



RIVERHEAD
Charter School

RIVERHEAD CHARTER SCHOOL, INC.

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019



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RIVERHEAD CHARTER SCHOOL, INC.

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Riverhead Charter School, Inc.
3685 Middle Country Road
Calverton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Riverhead Charter School, Inc. (a not-for-profit corporation, "the School"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the School'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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 13, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the School's internal control over financial reporting and compliance.

Cerini & Associates LLP

Bohemia, New York
August 13, 2020

RIVERHEAD CHARTER SCHOOL, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

2020

2019

ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 10,968,981	\$ 8,645,138
Investments	-	60,179
Accounts receivable.....	1,719,975	1,854,709
Grants receivable.....	131,842	130,491
Prepaid expenses.....	250	2,930
TOTAL CURRENT ASSETS	12,821,048	10,693,447
Property and equipment, net	16,818,014	17,409,670
Restricted cash	3,370,671	3,391,272
TOTAL ASSETS	\$ 33,009,733	\$ 31,494,389
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of bonds payable, net of unamortized bond issuance costs	\$ 293,857	\$ 293,857
Current portion of capital lease payable.....	4,480	13,440
Interest payable.....	577,508	585,883
Accounts payable and accrued expenses	1,243,905	1,120,287
TOTAL CURRENT LIABILITIES	2,119,750	2,013,467
Bonds payable, net of current portion and unamortized bond issuance costs.....	18,945,149	19,234,225
Capital lease payable, net of current portion.....	-	4,480
TOTAL LIABILITIES	21,064,899	21,252,172
Commitments and contingencies		
Net Assets:		
Without donor restrictions.....	11,896,280	10,218,977
With donor restrictions	48,554	23,240
TOTAL NET ASSETS	11,944,834	10,242,217
TOTAL LIABILITIES AND NET ASSETS	\$ 33,009,733	\$ 31,494,389

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

RIVERHEAD CHARTER SCHOOL, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Tuition and program service income.....	\$ 10,962,524	\$ 25,314	\$ 10,987,838
Government grants	159,016	-	159,016
Investment income	85,641	-	85,641
Other income.....	78,552	-	78,552
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	11,285,733	25,314	11,311,047
EXPENSES:			
Program services.....	8,788,762	-	8,788,762
Management and general.....	819,668	-	819,668
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	9,608,430	-	9,608,430
CHANGE IN NET ASSETS			
	1,677,303	25,314	1,702,617
Net assets, beginning of year.....	<hr/>	<hr/>	<hr/>
	10,218,977	23,240	10,242,217
Net assets, end of year.....	<hr/>	<hr/>	<hr/>
	\$ 11,896,280	\$ 48,554	\$ 11,944,834

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

RIVERHEAD CHARTER SCHOOL, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restricted	With Donor Restricted	Total
REVENUE AND SUPPORT:			
Tuition and Program service income	\$ 10,073,580	\$ 9,098	\$ 10,082,678
Government grants	385,655	-	385,655
Investment income	23,461	-	23,461
Other income.....	86,057	-	86,057
	10,568,753	9,098	10,577,851
EXPENSES:			
Program services.....	8,205,900	-	8,205,900
Management and general.....	699,515	-	699,515
	8,905,415	-	8,905,415
CHANGE IN NET ASSETS	1,663,338	9,098	1,672,436
Net assets, beginning of year.....	8,555,639	14,142	8,569,781
Net assets, end of year.....	\$ 10,218,977	\$ 23,240	\$ 10,242,217

