

**COMPASS CHARTER SCHOOL**

**BROOKLYN, NEW YORK**

**AUDITED FINANCIAL STATEMENTS**

**OTHER FINANCIAL INFORMATION**

**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  
Compass Charter School

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Compass 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 Compass Charter School as of June 30, 2020, and the changes in its net assets, its functional expenses, 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 Compass 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 21, 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020 on our consideration of Compass 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 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 Compass Charter School's internal control over financial reporting and compliance.

**Emphasis of Matters**

As discussed in Note A to the financial statements, in 2020, Compass 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  
September 25, 2020

COMPASS CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020  
(With Comparative totals for 2019)

	June 30,	
<u>ASSETS</u>	2020	2019
<u>CURRENT ASSETS</u>		
Cash	\$ 1,738,818	\$ 807,321
Grants and other receivables	142,526	40,371
Prepaid expenses and other current assets	102,281	70,386
TOTAL CURRENT ASSETS	1,983,625	918,078
 <u>OTHER ASSETS</u>		
Property and equipment, net	172,257	177,601
Cash in escrow	100,151	75,119
	272,408	252,720
TOTAL ASSETS	\$ 2,256,033	\$ 1,170,798
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 52,868	\$ 44,290
Accrued payroll and benefits	461,198	397,942
Deferred revenue	-	23,999
Current portion of long term debt	358,514	-
TOTAL CURRENT LIABILITIES	872,580	466,231
 <u>LONG TERM DEBT</u>		
	456,486	-
TOTAL LIABILITIES	1,329,066	466,231
 <u>NET ASSETS</u>		
Without donor restrictions	882,240	699,757
With donor restrictions	44,727	4,810
TOTAL NET ASSETS	926,967	704,567
TOTAL LIABILITIES AND NET ASSETS	\$ 2,256,033	\$ 1,170,798

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

COMPASS CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

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

	Year ended June 30,			2019
	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating revenue and support:				
State and local per pupil				
operating revenue	\$ 5,588,203	\$ -	\$ 5,588,203	\$ 5,459,464
Government grants	308,829	-	308,829	108,507
Private grants	69,640	86,225	155,865	17,085
Fundraising	58	-	58	87,044
Other income	54,661	-	54,661	26,651
Interest income	107	-	107	83
Net assets released from restriction	46,308	(46,308)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	6,067,806	39,917	6,107,723	5,698,834
Expenses:				
Program:				
Regular education	3,615,316	-	3,615,316	3,410,522
Special education	1,685,211	-	1,685,211	1,782,930
Pre-K	220,496	-	220,496	-
Management and general	282,549	-	282,549	259,380
Fundraising and special events	81,751	-	81,751	120,556
TOTAL EXPENSES	5,885,323	-	5,885,323	5,573,388
CHANGE IN NET ASSETS	182,483	39,917	222,400	125,446
Net assets at beginning of year	699,757	4,810	704,567	579,121
NET ASSETS AT END OF YEAR	<u>\$ 882,240</u>	<u>\$ 44,727</u>	<u>\$ 926,967</u>	<u>\$ 704,567</u>

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

COMPASS CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

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

	No. of Positions	Program Services				Supporting Services			Total	
		Regular Education	Special Education	Pre-K	Sub-total	Fundraising	Management and General	Sub-total	2020	2019
Personnel services costs:										
Administrative staff personnel	12	\$ 798,330	\$ 96,168	-	\$ 894,498	\$ 61,285	\$ 193,769	\$ 255,054	\$ 1,149,552	\$ 928,300
Instructional personnel	38	1,731,422	1,146,090	148,530	3,026,041	-	-	-	3,026,041	2,886,158
Total salaries and wages	50	2,529,752	1,242,258	148,530	3,920,539	61,285	193,769	255,054	4,175,593	3,814,458
Fringe benefits and payroll taxes		567,916	278,880	27,998	874,794	13,758	43,501	57,259	932,053	794,095
Retirement		25,949	12,742	-	38,691	629	1,987	2,616	41,307	33,942
Accounting/Audit services		-	-	-	-	-	21,800	21,800	21,800	21,200
Other Purchased/Professional/Consulting Services		104,945	51,534	1,380	157,859	2,542	10,564	13,106	170,965	148,073
Repairs and maintenance		3,040	1,493	-	4,533	74	232	306	4,839	5,301
Insurance		19,589	9,619	1,694	30,902	475	1,500	1,975	32,877	30,497
Supplies/Materials		105,673	18,628	36,592	160,893	-	-	-	160,893	251,486
Equipment/Furnishings		949	466	-	1,415	23	73	96	1,511	3,788
Staff development		79,520	16,251	-	95,771	414	1,307	1,721	97,492	115,076
Marketing/Recruitment		16,718	2,454	300	19,472	523	71	594	20,066	44,899
Technology		19,214	9,435	836	29,485	465	1,473	1,938	31,423	31,244
Food service		37,143	4,679	-	41,822	-	-	-	41,822	74,523
Student services		40,383	5,087	-	45,470	-	-	-	45,470	84,361
Office expense		24,472	12,017	3,166	39,656	593	1,873	2,466	42,122	48,765
Depreciation		40,053	19,668	-	59,721	970	3,068	4,038	63,759	71,680
Other		-	-	-	-	-	1,331	1,331	1,331	-
		\$ 3,615,316	\$ 1,685,211	\$ 220,496	\$ 5,521,023	\$ 81,751	\$ 282,549	\$ 364,300	\$ 5,885,323	\$ 5,573,388

