

KEY COLLEGIATE CHARTER SCHOOL

REPORT TO THE FINANCE COMMITTEE

JUNE 30, 2020

September 29, 2020

Finance Committee
Key Collegiate Charter School

We have audited the financial statements of Key Collegiate Charter School as of and for the year ended June 30, 2020, and have issued our report thereon dated September 29, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 26, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Key Collegiate Charter School solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Key Collegiate Charter School is included in Note A to the financial statements. As disclosed in Note A to the financial statements, during the year, the Charter School adopted new guidance for revenue recognition (ASC 606) and contributions received (ASU 2018-08). In addition, the Charter School changed its statement of cash flows presentation by adopting ASC 230. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the allocations of costs for the statement of functional expenses and the collectability of grants receivable. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Key Collegiate Charter School's financial statements relate to revenue and support recognition, which is referred to in the notes of the financial statements.

Identified or Suspected Fraud

We have not identified nor have we obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We are pleased to report we encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material either individually or in the aggregate, to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Key Collegiate Charter School's financial statements or the auditor's report. We are pleased to report no such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Key Collegiate Charter School, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Key Collegiate Charter School's auditors.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Internal Control Matters

We did not identify any deficiencies in internal control that we considered to be material weaknesses.

* * * * *

Should you desire further information concerning these matters, Ray Jacobi will be happy to meet with you at your convenience.

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

Very truly yours,



MENGEL, METZGER, BARR & CO. LLP

KEY COLLEGIATE CHARTER SCHOOL

BROOKLYN, NEW YORK

AUDITED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

**REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2020

(With Comparative totals for 2019)

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Key Collegiate Charter School

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Key Collegiate Charter School as of June 30, 2020, and the changes in its net assets, functional expenses, and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Key Collegiate Charter School's June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2019. In our opinion, the summarized comparative information presented herein as of June 30, 2019 and for the period from June 13, 2017 (date of inception) to June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020 on our consideration of Key Collegiate Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Key Collegiate Charter School's internal control over financial reporting and compliance.

Emphasis of Matters

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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
September 29, 2020

KEY COLLEGIATE CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

(With Comparative Totals for 2019)

<u>ASSETS</u>	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 1,928,132	\$ 965,488
Prepaid expenses	4,896	-
Grants and contracts receivables	<u>119,602</u>	<u>269,187</u>
TOTAL CURRENT ASSETS	2,052,630	1,234,675
<u>PROPERTY AND EQUIPMENT, net</u>	195,818	104,536
<u>OTHER ASSETS</u>		
Security deposits	87,500	112,500
Cash in escrow	<u>50,013</u>	<u>25,000</u>
	<u>137,513</u>	<u>137,500</u>
TOTAL ASSETS	<u>\$ 2,385,961</u>	<u>\$ 1,476,711</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 121,412	\$ 30,099
Accrued payroll and benefits	<u>93,181</u>	<u>125,661</u>
TOTAL CURRENT LIABILITIES	214,593	155,760
<u>OTHER LIABILITIES</u>		
Paycheck Protection Program note payable	339,000	-
Deferred lease liability	<u>-</u>	<u>62,500</u>
TOTAL OTHER LIABILITIES	<u>339,000</u>	<u>62,500</u>
TOTAL LIABILITIES	553,593	218,260
<u>NET ASSETS, without donor restrictions</u>	<u>1,832,368</u>	<u>1,258,451</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,385,961</u>	<u>\$ 1,476,711</u>

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

KEY COLLEGIATE CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

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

	<u>Year ended June 30, 2020</u>	<u>Period from June 13, 2017 (date of inception to) June 30, 2019</u>
Revenue, gains and other support:		
Public school district:		
Resident student enrollment	\$ 2,095,059	\$ 1,679,561
Students with disabilities	658,965	594,761
Grants and contracts:		
State and local	25,407	267,693
Federal - Title and IDEA	124,030	72,191
Federal - other	205,839	594,161
Food Service/Child Nutrition Program	61,160	92,142
NYC DOE Rental Assistance	524,999	400,000
	<u>3,695,459</u>	<u>3,700,509</u>
TOTAL REVENUE, GAINS AND OTHER SUPPORT	3,695,459	3,700,509
Expenses:		
Program services:		
Regular education	1,676,247	1,501,871
Special education	633,350	818,504
Total program services	<u>2,309,597</u>	<u>2,320,375</u>
Management and general	910,748	551,033
	<u>3,220,345</u>	<u>2,871,408</u>
TOTAL OPERATING EXPENSES	3,220,345	2,871,408
SURPLUS FROM SCHOOL OPERATIONS	475,114	829,101
Support and other revenue:		
Contributions		
Foundations	39,600	342,500
Individuals	23,352	76,040
Corporation	11,020	-
Fundraising	17,633	-
Interest income	1,002	873
Miscellaneous income	6,196	9,937
	<u>98,803</u>	<u>429,350</u>
TOTAL SUPPORT AND OTHER REVENUE	98,803	429,350
CHANGE IN NET ASSETS	573,917	1,258,451
Net assets at beginning of year	1,258,451	-
NET ASSETS AT END OF YEAR	<u>\$ 1,832,368</u>	<u>\$ 1,258,451</u>

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

KEY COLLEGIATE CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

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

	Year Ended June 30, 2020						Period from June 13, 2017 (date of inception) to June 30, 2019
	No. of Positions	Program Services			Supporting Services	Total	
		Regular Education	Special Education	Sub-total	Management and General		
Personnel services costs:							
Administrative staff personnel	6	\$ -	\$ -	\$ -	\$ 534,597	\$ 534,597	\$ 598,060
Instructional personnel	18	885,863	258,731	1,144,594	-	1,144,594	801,093
Total salaries and staff	24	885,863	258,731	1,144,594	534,597	1,679,191	1,399,153
Fringe benefits and payroll taxes		165,027	48,199	213,226	99,590	312,816	238,927
Retirement		15,729	4,594	20,323	9,492	29,815	41,022
Legal services		-	-	-	15,466	15,466	29,068
Accounting/audit services		-	-	-	35,750	35,750	2,000
Other purchased/professional/consulting services		55,983	23,379	79,362	117,755	197,117	220,184
Building rent		296,847	159,841	456,688	-	456,688	464,081
Repairs and maintenance		28,982	15,345	44,327	-	44,327	32,827
Insurance		28,535	15,109	43,644	7,702	51,346	19,540
Utilities		-	-	-	509	509	-
Supplies/materials		30,696	16,252	46,948	-	46,948	81,295
Equipment/furnishings		8,727	4,620	13,347	-	13,347	18,205
Staff development		26,965	14,276	41,241	562	41,803	22,377
Marketing/recruitment		29,219	15,470	44,689	9,626	54,315	64,432
Technology		7,780	4,121	11,901	-	11,901	4,918
Food service		57,244	32,949	90,193	-	90,193	104,528
Student services		9,532	5,046	14,578	-	14,578	16,005
Office expense		669	354	1,023	77,617	78,640	63,591
Depreciation and amortization		28,414	15,045	43,459	-	43,459	32,029
Other		35	19	54	2,082	2,136	17,226
		<u>\$ 1,676,247</u>	<u>\$ 633,350</u>	<u>\$ 2,309,597</u>	<u>\$ 910,748</u>	<u>\$ 3,220,345</u>	<u>\$ 2,871,408</u>