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

RIVERHEAD CHARTER SCHOOL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services			Management and General	Total
	No. of Positions	Regular Education	Special Education		
Personnel services costs					
Administrative staff personnel.....	14	\$ 663,297	\$ 21,372	\$ 684,669	\$ 1,142,860
Instructional personnel.....	62	3,548,902	114,350	3,663,252	3,663,252
Non-instructional personnel.....	1	40,639	1,309	41,948	46,369
Total salaries and staff.....	77	4,252,838	137,031	4,389,869	4,852,481
Fringe benefits and payroll taxes		1,294,079	41,697	1,335,776	1,476,542
Advertising.....		24	1	25	28
Occupancy.....		122,804	3,957	126,761	135,676
Contracted services.....		222,614	7,173	229,787	254,001
Travel and transportation.....		13,277	428	13,705	15,149
Supplies.....		237,402	7,649	245,051	270,875
Core curriculum.....		13,129	423	13,552	13,552
Telephone and communications.....		41,286	1,330	42,616	45,613
Repairs and maintenance.....		261,351	8,421	269,772	288,744
Equipment.....		11,220	362	11,582	12,397
Student meals.....		269,859	8,695	278,554	278,554
Depreciation and amortization.....		548,607	17,677	566,284	606,109
Interest expense, net of subsidized interest		1,086,053	34,994	1,121,047	1,199,886
Conferences.....		17,747	572	18,319	20,248
Recruitment.....		1,504	50	1,554	1,718
Insurance.....		77,223	2,488	79,711	85,317
Bad debt expense.....		-	-	-	2,022
Miscellaneous.....		43,399	1,398	44,797	49,518
		<u>\$ 8,514,416</u>	<u>\$ 274,346</u>	<u>\$ 8,788,762</u>	<u>\$ 9,608,430</u>

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

RIVERHEAD CHARTER SCHOOL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services			Management and General	Total	
	No. of Positions	Regular Education	Special Education			Total
Personnel services costs						
Administrative staff personnel.....	16	\$ 589,957	\$ 18,459	\$ 608,416	\$ 370,854	\$ 979,270
Instructional personnel.....	57	3,105,295	97,160	3,202,455	-	3,202,455
Non-instructional personnel.....	3	69,007	2,159	71,166	6,926	78,092
Total salaries and staff.....	76	3,764,259	117,778	3,882,037	377,780	4,259,817
Fringe benefits and payroll taxes		1,086,270	33,988	1,120,258	109,017	1,229,275
Advertising.....		688	22	710	69	779
Occupancy.....		118,243	3,700	121,943	8,576	130,519
Contracted services.....		192,706	6,029	198,735	19,339	218,074
Travel and transportation.....		19,514	611	20,125	1,958	22,083
Supplies.....		204,414	6,396	210,810	20,515	231,325
Core curriculum.....		17,990	563	18,553	-	18,553
Telephone and communications.....		23,530	736	24,266	1,707	25,973
Repairs and maintenance.....		265,707	8,314	274,021	19,271	293,292
Equipment.....		13,965	437	14,402	1,013	15,415
Student meals.....		430,732	13,477	444,209	-	444,209
Depreciation and amortization.....		562,055	17,586	579,641	40,764	620,405
Interest expense, net of subsidized interest		1,099,938	34,415	1,134,353	79,775	1,214,128
Conferences.....		31,190	976	32,166	3,129	35,295
Recruitment.....		1,354	42	1,396	136	1,532
Insurance.....		85,742	2,683	88,425	6,219	94,644
Bad Debt Expense.....		-	-	-	6,370	6,370
Miscellaneous.....		38,641	1,209	39,850	3,877	43,727
		<u>\$ 7,956,938</u>	<u>\$ 248,962</u>	<u>\$ 8,205,900</u>	<u>\$ 699,515</u>	<u>\$ 8,905,415</u>