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

COMPASS CHARTER SCHOOL

STATEMENT OF CASH FLOWS

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

	<u>Year ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 222,400	\$ 125,446
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	63,759	71,680
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	(102,155)	101,835
Deferred revenue	(23,999)	23,999
Prepaid expenses and other current assets	(31,895)	7,550
Accounts payable and accrued expenses	8,578	13,259
Accrued payroll and benefits	<u>63,256</u>	<u>79,680</u>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	199,944	423,449
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	<u>(58,415)</u>	<u>(79,210)</u>
NET CASH USED FOR INVESTING ACTIVITIES	(58,415)	(79,210)
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Borrowings on long term debt	<u>815,000</u>	<u>-</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>815,000</u>	<u>-</u>
NET INCREASE IN CASH AND RESTRICTED CASH	956,529	344,239
Cash and restricted cash at beginning of year	<u>882,440</u>	<u>538,201</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 1,838,969</u>	<u>\$ 882,440</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</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	\$ 1,738,818	\$ 807,321
Cash in escrow	<u>100,151</u>	<u>75,119</u>
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 1,838,969</u>	<u>\$ 882,440</u>

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



COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(With Comparative totals for 2019)

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

The Charter School

Compass Charter School (the “Charter School”) is an educational corporation that operates as a charter school in Brooklyn, New York. The Charter School engages its students in a process of inquiry. The students are equipped with the necessary skills to lead fulfilling personal and professional lives, including a developed sense of self, the ability to think in innovative and flexible ways, and the inspiration to make a positive impact on their community. On December 17, 2013 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. During April 2019, the charter was renewed through June 30, 2021. The Charter School also received approval from the New York City Department of Education to operate a Pre-K program beginning in Fall 2019.

Financial Statement presentation

The financial statements of the Charter School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

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 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 \$44,727 of net assets with donor restrictions at June 30, 2020. \$40,000 is restricted to support the Universal Pre-Kindergarten Program. The remaining \$4,727 is restricted for professional development. At June 30, 2019, there were \$4,810 of net assets with donor restrictions, which were restricted to use for professional development.

*New Assets Without Donor Restrictions*

The 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. The Board may designate portions of the current net assets without donor restrictions for specific purposes, projects or investment. In June 2020, the Charter School’s Board designated \$10,000 to help students and their families facing financial hardship due to COVID-19.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

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

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.

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

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenues earned over time	\$ 5,825,597	\$ 5,497,200
Revenues earned at a point in time	<u>58</u>	<u>87,044</u>
	<u>\$ 5,825,655</u>	<u>\$ 5,584,244</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.

Universal Pre-Kindergarten (Pre-K)

Similar to state and local per pupil revenue, the Charter School recognizes Pre-K revenue as educational programming is provided to students throughout the year. The maximum revenue amount is based on a contractually determined fixed amount per student and the number of students enrolled at a point in time. This amount could be further reduced if actual costs incurred in providing the Pre-K program are less than the maximum calculated amount of the contract. Amounts are paid in installments throughout the course of the year, with the final 5% paid upon submission of all required documentation at the end of the contract year.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

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

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.

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

	<u>June 30,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Grants and other receivables	\$ 91,280	\$ 18,697	\$ 106,983
Deferred revenue	\$ -	\$ 19,899	\$ -

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 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 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 and amounted to \$4,100 at June 30, 2019. There were no deferred revenues at June 30, 2020.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

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

Cash

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

Contributed services

The Charter School is located in a New York City Department of Education facility and utilizes approximately 9,700 square feet at no charge. In addition, the Charter School receives contributed services from volunteers to serve on the Board of Trustees. The Charter School received transportation services, security agents, custodial services, a nurse, paraprofessionals, speech therapist, occupational therapist, food supplies and services and certain office equipment 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, 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.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated \$20,100 and \$44,900 for the years ended June 30, 2020 and 2019, respectively.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

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

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.

