

October 20, 2020

The Board of Trustees and Management  
Global Concepts Charter School

In planning and performing our audit of the financial statements of Global Concepts Charter School (the School) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to errors or fraud may occur and not be detected by such controls. 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.

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

*Lumsden & McCormick, LLP*

**GLOBAL CONCEPTS CHARTER SCHOOL**

**SINGLE AUDIT REPORTING PACKAGE**

**JUNE 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Global Concepts Charter School

We have audited the accompanying balance sheets of Global Concepts Charter School (the School) as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 the School as of June 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Additional Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying additional information as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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.

The accompanying additional information including the schedule of expenditures of federal awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

**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 the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



Lynden & McCormick, LLP

October 20, 2020

GLOBAL CONCEPTS CHARTER SCHOOL

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**Balance Sheets**

June 30,	2020	2019
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 6,887,835	\$ 7,719,350
Receivables, net (Note 2)	1,746,131	1,086,165
Prepaid expenses	156,226	145,555
Investments	4,009,707	3,420,574
	<u>12,799,899</u>	<u>12,371,644</u>
Property and equipment, net (Note 3)	10,406,184	9,581,565
Cash held in trust (Note 4)	1,064,918	901,692
	<u>\$ 24,271,001</u>	<u>\$ 22,854,901</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt (Note 6)	\$ 241,384	\$ 231,384
Accounts payable and accrued expenses	823,907	1,236,829
	<u>1,065,291</u>	<u>1,468,213</u>
Long-term debt (Note 6)	6,123,867	6,365,251
<b>Net assets:</b>		
Without donor restrictions	17,081,843	15,021,437
	<u>\$ 24,271,001</u>	<u>\$ 22,854,901</u>

See accompanying notes.

GLOBAL CONCEPTS CHARTER SCHOOL

**Statements of Activities**

For the years ended June 30,	2020	2019
<b>Support and revenue:</b>		
Enrollment fees:		
Resident students	\$ 12,687,060	\$ 12,485,934
Resident students with disabilities	633,788	488,482
Additional state aid	-	258,686
Contributions:		
Federal awards	1,140,058	1,289,009
State awards and other	44,998	11,262
Food service	16,575	47,693
Other income	263,706	208,425
<b>Total support and revenue</b>	<b>14,786,185</b>	<b>14,789,491</b>
<b>Expenses:</b>		
Program expenses:		
Regular education	8,290,134	8,665,428
Special education	931,586	957,480
Other programs	1,286,646	1,563,800
Total program expenses	10,508,366	11,186,708
Supporting services:		
Management and general	2,217,413	2,573,262
<b>Total expenses</b>	<b>12,725,779</b>	<b>13,759,970</b>
<b>Change in net assets</b>	<b>2,060,406</b>	<b>1,029,521</b>
Net assets - beginning	15,021,437	13,991,916
Net assets - ending	<b>\$ 17,081,843</b>	<b>\$ 15,021,437</b>

**Statement of Functional Expenses**

For the year ended June 30, 2020

	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	23.0	\$ -	\$ -	\$ -	\$ 1,059,983	\$ 1,059,983
Instructional personnel	113.0	5,009,659	480,842	-	-	5,490,501
Non-instructional personnel	3.0	-	-	215,830	-	215,830
	<b>139.0</b>	<b>\$ 5,009,659</b>	<b>\$ 480,842</b>	<b>\$ 215,830</b>	<b>\$ 1,059,983</b>	<b>\$ 6,766,314</b>
Salaries		\$ 5,009,659	\$ 480,842	\$ 215,830	\$ 1,059,983	6,766,314
Fringe benefits and payroll taxes		1,333,544	127,048	57,027	280,068	1,797,687
Retirement		339,042	32,542	14,607	71,737	457,928
Professional fees		-	-	-	125,551	125,551
Consulting services		76,255	160,118	-	15,634	252,007
Occupancy		15,742	2,099	1,049	2,099	20,989
Repairs and maintenance		-	-	-	274,854	274,854
Insurance		89,589	11,945	5,973	11,945	119,452
Utilities		116,575	15,544	7,772	15,544	155,435
Supplies and materials		154,812	-	-	-	154,812
Fieldtrips		21,302	-	-	-	21,302
Transportation		-	-	388,211	-	388,211
Staff development		56,064	-	-	-	56,064
Marketing		44,960	-	-	1,922	46,882
Technology		121,913	-	-	-	121,913
Food service		-	-	503,998	-	503,998
Student services		7,546	-	-	-	7,546
Student testing and assessments		49,902	-	-	-	49,902
Office expense		179,439	12,090	6,045	69,125	266,699
Athletics		-	-	36,769	-	36,769
Bond interest expense		202,587	27,012	13,506	27,012	270,117
Uncollectible receivables		-	-	-	150,000	150,000
Other expense		3,611	-	4,686	49,593	57,890
		<b>7,822,542</b>	<b>869,240</b>	<b>1,255,473</b>	<b>2,155,067</b>	<b>12,102,322</b>
Depreciation		<b>467,592</b>	<b>62,346</b>	<b>31,173</b>	<b>62,346</b>	<b>623,457</b>
Total		<b>\$ 8,290,134</b>	<b>\$ 931,586</b>	<b>\$ 1,286,646</b>	<b>\$ 2,217,413</b>	<b>\$ 12,725,779</b>