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

RIVERHEAD CHARTER SCHOOL, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ 1,702,617	\$ 1,672,436
<u>Adjustments to reconcile change in net assets to net cash</u>		
<u>provided by operating activities:</u>		
Depreciation and amortization.....	606,109	620,405
Amortization of bond issuance costs.....	15,924	15,925
Bad debt.....	2,022	6,370
<u>Changes in operating assets and liabilities:</u>		
Accounts receivable.....	132,712	(1,706,607)
Grants receivable.....	(1,351)	47,147
Prepaid expenses.....	2,680	18,163
Interest payable.....	(8,375)	(8,033)
Accounts payable and accrued expenses.....	123,618	121,555
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,575,956	787,361
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets.....	(14,453)	(109,216)
Sale of / Purchase of investments.....	60,179	(213)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	45,726	(109,429)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Repayment of capital lease payable.....	(13,440)	(13,440)
Repayment of bonds payable.....	(305,000)	(295,000)
CASH USED IN FINANCING ACTIVITIES	(318,440)	(308,440)
NET CHANGE IN CASH	2,303,242	369,492
Cash, cash equivalents, and restricted cash, beginning of year.....	12,036,410	11,666,918
Cash, cash equivalents, and restricted cash, end of year.....	\$ 14,339,652	\$ 12,036,410
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 1,415,756	\$ 1,434,535
PRESENTATION OF CASH ON THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents.....	\$ 10,968,981	\$ 8,645,138
Restricted cash	3,370,671	3,391,272
Cash and cash equivalents, end of year	\$ 14,339,652	\$ 12,036,410

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Riverhead Charter School, Inc. (hereinafter “the School”) is presented to assist in understanding the School’s financial statements. These financial statements and notes are representations of the School’s management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization: The School is a not-for-profit organization that was incorporated under Article 56 of the Education Law on February 1, 2001 pursuant to a five-year provisional charter granted by the Education Department of the State of New York (“NYSED”). The School’s main objective is to offer students a true choice in public education, which promotes love of learning and local exploration. The School’s goal is to provide a rigorous community of learning, which is inviting and stimulating to staff and parents, as well as students. The School intends to reverse the current spiral of student failure and meet or exceed State and federal standards, to nurture the individual gifts of every student, and to prepare them for a rewarding community life. Through fiscal 2013, the School was approved to provide education to children in kindergarten through sixth grade. Effective September 2013, the School received approval to expand its program to seventh grade, and effective September 2014, to eighth grade. On March 2, 2017, the School received approval to expand its maximum enrollment to 787 students and has renovated its old school and administrative buildings to accommodate the extra classes. The School’s charter has been renewed by the Education Department of the State of New York through June 30, 2022. In addition, in March 2018 the Board of Regents approved a request to add a high school which is estimated to be in operations for fiscal year 2021.

Income Tax Status: The School is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 509(a). The School is also exempt from certain State and local taxes. The School evaluated for uncertain tax positions and has determined that there were no uncertain tax positions for 2020 and 2019. The School files a Form 990 and is exempt from filing a New York state return. The 990 is subject to review and examination by federal taxing authorities.

Recent Accounting Pronouncements: As of July 1, 2019, the School adopted the FASB Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) using the modified retrospective approach. ASU 2014-09 supersedes the revenue recognition requirements in ASC 605, Revenue Recognition, and most industry specific guidance. The core principle under ASU 2014-09 is that revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration at which the entity expects to be entitled in exchange for those goods or services. Additionally, ASU 2014-09 requires enhanced disclosures of revenue arrangements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified retrospective approach, the guidance is applied to the most current period presented, recognizing a cumulative effect of the adoption change as an adjustment to beginning net assets without donor restrictions. The School has determined that there is no change to the timing of revenue recognition under ASU No. 2014-09.

In accordance with ASC 606-10-50-13, the School is required to include disclosure of the remaining performance obligations. Due to the nature of the School's contracts, these reporting requirements are not applicable. The majority of the School's contracts meet the exemption as defined in ACS 606-10-50-14 because the performance obligations are part of a contract that has an original expected duration of one year or less. Performance obligations are satisfied as rendered. Payments are due upon receipts of related billing.

During the year ended June 30, 2019, the School adopted ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recorded as earned and expenses are recorded when incurred.

Revenue Recognition: The School recognizes revenue on government and private grants when reimbursable expenditures under qualified programs are expended. Grants are typically fully expended within a one-year cycle. Tuition income is earned as education is provided to students enrolled at the School.