Comparatives for period 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 adopted ASC 606 with a date of the 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 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.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

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

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 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 September 25, 2020, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

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 surplus 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 fiscal year 2020.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

NOTE B: LIQUIDITY AND AVAILABILITY, Cont'd

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	\$ 1,738,818	\$ 807,321
Grants and other receivables	142,526	40,371
Total financial assets available within one year	<u>\$ 1,881,344</u>	<u>\$ 847,692</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	<u>\$ (44,727)</u>	<u>\$ (4,810)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 1,836,617</u>	<u>\$ 842,882</u>

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 295,196	\$ 273,273
Office equipment	83,400	79,075
Computers and equipment	115,121	82,954
	<u>493,717</u>	<u>435,302</u>
Less accumulated depreciation	<u>321,460</u>	<u>257,701</u>
	<u>\$ 172,257</u>	<u>\$ 177,601</u>

NOTE D: SCHOOL FACILITY

The Charter School has entered into a verbal agreement with the New York City Department of Education for dedicated and shared space at M.S. 113 Ronald Edmonds Learning Center, a New York City Public School located at 300 Adelphi Street, Brooklyn, New York. Pursuant to the terms of the Agreement, the Charter School shall not pay for the use of the shared facility.

COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

NOTE E: OPERATING LEASE

In December 2018 the Charter School leased office equipment under a non-cancelable lease agreement expiring January 2022. Lease expense was approximately \$5,000 for the year ended June 30, 2020. The future minimum payments on the agreement are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 5,016
2022	<u>2,508</u>
	<u>\$ 7,524</u>

NOTE F: 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 G: CONCENTRATIONS

At June 30, 2020 approximately 66% of grants and other receivables are due from New York State relating to certain grants. At June 30, 2019, no grants and other receivables were due from New York State relating to a certain grant.

For the years ended June 30, 2020 and 2019, approximately 91% and 96%, respectively, of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students reside.

NOTE H: RETIREMENT PLAN

The Charter School sponsors a 401(k) retirement plan (the "Plan") for its employees. The Plan allows for the Charter School to make discretionary contributions to the Plan. The Charter School contributed approximately \$37,000 and \$30,000 to the Plan for the years ended June 30, 2020 and 2019, respectively.

NOTE I: 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, and supplies and materials) which are allocated to more than one program or supporting function are allocated on the basis of estimates of time, effort and usage.



COMPASS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative totals for 2019)

NOTE J: RENEWAL PROCESS

The Charter School is currently in the process of renewing its charter as granted by the New York State Board of Regents. The charter currently expires June 30, 2021. The renewal process includes review by New York State Department of Education (NYSED) of various operational and governance aspects, including fiscal health and internal controls, board governance, and academic performance. Upon review of the renewal application and results, NYSED will determine if the charter should be renewed and if so, for how long. Successful charter renewals can range from one to five years. At this time, management of the Charter School expects the charter to be renewed.

NOTE K: LONG-TERM DEBT

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 \$815,000 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 1, 2020.

Estimated annual maturities of long term debt are as follows:

<u>Year ending June 30.</u>	<u>Amount</u>
2021	\$ 358,514
2022	456,486
	<u>\$ 815,000</u>

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 corona virus (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.

**COMPASS CHARTER SCHOOL**

**OTHER FINANCIAL INFORMATION**

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees  
Compass Charter School

We have audited the financial statements of Compass Charter School as of June 30, 2020 and for the year then ended, and have issued our report thereon dated September 25, 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 year ended June 30, 2020.

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
September 25, 2020

COMPASS CHARTER SCHOOL

SCHEDULE OF REVENUES AND EXPENSES WITHOUT DONOR RESTRICTIONS  
BY PROGRAM (PRE-K AND K-5)