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

KEY COLLEGIATE CHARTER SCHOOL

STATEMENT OF CASH FLOWS

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

	Year Ended June 30, 2020	Period from June 13, 2017 (date of inspection) to June 30, 2019
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 573,917	\$ 1,258,451
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	43,459	32,029
Changes in certain assets and liabilities affecting operations:		
Grants and contracts receivables	149,585	(269,187)
Accounts payable and accrued expenses	91,313	30,099
Deferred lease liability	(62,500)	62,500
Prepaid expenses	(4,896)	-
Accrued payroll and benefits	<u>(32,480)</u>	<u>125,661</u>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	758,398	1,239,553
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(134,741)	(136,565)
Security deposits	<u>25,000</u>	<u>(112,500)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(109,741)</u>	<u>(249,065)</u>
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Borrowings on Paycheck Protection Program note payable	<u>339,000</u>	<u>-</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>339,000</u>	<u>-</u>
NET INCREASE IN CASH AND RESTRICTED CASH	987,657	990,488
Cash and restricted cash at beginning of year	<u>990,488</u>	<u>-</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 1,978,145</u>	<u>\$ 990,488</u>

KEY COLLEGIATE CHARTER SCHOOL

STATEMENT OF CASH FLOWS, Cont'd

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

	Year Ended June 30, 2020	Period from June 13, 2017 (date of inspection) to June 30, 2019
Reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:		
Cash	\$ 1,928,132	\$ 965,488
Cash in escrow	<u>50,013</u>	<u>25,000</u>
	<u>\$ 1,978,145</u>	<u>\$ 990,488</u>

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

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

(With comparative totals for 2019)

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

The Charter School

Key Collegiate Charter School (the “Charter School”) is an educational corporation that operates as a charter school in Brooklyn, New York. The Charter School provides a full range of educational services appropriate for grades four through eight. On June 13, 2017 the Board of Trustees of the University of the State of New York granted the Charter School a provisional charter valid for a term of five years and renewable upon expiration.

Classification of net assets

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

The assets, liabilities, activities, and net assets are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Charter School had no net assets with donor restrictions at June 30, 2020 or 2019.

Revenue and support recognition

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

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

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

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

Public School District revenue

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

Rental assistance

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

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

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Grants and other receivable	<u>\$ 25,407</u>	<u>\$ -</u>

Contributions

Contributions are recorded as with or without donor restrictions depending on the existence of any donor restrictions. A contribution that is received and expended in the same year for a specific purpose is classified as revenue without donor restrictions.

Contributions are recorded as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

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

Grant revenue

Some of the Charter School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Charter School has incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying statement of financial position.

Cash

Cash balances are maintained at financial institutions located in New York and are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Cash in escrow

The Charter School maintains cash in an escrow account in accordance with the terms of its charter agreement. The amount in escrow was \$50,013 at June 30, 2020. The agreement requires \$25,000 be placed in escrow each of the first three years of operations and a balance of \$75,000 be maintained to fund any audit and legal expenses incurred should the Charter School cease operations and dissolve.

Grants and contracts receivables

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

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to five years. Leasehold improvements are being amortized over the shorter of the estimated useful lives of the assets or the term of the lease.

Contributed Services

The Charter School receives contributed services from volunteers to develop its academic program and to serve on the Board of Trustees. In addition, the Charter School received transportation services that was provided for the students from the local district. The Charter School was unable to determine a value for these services.

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

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

Tax exempt status

The Charter School is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income.

The Charter School files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the period ended June 30, 2018 and the years ended June 30, 2020 and 2019 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruitment costs approximated \$54,315 and \$64,400 for the year ended June 30, 2020 and the period June 13, 2017 (date of inception) to June 30, 2019, respectively.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of new accounting standards

Revenue from contracts with customers

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

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

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

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

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

Contributions received and contributions made

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

Statement of cash flows

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

New accounting pronouncement - leases

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

Comparatives for the period ended June 30, 2019

The financial statements include certain prior year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Charter School's financial statements for the period ended June 30, 2019, from which the summarized information was derived.

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through September 29, 2020, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

NOTE B: LIQUIDITY AND AVAILABILITY

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

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

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

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

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Cash	\$ 1,928,132	\$ 965,488
Grants and other receivables	<u>119,602</u>	<u>269,187</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 2,047,734</u>	<u>\$ 1,234,675</u>

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2020 and 2019 consisted of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 70,695	\$ 43,338
Construction in progress	84,249	-
Machinery and equipment	14,448	14,448
Computer equipment	<u>101,915</u>	<u>78,779</u>
	271,307	136,565
Less accumulated depreciation	<u>75,489</u>	<u>32,029</u>
	<u>\$ 195,818</u>	<u>\$ 104,536</u>

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

NOTE D: SCHOOL FACILITY

The Charter School leases its facilities from a third party through June 30, 2020. The Charter School's base rent for the year ended June 30, 2019 was \$400,000 and the original base rent increased to \$525,000 for the year ended June 30, 2020. Rent expense incurred under this lease for the years ended June 30, 2020 and 2019 was approximately \$457,000 and \$464,000, respectively. On February 20, 2020, the Charter School and the third party agreed to amend their current lease agreement where the Charter School will continue to lease the facilities through June 30, 2021.

The future minimum payments required under the agreement is approximately as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	<u>\$ 655,000</u>

In conjunction with the facility leases, the Charter School paid security deposits of \$87,500 and \$112,500, which are included in other assets on the accompanying statement of financial position at June 30, 2020 and 2019, respectively.

NOTE E: CONTINGENCY

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

NOTE F: CONCENTRATIONS

At June 30, 2020 and 2019, approximately 79% and 97%, respectively, of grants and contract receivables are due from the federal government relating to certain grants.

For the year ended June 30, 2020 and during the period from June 13, 2017 (date of inception) through June 30, 2019, approximately 72% and 61%, respectively, of total revenue, gains, other support, and other revenue came from per-pupil funding provided by New York State through the New York City School District. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located. During the period from June 13, 2017 (date of inception) through June 30, 2019 an additional 20% revenue and support came from the federal government relating to certain grants.

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

NOTE G: PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

In response to the COVID-19 outbreak, in April 2020, the Charter School applied for and was approved by a bank for a loan of \$339,000 through the Paycheck Protection Program established by the Small Business Administration. The loan has a maturity of 2 years and an interest rate of 1%. The loan has the potential for forgiveness provided certain requirements are met by the Charter School. The loan was funded in May 2020. Due to the potential of forgiveness, repayment terms have not been finalized as of the report date; therefore, the entire balance has been classified as long-term as of June 30, 2020.

NOTE H: RETIREMENT PLAN

The Charter School sponsors a 401(k) retirement plan (the "Plan") for its employees. All employees who are 21 years of age and have completed 12 months of service and 1,000 hours are immediately eligible to participate in the Plan. Employees can make pretax contributions up to a maximum of 90% of their annual compensation to the Plan, subject to IRS restrictions. The Charter School matches the employee contribution up to 4% of the employee's annual compensation. The Charter School contributed approximately \$25,000 and \$41,000 to the Plan for the year ended June 30, 2020 and for the period from June 13, 2017 (date of inception) through June 30, 2019, respectively.

