

Charter School of Educational Excellence

**Financial Statements
and
Independent Auditors' Report**

June 30, 2020

Charter School of Educational Excellence

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Independent Auditors' Report

To the Board of Trustees of
Charter School of Educational Excellence
Yonkers, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Charter School of Educational Excellence (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to 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 Charter School of Educational Excellence as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 as a whole.

Report on Summarized Comparative Information

We have previously audited the Charter School of Educational Excellence's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 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 October 20, 2020, on our consideration of Charter School of Educational Excellence'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 Charter School of Educational Excellence's internal control over financial reporting and compliance.



New City, New York

October 20, 2020

Charter School of Educational Excellence

Statement of Financial Position

June 30, 2020

(With summarized comparative information for the year ended June 30, 2019)

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 5,667,717	\$ 2,803,992
Due from Government Agencies (Note 3)	2,264,712	303,565
Contributions Receivable	-	13,916
Prepaid Expenses	86,015	43,215
Total Current Assets	8,018,444	3,164,688
<u>Fixed Assets, Net (Note 4)</u>	20,410,410	13,226,905
<u>Other Assets</u>		
Escrow - Restricted (Note 5)	75,955	75,863
Bond Trust Accounts - Restricted (Note 6)	33,536,184	2,646,849
Security Deposits	24,567	24,567
Total Other Assets	33,636,706	2,747,279
Total Assets	<u>\$ 62,065,560</u>	<u>\$ 19,138,872</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Bonds Payable - Current Portion (Note 9)	\$ 270,000	\$ 255,000
Accounts Payable and Accrued Expenses	1,738,924	478,818
Accrued Payroll and Related Expenses	1,749,530	1,343,004
Unearned Revenue	223,295	135,934
Accrued Bond Interest	128,133	135,782
Total Current Liabilities	4,109,882	2,348,538
<u>Long-Term Liabilities</u>		
PPP Loan Payable (Note 11)	1,403,610	-
Bonds Payable, Less Current Portion (Note 9)	48,336,881	10,206,633
Total Long-Term Liabilities	49,740,491	10,206,633
Total Liabilities	53,850,373	12,555,171
<u>Net Assets</u>		
Net Assets Without Donor Restrictions	8,215,187	6,583,701
Total Net Assets	8,215,187	6,583,701
Total Liabilities and Net Assets	<u>\$ 62,065,560</u>	<u>\$ 19,138,872</u>

Charter School of Educational Excellence
Statement of Activities
For the year ended June 30, 2020
(With summarized comparative information for the year ended June 30, 2019)

<u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u>	<u>2020</u>	<u>2019</u>
<u>PUBLIC SUPPORT AND REVENUE</u>		
Resident Student Enrollment	\$ 13,653,282	\$ 11,801,299
Grants and Contracts		
Food Service	387,696	608,287
Federal Funding	878,452	730,674
State Funding	58,612	257,021
Contributions	35,007	81,052
Interest Income	134,061	42,912
Special Events (Integral and Ongoing)		
Contributions	137,830	45,588
Special Events Revenue	-	28,950
Cost of Direct Benefits to Donors	(200)	(8,979)
Net Fundraising Revenue	<u>137,630</u>	<u>65,559</u>
Fundraising Events (Peripheral and Incidental) (Net of Expenses of \$0)	<u>9,600</u>	<u>23,127</u>
Total Public Support and Revenue	<u>15,294,340</u>	<u>13,609,931</u>
<u>EXPENSES</u>		
Program Services		
Regular Education	10,978,508	10,642,852
Special Education	<u>849,261</u>	<u>329,934</u>
	<u>11,827,769</u>	<u>10,972,786</u>
Supporting Services		
Management and General	1,828,335	1,247,549
Fundraising	<u>6,750</u>	<u>10,014</u>
Total Expenses	<u>13,662,854</u>	<u>12,230,349</u>
Change in Net Assets before Non-Operating Item	1,631,486	1,379,582
<u>NON-OPERATING:</u>		
Gain on Sale of Fixed Assets	<u>-</u>	<u>137,854</u>
Change in Net Assets	1,631,486	1,517,436
Net Assets, Beginning of Year	<u>6,583,701</u>	<u>5,066,265</u>
Net Assets, End of Year	<u><u>\$ 8,215,187</u></u>	<u><u>\$ 6,583,701</u></u>

Charter School of Educational Excellence
Statement of Functional Expenses
For the year ended June 30, 2020
(With summarized comparative information for the year ended June 30, 2019)

	Regular Education	Special Education	Total Programs	Supporting Services Management & General	Fund- Raising	2020	2019
Personnel Service Costs							
Administrative Staff Personnel	\$ 1,242,105	\$ -	\$ 1,242,105	\$ 169,063	\$ -	\$ 1,411,168	\$ 1,263,328
Instructional Personnel	3,999,519	218,125	4,217,644	-	-	4,217,644	3,569,274
Non-Instructional Personnel	62,826	192,209	255,035	396,024	-	651,059	282,039
Total Personnel Costs	5,304,450	410,334	5,714,784	565,087	-	6,279,871	5,114,641
Fringe Benefits	858,280	66,394	924,674	91,433	-	1,016,107	880,379
Payroll Taxes	408,015	31,563	439,578	43,466	-	483,044	433,521
Retirement Benefits	392,103	30,332	422,435	41,771	-	464,206	447,517
Total Personnel and Related Expenses	6,962,848	538,623	7,501,471	741,757	-	8,243,228	6,876,058
<u>Operating Expenses</u>							
Contracted Administrative and Operational Services	-	-	-	449,239	-	449,239	428,040
Legal	-	-	-	47,376	-	47,376	9,275
Other Purchased, Professional and Consulting Services	186,764	14,447	201,211	19,896	6,750	227,857	351,634
Student Services	340,344	26,328	366,672	36,257	-	402,929	518,243
Insurance	65,497	5,067	70,564	143,152	-	213,716	230,951
Supplies and Materials	280,054	21,664	301,718	29,834	-	331,552	309,991
Technology	105,260	8,143	113,403	11,213	-	124,616	119,669
Occupancy	626,029	48,427	674,456	66,691	-	741,147	514,604
Utilities	99,747	7,716	107,463	10,626	-	118,089	126,270
Staff Development	74,590	5,770	80,360	7,946	-	88,306	104,665
Marketing and Recruitment	30,414	2,353	32,767	3,240	-	36,007	16,641
Auditing Fees	-	-	-	26,000	-	26,000	22,000
Office Expenses	86,857	6,719	93,576	9,253	-	102,829	51,000
Maintenance and Repairs	411,433	31,827	443,260	43,830	-	487,090	488,306
Equipment and Furnishings	67,869	5,250	73,119	7,230	-	80,349	89,049
Transportation	144,396	11,170	155,566	15,383	-	170,949	167,864
Interest Expense Associated with Bond Cost	60,024	4,643	64,667	6,394	-	71,061	28,450
Depreciation	794,552	61,464	856,016	84,644	-	940,660	903,522
Interest Expense	497,904	38,516	536,420	53,042	-	589,462	695,588
Other Expenses	143,926	11,134	155,060	15,332	-	170,392	178,529
Total Operating Expenses	4,015,660	310,638	4,326,298	1,086,578	6,750	5,419,626	5,354,291
TOTAL EXPENSES	\$ 10,978,508	\$ 849,261	\$ 11,827,769	\$ 1,828,335	\$ 6,750	\$ 13,662,854	\$ 12,230,349