YEAR ENDED JUNE 30, 2020

	<u>Pre-K</u>	<u>K-5</u>	<u>Total</u>
Operating revenue and support:			
State and local per pupil operating revenue	\$ -	\$ 5,588,203	\$ 5,588,203
Government grants	179,384	129,445	308,829
Private grants	10,390	59,250	69,640
Fundraising	-	58	58
Other income	715	53,946	54,661
Interest Income	-	107	107
Net assets released from restrictions	<u>30,225</u>	<u>16,083</u>	<u>46,308</u>
 TOTAL OPERATING REVENUE AND SUPPORT	 220,714	 5,847,092	 6,067,806
 Personnel services costs:			
Administrative staff personnel	-	1,149,552	1,149,552
Instructional personnel	<u>148,530</u>	<u>2,877,511</u>	<u>3,026,041</u>
Total personal services costs	148,530	4,027,063	4,175,593
 Fringe benefits and payroll taxes	27,998	904,055	932,053
Retirement	-	41,307	41,307
Accounting/Audit services	-	21,800	21,800
Other Purchased/Professional/Consulting Services	1,380	169,585	170,965
Repairs and maintenance	-	4,839	4,839
Insurance	1,694	31,183	32,877
Supplies/Materials	36,592	124,301	160,893
Equipment/Furnishings	-	1,511	1,511
Staff development	-	97,492	97,492
Marketing/Recruitment	300	19,766	20,066
Technology	836	30,587	31,423
Food service	-	41,822	41,822
Student services	-	45,470	45,470
Office expense	3,166	38,956	42,122
Depreciation	-	63,759	63,759
Other	<u>-</u>	<u>1,331</u>	<u>1,331</u>
 TOTAL EXPENSES	 <u>220,496</u>	 <u>5,664,827</u>	 <u>5,885,323</u>
	<u>\$ 218</u>	<u>\$ 182,265</u>	<u>\$ 182,483</u>

**COMPASS 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  
Compass 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 Compass 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 September 25, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Compass 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 Compass Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Compass 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 Compass 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  
September 25, 2020



## Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Compass 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 #13
School Fiscal Contact Name:	Martin Todd Sutler
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Mengel Metzger Barr & Co. LLP
School Audit Contact Name:	Jackie 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	A written management letter was not issued
Management Letter Response	N/A
Form 990	Not yet finalized
Federal Single Audit (A-133)	N/A
Corrective Action Plan	N/A



**Compass Charter School**  
**Statement of Financial Position**  
**as of June 30**

	<u>2020</u>	<u>2019</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 1,704,515	\$ 807,321
Grants and contracts receivable	119,956	10,509
Accounts receivables	13,721	29,862
Prepaid Expenses	85,537	70,386
Contributions and other receivables	-	-
Other current assets	-	-
<b>TOTAL CURRENT ASSETS</b>	<u>1,923,729</u>	<u>918,078</u>
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Building and Equipment, net	\$ 172,257	\$ 177,601
Restricted Cash	100,151	75,119
Security Deposits	-	-
Other Non-Current Assets	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<u>272,408</u>	<u>252,720</u>
<b>TOTAL ASSETS</b>	<u><b>2,196,137</b></u>	<u><b>1,170,798</b></u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 52,868	\$ 44,290
Accrued payroll, payroll taxes and benefits	441,520	397,942
Current Portion of Loan Payable	358,514	-
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	-	23,999
Other Current Liabilities	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>852,902</u>	<u>466,231</u>
<b><u>LONG-TERM LIABILITIES</u></b>		
Loan Payable; Due in More than One Year	\$ 456,486	\$ -
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>456,486</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,309,388</u>	<u>466,231</u>
<b><u>NET ASSETS</u></b>		
Unrestricted	\$ 882,022	\$ 699,757
Temporarily restricted	4,727	4,810
Permanently restricted	-	-
<b>TOTAL NET ASSETS</b>	<u>886,749</u>	<u>704,567</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>2,196,137</b></u>	<u><b>1,170,798</b></u>

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

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
<b>OPERATING REVENUE</b>				
State and Local Per Pupil Revenue - Reg. Ed	\$ 4,779,560	\$ -	\$ 4,779,560	\$ 4,359,051
State and Local Per Pupil Revenue - SPED	751,504	-	751,504	954,182
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	105,646	-	105,646	85,608
State and City Grants	64,937	16,000	80,937	169,130
Other Operating Income	-	-	-	-
Food Service/Child Nutrition Program	-	-	-	-
<b>TOTAL OPERATING REVENUE</b>	<b>5,701,647</b>	<b>16,000</b>	<b>5,717,647</b>	<b>5,567,971</b>
<b>EXPENSES</b>				
Program Services				
Regular Education	\$ 3,615,316	\$ -	\$ 3,615,316	\$ 3,410,522
Special Education	1,685,211	-	1,685,211	1,782,930
Other Programs	-	-	-	-
<b>Total Program Services</b>	<b>5,300,527</b>	<b>-</b>	<b>5,300,527</b>	<b>5,193,452</b>
Management and general	282,549	-	282,549	259,380
Fundraising	81,751	-	81,751	120,556
<b>TOTAL EXPENSES</b>	<b>5,664,827</b>	<b>-</b>	<b>5,664,827</b>	<b>5,573,388</b>
<b>SURPLUS / (DEFICIT) FROM OPERATIONS</b>	<b>36,820</b>	<b>16,000</b>	<b>52,820</b>	<b>(5,417)</b>
<b>SUPPORT AND OTHER REVENUE</b>				
Interest and Other Income	\$ 107	\$ -	\$ 107	\$ 83
Contributions and Grants	129,255	-	129,255	43,736
Fundraising Support	-	-	-	87,044
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	-
<b>TOTAL SUPPORT AND OTHER REVENUE</b>	<b>129,362</b>	<b>-</b>	<b>129,362</b>	<b>130,863</b>
<b>Net Assets Released from Restrictions / Loss on Disposal of Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CHANGE IN NET ASSETS</b>	<b>166,182</b>	<b>16,000</b>	<b>182,182</b>	<b>125,446</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 704,567</b>	<b>\$ -</b>	<b>\$ 704,567</b>	<b>\$ 579,121</b>
<b>PRIOR YEAR/PERIOD ADJUSTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 870,749</b>	<b>\$ 16,000</b>	<b>\$ 886,749</b>	<b>\$ 704,567</b>