NOTE I: OPERATING LEASE

The Charter School entered into non-cancelable lease agreements for office equipment expiring at various dates through June 2021. The future minimum payments on these agreements are approximately as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	<u>\$ 5,400</u>

NOTE J: NET ASSETS

Net assets without donor restrictions at June 30, 2020 and 2019 are as follows:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Undesignated	\$ 1,636,550	\$ 1,153,915
Invested in property and equipment, net of related debt	<u>195,818</u>	<u>104,536</u>
	<u>\$ 1,832,368</u>	<u>\$ 1,258,451</u>

KEY COLLEGIATE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With comparative totals for 2019)

NOTE K: FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses that are allocated to more than one program or supporting function are allocated on the basis of estimates of time and effort.

NOTE L: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

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

KEY COLLEGIATE CHARTER SCHOOL

OTHER FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Key Collegiate Charter School

We have audited the financial statements of Key Collegiate Charter School as of and for the year ended June 30, 2020, and have issued our report thereon dated September 29, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The financial information hereinafter is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole for the year ended June 30, 2020.

We have also audited the financial statements of Key Collegiate Charter School as of and for the period from June 13, 2017 (date of inception) to June 30, 2019, and have issued our report thereon dated October 22, 2019, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the 2019 financial statements as a whole. The 2019 supplemental financial information was presented for purposes of additional analysis and was not a required part of the 2019 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 2019 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. Our report as of the same date, on the 2019 supplemental financial information stated that, in our opinion, the information was fairly stated in all material respects in relation to the financial statements as a whole for the period from June 13, 2017 (date of inception) to June 30, 2019.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
September 29, 2020

KEY COLLEGIATE CHARTER SCHOOL

SCHEDULE OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019 AND THE PERIOD FROM
JUNE 13, 2017 (DATE OF INCEPTION) TO JUNE 30, 2018
AND THE PERIOD FROM JUNE 13, 2017 (DATE OF INCEPTION) TO JUNE 30, 2019

	<u>Year ended June 30,</u>		<u>Period from</u>	<u>Period from</u>
	<u>2020</u>	<u>2019</u>	<u>June 13,</u>	<u>June 13,</u>
			<u>2017 (date of</u>	<u>2017 (date of</u>
			<u>inspection) to</u>	<u>inspection) to</u>
			<u>June 30, 2018</u>	<u>June 30, 2019</u>
Revenue, gains and other support:				
Public school district:				
Resident student enrollment	\$ 2,095,059	\$ 1,679,561	\$ -	\$ 1,679,561
Students with disabilities	658,965	594,761	-	594,761
Grants and contracts:				
State and local	25,407	267,693	-	267,693
Federal - Title and IDEA	124,030	72,191	-	72,191
Federal - other	205,839	186,333	407,828	594,161
Food Service/Child Nutrition Program	61,160	92,142	-	92,142
NYC DOE Rental Assistance	524,999	400,000	-	400,000
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>3,695,459</u>	<u>3,292,681</u>	<u>407,828</u>	<u>3,700,509</u>
Personnel services costs:				
Administrative staff personnel	534,597	398,310	199,750	598,060
Instructional personnel	1,144,593	799,093	2,000	801,093
Total salaries and staff	<u>1,679,190</u>	<u>1,197,403</u>	<u>201,750</u>	<u>1,399,153</u>
Fringe benefits and payroll taxes	312,816	210,208	28,719	238,927
Retirement	29,815	41,022	-	41,022
Legal services	15,466	27,695	1,373	29,068
Accounting/Audit services	35,750	-	2,000	2,000
Other Purchased/Professional/Consulting Services	197,117	189,188	30,995	220,183
Building rent	456,688	462,496	1,585	464,081
Repairs and maintenance	44,327	32,600	227	32,827
Insurance	51,346	17,619	1,921	19,540
Utilities	509	-	-	-
Supplies/Materials	46,950	60,067	21,228	81,295
Equipment/Furnishings	13,347	12,091	6,114	18,205
Staff development	41,803	12,968	9,409	22,377
Marketing/Recruitment	54,315	36,728	27,704	64,432
Technology	11,902	1,227	3,692	4,919
Food service	90,193	101,528	3,000	104,528
Student services	14,578	16,005	-	16,005
Office expense	78,640	55,704	7,887	63,591
Depreciation and amortization	43,460	32,029	-	32,029
Other	2,133	12,682	4,544	17,226
TOTAL OPERATING EXPENSES	<u>3,220,345</u>	<u>2,519,260</u>	<u>352,148</u>	<u>2,871,408</u>
SURPLUS FROM SCHOOL OPERATIONS	<u>475,114</u>	<u>773,421</u>	<u>55,680</u>	<u>829,101</u>
Support and other revenue:				
Contributions				
Foundations	39,600	7,500	335,000	342,500
Individuals	23,352	5,874	70,166	76,040
Corporation	11,020	-	-	-
Interest income	1,002	422	451	873
Fundraising	17,633	-	-	-
Miscellaneous income	6,196	9,937	-	9,937
TOTAL SUPPORT AND OTHER REVENUE	<u>98,803</u>	<u>23,733</u>	<u>405,617</u>	<u>429,350</u>
CHANGE IN NET ASSETS	<u>\$ 573,917</u>	<u>\$ 797,154</u>	<u>\$ 461,297</u>	<u>\$ 1,258,451</u>

KEY COLLEGIATE CHARTER SCHOOL

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

Board of Trustees
Key Collegiate Charter School

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Key Collegiate Charter School, which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2020.

Internal Control over Financial Reporting

Management of Key Collegiate Charter School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered Key Collegiate Charter School's internal control over financial reporting (internal control) to determine the audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Key Collegiate Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Key Collegiate Charter School's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Key Collegiate Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, as follows:

For the 2019-2020 school year, Key Collegiate Charter School incurred an enrollment deficiency. The School did not achieve the 85% threshold allowable under Section 2.2 of the School's Charter Agreement that serves as a minimum, to indicate a School is maintaining sufficient enrollment demand to "meet or come close to meeting" the enrollment plan outlined in its Charter.

Key Collegiate Charter School's response to this finding and its corrective action plan is attached. This response and corrective action plan has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
September 29, 2020

**NYSED Charter School Office
Sample Corrective Action Plan Form**

Please note: Each deficiency enumerated in the Notice of Deficiency should have its own form completed. If you would like to discuss this further, or share your progress towards these goals, we encourage you to contact your Charter School Office liaison at (518) 474-1762.