Charter School of Educational Excellence
Statement of Cash Flows
For the year ended June 30, 2020
(With summarized comparative information for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Resident Student Enrollment	\$ 11,677,256	\$ 11,740,087
Receipts from Grants and Contributions	1,462,007	1,753,751
Receipts from Other Revenue	295,207	117,682
Payments to Employees	(7,836,702)	(6,860,171)
Payments to Vendors and Suppliers	(3,198,248)	(4,166,397)
	<u>2,399,520</u>	<u>2,584,952</u>
Net Cash Provided by Operating Activities	<u>2,399,520</u>	<u>2,584,952</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Deposits to Restricted Debt Service Accounts and Other Reserves	(30,889,428)	(339,950)
Purchases of Fixed Assets	(8,124,164)	(1,868,756)
Proceeds from Sale of Land	-	891,174
	<u>(39,013,592)</u>	<u>(1,317,532)</u>
Net Cash Used In Investing Activities	<u>(39,013,592)</u>	<u>(1,317,532)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments of Line of Credit	-	(30,786)
Advances from Bonds	40,107,989	-
Payments of Bond Payable	(2,033,802)	(240,000)
Proceeds from Loans Payable	1,403,610	-
	<u>39,477,797</u>	<u>(270,786)</u>
Net Cash Provided By Financing Activities	<u>39,477,797</u>	<u>(270,786)</u>
NET INCREASE IN CASH	2,863,725	996,634
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,803,992</u>	<u>1,807,358</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,667,717</u>	<u>\$ 2,803,992</u>
Supplemental Disclosures:		
Cash paid during the year for interest	<u>\$ 589,462</u>	<u>\$ 695,588</u>

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 1 – ORGANIZATION

Charter School of Educational Excellence (the "School") is a New York education corporation incorporated by the Board of Regents of the University of the State of New York (the "Board of Regents") under Article 56 of the New York Education Law. The School is a non-profit 501(c) (3) corporation operating from 260 Warburton Avenue in Yonkers, New York. The School educates children in a completely nondiscriminatory and secular basis. The founders and supporters of the School believe that access to a public education of high quality for all children is the foremost issue. The School was originally chartered during April 2004 and opened in September 2005 with students from Kindergarten through 4th graders. In January 2018, the School successfully received a full five-year charter renewal (its 3rd renewal) from its charter authorizer, the New York State Education Department that expires in June 2023, with a maximum enrollment of 729 students in grades Kindergarten through 8th. In June 2018, this was amended by the New York State Education Department to include adding grades 9th through 12th over the charter period, with a maximum enrollment of 1,129 students.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective July 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

All net assets of the Organization at June 30, 2020 were considered to be net assets without donor restrictions.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and Revenue Recognition

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Revenue from grants and contracts is recognized as the related costs are incurred under the grant or contract agreement. This support may be subject to approved budgets, as amended, and may be subject to possible adjustment after audit by the granting agencies. The fiscal periods of these grants and contracts may differ from the fiscal year end of the School. Deferred amounts represent cash received in advance of related expenditures.

Provision for Bad Debt

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the School considers all highly liquid investments available for current use with an initial period of three months or less to be cash equivalents.

Restricted Cash and Escrow Reserves

Restricted debt service accounts, other reserves and restricted escrow relate to required reserves and escrow accounts that are required to be maintained by the School in accordance with the bond indenture and charter requirements.

Tax Exempt Status

The 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 School has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

The School files the Form 990 in the U.S. federal jurisdiction. With few exceptions, as of June 30, 2020, the School is no longer subject to U.S. Federal income tax examinations by tax authorities for the years ended prior to June 30, 2017. The tax returns for the years ended June 30, 2017 through June 30, 2019 are still subject to potential audit by the IRS. Management of the School believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits.

Functional Allocation of Expenses

Expenses relating to more than one function are allocated to program service and management and general based on employee time estimates or other appropriate usage factors.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed assets consist of building, leasehold improvements, furniture and equipment and are valued at cost less accumulated depreciation. Depreciation is computed on a straight line basis over the estimated useful lives of the related assets or the term of the lease agreement. Normal replacement and maintenance costs are charged to earnings as incurred, and major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation is removed from the accounts and the resulting gain or loss for the period. The School capitalizes assets with cost of \$500 and over. Depreciation is calculated based on the useful lives of the assets as follows: Building and Leasehold Improvements 20 Years, Equipment, Furniture and Fixtures 3 - 10 Years.