GLOBAL CONCEPTS CHARTER SCHOOL

**Statement of Functional Expenses**

For the year ended June 30, 2019

	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	17.8	\$ -	\$ -	\$ -	\$ 985,450	\$ 985,450
Instructional personnel	124.5	4,857,851	434,262	-	-	5,292,113
Non-instructional personnel	10.3	-	-	264,178	-	264,178
	152.6	\$ 4,857,851	\$ 434,262	\$ 264,178	\$ 985,450	\$ 6,541,741
Salaries		\$ 4,857,851	\$ 434,262	\$ 264,178	\$ 985,450	\$ 6,541,741
Fringe benefits and payroll taxes		1,313,693	117,061	71,213	265,642	1,767,609
Retirement		507,060	45,328	27,575	102,860	682,823
Professional fees		-	-	-	139,147	139,147
Consulting services		42,002	170,563	-	26,096	238,661
Occupancy		21,625	2,883	1,442	2,884	28,834
Repairs and maintenance		-	-	-	264,946	264,946
Insurance		92,777	12,370	6,185	12,370	123,702
Utilities		140,140	18,685	9,343	18,685	186,853
Supplies and materials		165,697	-	-	-	165,697
Fieldtrips		34,113	-	-	-	34,113
Transportation		-	-	571,875	-	571,875
Staff development		101,892	-	-	-	101,892
Marketing		34,968	-	-	2,583	37,551
Technology		123,160	-	-	-	123,160
Food service		-	-	464,138	-	464,138
Student services		7,509	-	-	-	7,509
Student testing and assessments		44,164	-	-	-	44,164
Office expense		155,420	20,723	10,361	82,808	269,312
Athletics		-	-	53,841	-	53,841
Bond interest expense		555,224	74,030	37,015	74,030	740,299
Uncollectible receivables		-	-	-	450,000	450,000
Other expense		6,321	-	15,847	84,186	106,354
		8,203,616	895,905	1,533,013	2,511,687	13,144,221
Depreciation		461,812	61,575	30,787	61,575	615,749
Total		\$ 8,665,428	\$ 957,480	\$ 1,563,800	\$ 2,573,262	\$ 13,759,970

See accompanying notes.

**Statements of Cash Flows**

For the years ended June 30,	2020	2019
<b>Operating activities:</b>		
Cash received from enrollment fees	\$ 12,459,130	\$ 12,472,748
Cash received from contributions	1,236,808	1,180,256
Cash received from other sources	280,281	256,118
Interest income and dividends received	194,762	141,766
Payments to employees for services and benefits	(9,227,021)	(9,499,664)
Payments to vendors and suppliers	(2,801,991)	(3,004,732)
Interest paid	(250,883)	(351,054)
<b>Net operating activities</b>	<b>1,891,086</b>	<b>1,195,438</b>
<b>Investing activities:</b>		
Purchases of investments	(783,895)	(937,992)
Property and equipment expenditures	(1,544,096)	(112,209)
<b>Net investing activities</b>	<b>(2,327,991)</b>	<b>(1,050,201)</b>
<b>Financing activities</b>		
Principal repayments on long-term debt	(231,384)	(7,103,235)
Proceeds from long-term debt	-	6,612,674
<b>Net financing activities</b>	<b>(231,384)</b>	<b>(490,561)</b>
<b>Net change in cash</b>	<b>(668,289)</b>	<b>(345,324)</b>
Cash (including cash held in trust) - beginning	8,621,042	8,966,366
Cash (including cash held in trust) - ending	\$ 7,952,753	\$ 8,621,042

**Notes to Financial Statements**

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**1. Summary of Significant Accounting Policies:**

**Organization and Purpose:**

Global Concepts Charter School (the School), established in 2002, operates a charter school in the City of Lackawanna, New York pursuant to its Charter Agreement with the Education Department of the State of New York. The School currently offers classes from kindergarten through grade 12. The School has been chartered through 2021, after which time the charter may be renewed, upon application.

The School seeks to provide a top-quality educational program where students achieve high academic results; are geared towards higher education and career opportunities; become responsible, caring, family and community members; are highly knowledgeable of the multicultural world they are a part of; and possess the qualities and problem solving skills to collaborate peacefully in the community and worldwide.

**New Accounting Standards Adopted:**

During the year ended June 30, 2020, the School adopted two new comprehensive revenue recognition models under Financial Accounting Standards Board (FASB) Accounting Standards Updates (ASU).

ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, addresses the differences between contributions and exchange transactions including guidance on timing and revenue recognition. ASU 2018-08 was adopted using the modified prospective method.

ASU 2014-09, *Revenue from Contracts with Customers*, requires an school to recognize revenue from exchange transactions to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. ASU 2014-09 was adopted using the full retrospective method.

The adoption of these standards did not impact the School's recognition of revenue and related accounts.

**Subsequent Events:**

Management has evaluated events and transactions for potential recognition or disclosure through October 20, 2020, the date the financial statements were available to be issued.