**Compass Charter School  
Statement of Cash Flows**

**as of June 30**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 182,182	\$ 125,446
Revenues from School Districts	-	-
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	63,759	71,680
Grants Receivable	(93,306)	101,835
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	(15,151)	7,550
Accounts Payable	8,578	13,259
Accrued Expenses	-	-
Accrued Liabilities	43,578	79,680
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	-
Deferred Revenue	(23,999)	23,999
Interest payments	-	-
Other	-	-
Other	-	-
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>\$ 165,641</b>	<b>\$ 423,449</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>	<b>\$</b>	<b>\$</b>
Purchase of equipment	(58,415)	(79,210)
Other	-	-
<b>NET CASH PROVIDED FROM INVESTING ACTIVITIES</b>	<b>\$ (58,415)</b>	<b>\$ (79,210)</b>
<b>CASH FLOWS - FINANCING ACTIVITIES</b>	<b>\$</b>	<b>\$</b>
Principal payments on long-term debt	-	-
Other	815,000	-
<b>NET CASH PROVIDED FROM FINANCING ACTIVITIES</b>	<b>\$ 815,000</b>	<b>\$ -</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 922,226</b>	<b>\$ 344,239</b>
Cash at beginning of year	882,440	538,201
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,804,666</b>	<b>\$ 882,440</b>

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

	No. of Positions	2020							2019	
		Program Services				Supporting Services			Total	Total
		Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total		
Personnel Services Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$
Administrative Staff Personnel	12.00	798,330	96,168	-	894,498	61,285	193,769	255,054	1,149,552	928,300
Instructional Personnel	38.00	1,731,422	1,146,090	-	2,877,512	-	-	-	2,877,512	2,886,158
Non-Instructional Personnel	-	-	-	-	-	-	-	-	-	-
Total Salaries and Staff	50.00	2,529,752	1,242,258	-	3,772,010	61,285	193,769	255,054	4,027,064	3,814,458
Fringe Benefits & Payroll Taxes		567,916	278,880	-	846,796	13,758	43,501	57,259	904,055	794,095
Retirement		25,949	12,742	-	38,691	629	1,987	2,616	41,307	33,942
Management Company Fees		-	-	-	-	-	-	-	-	-
Legal Service		-	-	-	-	-	-	-	-	-
Accounting / Audit Services		-	-	-	-	-	21,800	21,800	21,800	21,200
Other Purchased / Professional / Consulting Services		104,945	51,534	-	156,479	2,542	10,564	13,106	169,585	148,073
Building and Land Rent / Lease		-	-	-	-	-	-	-	-	-
Repairs & Maintenance		3,040	1,493	-	4,533	74	232	306	4,839	5,301
Insurance		19,589	9,619	-	29,208	475	1,500	1,975	31,183	30,497
Utilities		-	-	-	-	-	-	-	-	-
Supplies / Materials		105,673	18,628	-	124,301	-	-	-	124,301	251,486
Equipment / Furnishings		949	466	-	1,415	23	73	96	1,511	3,788
Staff Development		79,520	16,251	-	95,771	414	1,307	1,721	97,492	115,076
Marketing / Recruitment		16,718	2,454	-	19,172	523	71	594	19,766	44,899
Technology		19,214	9,435	-	28,649	465	1,473	1,938	30,587	31,244
Food Service		37,143	4,679	-	41,822	-	-	-	41,822	74,523
Student Services		40,383	5,087	-	45,470	-	-	-	45,470	84,361
Office Expense		24,472	12,017	-	36,489	593	1,873	2,466	38,955	48,765
Depreciation		40,053	19,668	-	59,721	970	3,068	4,038	63,759	71,680
OTHER		-	-	-	-	-	1,331	1,331	1,331	-
<b>Total Expenses</b>		<b>\$ 3,615,316</b>	<b>\$ 1,685,211</b>	<b>\$ -</b>	<b>\$ 5,300,527</b>	<b>\$ 81,751</b>	<b>\$ 282,549</b>	<b>\$ 364,300</b>	<b>\$ 5,664,827</b>	<b>\$ 5,573,388</b>

# 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 <b>BLUE</b>
2	Enter information into the <b>GRAY</b> cells
3	Cells containing <b>RED</b> 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 <a href="https://stateaid.nysed.gov/charter/">https://stateaid.nysed.gov/charter/</a> . 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.