Deferred Revenue: The School recognizes, as deferred revenue, any amounts received in advance for the following year's tuition. Revenue is recognized at the time services are provided.

Cash Equivalents: For the purposes of the financial statements, cash equivalents represent money market funds with financial institutions.

Advertising: The School uses advertising to promote its program and fundraising events among the public it serves. The production costs of advertising are expensed as incurred.

Use of Estimates: The presentation 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 these estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, specifically for not-for-profit organizations. The School is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations or other stipulations that may or will be met, either by action of the School and/or the passage of time. When a restriction expires, these net assets are reclassified annually to net assets without donor restrictions and reported in the statement of activities as net assets release from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donated Services: The School benefits from volunteer services in program and administrative duties from Board members and other volunteers. Even though these donated services are valuable to the School, and help to advance its mission, no amounts have been reflected in the financial statements for these contributed services inasmuch as such services do not meet the criteria for recognition in the financial statements under accounting principles generally accepted in the United States of America, nor do they create or enhance non-financial assets.

Contributions: Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to net assets without donor restrictions.

Expense Allocation: Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services based upon management estimates. The most significant expense allocations used in the preparation of these financial statements are as follows:

Salaries	Level of effort
Payroll taxes and fringes	Based upon salaries
Occupancy related costs/Interest.....	Square footage used

Leased Employees: The School has a contract with Extensis Group, LLC. ("Extensis"), a professional employer organization for leased employees. Extensis provides comprehensive human resource services to the School and is responsible for personnel, administrative, and benefits management functions, as well as payroll processing. Since Extensis is the employer of record for all employees assigned to the School, they are included in the Extensis quarterly Internal Revenue Service ("IRS") Form 941, New York State Form NYS-45, and statutory New York State disability and workers compensation filings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and Equipment: Property and equipment are stated at original cost. Those assets acquired by gift are carried at fair market value established at the date of acquisition.

Maintenance and repairs are charged to expense and betterments are capitalized. Depreciation expense is computed using the straight-line method over each asset's estimated useful life as follows:

Building.....	25 - 39 years
Building improvements.....	10 - 25 years
Equipment.....	3.5 - 5 years

Bond Issuance Costs: Bond issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the bond. Bond issuance costs are amortized on the straight-line basis over the term of the bond and are included in interest expense in the statements of functional expenses.

Subsequent Events: The School has evaluated events and transactions that occurred between July 1, 2020 and August 13, 2020 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Reclassifications: Cash paid for interest on the statement of cash flows in the prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 2 - INVESTMENTS

Investments are presented in the statements of financial position at fair value. A fair value hierarchy has been established based upon the observable inputs to the evaluation of an asset or liability as of the measurement date. The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value levels (Level 1, 2, and 3):

- Level 1 instruments are valued using observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the School has the ability to access at the measurement date. Level 1 assets include highly-liquid U.S. Treasury securities and exchange-traded equity securities.
- Level 2 instruments are valued using observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Most debt securities and some preferred stocks are model-priced by vendors using observable inputs and are classified within Level 2. Also included in the Level 2 category are derivative instruments that are priced using models with observable market inputs, including interest rates, foreign currency, and certain credit swap contracts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 2 - INVESTMENTS (continued)

- Level 3 instruments are valued using valuations that are derived from techniques in which one or more of the significant inputs, are unobservable (including assumptions about risk). Level 3 securities include less liquid securities such as highly structured and/or lower quality, asset-backed securities (“ABS”) and commercial mortgage-backed securities (“CMBS”), including ABS backed by sub-prime loans, and private placement debt and equity securities. Because Level 3 fair values, by their nature, contain unobservable market inputs, as there is no observable market for these assets and liabilities, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent the School’s best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

All of the investments held by the School, at June 30,2020, are in certificates of deposit which are considered Level 2 investments because they are valued based on quoted prices for similar instruments in active markets.