**Cash:**

Cash in financial institutions potentially subjects the School to concentrations of credit risk, since it may exceed insured limits at various times throughout the year. The School maintains a minimum of \$75,000 in reserve funds to pay legal and audit expenses that would be associated with dissolution should it occur.

**Investments:**

Investments are comprised of bank certificates of deposits and U.S. treasury bills with maturity dates within one year and are stated at cost, which approximate fair value.

**Property and Equipment:**

Property and equipment is stated at cost net of accumulated depreciation. Depreciation is provided using the straight-line method over estimated useful asset lives. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

**Cash Held in Trust:**

Certain cash (primarily money market funds) is held in trust pursuant to security and guarantee agreements related to long-term debt.

**Revenue Recognition:**

**Enrollment Fees**

Enrollment fees are received from the public school district in which the student resides. The amount received each year from the resident district is the product of the approved operating expense per pupil and the full time equivalent enrollment of the students in the School residing in the district. The respective districts also reimburse the School for special education service based on approved applicable rates for the services provided. Revenues are recognized over the period the services are provided. The School generally invoices the resident district bimonthly and payment is due in 30 days. Enrollment fees received in advance are deferred and recognized when earned. The School's enrollment fees are received primarily from the Boards of Education of the Lackawanna City School District and the City of Buffalo School District.

In June 2019, all New York State charter schools serving students in the fiscal 2019 school year received additional state aid. The additional aid received by each school was based on the number of students served and was paid directly from the New York State Department of Education. No additional state aid was received for the year ended June 30, 2020.

### Contributions

Contributions, which include government awards, are reported at fair value at the date the pledge or award is received. Contributions are recorded as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, 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. Contributions received with donor-imposed restrictions that are met in the same reporting period are shown as support without donor restrictions.

Conditional contributions, primarily government awards, are recorded as revenue when the School meets requirements in compliance with specific agreements. Amounts received before the required conditions are met are reported as refundable advances on the accompanying balance sheets. These conditional contributions are subject to compliance and financial audits by the funding sources. Management believes no significant adjustments are necessary to recognized amounts.

As of June 30, 2020, conditional contributions awarded and not yet received amounted to \$110,000 and will be recognized when qualifying expenses are incurred.

### Receivables:

Receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to uncollectible receivables expense and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts and historical trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to receivables.

### Income Taxes:

The School is a 501(c)(3) organization exempt from taxation under §501(a) of the Internal Revenue Code.

### Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Functional Expense Allocation:

The financial statements report certain categories of expenses that are attributable to program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These costs include fringe benefits, payroll taxes, and retirement expenses, which have been allocated based on personnel costs, and utilities, insurance, office expense, interest and depreciation expense, which have been allocated based on management's estimate of program benefit.

### 2. Receivables:

	2020	2019
Enrollment fees	\$ 2,011,864	\$ 1,150,146
Contributions	384,267	436,019
	<b>2,396,131</b>	1,586,165
Less allowance for doubtful accounts	650,000	500,000
	<b>\$ 1,746,131</b>	<b>\$ 1,086,165</b>

At June 30, 2020, the School has approximately \$1,493,000 of enrollment fees receivables from one school district. The School has included in the allowance for doubtful accounts approximately 35% of the outstanding receivables balance due to proof of residency matters the School is attempting to resolve with the district and New York State.

Enrollment fees receivable at June 30, 2020 include \$135,000 withheld by the City of Buffalo School District for disputed rates of special education services provided by the School from 2008 through 2018 (Note 10).

### 3. Property and Equipment:

	2020	2019
Land	\$ 598,297	\$ 597,297
Building	5,296,306	5,135,153
Building improvements	8,264,475	7,921,216
Computer and office equipment	2,161,606	1,762,280
Furniture and fixtures	685,940	653,098
Musical instruments	72,548	65,085
Construction in progress	665,615	162,582
	<b>17,744,787</b>	16,296,711
Less accumulated depreciation	7,338,603	6,715,146
	<b>\$ 10,406,184</b>	<b>\$ 9,581,565</b>



Construction in progress at June 30, 2020 and 2019 includes costs incurred in connection with various exterior renovation projects. The projects are estimated to cost approximately \$800,000 and be completed in the Fall of 2020.

#### 4. Cash Held in Trust:

The following accounts are held by a bank trustee in compliance with the issuance of Series 2018 bonds (Note 6).

	2020	2019
Reserve fund	\$ 506,054	\$ 509,930
Custodian and other funds	558,864	391,762
	<u>\$ 1,064,918</u>	<u>\$ 901,692</u>

#### 5. Short-Term Borrowings:

The School has available a \$500,000 bank demand working capital line of credit with interest payable at prime plus 1.00%. The line is secured by all non-real estate assets, is subject to the usual terms and conditions applied by the bank for working capital financing, and is annually reviewed and renewed. There were no borrowings outstanding at June 30, 2020 and 2019.