Contributed Services

Contributed services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

A number of volunteers have made a contribution of their time to the School to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the financial statements as such services either do not require specialized skills or would not typically be purchased had they not been provided as donations.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the bonds payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using a straight-line method over the term of the related debt. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Comparative Financial Information

The June 30, 2019 financial statements include certain prior year summarized comparative information in total but not by net asset class. As a result, the June 30, 2019 comparative information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such June 30, 2019 information should be read in conjunction with the School's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

NOTE 3 – DUE FROM GOVERNMENTAL AGENCIES

Under the School's Charter School Agreement and the Charter School Act, the School is entitled to receive funding from both State and Federal sources that are available to public schools. These funds include State pupil enrollment funds and Federal food subsidies and Title I, IIA, IID, IV and V funds. The calculation of the amounts to be paid to the School under these programs is determined by the State, and is based on complex laws and regulations, enrollment levels, and economic information related to the home school district of the children enrolled in the school. If these regulations, some of which are relatively new in the State of New York, were to change, or other factors included in the calculations were to change, the level of funding that the School receives could vary significantly.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 3 – DUE FROM GOVERNMENTAL AGENCIES (continued)

Amount due from government agencies and included as revenues in the statement of activities, consist of the following as of June 30, 2020:

Resident Student Enrollment	\$ 2,413,007
Governmental Funding	71,008
	2,484,015
Allowance for Doubtful Accounts	<u>(442,598)</u>
	<u><u>\$ 2,041,417</u></u>

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following:

Land and Building	\$ 2,478,280
Building	11,635,875
Leasehold Improvements	3,533,486
Construction in Progress	9,468,439
Equipment, Furniture and Fixtures	<u>2,266,473</u>
	29,382,553
Less: Accumulated Depreciation	<u>(8,972,143)</u>
Total Fixed Assets	<u><u>\$ 20,410,410</u></u>

NOTE 5 - ESCROW - RESTRICTED

Pursuant to the Charter Agreement, the School is required to establish an escrow of at least \$75,000 over a 3 year period. In the event of termination of the charter, whether prematurely or otherwise, the School shall establish and follow procedures consistent with those required by Section 2851(2)(t) of the New York State Education Law in its use of the escrow. The balance as of June 30, 2020, is \$75,955.

NOTE 6 - BOND TRUST ACCOUNTS - RESTRICTED

The School have entered into a custody agreement with Wilmington Trust Company as Custodian and as Trustee. Debt service reserve represents funds held by Wilmington Trust Company in the name of the School. The School will direct educational aid payments to be deposited with the Custodian. The Custodian will pay the Trustee, for deposit in the Debt Service Fund, an amount equal to a proportionate share of the next interest payment and principal payment on the Bonds for which funds have not already been provided.

Additionally, the Custodian will pay the Trustee, for deposit in the Repair and Replacement Fund, amounts necessary to equal the Repair and Replacement Fund requirement. Any funds remaining with the Custodian following such transfers will be transferred to the School. In connection with the bonded mortgage with the IDA, the School is required to maintain bond trust accounts which are administered by Wilmington Trust Company. The underlying investments in the bond trust accounts at June 30, 2020 consist of money market funds.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 6 - BOND TRUST ACCOUNTS - RESTRICTED

The Schools have entered into a collateral agreement for bond trust accounts not covered under federal deposit insurance. Cash is fully insured and collateralized under the bond trust accounts as of June 30, 2020.

Bond trust accounts consist of the following:

Interest Reserve	\$ 662,827
Debt Service	3,262,809
Repairs and Maintenance Reserve	1,077,032
Earnings Fund	1,820
Capitalized Interest	2,412,326
Project Account	26,119,370
	<hr/>
	<u>\$ 33,536,184</u>

NOTE 7 – RETIREMENT PLANS

Retirement Savings Plan

The School offers a 401(k) plan (the "Plan") for substantially all of its employees. Employees are eligible for the plan immediately upon employment and participation in the Plan is voluntary. Employees may contribute up to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The School matches the employee contribution 100% up to 4% of the employee's total annual compensation. The School's contribution recognized in the statement of activities was \$25,827 for 2020. The Plan assets are held in a separate trust and are not included in the accompanying financial statements. All plan assets are held for the exclusive benefit of the Plan's participants and beneficiaries. The Plan assets are held in a separate trust and are not included in the accompanying financial statements. All plan assets are held for the exclusive benefit of the Plan's participants and beneficiaries. The Principal Financial Group administers the plan and is the acting custodian of the plan assets.

New York State Teachers' Retirement System

Employees of the School are eligible to participate in the New York State Teachers' Retirement System (NYSTRS). The NYSTRS is a defined benefit plan covering teachers in New York State, with pensions calculated based primarily on the member's years of service and final average salary. Contributions for the year ended June 30, 2020, was based on 10.62%, of participant salaries. The benefits provided to members of the plan are established by New York State Law and may be amended only by the State Legislature. Pension expense was \$438,378 for the year ended June 30, 2020.

NOTE 8 – LINE OF CREDIT

The School has secured a revolving line of credit note from a financial institution in the amount of \$500,000. The line of credit was established on May 20, 2016 and is due on demand. The interest rate on the variable rate loan was 6% at June 15, 2019 with interest payable monthly. The balance due as of June 30, 2020 was \$0.

NOTE 9 – BONDS PAYABLE

On November 1, 2010, The Yonkers Economic Development Corporation provided financing through the issuance of \$11,735,000 Tax-Exempt Educational Revenue Bonds (Charter School of Educational Excellence Project) (the "Series 2010A Bonds"). The Series 2010A Bonds of \$4,940,000 bear interest at 6.00% per annum and principal due at maturity on October 15, 2030. The balance of the Series 2010A Bonds of \$6,795,000, bear interest at 6.25% per annum and principal due at maturity on October 15, 2040.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 9 – BONDS PAYABLE (continued)

On November 1, 2010, The Yonkers Economic Development Corporation provided financing through the issuance of \$710,000 in Taxable Educational Revenue Bonds (Charter School of Educational Excellence Project) (the "Series 2010B Bonds"), bearing interest rate at 8.00% per annum. The remaining principal balance was paid off on October 17, 2016.