**Compass Charter School**

**PROJECTED BUDGET FOR 2020-2021**

**July 1, 2020 to June 30, 2021**

Assumptions

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	4,887,011	878,175	-	75,000	30,120	5,870,306
Total Expenses	3,788,440	1,664,287	-	88,530	269,689	5,810,946
Net Income	1,098,571	(786,112)	-	(13,530)	(239,569)	59,360
Actual Student Enrollment	300	41	-	-	-	-
Total Paid Student Enrollment	300	41	-	-	-	341

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

\$16,123.00

School District 2 (Enter Name)  
School District 3 (Enter Name)  
School District 4 (Enter Name)  
School District 5 (Enter Name)

4,836,900	-	-	-	-	4,836,900
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,836,900	-	-	-	-	4,836,900

Special Education Revenue

-	791,399	-	-	-	791,399
---	---------	---	---	---	---------

Students in category >60%-41; 20%-60%-1 student

Grants

Stimulus

-	-	-	-	-	-
---	---	---	---	---	---

Other

-	-	-	-	-	-
---	---	---	---	---	---

Other State Revenue

23,799	-	-	-	-	23,799
--------	---	---	---	---	--------

NYSTL - Textbook Materials, Software and Library materials

**TOTAL REVENUE FROM STATE SOURCES**

4,860,699	791,399	-	-	-	5,652,098
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**REVENUE FROM FEDERAL FUNDING**

IDEA Special Needs

-	35,923	-	-	-	35,923
---	--------	---	---	---	--------

Title I

-	32,799	-	-	-	32,799
---	--------	---	---	---	--------

Title Funding - Other

-	14,466	-	-	-	14,466
---	--------	---	---	---	--------

Title IIA & Title IV

School Food Service (Free Lunch)

-	-	-	-	-	-
---	---	---	---	---	---

Grants

Charter School Program (CSP) Planning & Implementation

-	-	-	-	-	-
---	---	---	---	---	---

Other

-	-	-	-	-	-
---	---	---	---	---	---

Other Federal Revenue

-	-	-	-	-	-
---	---	---	---	---	---

**TOTAL REVENUE FROM FEDERAL SOURCES**

-	83,188	-	-	-	83,188
---	--------	---	---	---	--------

**LOCAL and OTHER REVENUE**

Contributions and Donations, Fundraising

26,312	3,588	-	75,000	30,000	134,900
--------	-------	---	--------	--------	---------

Healthy funds, Gala event etc

Erate Reimbursement

-	-	-	-	-	-
---	---	---	---	---	---

Interest Income, Earnings on Investments,

-	-	-	-	120	120
---	---	---	---	-----	-----

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**

26,312	3,588	-	75,000	30,120	135,020
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**TOTAL REVENUE**

4,887,011	878,175	-	75,000	30,120	5,870,306
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List exact titles and staff FTE's ( Full time equivalent)

**EXPENSES**

**ADMINISTRATIVE STAFF PERSONNEL COSTS**

No. of Positions

Executive Management

2.00

199,941	26,659	-	36,050	36,050	298,700
---------	--------	---	--------	--------	---------

Co-Leaders

Instructional Management

-

-	-	-	-	-	-
---	---	---	---	---	---

Deans, Directors & Coordinators

4.00

326,943	99,371	-	-	-	426,314
---------	--------	---	---	---	---------

Director of Learning support and Curriculum Coordinators

CFO / Director of Finance

1.00

30,282	10,094	-	20,188	40,376	100,940
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Operation / Business Manager

1.00

41,360	5,640	-	-	47,000	94,000
--------	-------	---	---	--------	--------

Administrative Staff

2.00

43,560	5,940	-	-	49,500	99,000
--------	-------	---	---	--------	--------

Office manager and Operations assistant

**TOTAL ADMINISTRATIVE STAFF**

10

642,086	147,704	-	56,238	172,926	1,018,954
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**INSTRUCTIONAL PERSONNEL COSTS**

Teachers - Regular

16.00

1,273,427	-	-	-	-	1,273,427
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Teachers - SPED