Charter School Name: Key Collegiate Charter School

Submission Date: 9/21/2020

<p>Deficiency Area: <i>Insert the deficiency cited in Notice of Deficiency</i></p> <ul style="list-style-type: none"> • Enrollment Deficiency 	<p>Performance Framework Benchmark:</p> <ul style="list-style-type: none"> • Benchmark 9
<p>Goal(s): <i>List specific goal(s) the school has put into place to remediate the deficiency cited in the letter.</i></p> <ul style="list-style-type: none"> • Increase enrollment to get within the 85% threshold allowable under section 2.2 of the school’s charter agreement that serves as a minimum to indicate that a school maintaining sufficient enrollment demand to “meet or come close to meeting” the enrollment plan outlined in its charter. 	
<p>Strategies Employed to Achieve Goal(s): <i>Describe what steps the school will take to achieve its goal(s).</i></p> <p>Since our school’s inception we have struggled with enrollment despite our best efforts, strong academic performance, and the positive reputation of our school within the community. These challenges have been worsened, in part, by the transience of our target student population (homeless students and students in transitional housing) and by low enrollment overall in District 23. In seeking to serve the highest-need students Brooklyn we anticipated student retention might be a challenge we would encounter, although we did not expect the challenge to be so acute.</p> <p>SY 20-21 has proved to be especially difficult in terms of enrollment, and specifically the recruitment of new 4th grade students. Even before the onset of COVID-19 – despite robust recruitment, marketing and community outreach efforts – we were unable to meet our enrollment targets across grades. As COVID-19 worsened, we ramped up our recruitment efforts but have still been unable to meet our enrollment targets.</p>	

Though school has begun, we have in no way slowed down our recruitment efforts for all grades and especially 4th grade. We are implementing the following strategies:

- **Increase the quality and frequency of our marketing campaigns**
 - Social Media: Facilitate social media campaigns by working with a professional company to target our market (families with students in grades 4-7 in and around our community) with daily posts on multiple social media sites and to track the click rate and monitor traffic from these pages to our website.
 - Mailers: Send targeted mailers to the homes of students in grades 4-7 in and around our community. Focus on our remote program, the technology we provide to all students, individualized support, and increased instruction for students with disabilities and ELLs.
 - Swag: Hand out “Ask Me about Key” shirts, keychains, phone wallet, wristbands, tote bags, and buttons to as many people as possible to spread the word; all swag has our contact information on it
 - Physical Site Marketing: Hang larger “Apply Now” banner on the side of the building, decorate main office window and sides of walls with recruitment messaging.
- **Community Outreach**
 - Presence at Events: Have people on the ground at local community events, tabling or performing street outreach five days a week at community centers, after-school programs, events, high-traffic areas, local businesses (when designated as safe to do so per COVID-19 health & safety guidelines)
 - Post Signage: Post fliers and ads in local housing buildings and at community centers in the area
 - Host Event for the Community: Host a fall festival at our school to engage local families (when designated as safe to do so per COVID-19 health & safety guidelines)
- Engage & Incentivize Current Families to Refer: All families that refer a new family that enrolls a student gets a free uniform top and their name put into our lottery to win a prize.
- Partner with local CBOs: Communicate with local CBOs such as Jeremiah Project, WIN shelter, BCCC and others to let them know we have open seats and to provide them with information to refer to us.
- Team Canvassing: Host an event with board members, current staff, families (when designated as safe to do so per COVID health & safety guidelines) to recruit around the community.
- Host Open Houses: Host 2 open houses per month (host virtually until designated as safe to do so in person per COVID-19 health & safety guidelines).

It feels important to note that even with a smaller student population our school program remains intact (adapted accordingly for COVID-19 per NYSED/NYCDOE guidance). In addition, our budget remains in good standing and we are not anticipating a shortfall in SY20-21.

Measurable Outcomes to Demonstrate Progress Toward Achieving Goal(s):

Outline the ways the school will measure progress toward achieving its goal(s). These should be quantifiable and include dates whenever possible.

i.e. Administration of iReady testing in November, March, and June.

- We will track the outcomes (# of students enrolled) from each of the above strategies.

Title/Role(s) of Responsible Persons:

- Renisha Pierre, School Director
- Katie Mazer, Executive Director
- Romina Ramos, Ops Team
- Jennifer Cortez, Ops Team

Expected Date of Completion:

- We will implement these strategies immediately and continue as long as necessary to meet the goal noted above.

Progress Made Since Last Check-In:

Along with a date, provide an update of what outcomes have shown and how the school has responded.

- We have been implementing the above strategies since we first communicated our enrollment challenge in early May to NYSED. (Note: All in-person recruitment stopped in mid-March due to COVID-19. We increased our social media marketing at that time.)
- We have increased our enrollment by a few students (<5) as a result of our mailer.

Plan of Action Until Next Check-In:

Describe the school's next steps toward achieving its goal beyond those already described.

- Beyond what we noted above, we will do the following things to work towards addressing this issue and meeting our goal:
 - Updated enrolled family incentives for referring a new student since uniform shirt does not feel exciting since we are currently remote
 - Create new mailer promoting our remote learning platform & data showing how well our students performed after the remote Spring term
 - Increase communication with local shelters in and around our area

Check-In Date (s):

Propose check-in dates to update the CSO on progress.

- Oct 15 (4 weeks out to allow sufficient time to continue efforts and track progress)
- Nov 15; Dec 15 (4 week increments to note progress or updates)



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Key Collegiate Charter School
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	New York City Department of Education
If located in NYC DOE select CSD:	NYCSD #23
School Fiscal Contact Name:	Brad Blosser
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Mengel Metzger Barr & Co. LLP
School Audit Contact Name:	Ray Jacobi
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	Submitted
Management Letter Response	N/A - no findings
Form 990	The school is filing an extension until the May 2021 deadline. We can upload the extension once that is processed.
Federal Single Audit (A-133)	
Corrective Action Plan	Submitted

**Key Collegiate Charter School
Statement of Financial Position
as of June 30**

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,928,132	\$ 965,488
Grants and contracts receivable	119,602	269,187
Accounts receivables	-	-
Prepaid Expenses	4,896	-
Contributions and other receivables	-	-
Other current assets	-	-
TOTAL CURRENT ASSETS	<u>2,052,630</u>	<u>1,234,675</u>
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 195,818	\$ 104,536
Restricted Cash	50,013	25,000
Security Deposits	87,500	112,500
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	<u>333,331</u>	<u>242,036</u>
TOTAL ASSETS	<u>2,385,961</u>	<u>1,476,711</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 121,412	\$ 30,099
Accrued payroll, payroll taxes and benefits	93,181	125,661
Current Portion of Loan Payable	-	-
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	-	-
Other Current Liabilities	-	-
TOTAL CURRENT LIABILITIES	<u>214,593</u>	<u>155,760</u>
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 339,000	\$ -
Deferred Rent	-	62,500
Due to Related Party	-	-
Other Long-Term Liabilities	-	-
TOTAL LONG-TERM LIABILITIES	<u>339,000</u>	<u>62,500</u>
TOTAL LIABILITIES	<u>553,593</u>	<u>218,260</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 1,832,368	\$ 1,258,451
Temporarily restricted	-	-
Permanently restricted	-	-
TOTAL NET ASSETS	<u>1,832,368</u>	<u>1,258,451</u>
TOTAL LIABILITIES AND NET ASSETS	<u>2,385,961</u>	<u>1,476,711</u>