On November 1, 2019, The Yonkers Economic Development Corporation provided financing through the issuance of \$35,740,000 Tax-Exempt Educational Revenue Bonds (Charter School of Educational Excellence Project) (the "Series 2019A Bonds"). The Series 2019A Bonds of \$3,060,000 bear interest at 4.00% per annum and principal due at maturity on October 15, 2029, \$8,610,000 bear interest at 5.00% per annum and principal due at maturity on October 15, 2039, \$14,030,000 bear interest at 5.00% per annum and principal due at maturity on October 15, 2049, and \$10,040,000 bear interest at 5.00% per annum and principal due at maturity on October 15, 2054.

On November 1, 2019, The Yonkers Economic Development Corporation provided financing through the issuance of \$1,045,000 in Taxable Educational Revenue Bonds (Charter School of Educational Excellence Project) (the "Series 2019B Bonds"), bearing interest at 4.50% per annum and principal due at maturity on October 15, 2024.

The proceeds of the Series 2010 and 2019 bonds are to be used for the following purposes:

- 1) the construction of educational facilities.
- 2) paying certain prior indebtedness (NCB Capital Impact Loans I and II)
- 3) paying certain capital expenditures and capitalized interest during construction.
- 4) paying Series 2010 and 2019 Bond issuance costs.
- 5) fund of a Bond Fund Deposit and Reserve Fund Deposit.

Bonds Payable	\$ 51,177,989
Less: Debt Issuance Costs, Net	2,571,108
Bonds Payable, Less Debt Issuance Costs	<u>48,606,881</u>
Less: Current Portion of Bonds Payable	<u>270,000</u>
 Bonds Payable, Less Current Portion	 <u><u>\$ 48,336,881</u></u>

The following is a summary of maturing debt service requirements for the fiscal year ending June 30,

Year Ending June 30,	Amount
2021	\$ 270,000
2022	285,000
2023	815,000
2024	860,000
2025	900,000
Thereafter	<u>48,047,989</u>
	<u><u>\$ 51,177,989</u></u>

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

The school is subject to debt covenants which are calculated as follows:

	Minimum Requirement	Actual
Debt Service Coverage Ratio	1.10	3.51
The debt service coverage is calculated as follows:		
Increase in Net Assets	\$ 1,631,486	
Add Back: Interest Expense	589,462	
Depreciation and Amortization Expense	1,011,721	
Net Revenues Available for Debt Service	<u>\$ 3,232,669</u>	
Maximum Annual Debt Service	<u>\$ 920,888</u>	
Net Revenues Available for Debt Service	\$ 3,232,669	
Maximum Annual Debt Service	\$ 920,888	= 3.51

NOTE 10 – DEBT ISSUANCE COST

The school incurred costs of \$853,506 related to the 2010 Bond offering (See Note 9). The costs are amortized over the term of the related debt (30 Years) using a straight-line method. Accumulated amortization at June 30, 2020 was \$273,667. Interest expense associated with bond costs charged to operations was \$28,529 for 2020.

The school incurred costs of \$2,033,802 related to the 2019 Bond offering (See Note 9). The costs are amortized over the term of the related debt (30 Years) using a straight-line method. Accumulated amortization at June 30, 2020 was \$42,533. Interest expense associated with bond costs charged to operations was \$42,533 for 2020.

NOTE 11 – PPP LOAN PAYABLE

On April 14, 2020, the School was granted a loan from in the aggregate amount of \$1,403,610, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of Note dated April 14, 2020 issued by the School, matures on April 14, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 14, 2020. The Note may be prepaid by the School at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The School intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

NOTE 12 – COMMITMENTS

Occupancy Lease

The School occupancy leases for the original leased premises and the lease amendment for additional space in the elementary school building had an expiration date of June 30, 2024, which expiration date was changed to September 1, 2051, by the ground lease executed to enable the financing of the middle school development.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 12 – COMMITMENTS (continued)

Occupancy Lease

The term of the annex occupancy lease expired in June of 2018 and is now month-to-month starting July 1, 2018. The School leased space for up to 2 years while the high school is being built. The expiration date of the occupancy lease dated July 1, 2019 is July 31, 2021.

Operating Lease

The School entered into operating lease/service agreements for equipment on March 16, 2018 and April 10, 2019. The lease/service agreements expire on March 31, 2021 and April 30, 2022.

The combined future monthly minimum lease payments as of June 30 are as follows:

Year Ending June 30,	Occupancy	Operating	Total
2021	\$ 690,481	\$ 54,480	\$ 744,961
2022	425,981	45,400	471,381
2023	411,797	-	411,797
2024	422,937	-	422,937
	\$ 1,951,196	\$ 99,880	\$ 2,051,076

NOTE 13 – CONTINGENCY

The School participates in a number of Federal and State programs. These programs require the School comply with certain requirements of laws, regulations, contracts, and agreements applicable to the program in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government and contracts by government agencies is presently not determinable, it should not, in the opinion of the management, have a material effect on the financial position or results of operations. Accordingly, no provision for such liability that may result has been made in the accompanying financial statements.

NOTE 14 – CONCENTRATIONS

Financial instruments that potentially subject the School to a concentration of credit risk include cash accounts at major financial institutions which, at times may exceed the Federal Deposit Insurance Corporation insured limit of \$250,000 and Due from Government Agencies. Management believes that there is little risk in any losses and has not experienced any losses in such accounts. Management also believes that credit risk with respect to Due from Government Agencies is limited since the amounts are due from government programs.

The School is dependent on various government agencies for funding, and is responsible for meeting the requirements of such agencies. If the school was to lose students or the related government funding, it could have a substantial effect on its ability to continue operations.