13.00

-	869,465	-	-	-	869,465
---	---------	---	---	---	---------

Substitute Teachers

1.00

60,000	-	-	-	-	60,000
--------	---	---	---	---	--------

parental leave teacher

Teaching Assistants

-

-	-	-	-	-	-
---	---	---	---	---	---

Specialty Teachers

8.00

410,802	178,178	-	-	-	588,980
---------	---------	---	---	---	---------

Math, Literacy, Art, Music, Drama, ESL, Academic specialist and Learning support teachers

Aides

1.00

13,860	1,890	-	-	15,750	31,500
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**Compass Charter School**

**PROJECTED BUDGET FOR 2020-2021**

**July 1, 2020 to June 30, 2021**

Assumptions

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	4,887,011	878,175	-	75,000	30,120	5,870,306
Total Expenses	3,788,440	1,664,287	-	88,530	269,689	5,810,946
Net Income	1,098,571	(786,112)	-	(13,530)	(239,569)	59,360
Actual Student Enrollment	300	41	-	-	-	-
Total Paid Student Enrollment	300	41	-	-	-	341

		PROGRAM SERVICES			SUPPORT SERVICES		TOTAL	
		REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL		
Therapists & Counselors	3.00	281,906	37,588	-	-	-	319,494	Psychologist, social worker and student support staff
Other	-	-	-	-	-	-	-	
<b>TOTAL INSTRUCTIONAL</b>	<b>42</b>	<b>2,039,995</b>	<b>1,087,121</b>	<b>-</b>	<b>-</b>	<b>15,750</b>	<b>3,142,866</b>	
<b>NON-INSTRUCTIONAL PERSONNEL COSTS</b>								
Nurse	-	-	-	-	-	-	-	
Librarian	-	-	-	-	-	-	-	
Custodian	-	-	-	-	-	-	-	
Security	-	-	-	-	-	-	-	
Other	-	27,188	-	-	-	-	27,188	stipends to psych Interns etc
<b>TOTAL NON-INSTRUCTIONAL</b>	<b>-</b>	<b>27,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,188</b>	
<b>SUBTOTAL PERSONNEL SERVICE COSTS</b>	<b>52</b>	<b>2,709,269</b>	<b>1,234,825</b>	<b>-</b>	<b>56,238</b>	<b>188,676</b>	<b>4,189,008</b>	
<b>PAYROLL TAXES AND BENEFITS</b>								
Payroll Taxes	-	-	-	-	-	-	-	
Fringe / Employee Benefits	-	644,846	299,937	-	13,471	45,196	1,003,450	
Retirement / Pension	-	2,892	1,345	-	60	203	4,500	Administrative fees
<b>TOTAL PAYROLL TAXES AND BENEFITS</b>	<b>-</b>	<b>647,738</b>	<b>301,282</b>	<b>-</b>	<b>13,531</b>	<b>45,399</b>	<b>1,007,950</b>	
<b>TOTAL PERSONNEL SERVICE COSTS</b>	<b>-</b>	<b>3,357,007</b>	<b>1,536,107</b>	<b>-</b>	<b>69,769</b>	<b>234,075</b>	<b>5,196,958</b>	
<b>CONTRACTED SERVICES</b>								
Accounting / Audit	-	-	-	-	-	22,928	22,928	
Legal	-	-	-	-	-	-	-	
Management Company Fee	-	-	-	-	-	-	-	
Nurse Services	-	-	-	-	-	-	-	
Food Service / School Lunch	-	-	-	-	-	-	-	
Payroll Services	-	4,704	2,188	-	98	330	7,320	
Special Ed Services	-	-	-	-	-	-	-	
Titlement Services (i.e. Title I)	-	-	2,500	-	-	-	2,500	
Other Purchased / Professional / Consulting	-	60,214	28,007	-	1,259	4,220	93,700	HR Benefit consultant & Leaders consultancy
<b>TOTAL CONTRACTED SERVICES</b>	<b>-</b>	<b>64,918</b>	<b>32,695</b>	<b>-</b>	<b>1,357</b>	<b>27,478</b>	<b>126,448</b>	
<b>SCHOOL OPERATIONS</b>								
Board Expenses	-	-	-	-	-	-	-	
Classroom / Teaching Supplies & Materials	-	78,156	10,420	-	-	-	88,576	Includes curriculum, textbook for Literacy, math, Art, Music, Library etc
Special Ed Supplies & Materials	-	-	10,000	-	-	-	10,000	
Textbooks / Workbooks	-	-	-	-	-	-	-	
Supplies & Materials other	-	-	-	-	-	-	-	
Equipment / Furniture	-	5,250	700	-	100	400	6,450	
Telephone	-	9,305	4,328	-	194	652	14,479	
Technology	-	14,987	6,971	-	313	1,050	23,321	
Student Testing & Assessment	-	36,088	4,812	-	-	-	40,900	
Field Trips	-	-	-	-	-	-	-	
Transportation (student)	-	-	-	-	-	-	-	
Student Services - other	-	-	-	-	-	-	-	
Office Expense	-	14,790	6,880	-	309	1,037	23,016	
Staff Development	-	67,046	12,166	-	203	682	80,097	
Staff Recruitment	-	964	448	-	20	68	1,500	
Student Recruitment / Marketing	-	17,757	2,368	-	-	-	20,125	
School Meals / Lunch	-	-	-	-	-	-	-	
Travel (Staff)	-	-	-	-	-	-	-	
Fundraising	-	-	-	-	15,000	-	15,000	Gala event expenses
Other	-	61,587	8,212	-	-	-	69,799	Healthy funds expenses and NYSTLL expenses
<b>TOTAL SCHOOL OPERATIONS</b>	<b>-</b>	<b>305,930</b>	<b>67,305</b>	<b>-</b>	<b>16,139</b>	<b>3,889</b>	<b>393,263</b>	
<b>FACILITY OPERATION &amp; MAINTENANCE</b>								
Insurance	-	27,104	12,607	-	566	1,900	42,177	