Key Colleague Charter School
Statement of Activities
as of June 30

	2020			2019
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE				
State and Local Per Pupil Revenue - Reg. Ed	\$ 2,095,059	\$ -	\$ 2,095,059	\$ 1,679,561
State and Local Per Pupil Revenue - SPED	658,965	-	658,965	594,761
State and Local Per Pupil Facilities Revenue	524,999	-	524,999	400,000
Federal Grants	329,869	-	329,869	666,352
State and City Grants	25,407	-	25,407	267,693
Other Operating Income	-	-	-	-
Food Service/Child Nutrition Program	61,160	-	61,160	92,142
TOTAL OPERATING REVENUE	3,695,459	-	3,695,459	3,700,509
EXPENSES				
Program Services				
Regular Education	\$ 1,676,247	\$ -	\$ 1,676,247	\$ 1,501,871
Special Education	633,350	-	633,350	818,504
Other Programs	-	-	-	-
Total Program Services	2,309,597	-	2,309,597	2,320,375
Management and general	910,748	-	910,748	551,033
Fundraising	-	-	-	-
TOTAL EXPENSES	3,220,345	-	3,220,345	2,871,408
SURPLUS / (DEFICIT) FROM OPERATIONS	475,114	-	475,114	829,101
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ 1,002	\$ -	\$ 1,002	\$ 873
Contributions and Grants	73,972	-	73,972	418,540
Fundraising Support	17,633	-	17,633	-
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	6,196	-	6,196	9,937
TOTAL SUPPORT AND OTHER REVENUE	98,803	-	98,803	429,350
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	573,917	-	573,917	1,258,451
NET ASSETS - BEGINNING OF YEAR	\$ 1,258,451	\$ -	\$ 1,258,451	\$ -
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 1,832,368	\$ -	\$ 1,832,368	\$ 1,258,451

**Key Collegaite Charter School
Statement of Cash Flows**

as of June 30

	2020	2019
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 573,917	\$ 1,258,451
Revenues from School Districts	-	-
Accounts Receivable	-	-
Due from School Districts	-	-
Depreciation	43,459	32,029
Grants Receivable	149,585	(269,187)
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	(4,896)	-
Accounts Payable	91,313	30,099
Accrued Expenses	-	-
Accrued Liabilities	(32,480)	125,661
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	-
Deferred Revenue	-	-
Interest payments	-	-
Deferred Lease Liability	(62,500)	62,500
Other	-	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	\$ 758,398	\$ 1,239,553
CASH FLOWS - INVESTING ACTIVITIES		
Purchase of equipment	(134,741)	(136,565)
Other	25,000	(137,500)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ (109,741)	\$ (274,065)
CASH FLOWS - FINANCING ACTIVITIES		
Principal payments on long-term debt	339,000	-
Other	-	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ 339,000	\$ -
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ 987,657	\$ 965,488
Cash at beginning of year	990,488	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,978,145	\$ 965,488

**Key Colleague Charter School
Statement of Functional Expenses
as of June 30**

	No. of Positions	2020							2019	
		Program Services				Supporting Services			Total	Total
		Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total		
Personnel Services Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$
Administrative Staff Personnel	-	-	-	-	-	-	534,597	534,597	534,597	598,060
Instructional Personnel	-	885,863	258,731	-	1,144,594	-	-	-	1,144,594	801,093
Non-Instructional Personnel	-	-	-	-	-	-	-	-	-	-
Total Salaries and Staff	-	885,863	258,731	-	1,144,594	-	534,597	534,597	1,679,191	1,399,153
Fringe Benefits & Payroll Taxes		165,027	48,199	-	213,226	-	99,590	99,590	312,816	238,927
Retirement		15,729	4,594	-	20,323	-	9,492	9,492	29,815	41,022
Management Company Fees		-	-	-	-	-	-	-	-	-
Legal Service		-	-	-	-	-	15,466	15,466	15,466	29,068
Accounting / Audit Services		-	-	-	-	-	35,750	35,750	35,750	2,000
Other Purchased / Professional / Consulting Services		55,983	23,379	-	79,362	-	117,755	117,755	197,117	220,184
Building and Land Rent / Lease		296,847	159,841	-	456,688	-	-	-	456,688	464,081
Repairs & Maintenance		28,982	15,345	-	44,327	-	-	-	44,327	32,827
Insurance		28,535	15,109	-	43,644	-	7,702	7,702	51,346	19,540
Utilities		-	-	-	-	-	509	509	509	-
Supplies / Materials		30,696	16,252	-	46,948	-	-	-	46,948	81,295
Equipment / Furnishings		8,727	4,620	-	13,347	-	-	-	13,347	18,205
Staff Development		26,965	14,276	-	41,241	-	562	562	41,803	22,377
Marketing / Recruitment		29,219	15,470	-	44,689	-	9,626	9,626	54,315	64,432
Technology		7,780	4,121	-	11,901	-	-	-	11,901	4,918
Food Service		57,244	32,949	-	90,193	-	-	-	90,193	104,528
Student Services		9,532	5,046	-	14,578	-	-	-	14,578	16,005
Office Expense		669	354	-	1,023	-	77,617	77,617	78,640	63,591
Depreciation		28,414	15,045	-	43,459	-	-	-	43,459	32,029
OTHER		35	19	-	54	-	2,082	2,082	2,136	17,226
Total Expenses		\$ 1,676,247	\$ 633,350	\$ -	\$ 2,309,597	\$ -	\$ 910,748	\$ 910,748	\$ 3,220,345	\$ 2,871,408

**NYSED Charter School Office
Sample Corrective Action Plan Form**

Please note: Each deficiency enumerated in the Notice of Deficiency should have its own form completed. If you would like to discuss this further, or share your progress towards these goals, we encourage you to contact your Charter School Office liaison at (518) 474-1762.

Charter School Name: Key Collegiate Charter School
Submission Date: 9/21/2020

<p>Deficiency Area: <i>Insert the deficiency cited in Notice of Deficiency</i></p> <ul style="list-style-type: none"> • Enrollment Deficiency 	<p>Performance Framework Benchmark:</p> <ul style="list-style-type: none"> • Benchmark 9
<p>Goal(s): <i>List specific goal(s) the school has put into place to remediate the deficiency cited in the letter.</i></p> <ul style="list-style-type: none"> • Increase enrollment to get within the 85% threshold allowable under section 2.2 of the school’s charter agreement that serves as a minimum to indicate that a school maintaining sufficient enrollment demand to “meet or come close to meeting” the enrollment plan outlined in its charter. 	
<p>Strategies Employed to Achieve Goal(s): <i>Describe what steps the school will take to achieve its goal(s).</i></p> <p>Since our school’s inception we have struggled with enrollment despite our best efforts, strong academic performance, and the positive reputation of our school within the community. These challenges have been worsened, in part, by the transience of our target student population (homeless students and students in transitional housing) and by low enrollment overall in District 23. In seeking to serve the highest-need students Brooklyn we anticipated student retention might be a challenge we would encounter, although we did not expect the challenge to be so acute.</p> <p>SY 20-21 has proved to be especially difficult in terms of enrollment, and specifically the recruitment of new 4th grade students. Even before the onset of COVID-19 – despite robust recruitment, marketing and community outreach efforts – we were unable to meet our enrollment targets across grades. As COVID-19 worsened, we ramped up our recruitment efforts but have still been unable to meet our enrollment targets.</p> <p>Though school has begun, we have in no way slowed down our recruitment efforts for all grades and especially 4th grade. We are implementing the following strategies:</p> <ul style="list-style-type: none"> • Increase the quality and frequency of our marketing campaigns <ul style="list-style-type: none"> ○ <u>Social Media</u>: Facilitate social media campaigns by working with a professional company to target our market (families with students in grades 4-7 in and around 	

