES									
Accounting / Audit	-	-	-	-	25,000	-	25,000	Audit	
Legal	-	-	-	-	45,000	-	45,000	Legal	
Management Company Fee	-	-	-	-	-	-	-		
Nurse Services	-	-	-	-	-	-	-		
Food Service / School Lunch	-	-	-	-	-	-	-		
Payroll Services	-	-	-	-	18,156	-	18,156	HR Consultant	
Special Ed Services	-	-	5,000	-	-	-	5,000	SPED Consultant	
Titlement Services (i.e. Title I)	-	-	-	-	-	-	-		
Other Purchased / Professional / Consulting	-	12,600	2,400	-	-	110,000	125,000	Financial Consultant, Academic Consultant	
TOTAL CONTRACTED SERVICES	-	12,600	7,400	-	-	198,156	218,156		
SCHOOL OPERATIONS									
Board Expenses	-	-	-	-	2,000	-	2,000		
Classroom / Teaching Supplies & Materials	-	71,071	13,537	-	-	-	84,608	470	
Special Ed Supplies & Materials	-	-	4,000	-	-	-	4,000	-\$22/student	
Textbooks / Workbooks	-	-	-	-	-	-	-	0	
Supplies & Materials other	-	7,560	1,440	-	-	-	9,000	-\$50/student	
Equipment / Furniture	-	22,800	3,800	-	-	11,400	38,000	Copier and other equipment at \$200 student	
Telephone	-	750	125	-	-	375	1,250		
Technology	-	48,600	8,100	-	-	24,300	81,000	\$450/student in tech	
Student Testing & Assessment	-	4,200	800	-	-	-	5,000	MAP License	
Field Trips	-	4,200	800	-	-	-	5,000	\$28/student field trips	
Transportation (student)	-	4,200	800	-	-	-	5,000	\$28/student field trip transport	
Student Services - other	-	16,800	3,200	-	-	-	20,000	Uniforms, Summer	
Office Expense	-	18,000	3,000	-	-	9,000	30,000	\$160/student	
Staff Development	-	16,212	3,088	-	-	-	19,300	\$100/student staff dev	
Staff Recruitment	-	22,764	4,336	-	-	-	27,100	\$150/student staff rec	
Student Recruitment / Marketing	-	21,420	4,080	-	-	-	25,500	\$140/student in recruitment	
School Meals / Lunch	-	147,840	28,160	-	-	-	176,000	-\$975/student for free breakfast/lunch/snack	
Travel (Staff)	-	8,400	1,600	-	-	-	10,000	Misc Staff Travel	
Fundraising	-	-	-	-	-	-	-		
Other	-	-	-	-	125,000	-	125,000	\$125K COVID Contingency	

Bold Charter School

PROJECTED BUDGET FOR 2020-21							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	
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Total Expenses	2,385,402	538,589	-	-	1,201,884	4,125,874	
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Actual Student Enrollment	148	28					
Total Paid Student Enrollment	-	-					
	PROGRAM SERVICES			SUPPORT SERVICES			
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
TOTAL SCHOOL OPERATIONS	414,817	80,866	-	-	172,075	667,758	
FACILITY OPERATION & MAINTENANCE							
Insurance	22,800	3,800	-	-	11,400	38,000	Insurance per quote
Janitorial	-	-	-	-	-	-	
Building and Land Rent / Lease	542,400	90,400	-	-	271,200	904,000	Lease
Repairs & Maintenance	-	-	-	-	-	-	
Equipment / Furniture	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
Utilities	-	-	-	-	-	-	
TOTAL FACILITY OPERATION & MAINTENANCE	565,200	94,200	-	-	282,600	942,000	
DEPRECIATION & AMORTIZATION	100,389	19,122	-	-	-	119,510	Deprecation of fixed assets
DISSOLUTION ESCROW & RESERVES / CONTINGENCY	-	-	-	-	-	-	
TOTAL EXPENSES	2,385,402	538,589	-	-	1,201,884	4,125,874	
NET INCOME	885,897	444,970	-	-	(1,201,884)	128,982	
ENROLLMENT - *School Districts Are Linked To Above Entries*	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED				
District of Location	148	28	176				
School District 2 (Enter Name)			-				
School District 3 (Enter Name)			-				
School District 4 (Enter Name)			-				
School District 5 (Enter Name)			-				
TOTAL ENROLLMENT	148	28	176				
REVENUE PER PUPIL	22,103	35,127	-				
EXPENSES PER PUPIL	16,118	19,235	-				



JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

May 30, 2020 through June 30, 2020

Account Number: [REDACTED]

CUSTOMER SERVICE INFORMATION

Web site: **www.Chase.com**
 Service Center: **1-877-425-8100**
 Deaf and Hard of Hearing: **1-800-242-7383**
 Para Espanol: **1-888-622-4273**
 International Calls: **1-713-262-1679**

00439342 DRE 802 219 18320 NNNNNNNNNN 1 000000000 64 0000

BOLD CHARTER SCHOOL
 94 N 3RD ST 7A
 BROOKLYN NY 11249-4049

SAVINGS SUMMARY

Chase Business Premier Savings

	INSTANCES	AMOUNT
Beginning Balance		\$75,004.38
Deposits and Additions	1	1.97
Ending Balance	1	\$75,006.35
Annual Percentage Yield Earned This Period		0.03%
Interest Paid This Period		\$1.97
Interest Paid Year-to-Date		\$5.35

Your monthly service fee was waived because you maintained an average savings balance of \$25,000 or more during the statement period.

TRANSACTION DETAIL

DATE	DESCRIPTION	AMOUNT	BALANCE
	Beginning Balance		\$75,004.38
06/30	Interest Payment	1.97	75,006.35
	Ending Balance		\$75,006.35

30 deposited items are provided with your account each month. There is a \$0.40 fee for each additional deposited item.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account. Deposit products and services are offered by JPMorgan Chase Bank, N.A. Member FDIC



JPMorgan Chase Bank, N.A. Member FDIC



May 30, 2020 through June 30, 2020
Account Number: **000003713232776**

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