Charter School of Educational Excellence
Notes to the Financial Statements
June 30, 2020

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2020, the School has \$7,932,429 of financial assets to meet needs for general expenditures consisting of cash of \$5,667,717 and due from government agencies of \$2,264,712. None of the financial assets are subject to donor or other contractual restrictions. Accordingly all such funds are available to meet the cash needs of the organization in the next 12 months

In addition to financial assets available to meet general expenditures over the year, the School operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient tuition and other revenues.

NOTE 16 – SUBSEQUENT EVENTS

The School evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was October 20, 2020, for these financial statements.

Supplemental Information

Charter School of Educational Excellence

Schedule of Expenditures of Federal Awards
and Accompanying Notes
For the year ended June 30, 2020

Charter School of Educational Excellence
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION		
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES Pass - Through from the New York State Education Department	84.010	\$ 272,645
ENGLISH LANGUAGE ACQUISITION STATE GRANTS Pass - Through from the New York State Education Department	84.365	16,688
IMPROVING TEACHER QUALITY STATE GRANTS Pass - Through from the New York State Education Department	84.367	53,752
STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS Pass - Through from the New York State Education Department	84.424	535,367
TOTAL U.S. DEPARTMENT OF EDUCATION		878,452
U.S. DEPARTMENT OF AGRICULTURE (USDA)		
SCHOOL BREAKFAST PROGRAM Pass - Through from the New York State Education Department	10.553	112,216
NATIONAL SCHOOL LUNCH PROGRAM Pass - Through from the New York State Education Department	10.555	325,016
TOTAL U.S. DEPARTMENT OF AGRICULTURE (USDA)		437,232
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 1,315,684

Charter School of Educational Excellence
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Charter School of Educational Excellence, under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Charter School of Educational Excellence, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – INDIRECT COST RATE

Charter School of Educational Excellence has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**Independent Auditors' Report on Internal Control Over Financial Reporting and On
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees of
Charter School of Educational Excellence
Yonkers, New York

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 Charter School of Educational Excellence (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Charter School of Educational Excellence'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 Charter School of Educational Excellence's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Charter School of Educational Excellence's financial statements are free of 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vargas & Rivera, LLP

New City, New York

October 20, 2020



**Independent Auditors' Report on Compliance For Each Major
Program and on Internal Control Over
Compliance Required by Uniform Guidance**

To the Board of Trustees of
Charter School of Educational Excellence
Yonkers, New York

Report on Compliance for Each Major Federal Program

We have audited Charter School of Educational Excellence's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Charter School of Educational Excellence's major federal programs for the year ended June 30, 2020. Charter School of Educational Excellence's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Charter School of Educational Excellence's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Charter School of Educational Excellence's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Charter School of Educational Excellence's compliance.

Opinion on Each Major Federal Program

In our opinion, Charter School of Educational Excellence complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Charter School of Educational Excellence is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Charter School of Educational Excellence's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Charter School of Educational Excellence's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Vargas & Rivera, LLP". The signature is written in a cursive, flowing style.

New City, New York

October 20, 2020

Charter School of Educational Excellence
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported	
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported	

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major programs:

CFDA Number Name of Federal Program or Cluster:

10.553	School Breakfast Program
10.554	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II - Financial Statement Findings

The audit revealed no findings nor questioned costs.

Section III - Federal Award Findings and Questioned Costs

The audit revealed no findings nor questioned costs.



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Charter School of Educational Excellence
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	Yonkers City School District
If located in NYC DOE select CSD:	-
School Fiscal Contact Name:	Paul J. Augello, Jr., CPA
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Vargas & Rivera, LLP
School Audit Contact Name:	Myla Smith
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	N/A
Management Letter Response	N/A
Form 990	Filing by 11/01/20
Federal Single Audit (A-133)	N/A
Corrective Action Plan	N/A

Charter School of Educational Excellence
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 5,667,717	\$ 2,803,992
Grants and contracts receivable	2,264,712	303,565
Accounts receivables	-	-
Prepaid Expenses	86,015	43,215
Contributions and other receivables	-	13,916
Other current assets	-	-
TOTAL CURRENT ASSETS	<u>8,018,444</u>	<u>3,164,688</u>
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 20,410,410	\$ 13,226,905
Restricted Cash	33,612,139	2,722,712
Security Deposits	24,567	24,567
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	<u>54,047,116</u>	<u>15,974,184</u>
TOTAL ASSETS	<u>62,065,560</u>	<u>19,138,872</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 1,738,924	\$ 478,818
Accrued payroll, payroll taxes and benefits	1,749,530	1,343,004
Current Portion of Loan Payable	270,000	255,000
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	223,295	135,934
Other Current Liabilities	128,133	135,782
TOTAL CURRENT LIABILITIES	<u>4,109,882</u>	<u>2,348,538</u>
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 48,336,881	\$ 10,206,633
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	1,403,610	-
TOTAL LONG-TERM LIABILITIES	<u>49,740,491</u>	<u>10,206,633</u>
TOTAL LIABILITIES	<u>53,850,373</u>	<u>12,555,171</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 8,139,232	\$ 6,507,838
Temporarily restricted	75,955	75,863
Permanently restricted	-	-
TOTAL NET ASSETS	<u>8,215,187</u>	<u>6,583,701</u>
TOTAL LIABILITIES AND NET ASSETS	<u>62,065,560</u>	<u>19,138,872</u>