- our community) with daily posts on multiple social media sites and to track the click rate and monitor traffic from these pages to our website.
- Mailers: Send targeted mailers to the homes of students in grades 4-7 in and around our community. Focus on our remote program, the technology we provide to all students, individualized support, and increased instruction for students with disabilities and ELLs.
- Swag: Hand out “Ask Me about Key” shirts, keychains, phone wallet, wristbands, tote bags, and buttons to as many people as possible to spread the word; all swag has our contact information on it
- Physical Site Marketing: Hang larger “Apply Now” banner on the side of the building, decorate main office window and sides of walls with recruitment messaging.
- **Community Outreach**
 - Presence at Events: Have people on the ground at local community events, tabling or performing street outreach five days a week at community centers, after-school programs, events, high-traffic areas, local businesses (when designated as safe to do so per COVID-19 health & safety guidelines)
 - Post Signage: Post fliers and ads in local housing buildings and at community centers in the area
 - Host Event for the Community: Host a fall festival at our school to engage local families (when designated as safe to do so per COVID-19 health & safety guidelines)
- Engage & Incentivize Current Families to Refer: All families that refer a new family that enrolls a student gets a free uniform top and their name put into our lottery to win a prize.
- Partner with local CBOs: Communicate with local CBOs such as Jeremiah Project, WIN shelter, BCCC and others to let them know we have open seats and to provide them with information to refer to us.
- Team Canvassing: Host an event with board members, current staff, families (when designated as safe to do so per COVID health & safety guidelines) to recruit around the community.
- Host Open Houses: Host 2 open houses per month (host virtually until designated as safe to do so in person per COVID-19 health & safety guidelines).

It feels important to note that even with a smaller student population our school program remains intact (adapted accordingly for COVID-19 per NYSED/NYCDOE guidance). In addition, our budget remains in good standing and we are not anticipating a shortfall in SY20-21.

Measurable Outcomes to Demonstrate Progress Toward Achieving Goal(s):

Outline the ways the school will measure progress toward achieving its goal(s). These should be quantifiable and include dates whenever possible.

i.e. Administration of iReady testing in November, March, and June.

- We will track the outcomes (# of students enrolled) from each of the above strategies.

Title/Role(s) of Responsible Persons:

- Renisha Pierre, School Director

Expected Date of Completion:

<ul style="list-style-type: none"> • Katie Mazer, Executive Director • Romina Ramos, Ops Team • Jennifer Cortez, Ops Team 	<ul style="list-style-type: none"> • We will implement these strategies immediately and continue as long as necessary to meet the goal noted above.
<p>Progress Made Since Last Check-In: <i>Along with a date, provide an update of what outcomes have shown and how the school has responded.</i></p> <ul style="list-style-type: none"> • We have been implementing the above strategies since we first communicated our enrollment challenge in early May to NYSED. (Note: All in-person recruitment stopped in mid-March due to COVID-19. We increased our social media marketing at that time.) • We have increased our enrollment by a few students (<5) as a result of our mailer. 	
<p>Plan of Action Until Next Check-In: <i>Describe the school's next steps toward achieving its goal beyond those already described.</i></p> <ul style="list-style-type: none"> • Beyond what we noted above, we will do the following things to work towards addressing this issue and meeting our goal: <ul style="list-style-type: none"> ○ Updated enrolled family incentives for referring a new student since uniform shirt does not feel exciting since we are currently remote ○ Create new mailer promoting our remote learning platform & data showing how well our students performed after the remote Spring term ○ Increase communication with local shelters in and around our area 	
<p>Check-In Date (s): <i>Propose check-in dates to update the CSO on progress.</i></p> <ul style="list-style-type: none"> • Oct 15 (4 weeks out to allow sufficient time to continue efforts and track progress) • Nov 15; Dec 15 (4 week increments to note progress or updates) 	

KEY COLLEGIATE CHARTER SCHOOL

AGREED UPON PROCEDURES

YEAR ENDED JUNE 30, 2020

INDEPENDENT ACCOUNTANT’S REPORT ON CSP FUNDING

Board of Trustees
Key Collegiate Charter School

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

The procedures we performed and our results are as follows:

Procedure No. 1: We will obtain the detail of expenditures incurred for the period under review relating to the CSP grant from the Charter School’s accounting software and reconcile to the grant revenue recorded by the Charter School. If the CSP grant revenue does not equal the grant expenditures, we will investigate the differences.

Result

We obtained the detail of expenditures incurred for the period under review relating to the CSP grant from the Charter School’s accounting software. We observed that the CSP revenue reported equaled the CSP grant expenditures.

Procedure No. 2: We will obtain the NYSED approved CSP grant award information, including the budget and any amendments, to determine if the revenue and expenditures recorded for the period appear reasonable.

Result

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

Procedure No. 3: We will select a sample of expenditures from the detail obtained in Procedure No. 1.

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

Result

We noted that the School did not have any payroll expenditures charged to the CSP grant, therefore payroll was not tested. We selected a sample of ten other expenditures. Based on our testing, we noted that the other expenditures fall into the appropriate budget category and that the expenditures were charged to the appropriate fiscal period. For all selections, we observed that the other expenditures were in accordance with the purpose of the grant.

Procedure No. 4: We will obtain FS-25 form(s) submitted to NYSED during the period under review and perform the following:

- a. Trace expenditures selected in Procedure No. 3 to requests for reimbursement. Determine that items requested for reimbursement had previously been expended or were expended within a month following the request for reimbursement. If items have not yet been requested for reimbursement, inquire of responsible charter school officials as to the plan for requesting reimbursement, and determine if a receivable is recorded, if appropriate.
- b. If FS-25 forms included amounts on Line 4 (Cash Expenditures Anticipated During Next Month), we will select one FS-25 and determine if funds were expended within one month following the date of the request.

Result

We obtained the Charter School's FS-25s and noted the selected items were appropriately included in the request for reimbursement. The requests for reimbursement appear to be in the appropriate period. The Charter School did not have any FS-25s during the period which had a balance on Line 4 (Cash Expenditures Anticipated During Next Month).

Procedure No. 5: For schools with a weighted lottery during the period under review we will:

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

Result

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

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

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 12, 2020

New York State Education Department

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

2020-21 Budget & Cash Flow Template

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

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

Key Collegiate Charter School

PROJECTED BUDGET FOR 2019-2020

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.