NOTE 3 - CONCENTRATIONS AND COMMITMENTS

From time to time, the School has cash on deposit with a financial institution in excess of Federal Deposit Insurance Corporation-insured limits. This includes both operating cash and restricted cash.

Restricted cash consisted of the following as of June 30,:

	2020	2019
Debt service reserve fund	\$ 2,020,572	\$ 2,017,643
Excess bond funds	1,174,362	1,198,013
Charter dissolution account	75,737	75,616
Repair and Replacement fund	100,000	100,000
Total Restricted cash	\$ 3,370,671	\$ 3,391,272

During fiscal 2020, approximately 94% of the School’s total support and revenue was comprised of tuition income from several Eastern Suffolk County school districts, the largest of which were: Riverhead Central School District (67%), William Floyd School District (12%), Longwood Central School District (12%), South Country Central School District (3%), and other school districts (4%). The remaining 6% was primarily comprised of revenue related to the School’s Student Meal Program (3%), grants from the Education Department of the State of New York (1.5%), and other income (1.5%).

During fiscal 2019, approximately 90% of the School’s total support and revenue was comprised of tuition income from several Eastern Suffolk County school districts, the largest of which were: Riverhead Central School District (64%), William Floyd School District (13%), Longwood Central School District (15%), South Country Central School District (4%), and other school districts (4%). The remaining 10% was primarily comprised of revenue related to the School’s Student Meal Program (5%), grants from the Education Department of the State of New York (4%), and other income (1%).

The School has entered into a collective bargaining agreement with its teachers and teacher assistants through the Teachers’ Association. The current agreement expires on June 30, 2021 and provides for raises of 3% for the year ended June 30, 2021.

RIVERHEAD CHARTER SCHOOL, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 794,457	\$ 794,457
Building	19,302,821	19,302,821
Building improvements.....	1,160,012	1,160,012
Equipment.....	561,407	546,952
Total cost.....	<u>21,818,697</u>	<u>21,804,242</u>
Less accumulated depreciation and amortization.....	<u>(5,000,683)</u>	<u>(4,394,572)</u>
Net property and equipment.....	<u>\$ 16,818,014</u>	<u>\$ 17,409,670</u>

NOTE 5 - ACCOUNTS AND GRANTS RECEIVABLE

Accounts receivable consisted of the following as of June 30,:

	<u>2020</u>	<u>2019</u>
Tuition receivable from school districts	\$ 1,636,895	\$ 1,661,558
NYSED	-	106,283
Subsidized interest receivable	83,080	85,561
Other.....	-	1,307
Total accounts receivable.....	<u>\$ 1,719,975</u>	<u>\$ 1,854,709</u>

Furthermore, grants receivable of \$131,842 and \$130,491 at June 30, 2020 and 2019, respectively, were due from various school districts for reimbursable expenses incurred before year-end.

The School uses the allowance method to determine uncollectible accounts and grants receivable. The allowance for doubtful accounts is based primarily on the School's collection efforts and management's analysis of specific outstanding balances. The School does not impose interest or finance charges on overdue receivable balances. Collectability is assessed on an individual account basis, and uncollectible accounts are written off against the allowance after approval by the School Board. As of June 30, 2020 and 2019, no allowance has been recorded.

NOTE 6 - GRANTOR RESTRICTIONS

Financial awards from governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the School for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NYSED requires all charter schools to maintain \$75,000 in a separate account to cover the cost of a potential closure should the School's charter not be renewed. This amount has to be maintained even when the Charter is renewed and has accordingly been included, along with accumulated interest, in restricted cash on the School's statements of financial position at June 30, 2020 and 2019. See Note 3.

RIVERHEAD CHARTER SCHOOL, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 7 - BONDS PAYABLE

On August 22, 2013, the School issued education revenue bonds through the Riverhead IDA Economic Job Development Corporation in the amount of \$21,105,000 to fund the construction of a 50,000 square foot two-story building and related infrastructure to be used as a school building to replace modular buildings located on the School's six-acre campus.