#### 6. Long-Term Debt:

	2020	2019
Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt revenue Bonds (Global Concepts Charter School Project) Series 2018 Bonds, principal payments in annual installments ranging from \$210,000 to \$485,000, plus interest from the date of issuance at rates ranging from 4% to 5%, through June 2038.	\$ 5,975,000	\$ 6,185,000
Plus unamortized bond premium	652,848	688,620
Less unamortized debt issuance costs	262,597	276,985
	<u>6,365,251</u>	6,596,635
Less current portion	241,384	231,384
	<u>\$ 6,123,867</u>	<u>\$ 6,365,251</u>

In October 2018 (to reduce net debt service requirements), the School entered into an agreement with Buffalo and Erie County Industrial Land Development Corporation to issue \$6,185,000 tax exempt bonds at a premium of \$715,449 to refund Erie County Industrial Development Agency Civic Facility Series 2007 Bonds. The bonds are secured by mortgage and security agreements granting the trustee a mortgage lien on and security interest in real and personal property as well as certain revenues, subject to permitted encumbrances. The bonds are further secured by the reserve fund (Note 4). The bond agreement contains restrictive covenants relative to debt service coverage and cash on hand.

Bond premium associated with the issuance of the Series 2018 bonds is amortized as a reduction to interest expense over life of bonds. Unamortized bond premium is presented as an addition to the face amount of Series 2018 bonds payable. Amortization of Series 2018 bond premium amounted to \$35,772 and \$26,829 for the years ended June 30, 2020 and 2019.

Debt issuance costs are amortized as interest expense over the remaining term of the bonds. Amortization of debt issuance costs totaled \$14,388 and \$16,994 for the years ended June 30, 2020 and 2019. Unamortized debt issuance costs from the Series 2007 bonds totaling \$347,363 were written off during 2019 as part of the bond refinancing arrangement and are included in bond interest expense in the 2019 statement of activities.

Aggregate maturities of net long-term debt subsequent to June 30, 2020 are:

2021	\$ 241,384
2022	251,384
2023	256,384
2024	266,384
2025	281,384
Thereafter	<u>5,068,331</u>
	<u>\$ 6,365,251</u>

#### 7. Retirement Plans:

The School participates in the New York State Teachers' Retirement System (TRS) which is a cost-sharing multiple employer public employee retirement system. TRS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from TRS at [www.nystrs.org](http://www.nystrs.org).

No employee contribution is required for those whose service began prior to July 1976. TRS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants whose service began on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% of compensation throughout their active membership in TRS. Participants whose service began on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation.

Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually by the New York State Teachers' Retirement Board. The rate is 8.86% of the annual covered payroll for the year ended June 30, 2020 and 10.62% for the year ended June 30, 2019. The required contributions for the years ended June 30, 2020 and 2019 were \$439,717 and \$665,761.

The School also maintains a 403(b) profit sharing plan covering essentially all employees (as defined). The plan requires certain minimum employer contributions based on salaries and employee deferrals. Expenses related to this plan for the years ended June 30, 2020 and 2019 were \$18,211 and \$17,062.

#### 8. Cash Flows Information:

Property and equipment expenditures included in accounts payable of \$66,562 and \$162,582 are excluded from the 2020 and 2019 statements of cash flows.

#### 9. Financial Assets Available for Operations:

The School obtains financial assets generally through enrollment fees and contributions. The financial assets are acquired throughout the year to help meet the School's cash needs for general expenditures. If necessary, the School also has access to a \$500,000 bank demand line of credit (Note 5).

The School's financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at June 30, 2020 and 2019:

	<b>2020</b>	2019
Cash	<b>\$ 6,812,835</b>	\$ 7,644,350
Receivables	<b>1,746,131</b>	1,086,165
Investments	<b>4,009,707</b>	3,420,574
	<b><u>\$ 12,568,673</u></b>	<u>\$ 12,151,089</u>

#### 10. Contingency:

In 2019, an audit by the Office of the New York State Comptroller determined the District had provided incorrect special education rates for over a decade. As a result, there is a dispute with the rate used for aid that passes through the District to the School for special education services. In February 2020, the District informed the School of its intent to recoup approximately \$270,000 in special education aid paid over the past decade of which approximately \$135,000 was recouped through June 30, 2020. The recoupment of approximately \$135,000 has been recorded as a receivable at June 30, 2020 in the accompanying financial statements.

#### 11. Risks and Uncertainties due to COVID-19:

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and all schools and resulted in a severe disruption of operations for many organizations.

In March 2020, the School transitioned to remote instruction for the remainder of the 2019-20 School year. Consequently, enrollment fees and revenue for the year ended June 30, 2020 were not reduced. The School's restart plan for the 2020-21 School year includes a remote instruction model in compliance with all government safety mandates.

The extent of the impact of COVID-19 on the School's operational and financial performance will depend on further developments, including the duration and spread of the outbreak, and its impact on schools, including its students and families, employees, and vendors, none of which can be predicted.