PROJECTED BUDGET FOR 2019-2020							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	2,870,032	673,923	-	-	-	3,543,955	
Total Expenses	2,356,063	413,228	-	-	1,100,909	3,870,200	
Net Income	513,969	260,695	-	-	(1,100,909)	(326,245)	
Actual Student Enrollment	124	36					
Total Paid Student Enrollment	124	36				160	35 (>60%), 1 (20-20%)

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

REVENUE

REVENUES FROM STATE SOURCES

Per Pupil Revenue	CY Per Pupil Rate	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
District of Location	\$16,124.00	1,999,376	-	-	-	-	1,999,376	124 enrollment, per pupil rate is flat from FY19-20
School District 2 (Enter Name)		-	-	-	-	-	-	
School District 3 (Enter Name)		-	-	-	-	-	-	
School District 4 (Enter Name)		-	-	-	-	-	-	
School District 5 (Enter Name)		-	-	-	-	-	-	
		1,999,376	-	-	-	-	1,999,376	
Special Education Revenue		-	640,738	-	-	-	640,738	35 (>60%), 1 (20-20%)
Grants								
Stimulus		-	-	-	-	-	-	
Other		-	-	-	-	-	-	
Other State Revenue		599,813	-	-	-	-	599,813	
TOTAL REVENUE FROM STATE SOURCES		2,599,189	640,738	-	-	-	3,239,927	

REVENUE FROM FEDERAL FUNDING

IDEA Special Needs			33,185	-	-	-	33,185	
Title I		61,800	-	-	-	-	61,800	
Title Funding - Other		18,982	-	-	-	-	18,982	
School Food Service (Free Lunch)		124,000	-	-	-	-	124,000	
Grants								
Charter School Program (CSP) Planning & Implementation		-	-	-	-	-	-	
Other		-	-	-	-	-	-	
Other Federal Revenue		55,583	-	-	-	-	55,583	CARES Act funding
TOTAL REVENUE FROM FEDERAL SOURCES		260,365	33,185	-	-	-	293,550	

LOCAL and OTHER REVENUE

Contributions and Donations, Fundraising		-	-	-	-	-	-	
Erate Reimbursement		-	-	-	-	-	-	
Interest Income, Earnings on Investments,		-	-	-	-	-	-	
NYC-DYCD (Department of Youth and Community Develop.)		-	-	-	-	-	-	
Food Service (Income from meals)		-	-	-	-	-	-	
Text Book		9,854	-	-	-	-	9,854	NYSTL Funds
Other Local Revenue		624	-	-	-	-	624	Interest earned
TOTAL REVENUE FROM LOCAL and OTHER SOURCES		10,478	-	-	-	-	10,478	

TOTAL REVENUE

		2,870,032	673,923	-	-	-	3,543,955	
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EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

	No. of Positions	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Executive Management	1.00	-	-	-	-	142,258	142,258	Founder and Head of School
Instructional Management	-	-	-	-	-	-	-	
Deans, Directors & Coordinators	2.00	-	-	-	-	167,727	167,727	Dean of Curriculum and Instruction, Dean of Culture
CFO / Director of Finance	-	-	-	-	-	-	-	
Operation / Business Manager	2.00	-	-	-	-	180,000	180,000	Director of Operations and Operations Manager
Administrative Staff	1.00	-	-	-	-	59,740	59,740	Office Manager
TOTAL ADMINISTRATIVE STAFF	6	-	-	-	-	549,725	549,725	

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	16.00	981,453	-	-	-	-	981,453	
Teachers - SPED	1.00	-	58,995	-	-	-	58,995	
Substitute Teachers	-	-	-	-	-	-	-	
Teaching Assistants	2.00	160,000	-	-	-	-	160,000	Instructional Coach

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

Key Collegiate Charter School

PROJECTED BUDGET FOR 2019-2020

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.

PROJECTED BUDGET FOR 2019-2020							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	2,870,032	673,923	-	-	-	3,543,955	
Total Expenses	2,356,063	413,228	-	-	1,100,909	3,870,200	
Net Income	513,969	260,695	-	-	(1,100,909)	(326,245)	
Actual Student Enrollment	124	36					
Total Paid Student Enrollment	124	36				160	35 (>60%), 1 (20-20%)
PROGRAM SERVICES							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Specialty Teachers	-	-	-	-	-	-	
Aides	-	-	-	-	-	-	
Therapists & Counselors	1.00	63,000	-	-	-	63,000	Counselor
Other	-	-	-	-	-	-	
TOTAL INSTRUCTIONAL	20	1,204,453	58,995	-	-	1,263,448	
NON-INSTRUCTIONAL PERSONNEL COSTS							
Nurse	-	-	-	-	-	-	
Librarian	-	-	-	-	-	-	
Custodian	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
TOTAL NON-INSTRUCTIONAL	-	-	-	-	-	-	
SUBTOTAL PERSONNEL SERVICE COSTS	26	1,204,453	58,995	-	549,725	1,813,173	
PAYROLL TAXES AND BENEFITS							
Payroll Taxes	109,155	4,366	-	-	34,056	147,577	Social Security, Medicare, SUI
Fringe / Employee Benefits	120,800	4,832	-	-	37,690	163,321	Medical and Life
Retirement / Pension	22,799	912	-	-	7,113	30,824	Stipends and 403B Contribution Match
TOTAL PAYROLL TAXES AND BENEFITS	252,753	10,110	-	-	78,859	341,723	
TOTAL PERSONNEL SERVICE COSTS	1,457,207	69,105	-	-	628,584	2,154,896	
CONTRACTED SERVICES							
Accounting / Audit	-	-	-	-	25,806	25,806	
Legal	-	-	-	-	10,000	10,000	
Management Company Fee	-	-	-	-	-	-	
Nurse Services	-	-	-	-	-	-	
Food Service / School Lunch	88,000	36,000	-	-	-	124,000	
Payroll Services	-	-	-	-	32,487	32,487	
Special Ed Services	-	-	-	-	-	-	
Titlement Services (i.e. Title I)	-	-	-	-	-	-	
Other Purchased / Professional / Consulting	-	-	-	-	87,607	87,607	Financial management
TOTAL CONTRACTED SERVICES	88,000	36,000	-	-	155,901	279,901	
SCHOOL OPERATIONS							
Board Expenses	-	-	-	-	5,510	5,510	
Classroom / Teaching Supplies & Materials	26,400	10,800	-	-	-	37,200	
Special Ed Supplies & Materials	-	-	-	-	-	-	
Textbooks / Workbooks	6,516	2,666	-	-	-	9,181	
Supplies & Materials other	-	-	-	-	-	-	
Equipment / Furniture	3,827	1,566	-	-	599	5,991	
Telephone	13,300	5,441	-	-	2,082	20,823	
Technology	29,434	12,041	-	-	13,825	55,300	
Student Testing & Assessment	2,200	900	-	-	-	3,100	
Field Trips	-	-	-	-	-	-	
Transportation (student)	-	-	-	-	-	-	
Student Services - other	4,152	1,698	-	-	-	5,850	Student incentives
Office Expense	24,678	10,095	-	-	11,591	46,364	Office expenses, equipment lease
Staff Development	42,219	1,689	-	-	13,172	57,080	PD and tuition reimbursement
Staff Recruitment	4,257	170	-	-	1,328	5,755	
Student Recruitment / Marketing	10,432	4,268	-	-	-	14,700	
School Meals / Lunch	1,774	726	-	-	-	2,500	
Travel (Staff)	-	-	-	-	10,000	10,000	
Fundraising	-	-	-	-	-	-	

Key Collegiate Charter School

PROJECTED BUDGET FOR 2019-2020

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.