Charter School of Educational Excellence
Statement of Activities
as of June 30

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 13,653,282	\$ -	\$ 13,653,282	\$ 11,801,299
State and Local Per Pupil Revenue - SPED	-	-	-	-
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	878,452	-	878,452	730,674
State and City Grants	58,612	-	58,612	257,021
Other Operating Income	-	-	-	-
Food Service/Child Nutrition Program	387,696	-	387,696	608,287
TOTAL OPERATING REVENUE	14,978,042	-	14,978,042	13,397,281
EXPENSES				
Program Services				
Regular Education	\$ 10,978,508	\$ -	\$ 10,978,508	\$ 10,642,852
Special Education	849,261	-	849,261	329,934
Other Programs	-	-	-	-
Total Program Services	11,827,769	-	11,827,769	10,972,786
Management and general	1,828,335	-	1,828,335	1,247,549
Fundraising	6,750	-	6,750	10,014
TOTAL EXPENSES	13,662,854	-	13,662,854	12,230,349
SURPLUS / (DEFICIT) FROM OPERATIONS	1,315,188	-	1,315,188	1,166,932
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ 134,061	\$ -	\$ 134,061	\$ 42,912
Contributions and Grants	35,007	-	35,007	81,052
Fundraising Support	147,230	-	147,230	88,686
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	137,854
TOTAL SUPPORT AND OTHER REVENUE	316,298	-	316,298	350,504
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	1,631,486	-	1,631,486	1,517,436
NET ASSETS - BEGINNING OF YEAR	\$ 6,507,838	\$ 75,863	\$ 6,583,701	\$ 5,066,265
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 8,139,324	\$ 75,863	\$ 8,215,187	\$ 6,583,701

Charter School of Educational Excellence
Statement of Cash Flows

as of June 30

	2020	2019
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 1,631,486	\$ 1,517,436
Revenues from School Districts	-	-
Accounts Receivable	13,916	(13,916)
Due from School Districts	(1,961,147)	(43,887)
Depreciation	940,660	903,522
Grants Receivable	-	-
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	(42,800)	(1,495)
Accounts Payable	1,260,106	250,217
Accrued Expenses	406,526	15,887
Accrued Liabilities	(7,649)	7,200
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	(137,854)
Deferred Revenue	87,361	59,392
Interest payments	71,062	28,450
Other	-	-
Other	-	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 2,399,520	\$ 2,584,952
CASH FLOWS - INVESTING ACTIVITIES		
Purchase of equipment	(8,124,164)	(1,868,756)
Other	(30,889,428)	551,224
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (39,013,592)	\$ (1,317,532)
CASH FLOWS - FINANCING ACTIVITIES		
Principal payments on long-term debt	39,477,797	(240,000)
Other	-	(30,786)
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ 39,477,797	\$ (270,786)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ 2,863,725	\$ 996,634
Cash at beginning of year	2,803,992	1,807,358
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,667,717	\$ 2,803,992

Charter School of Educational Excellence Statement of Functional Expenses as of June 30

		2020							2019	
		Program Services				Supporting Services				
No. of Positions		Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total	Total	
Personnel Services Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$
Administrative Staff Personnel	14.41	1,242,105	-	-	1,242,105	-	169,063	169,063	1,411,168	1,263,328
Instructional Personnel	73.00	3,999,519	218,125	-	4,217,644	-	-	-	4,217,644	3,569,274
Non-Instructional Personnel	9.00	62,826	192,209	-	255,035	-	396,024	396,024	651,059	282,039
Total Salaries and Staff	96.41	5,304,450	410,334	-	5,714,784	-	565,087	565,087	6,279,871	5,114,641
Fringe Benefits & Payroll Taxes		1,266,295	97,957	-	1,364,252	-	134,899	134,899	1,499,151	1,313,900
Retirement		392,103	30,332	-	422,435	-	41,771	41,771	464,206	447,517
Management Company Fees		-	-	-	-	-	449,239	449,239	449,239	428,040
Legal Service		-	-	-	-	-	47,376	47,376	47,376	9,275
Accounting / Audit Services		-	-	-	-	-	26,000	26,000	26,000	22,000
Other Purchased / Professional / Consulting Services		186,764	14,447	-	201,211	6,750	19,896	26,646	227,857	351,634
Building and Land Rent / Lease		626,029	48,427	-	674,456	-	66,691	66,691	741,147	514,604
Repairs & Maintenance		411,433	31,827	-	443,260	-	43,830	43,830	487,090	488,306
Insurance		65,497	5,067	-	70,564	-	143,152	143,152	213,716	230,951
Utilities		99,747	7,716	-	107,463	-	10,626	10,626	118,089	126,270
Supplies / Materials		280,054	21,664	-	301,718	-	29,834	29,834	331,552	309,991
Equipment / Furnishings		67,869	5,250	-	73,119	-	7,230	7,230	80,349	89,049
Staff Development		74,590	5,770	-	80,360	-	7,946	7,946	88,306	104,665
Marketing / Recruitment		30,414	2,353	-	32,767	-	3,240	3,240	36,007	16,641
Technology		105,260	8,143	-	113,403	-	11,213	11,213	124,616	119,669
Food Service		-	-	-	-	-	-	-	-	-
Student Services		484,740	37,498	-	522,238	-	51,640	51,640	573,878	686,107
Office Expense		86,857	6,719	-	93,576	-	9,253	9,253	102,829	51,000
Depreciation		794,552	61,464	-	856,016	-	84,644	84,644	940,660	931,972
OTHER		701,854	54,293	-	756,147	-	74,768	74,768	830,915	874,117
Total Expenses		\$ 10,978,508	\$ 849,261	\$ -	\$ 11,827,769	\$ 6,750	\$ 1,828,335	\$ 1,835,085	\$ 13,662,854	\$ 12,230,349

New York State Education Department

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

2019-20 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 accomodate 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.