**Additional Information**  
**Schedule of Expenditures of Federal Awards**

For the year ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>
<b>U.S. Department of Education</b>			
<b>Passed through New York State Education Department:</b>			
Title I Grants to Local Educational Agencies	84.010	0021-19-0044	\$ 2,791
Title I Grants to Local Educational Agencies	84.010	0021-20-0044	501,097
English Language Acquisition State Grants	84.365	0293-19-0044	8,385
English Language Acquisition State Grants	84.365	0293-20-0044	24,446
Supporting Effective Instruction State Grants	84.367	0147-20-0044	29,233
Student Support and Academic Enrichment Program	84.424	0204-20-0044	30,880
<b>Total New York State Education Department</b>			<u>596,832</u>
<b>U.S. Department of Agriculture</b>			
<b>Child Nutrition Cluster:</b>			
<b>Passed through New York State Education Department:</b>			
School Breakfast Program	10.553	N/A	100,294
COVID-19 - School Breakfast Program	10.553	N/A	41,848
National School Lunch Program	10.555	N/A	310,525
COVID-19 - National School Lunch Program	10.555	N/A	66,578
			<u>519,245</u>
<b>Passed through New York State Office of General Services:</b>			
National School Lunch Program	10.555	N/A	23,981
<b>Total Child Nutrition Cluster and U.S. Department of Agriculture</b>			<u>543,226</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,140,058</u>

**Notes to Schedule of Expenditures of Federal Awards**

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**1. Summary of Significant Accounting Policies:**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs administered by Global Concepts Charter School (the School), an entity as defined in Note 1 to the School's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the schedule of expenditures of federal awards.

**Basis of Accounting**

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the School's financial reporting system. The federal expenditures are recorded on the accrual basis.

**Indirect Costs**

The School does not use the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

**Non-Monetary Federal Program**

The School is the recipient of a federal award program that does not result in cash receipts or disbursements, termed "non-monetary program." During the year ended June 30, 2020, the School used \$23,981 worth of commodities under the National School Lunch Program (CFDA Number 10.555).



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

The Board of Trustees  
Global Concepts Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Global Concepts Charter School (the School), which comprise the balance sheet 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, 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 the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lunden & McCormick, LLP". The signature is written in a cursive style with a large initial 'L' and 'M'.

October 20, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Trustees  
Global Concepts Charter School

**Report on Compliance for Each Major Federal Program**

We have audited Global Concepts Charter School's (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June 30, 2020. The School'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the School'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 the School'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 on the School's compliance.

**Opinion on Each Major Federal Program**

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

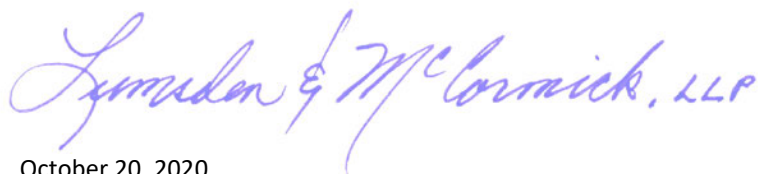
## Report on Internal Control Over Compliance

Management of the School 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 the School'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 the 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 the School'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

October 20, 2020

**Schedule of Findings and Questioned Costs**

For the year ended June 30, 2020

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**Section I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA#</u>	<u>Amount</u>
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 100,294
COVID-19 - School Breakfast Program	10.553	41,848
National School Lunch Program	10.555	334,506
COVID-19 - National School Lunch Program	10.555	66,578
		<b>\$ 543,226</b>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

**Section II. Financial Statement Findings**

No findings were reported.

**Section III. Federal Award Findings and Questioned Costs**

No matters were reported.



## Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Global Concepts Charter School
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	Lackawanna City School District
If located in NYC DOE select CSD:	-
School Fiscal Contact Name:	Karen Burhans
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Lumsden, McCormick, LLP
School Audit Contact Name:	Donna Gonser
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	Extended
Federal Single Audit (A-133)	Attached
Corrective Action Plan	N/A

**Global Concepts 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	\$ 6,887,835	\$ 7,719,350
Grants and contracts receivable	-	-
Accounts receivables	1,746,131	1,086,165
Prepaid Expenses	156,226	145,555
Contributions and other receivables	-	-
Other current assets	4,009,707	3,420,574
<b>TOTAL CURRENT ASSETS</b>	<b>12,799,899</b>	<b>12,371,644</b>
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Building and Equipment, net	\$ 10,406,184	\$ 9,581,565
Restricted Cash	-	-
Security Deposits	-	-
Other Non-Current Assets	1,064,918	901,692
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,471,102</b>	<b>10,483,257</b>
<b>TOTAL ASSETS</b>	<b><u>24,271,001</u></b>	<b><u>22,854,901</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 823,907	\$ 1,236,829
Accrued payroll, payroll taxes and benefits	-	-
Current Portion of Loan Payable	241,384	231,384
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	-	-
Other Current Liabilities	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,065,291</b>	<b>1,468,213</b>
<b><u>LONG-TERM LIABILITIES</u></b>		
Loan Payable; Due in More than One Year	\$ 6,123,867	\$ 6,365,251
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>6,123,867</b>	<b>6,365,251</b>
<b>TOTAL LIABILITIES</b>	<b><u>7,189,158</u></b>	<b><u>7,833,464</u></b>
<b><u>NET ASSETS</u></b>		
Unrestricted	\$ 17,081,843	\$ 15,021,437
Temporarily restricted	-	-
Permanently restricted	-	-
<b>TOTAL NET ASSETS</b>	<b><u>17,081,843</u></b>	<b><u>15,021,437</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>24,271,001</u></b>	<b><u>22,854,901</u></b>