PROJECTED BUDGET FOR 2019-2020							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	2,870,032	673,923	-	-	-	3,543,955	
Total Expenses	2,356,063	413,228	-	-	1,100,909	3,870,200	
Net Income	513,969	260,695	-	-	(1,100,909)	(326,245)	
Actual Student Enrollment	124	36					
Total Paid Student Enrollment	124	36				160	35 (>60%), 1 (20-20%)
PROGRAM SERVICES							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Other	-	-	-	-	103,584	103,584	Dues/Memberships, Special Events, Staff Appreciation, NYSTL funds, COVID Contingency
TOTAL SCHOOL OPERATIONS	169,188	52,060	-	-	161,692	382,939	
FACILITY OPERATION & MAINTENANCE							
Insurance	33,177	13,573	-	-	8,250	55,000	
Janitorial	34,987	14,313	-	-	8,700	58,000	Janitorial and cleaning supplies
Building and Land Rent / Lease	464,839	190,161	-	-	-	655,000	
Repairs & Maintenance	36,208	14,812	-	-	-	51,020	
Equipment / Furniture	-	-	-	-	-	-	
Security	9,048	3,702	-	-	2,250	15,000	
Utilities	-	-	-	-	100,000	100,000	
TOTAL FACILITY OPERATION & MAINTENANCE	578,259	236,561	-	-	119,200	934,020	
DEPRECIATION & AMORTIZATION	63,409	19,502	-	-	35,533	118,444	
DISSOLUTION ESCROW & RESERVES / CONTIGENCY	-	-	-	-	-	-	
TOTAL EXPENSES	2,356,063	413,228	-	-	1,100,909	3,870,200	
NET INCOME	513,969	260,695	-	-	(1,100,909)	(326,245)	
ENROLLMENT - *School Districts Are Linked To Above Entries*							
	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED				
District of Location	124	36	160	35 (>60%), 1 (20-20%)			
School District 2 (Enter Name)							
School District 3 (Enter Name)							
School District 4 (Enter Name)							
School District 5 (Enter Name)							
TOTAL ENROLLMENT	124	36	160				
REVENUE PER PUPIL	23,145	18,720	-				
EXPENSES PER PUPIL	19,001	11,479	-				

Key Collegiate Charter School
Income Statement
As of Sep FY2021

Budget
Approved
Budget v2

SUMMARY

Revenue

Per Pupil Funding & State Grants	3,249,781
Federal Grants	237,967
Contributions & Grants	-
Interest	624
Miscellaneous Revenues	55,583
Total Revenue	3,543,955

Expenses

Personnel	1,813,173
Benefits & Insurances	341,723
Curriculum & Classroom	69,186
Administrative Expenses & Insurances	293,467
Professional Development & Services	316,491
Marketing & Recruitment	20,455
Facilities	816,020
Miscellaneous Expenses	199,686
Total Expenses	3,870,200

Operating Income (326,245)

Fund Balance

Beginning Balance (Unaudited)	1,749,689
Operating Income	(326,245)

Ending Fund Balance 1,423,444

Total Revenue Per Enrollment	28,580
Total Expenses Per Enrollment	31,211
Operating Income Per Enrollment	(2,631)
Fund Balance as a % of Expenses	36.8%

KEY ASSUMPTIONS

Enrollment Breakdown

Enrollment Summary

K-5	124
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Total Enrolled 124

REVENUE

Per Pupil Funding & State Grants

4101	Per Pupil Aid-General Ed	1,999,376
4102.1	Per Pupil Aid-Special Ed - 20 to 60	31,170
4102.2	Per Pupil Aid-Special Ed - Greater than 60	609,568
4103	NYSTL	7,222
4104	NYSSL	1,858
4105	NYSLIB	775

4108	Facility Rental Assistance	599,813
	SUBTOTAL - Per Pupil Funding & State Grants	3,249,781
Federal Grants		
4201	Title I	61,800
4202	Title II	8,982
4204	IDEA	33,185
4206	NSLP	124,000
4208	Title IV	10,000
	SUBTOTAL - Federal Grants	237,967
Contributions & Grants		
4303	Foundations Contributions	-
	SUBTOTAL - Contributions & Grants	-
Fundraising		
	SUBTOTAL - Fundraising	-
Interest		
4500	Interest Revenue	624
	SUBTOTAL - Interest	624
Miscellaneous Revenues		
4600	Misc Revenue	55,583
4900	Revenue Suspense	-
	SUBTOTAL - Miscellaneous Revenues	55,583
TOTAL REVENUE		3,543,955
EXPENSES		
Personnel		
5101	Leadership Salaries	142,258
5102	Deans & Directors	167,727
5103	Operations/Admin Salaries	180,000
5104	Clerical Salaries	59,740
5201	General Education Salaries	981,453
5202	Instructional Support	160,000
5203	Special Education Salaries	58,995
5205	Student Support Services Salaries	63,000
5208	Stipends	-
	SUBTOTAL - Personnel	1,813,173
Benefits & Insurances		
5402	Social Security-ER	111,837
5404	Medicare-ER	26,291
5409	SUI/DIS	9,450
5411	403B Contribution-Match	30,824
5414	Benefit Plan Admin Fees	2,429
5501	Medical	160,892
	SUBTOTAL - Benefits & Insurances	341,723
Curriculum & Classroom		
6101	Classroom Supplies & Materials	37,200
6102	Class Novels / Books	5,000
6103	Library Books	4,181
6104	Assessments	3,100

6108	NYSTL Expenses	7,222
6109	NYSSL Expenses	1,858
6110	NYSLIB Expenses	775
6111	Student Cultures / Incentives	5,850
6114	Uniforms/Misc Expenses	4,000
	SUBTOTAL - Curriculum & Classroom	69,186

Administrative Expenses & Insurances

7001	Materials and Supplies	33,552
7002	Phone & Internet Expenses	16,129
7003	Dues,Subscriptions & Memberships	4,767
7004	Postage & Delivery	572
7005	Equipment Lease	12,240
7006	Equipment-Non Capitalized	4,694
7007	Computers-Non Capitalized	543
7008	Furniture & Fixtures-Non Capitalized	5,449
7009	Software-Non Capitalized	15,300
7010	Food Services	124,000
7012	Staff Appreciation	10,200
7013	Parent Workshops	1,020
7014	Special Events	10,000
7100	Insurances	55,000
	SUBTOTAL - Administrative Expenses & Insurances	293,467

Professional Development & Services

7201	Auditing Services	25,806
7202	Payroll Fees	31,967
7205	Financial Management Services	87,607
7207	Technology Service	40,000
7208	Security Services	15,000
7209	Legal Service	10,000
7211	Custodial Services	48,000
7212	Substitutes	520
7300	Professional Development	5,000
7301	Consultants	48,000
7302	General Education PD	-
7303	Board Exps & Strategic Planning	510
7304	Tuition Reimbursement	4,080
	SUBTOTAL - Professional Development & Services	316,491

Marketing & Recruitment

7401	Student Recruitment	4,500
7402	Staff Recruitment	5,755
7403	Marketing Expenses	10,200
	SUBTOTAL - Marketing & Recruitment	20,455

Facilities

8101	Rent	655,000
8102	Utilities - All	100,000
8103	Repairs & Maintenance	40,000
8104	Cleaning Supplies	10,000
8105	Facilities Improv-Non Capital	10,000
8106	Signage	1,020
	SUBTOTAL - Facilities	816,020

8800	COVID Contingency	61,242
8801	Meals & Hospitality	2,500

8802	Travel Expenses	10,000
8803	Board Meeting Expenses	5,000
8804	Bank/Misc Fees	2,500
8805	Suspended Expenses	-
8806	Prior Year Expenses Unaccrued	-
8900	Depreciation Expense	118,444
TOTAL EXPENSES		3,870,200