Charter School of Educational Excellence

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

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

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Total Revenue	17,264,899	134,609	-	-	-	17,399,508
Total Expenses	13,709,147	724,077	-	-	1,917,974	16,351,198
Net Income	3,555,752	(589,468)	-	-	(1,917,974)	1,048,310
Actual Student Enrollment	911	-	-	-	-	-
Total Paid Student Enrollment	911	-	-	-	-	911

Assumptions

DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable

REGULAR EDUCATION	PROGRAM SERVICES SPECIAL EDUCATION	OTHER	SUPPORT FUNDRAISING	SERVICES MANAGEMENT & GENERAL	TOTAL
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REVENUE

REVENUES FROM STATE SOURCES

Per Pupil Revenue

CY Per Pupil Rate

Yonkers Public School District
School District 2 (New York City)
School District 3 (East Ramapo)
School District 4 (Greenburgh)
School District 5 (New Rochelle)
School District 6 (Mount Vernon)
School District 7 (Elmsford)
School District 8 (North Rockland)
School District 9 (White Plains)

\$15,913.00
\$16,123.00
\$17,260.00
\$22,515.00
\$17,424.00
\$18,398.00
\$23,254.00
\$17,586.00
\$20,562.00

11,791,533	-	-	-	-	11,791,533
1,241,471	-	-	-	-	1,241,471
17,260	-	-	-	-	17,260
45,030	-	-	-	-	45,030
69,696	-	-	-	-	69,696
1,398,248	-	-	-	-	1,398,248
162,778	-	-	-	-	162,778
35,172	-	-	-	-	35,172
20,562	-	-	-	-	20,562
14,781,750	-	-	-	-	14,781,750

Special Education Revenue

-	70,861	-	-	-	70,861
---	--------	---	---	---	--------

Grants

Stimulus

1,403,610	-	-	-	-	1,403,610
-----------	---	---	---	---	-----------

Other

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

Other State Revenue

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

TOTAL REVENUE FROM STATE SOURCES

16,185,360	70,861	-	-	-	16,256,221
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REVENUE FROM FEDERAL FUNDING

IDEA Special Needs

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

Title I

245,381	-	-	-	-	245,381
---------	---	---	---	---	---------

Title Funding - Other

66,638	-	-	-	-	66,638
--------	---	---	---	---	--------

School Food Service (Free Lunch)

682,158	-	-	-	-	682,158
---------	---	---	---	---	---------

Grants

Charter School Program (CSP) Planning & Implementation

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

Other

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

Other Federal Revenue

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

TOTAL REVENUE FROM FEDERAL SOURCES

994,177	-	-	-	-	994,177
---------	---	---	---	---	---------

LOCAL and OTHER REVENUE

Contributions and Donations, Fundraising

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

Erate Reimbursement

24,993	-	-	-	-	24,993
--------	---	---	---	---	--------

Interest Income, Earnings on Investments,

60,000	-	-	-	-	60,000
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NYC-DYCD (Department of Youth and Community Developmt.)

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

Food Service (Income from meals)

369	-	-	-	-	369
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Text Book

-	63,748	-	-	-	63,748
---	--------	---	---	---	--------

Other Local Revenue

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

TOTAL REVENUE FROM LOCAL and OTHER SOURCES

85,362	63,748	-	-	-	149,110
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TOTAL REVENUE

17,264,899	134,609	-	-	-	17,399,508
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List exact titles and staff FTE's (Full time equivilalent)

EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

No. of Positions

Executive Management

1.00

200,197	-	-	-	-	200,197
---------	---	---	---	---	---------

Instructional Management

3.00

440,000	-	-	-	-	440,000
---------	---	---	---	---	---------

Deans, Directors & Coordinators

5.00

434,543	-	-	-	-	434,543
---------	---	---	---	---	---------

CFO / Director of Finance

-

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

Operation / Business Manager

4.00

-	-	-	-	291,440	291,440
---	---	---	---	---------	---------

Administrative Staff

5.00

-	-	-	-	230,500	230,500
---	---	---	---	---------	---------

TOTAL ADMINISTRATIVE STAFF

18

1,074,740	-	-	-	521,940	1,596,680
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INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular

45.00

3,021,368	-	-	-	-	3,021,368
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(36) Regular, (9) Title I Teachers