**Global Concepts 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	\$ 12,687,060	\$ -	\$ 12,687,060	\$ 12,485,934
State and Local Per Pupil Revenue - SPED	633,788	-	633,788	488,482
State and Local Per Pupil Facilities Revenue	-	-	-	258,686
Federal Grants	1,140,058	-	1,140,058	1,289,009
State and City Grants	44,998	-	44,998	11,262
Other Operating Income	263,706	-	263,706	208,425
Food Service/Child Nutrition Program	16,575	-	16,575	47,693
<b>TOTAL OPERATING REVENUE</b>	<b>14,786,185</b>	<b>-</b>	<b>14,786,185</b>	<b>14,789,491</b>
<b>EXPENSES</b>				
Program Services				
Regular Education	\$ 8,290,134	\$ -	\$ 8,290,134	\$ 8,665,428
Special Education	931,586	-	931,586	957,480
Other Programs	1,286,646	-	1,286,646	1,563,800
Total Program Services	10,508,366	-	10,508,366	11,186,708
Management and general	2,217,413	-	2,217,413	2,573,262
Fundraising	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>12,725,779</b>	<b>-</b>	<b>12,725,779</b>	<b>13,759,970</b>
<b>SURPLUS / (DEFICIT) FROM OPERATIONS</b>	<b>2,060,406</b>	<b>-</b>	<b>2,060,406</b>	<b>1,029,521</b>
<b>SUPPORT AND OTHER REVENUE</b>				
Interest and Other Income	\$ -	\$ -	\$ -	\$ -
Contributions and Grants	-	-	-	-
Fundraising Support	-	-	-	-
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	-	-	-	-
<b>TOTAL SUPPORT AND OTHER REVENUE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>2,060,406</b>	<b>-</b>	<b>2,060,406</b>	<b>1,029,521</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 15,021,437</b>	<b>\$ -</b>	<b>\$ 15,021,437</b>	<b>\$ 13,991,916</b>
<b>PRIOR YEAR/PERIOD ADJUSTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 17,081,843</b>	<b>\$ -</b>	<b>\$ 17,081,843</b>	<b>\$ 15,021,437</b>



**Global Concepts Charter School  
Statement of Cash Flows**

**as of June 30**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ -	\$ -
Revenues from School Districts	12,459,130	12,472,748
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	-	-
Grants Receivable	-	-
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	-	-
Accounts Payable	(2,801,991)	(3,004,732)
Accrued Expenses	(9,227,021)	(9,499,664)
Accrued Liabilities	-	-
Contributions and fund-raising activities	1,236,808	1,180,256
Miscellaneous sources	475,043	397,884
Deferred Revenue	-	-
Interest payments	(250,883)	(351,054)
Other	-	-
Other	-	-
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>\$ 1,891,086</b>	<b>\$ 1,195,438</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Purchase of equipment	(1,544,096)	(112,209)
Other	(783,895)	(937,992)
<b>NET CASH PROVIDED FROM INVESTING ACTIVITIES</b>	<b>\$ (2,327,991)</b>	<b>\$ (1,050,201)</b>
<b>CASH FLOWS - FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(231,384)	(7,103,235)
Other	-	6,612,674
<b>NET CASH PROVIDED FROM FINANCING ACTIVITIES</b>	<b>\$ (231,384)</b>	<b>\$ (490,561)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (668,289)</b>	<b>\$ (345,324)</b>
Cash at beginning of year	8,621,042	8,966,366
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 7,952,753</b>	<b>\$ 8,621,042</b>

**Global Concepts Charter School  
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	23.00	-	-	-	-	1,059,983	1,059,983	1,059,983	985,450
	Instructional Personnel	113.00	5,009,659	480,842	-	5,490,501	-	-	5,490,501	5,292,113
	Non-Instructional Personnel	3.00	-	-	215,830	215,830	-	-	215,830	264,178
	Total Salaries and Staff	139.00	5,009,659	480,842	215,830	5,706,331	-	1,059,983	1,059,983	6,766,314
	Fringe Benefits & Payroll Taxes		1,333,544	127,048	57,027	1,517,619	-	280,068	280,068	1,797,687
	Retirement		339,042	32,542	14,607	386,191	-	71,737	71,737	457,928
	Management Company Fees		-	-	-	-	-	-	-	-
	Legal Service		-	-	-	-	-	56,886	56,886	56,886
	Accounting / Audit Services		-	-	-	-	-	68,665	68,665	68,665
	Other Purchased / Professional / Consulting Services		76,255	160,118	-	236,373	-	15,634	15,634	252,007
	Building and Land Rent / Lease		15,742	2,099	1,049	18,890	-	2,099	2,099	20,989
	Repairs & Maintenance		-	-	-	-	-	274,854	274,854	274,854
	Insurance		89,589	11,945	5,973	107,507	-	11,945	11,945	119,452
	Utilities		116,575	15,544	7,772	139,891	-	15,544	15,544	155,435
	Supplies / Materials		154,812	-	-	154,812	-	-	-	154,812
	Equipment / Furnishings		-	-	-	-	-	-	-	-
	Staff Development		56,064	-	-	56,064	-	-	-	56,064
	Marketing / Recruitment		44,960	-	-	44,960	-	1,922	1,922	46,882
	Technology		121,913	-	-	121,913	-	-	-	121,913
	Food Service		-	-	503,998	503,998	-	-	-	503,998
	Student Services		78,750	-	424,980	503,730	-	-	-	503,730
	Office Expense		179,439	12,090	6,045	197,574	-	69,125	69,125	266,699
	Depreciation		467,592	62,346	31,173	561,111	-	62,346	62,346	623,457
	OTHER		206,198	27,012	18,192	251,402	-	226,605	226,605	478,007
	<b>Total Expenses</b>		<b>\$ 8,290,134</b>	<b>\$ 931,586</b>	<b>\$ 1,286,646</b>	<b>\$ 10,508,366</b>	<b>\$ -</b>	<b>\$ 2,217,413</b>	<b>\$ 2,217,413</b>	<b>\$ 12,725,779</b>
										<b>\$ 13,759,970</b>