The bonds are comprised of \$16,105,000 of Series A tax-exempt bonds ("Series A Bonds") with maturities ranging from August 1, 2015 through August 1, 2048, bearing interest between 3% and 7.04% and \$5,000,000 of Series B federally taxable qualified school construction bonds ("Series B Bonds") that bear interest at 7.65% and mature on August 1, 2034. Interest on the bonds are payable semi-annually on February 1st and August 1st of each year, commencing February 1, 2014. In addition, the School is required to meet certain financial and reporting covenants, which includes a deadline for filing the School's audited financial statements within 45 days of the end of its fiscal year.

Pursuant to the bond agreement, the proceeds of the loan were utilized as follows:

	Series A Tax-Exempt	Series B Taxable	Total
Financing building construction.....	\$ 9,200,000	\$ 4,900,000	\$ 14,100,000
Repayment of Edison Debt.....	3,195,164	-	3,195,164
Debt service reserve fund	1,502,925	500,000	2,002,925
Fund Capital interest through			
February 15, 2015.....	1,545,978	-	1,545,978
Original Issue Discount	182,411	-	182,411
Issuance costs	627,630	145,492	773,122
Total.....	<u>16,254,108</u>	<u>5,545,492</u>	<u>21,799,600</u>
Paid directly by the School.....	<u>(149,108)</u>	<u>(545,492)</u>	<u>(694,600)</u>
Funded through bond issuance.....	<u>\$ 16,105,000</u>	<u>\$ 5,000,000</u>	<u>\$ 21,105,000</u>

Any excess bond funds at the completion of the projects will be used for the early retirement of debt as determined by the Trustee. As of June 30, 2020 and 2019, there were \$506,918 and \$506,183 of excess bond funds available, respectively.

The bonds are secured by all of the assets of the School and provide for a lien on gross revenue, a mortgage on the property, and a guarantee by the School. The debt service reserve fund outlined above, must be maintained by the School with the Custodian until all obligations have been repaid. The Series B Bonds provide for direct interest subsidy payments from the US Treasury at the lesser of the tax credit rate at the time of issuance or the 7.65% issuance rate. The bond provided for interest only payments until 2016, at which time the principal is being repaid over the life of the bond based upon specific payment amounts as outlined in the bond agreement.

RIVERHEAD CHARTER SCHOOL, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 7 - BONDS PAYABLE (continued)

The bond retirements pursuant to the bond agreement are as follows for the years ending June 30:

2021.....	\$	315,000
2022.....		325,000
2023.....		335,000
2024.....		350,000
2025.....		365,000
Thereafter		17,980,000
Total before debt issuance costs.....	\$	19,670,000
Less: unamortized debt issuance costs.....	(430,994)
Total	\$	<u>19,239,006</u>

The School can redeem the Series A Bonds at any time subsequent to August 1, 2023 without penalty. The maturities of the outstanding debt at that time are \$1,630,000 at August 1, 2033, \$7,295,000 at August 1, 2043, and \$6,330,000 at August 1, 2048. Early redemption of the Series B Bonds can occur subsequent to August 1, 2018 at a premium commencing at 103.5% at August 1, 2018, decreasing to no premium at August 1, 2023. The School must maintain certain financial ratios pursuant to the bond agreement.

Interest expense incurred for the year ended June 30, 2020 and 2019 on the Series 2013 Bonds totaled \$1,403,613 and \$1,423,648, respectively. As of June 30, 2020, the School reported interest earned on unspent bond proceeds and Federal Subsidy interest income of \$734 and \$203,727, respectively. As of June 30, 2019, the School reported interest earned on unspent bond proceeds and Federal Subsidy interest income of \$1,495 and \$209,520, respectively. Federal Subsidy interest was offset against interest expense on the statements of functional expenses as of June 30, 2020 and 2019.