**Compass Charter School**

**PROJECTED BUDGET FOR 2020-2021**

**July 1, 2020 to June 30, 2021**

Assumptions

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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Net Income	1,098,571	(786,112)	-	(13,530)	(239,569)	59,360
Actual Student Enrollment	300	41				-
Total Paid Student Enrollment	300	41				341

PROGRAM SERVICES

SUPPORT SERVICES

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
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Janitorial	-	-	-	-	-	-
Building and Land Rent / Lease	-	-	-	-	-	-
Repairs & Maintenance	2,892	1,345	-	60	203	4,500
Equipment / Furniture	-	-	-	-	-	-
Security	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
<b>TOTAL FACILITY OPERATION &amp; MAINTENANCE</b>	<b>29,996</b>	<b>13,952</b>	<b>-</b>	<b>626</b>	<b>2,103</b>	<b>46,677</b>
<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>30,589</b>	<b>14,228</b>	<b>-</b>	<b>639</b>	<b>2,144</b>	<b>47,600</b>
<b>DISSOLUTION ESCROW &amp; RESERVES / CONTIGENCY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>3,788,440</b>	<b>1,664,287</b>	<b>-</b>	<b>88,530</b>	<b>269,689</b>	<b>5,810,946</b>
<b>NET INCOME</b>	<b>1,098,571</b>	<b>(786,112)</b>	<b>-</b>	<b>(13,530)</b>	<b>(239,569)</b>	<b>59,360</b>

**ENROLLMENT - \*School Districts Are Linked To Above Entries\***

	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED
District of Location	300	41	341
School District 2 (Enter Name)			-
School District 3 (Enter Name)			-
School District 4 (Enter Name)			-
School District 5 (Enter Name)			-
<b>TOTAL ENROLLMENT</b>	<b>300</b>	<b>41</b>	<b>341</b>
<b>REVENUE PER PUPIL</b>	<b>16,290</b>	<b>21,419</b>	<b>-</b>
<b>EXPENSES PER PUPIL</b>	<b>12,628</b>	<b>40,592</b>	<b>-</b>





May 30, 2020 through June 30, 2020

Primary Account: [REDACTED]

# CHASE BUSINESS SELECT HIGH YIELD SAVINGS

COMPASS CHARTER SCHOOL

Account Number: [REDACTED]

## SAVINGS SUMMARY

	INSTANCES	AMOUNT
<b>Beginning Balance</b>		<b>\$75,149.14</b>
Deposits and Additions	2	25,001.70
<b>Ending Balance</b>	<b>2</b>	<b>\$100,150.84</b>
Annual Percentage Yield Earned This Period		0.02%
Interest Paid This Period		\$1.70
Interest Paid Year-to-Date		\$12.48

Your monthly service fee was waived because you maintained an average savings balance of \$10,000 or more during the statement period.

## TRANSACTION DETAIL

DATE	DESCRIPTION	AMOUNT	BALANCE
	<b>Beginning Balance</b>		<b>\$75,149.14</b>
06/18	Book Transfer Credit B/O: Compass Charter School Brooklyn NY 11205- US Trn: [REDACTED]	<b>25,000.00</b>	100,149.14
06/30	Interest Payment	<b>1.70</b>	100,150.84
	<b>Ending Balance</b>		<b>\$100,150.84</b>

You earned a higher interest rate on your Chase Business Select High Yield Savings account during this statement period because you had a qualifying Chase Performance Business Checking account.

30 deposited items are provided with your account each month. There is a \$0.20 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