**Charter School Name Here**

Contact Name: Angel Beiter  
 Contact Email: [angelb@kirisitscpa.com](mailto:angelb@kirisitscpa.com)  
 Contact Phone: 716-881-0089 ext. 305  
 Term: July 1, 2020 to June 30, 2021

**PROJECTED BUDGET FOR RENEWAL CHARTER PERIOD**

**DESCRIPTION OF ASSUMPTIONS**

Note: The completion of this section is mandatory as this additional information is essential for NYSED to follow the assumptions in your budget.

<b>Total Revenue</b>	14,088,109
<b>Total Expenses</b>	13,513,605
<b>Net Income (Before Cash Flow Adjustments)</b>	574,504
<b>Actual Student Enrollment</b>	980
<b>Total Paid Student Enrollment</b>	-

**Year 1  
2020-2021**

Note: Please insert additional detail lines as appropriate.

**REVENUE**

**Per Pupil**

**REVENUES FROM STATE SOURCES**

**0.0%**

Per Pupil Revenue:	CY Per Pupil Rate		<a href="https://stateaid.com">https://stateaid.com</a>	
Lackawanna City Schools	13,211	8,917,425	675 students	
Buffalo Public Schools	13,200	2,706,000	205 students	
School District 3 (Enter Name)		-		
School District 4 (Enter Name)		-		
School District 5 (Enter Name)		-		
School District 6 (Enter Name)		-		
School District - ALL OTHER	10,701	1,070,184	100 students from various surrounding districts	
<b>TOTAL Per Pupil Revenue (Average Districts Per Pupil Funding)</b>		12,693,609		
Special Education Revenue		450,000	25 @ 0.9 level of funding, 20 at 1.65 level of funding	
Grants		-		
Other		-		
<b>TOTAL REVENUE FROM STATE SOURCES</b>		13,143,609		

**REVENUE FROM FEDERAL FUNDING**

IDEA Special Needs	-		
Title I	600,000		based on PY
Title Funding - Other	118,500		based on PY
School Food Service (Free Lunch)	-		
Grants			
<b>TOTAL REVENUE FROM FEDERAL SOURCES</b>		718,500	

**LOCAL and OTHER REVENUE**

Contributions and Donations	-		
Fundraising	-		
Erate Reimbursement	-		
Earnings on Investments	-		
Interest Income	156,000		
Food Service (Income from meals)	-		
Text Book	-		
OTHER	70,000		\$40,000 Dividend Income and \$30,000 Other Income
<b>TOTAL REVENUE FROM LOCAL and OTHER SOURCES</b>		226,000	

<b>TOTAL REVENUE</b>	<b>14,088,109</b>
----------------------	-------------------

**EXPENSES**

**ADMINISTRATIVE STAFF PERSONNEL COSTS**

	No. of Positions		
Executive Management	1.00	122,039	1 CEO
Instructional Management	6.00	369,651	2 Principals, 3 Asst Principals, 1 Director of Curriculum
Deans, Directors & Coordinators	-	-	
CFO / Director of Finance	-	-	
Operation / Business Manager	3.00	152,205	HR Manager, Business Manager, Asst to Bus'n Mgr
Administrative Staff	9.00	289,155	1 Community Outreach, 1 Office Mgr, 1 Admin Asst, 4 receptionists, 1 Board Clerk, 1 District Data Coordinator
<b>TOTAL ADMINISTRATIVE STAFF</b>	<b>19.00</b>	<b>933,050</b>	

**INSTRUCTIONAL PERSONNEL COSTS**

Teachers - Regular	43.00	2,329,662	Classroom teachers/ Core teachers
Teachers - SPED	14.00	729,810	
Substitute Teachers	10.00	240,000	
Teaching Assistants	-	-	
Specialty Teachers	43.00	2,006,893	Credit Recovery, Theater, 3 Literacy, 2 Spanish, 3 Phys Ed, 6 ESL, CTE/CDOS, 3 Art, 3 Arabic, 3 Music, 1 Violin teacher, 1 Band Director, 2 Tech Teacher, Culinary Art, Home & Careers, 4 Math AIS Teachers, 3 Misc
Aides	-	-	
Therapists & Counselors	5.00	245,135	4 Guidance Counselors, 1 Social Worker
Other	12.00	245,000	monitors
<b>TOTAL INSTRUCTIONAL</b>	<b>127.00</b>	<b>5,796,500</b>	