Charter School of Educational Excellence

PROJECTED BUDGET FOR 2020-2021								Assumptions
July 1, 2020 to June 30, 2021								DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.								
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL		
Total Revenue	17,264,899	134,609	-	-	-	17,399,508		
Total Expenses	13,709,147	724,077	-	-	1,917,974	16,351,198		
Net Income	3,555,752	(589,468)	-	-	(1,917,974)	1,048,310		
Actual Student Enrollment	911	-	-	-	-	-		
Total Paid Student Enrollment	911	-	-	-	-	911		
	REGULAR EDUCATION	PROGRAM SERVICES SPECIAL EDUCATION	OTHER	SUPPORT FUNDRAISING	SERVICES MANAGEMENT & GENERAL	TOTAL		
Teachers - SPED	4.00	-	320,232	-	-	320,232	(1) SPED Director, (3) SPED	
Substitute Teachers	-	-	-	-	-	-		
Teaching Assistants	13.00	409,500	-	-	-	409,500	(13) Teaching Assistants	
Specialty Teachers	14.00	956,902	-	-	-	956,902	(1) CTE Auto, (1) CTE Culinary	
Aides	5.00	200,503	-	-	-	200,503	(3) School Aid F/T, (5) School Aid P/T	
Therapists & Counselors	7.00	496,540	-	-	-	496,540	Nurses	
Other	-	110,000	-	-	-	110,000	Various - Summer School, After School	
TOTAL INSTRUCTIONAL	88	5,194,813	320,232	-	-	5,515,045		
NON-INSTRUCTIONAL PERSONNEL COSTS								
Nurse	-	-	-	-	-	-		
Librarian	-	-	-	-	-	-		
Custodian	6.00	-	-	-	236,409	236,409	(5) Custodians F/T, (2) P/T	
Security	-	-	-	-	-	-		
Other	3.50	139,010	-	-	-	139,010	(1) Food Svc Mgr, (1) Sch Aid Kitchen F/T, (3) School Aid Kitchen P/T	
TOTAL NON-INSTRUCTIONAL	10	139,010	-	-	236,409	375,419		
SUBTOTAL PERSONNEL SERVICE COSTS	116	6,408,563	320,232	-	758,349	7,487,144		
PAYROLL TAXES AND BENEFITS								
Payroll Taxes		512,685	25,619	-	60,668	598,971	Calculated based on salary costs	
Fringe / Employee Benefits		1,167,907	58,360	-	138,203	1,364,469	Health/Dental, WC, Disability, Life	
Retirement / Pension		617,919	30,877	-	73,121	721,917	Retirement - 401(k), NYTRS	
TOTAL PAYROLL TAXES AND BENEFITS		2,298,511	114,855	-	271,991	2,685,357		
TOTAL PERSONNEL SERVICE COSTS		8,707,074	435,087	-	1,030,340	10,172,501		
CONTRACTED SERVICES								
Accounting / Audit		-	-	-	26,000	26,000	Audit & Tax Services	
Legal		-	-	-	50,000	50,000	Legal	
Management Company Fee		-	-	-	-	-		
Nurse Services		30,000	-	-	-	30,000	Contracted Nursing Services	
Food Service / School Lunch		543,547	22,648	-	-	566,195	Food Service	
Payroll Services		-	-	-	-	-		
Special Ed Services		-	65,000	-	-	65,000	Contracted SpEd Services	
Titlement Services (i.e. Title I)		9,600	400	-	-	10,000	Title Funding Support Services	
Other Purchased / Professional / Consulting		220,160	10,240	-	368,554	598,954	servcies, Other Professional fees, Contracted Substitute services	
TOTAL CONTRACTED SERVICES		803,307	98,288	-	444,554	1,346,149		
SCHOOL OPERATIONS								
Board Expenses		-	-	-	40,000	40,000	Board training, fundraising, special events	
Classroom / Teaching Supplies & Materials		79,680	3,320	-	-	83,000	Classroom Supplies \$13k, Teachers Discretionary \$70k	
Special Ed Supplies & Materials		61,198	2,550	-	-	63,748	NYSTL Text/Materials/Software	
Textbooks / Workbooks		86,400	3,600	-	-	90,000	Text and Materials	
Supplies & Materials other		-	-	-	-	-		
Equipment / Furniture		72,240	3,360	-	8,400	84,000	Equipment \$9k, Copier Cost \$75k	
Telephone		94,600	4,400	-	11,000	110,000	Phone & Data Services	
Technology		112,660	5,240	-	13,100	131,000	Computer Maint Supplies \$1k, Software \$40k, Educational Software \$90k	
Student Testing & Assessment		15,360	640	-	-	16,000	Student Testing	
Field Trips		28,800	1,200	-	-	30,000	Field Trips	
Transportation (student)		220,800	9,200	-	-	230,000	Transportation Services	
Student Services - other		215,040	8,960	-	-	224,000	Student Activities \$34k, Athletic Activites \$170k, Other Direct Ed \$20k	
Office Expense		66,220	3,080	-	7,700	77,000	Office Supplies \$70k, Postage \$5k, Printing/Copying \$2k	
Staff Development		110,080	5,120	-	12,800	128,000	PD \$90k, PD Conferences \$30k, Tuition Reimbursement \$30k	
Staff Recruitment		-	-	-	-	-		
Student Recruitment / Marketing		30,960	1,440	-	3,600	36,000	Advertising	
School Meals / Lunch		1,720	80	-	200	2,000	Other Food Payments	

Charter School of Educational Excellence

PROJECTED BUDGET FOR 2020-2021							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	17,264,899	134,609	-	-	-	17,399,508	
Total Expenses	13,709,147	724,077	-	-	1,917,974	16,351,198	
Net Income	3,555,752	(589,468)	-	-	(1,917,974)	1,048,310	
Actual Student Enrollment	911	-				-	
Total Paid Student Enrollment	911	-				911	
	REGULAR EDUCATION	PROGRAM SERVICES SPECIAL EDUCATION	OTHER	SUPPORT SERVICES FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Travel (Staff)	8,600	400	-	-	1,000	10,000	Transportation Staff
Fundraising	-	-	-	-	-	-	
Other	18,060	840	-	-	2,100	21,000	Other G&A \$10k, Staff Appreciation \$4k, Subscription & Dues \$7k
TOTAL SCHOOL OPERATIONS	1,222,418	53,430	-	-	99,900	1,375,748	
FACILITY OPERATION & MAINTENANCE							
Insurance	129,000	6,000	-	-	15,000	150,000	Insurance
Janitorial	75,680	3,520	-	-	8,800	88,000	Operation Supplies
Building and Land Rent / Lease	1,241,131	57,727	-	-	144,318	1,443,176	Land Lease Expense \$560,994, Temp Occupancy \$325k, RE Taxes \$60k, Bond (Financing) Interest Expense \$497,182
Repairs & Maintenance	68,800	3,200	-	-	8,000	80,000	Renovation & Repairs
Equipment / Furniture	10,320	480	-	-	1,200	12,000	Fixtures & Furnitures
Security	395,600	18,400	-	-	46,000	460,000	Maintenance & Security
Utilities	156,520	7,280	-	-	18,200	182,000	Electric \$130k, Gas \$28k, Water \$14k, and Other O&M \$10k
TOTAL FACILITY OPERATION & MAINTENANCE	2,077,051	96,607	-	-	241,518	2,415,176	
DEPRECIATION & AMORTIZATION	874,297	40,665	-	-	101,662	1,016,624	Depreciation \$945,562 \$, Amortization \$71,062
DISSOLUTION ESCROW & RESERVES / CONTINGENCY	25,000	-	-	-	-	25,000	Reserve - Escrow
TOTAL EXPENSES	13,709,147	724,077	-	-	1,917,974	16,351,198	
NET INCOME	3,555,752	(589,468)	-	-	(1,917,974)	1,048,310	
ENROLLMENT - *School Districts Are Linked To Above Entries*	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED				
Yonkers Public School District	741		741				
School District 2 (New York City)	77		77				
School District 3 (East Ramapo)	1		1				
School District 4 (Greenburgh)	2		2				
School District 5 (New Rochelle)	4		4				
School District 6 (Mount Vernon)	76		76				
School District 7 (Elmsford)	7		7				
School District 8 (North Rockland)	2		2				
School District 9 (White Plains)	1		1				
TOTAL ENROLLMENT	911	-	911				
REVENUE PER PUPIL	18,952	-	-				
EXPENSES PER PUPIL	15,048	-	-				