**NON-INSTRUCTIONAL PERSONNEL COSTS**

Nurse	1.50	60,000	
Librarian	1.50	62,100	
Custodian	12.00	285,700	
Security	-	-	
Other	-	-	
<b>TOTAL NON-INSTRUCTIONAL</b>	<b>15.00</b>	<b>407,800</b>	
	<b>161.00</b>	<b>7,137,350</b>	

**PAYROLL TAXES AND BENEFITS**

Payroll Taxes		578,000	SUTA decreased to .925%
Fringe / Employee Benefits		1,470,855	Health insurance premium decreased 9/19-8/21. Tuition reimbursement increased per union agreement
Retirement / Pension		565,900	NYSTRS - 9.53%
<b>TOTAL PAYROLL TAXES AND BENEFITS</b>		<b>2,614,755</b>	

**TOTAL PERSONNEL SERVICE COSTS**

	161.00	9,752,105	
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**CONTRACTED SERVICES**

Accounting / Audit		74,000	Based on PY
Legal		163,000	
Management Company Fee		-	
Nurse Services		45,000	Based on PY
Food Service / School Lunch		10,000	
Payroll Services		17,500	Based on PY
Special Ed Services		200,000	Based on PY
Titlement Services (i.e. Title I)		-	
Related service provider costs not reimbursed by the district of residence		-	
Other Purchased / Professional / Consulting		39,500	
<b>TOTAL CONTRACTED SERVICES</b>		<b>549,000</b>	

**SCHOOL OPERATIONS**

Board Expenses		7,500	
Classroom / Teaching Supplies & Materials		-	
Special Ed Supplies & Materials		-	
Textbooks / Workbooks		62,000	
Supplies & Materials other		85,700	Art, theatre, culinary, Classroom supplies and equipment, musical instruments, phys ed
Equipment / Furniture		-	
Telephone		77,500	upgraded internet and data circuits - reduced costs
Technology		143,750	Added Security Suite, Aerohive, Hardware Support
Student Testing & Assessment		52,500	
Field Trips		22,500	Based on PY
Transportation (student)		618,000	5 routes at \$376 per route, 4 routes at \$356 per route, 1 route at \$71.75 per route, per day for 183 days
Student Services - other		73,250	Athletics
Office Expense		153,600	copier, postage, office supplies
Staff Development		95,500	
Staff Recruitment		3,500	

Student Recruitment / Marketing	30,000	
School Meals / Lunch	-	
Travel (Staff)	-	
Fundraising	-	
Other	348,600	Tech and Home Ec equipment and supplies, NHS, career fair, dues & subscriptions, bond interest, principal budgets, S&P, bank charges, other,
<b>TOTAL SCHOOL OPERATIONS</b>	<b>1,773,900</b>	
<b>FACILITY OPERATION &amp; MAINTENANCE</b>		
Insurance	131,900	5% increase
Janitorial	365,500	Based on PY
Building and Land Rent / Lease	-	
Repairs & Maintenance	406,750	
Equipment / Furniture	-	
Security	-	
Utilities	204,450	
<b>TOTAL FACILITY OPERATION &amp; MAINTENANCE</b>	<b>1,108,600</b>	
<b>DEPRECIATION &amp; AMORTIZATION</b>		
Insert Detail as Applicable	-	
Insert Detail as Applicable	-	
Insert Detail as Applicable	-	
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	<b>305,000</b>	
<b>*****TOTAL FUNDS IN DISSOLUTION ESCROW &amp; RESERVES / CONTIGENCY</b>	<b>25,000</b>	<i>\$100,000 by December 31st of YR 2 (2022-2023). You should already</i>
<b>TOTAL EXPENSES</b>	<b>13,513,605</b>	
<b>NET INCOME</b>	<b>574,504</b>	

<b>ENROLLMENT - *School Districts Are Linked To Above Entries*</b>		Add as many school districts as necessary.
Lackawanna City Schools	675	
Buffalo Public Schools	205	
various	100	
School District 4 (Enter Name)	-	
School District 5 (Enter Name)	-	
School District 6 (Enter Name)	-	
School District - ALL OTHER	-	
<b>TOTAL ENROLLMENT</b>	<b>980</b>	
<b>REVENUE PER PUPIL</b>	<b>14,376</b>	
<b>EXPENSES PER PUPIL</b>	<b>13,789</b>	

<b>CASH FLOW ADJUSTMENTS</b>		
<b>OPERATING ACTIVITIES</b>		
Example - Add Back Depreciation	305,000	
Other	-	
Total Operating Activities	305,000	
<b>INVESTMENT ACTIVITIES</b>		
Example - Subtract Property and Equipment Expenditures	-	
Other	-	
Total Investment Activities	-	
<b>FINANCING ACTIVITIES</b>		
Example - Add Expected Proceeds from a Loan or Line of Credit	-	
Other	(241,384)	
Total Financing Activities	(241,384)	
<b>Total Cash Flow Adjustments</b>	<b>63,616</b>	
<b>NET INCOME</b>	<b>638,120</b>	
<b>Beginning Cash Balance</b>	<b>6,812,835</b>	
<b>ENDING CASH BALANCE</b>	<b>7,450,955</b>	