Additionally, the IDA requires the School to maintain a Repair and Replacement Fund of \$100,000 in a separate account for as long as the bonds are outstanding. The Repair and Replacement Fund will only be used to pay capital related expenses incurred for maintenance and betterment of the project. Withdrawals from the fund require approval of the Trustee and must meet certain criteria as outlined in the loan agreement. As of June 30, 2020, and 2019 no funds had been drawn against this fund.

NOTE 8 - WITH DONOR RESTRICTIONS

The School's net assets with donor restrictions as of June 30, 2020 and 2019 are to fund the School's National School Lunch Program in the amount of \$48,554 and \$23,240, respectively.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 9 - RETIREMENT PLANS

The School participates in the New York State Teachers' Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS) (the Systems), which are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, as well as vesting of retirement, death and disability benefits. TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees.

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

For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the School to the pension accumulation fund. The contribution rates for ERS vary depending on the participant's tier. The ERS average contribution rate was 14.6% and 14.9% as of June 30, 2020 and 2019, respectively. For the years ended June 30, 2020 and 2019, required contributions for ERS were \$48,543 and \$52,951, respectively. Pursuant to Article 11 of the Education Law, rates are established annually for TRS by the New York State Teachers' Retirement Board at an actuarially determined rate. The rate is 8.86% and 10.62% of the annual covered payroll as of June 30, 2020 and 2019, respectively. For the years ended June 30, 2020 and 2019, the required contributions for TRS totaled \$347,367 and \$402,674, respectively.

NOTE 10 - LITIGATION

From time to time the School is subject to certain claims or litigation in the normal course of its operations. The School is not aware of any claims as of June 30, 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 11 - AVAILABILITY AND LIQUIDITY

The following represents the School's financial assets at:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Cash and cash equivalents	\$ 14,339,652	\$ 12,036,410
Investments	-	60,179
Accounts receivable	1,719,975	1,854,709
Grants receivable	131,842	130,491
	<u>16,191,469</u>	<u>14,081,789</u>
Less restricted cash	<u>(3,370,671)</u>	<u>(3,391,272)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 12,820,798</u>	<u>\$ 10,690,517</u>

The School's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,923,817 net of non-cash expenses).

NOTE 12 - SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which may negatively impact operating results. The School is anticipating that there will be no decline in its tuition revenue and as such, it is not anticipated that the impact of the COVID-19 pandemic will have a significant long-term impact on the School's financial position or operations.

OTHER FINANCIAL INFORMATION

**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**



Independent Auditor's Report

To the Board of Directors
Riverhead Charter School, Inc.
3685 Middle Country Road
Calverton, New York 11933

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Riverhead Charter School, Inc. (hereinafter "the School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Corin & Associates LLP

Bohemia, New York
August 13, 2020

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020*

Section I - Findings of Financial Statement Audit

There were no findings and questioned costs for the year ended June 30, 2020.

RIVERHEAD CHARTER SCHOOL, INC.

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020*

Section II - Prior Audit Findings of Financial Statement Audit

There were no findings and questioned costs for the year ended June 30, 2019.



Annual Financial Statement Audit Report

for Board of Regents Authorized Charter Schools

School Name:	Riverhead Charter School
Date (Report is due Nov. 1):	November 1, 2020
Primary District of Location (If NYC select NYC DOE):	Riverhead Central School District
If located in NYC DOE select CSD:	-
School Fiscal Contact Name:	Raymond Ankrum
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Cerini & Associates, LLP
School Audit Contact Name:	Ken Cerini
School Audit Contact Email:	[REDACTED]
School Audit Contact Phone:	[REDACTED]
Audit Period:	2019-20
Prior Year:	2018-19

The following items are required to be included:

- 1.) The independent auditor's report on financial statements and notes.
- 2.) Excel template file containing the Financial Position, Statement of Activities, Cash Flow and Functional Expenses worksheets.
- 3.) Reports on internal controls over financial reporting and on compliance.

The additional items listed below should be included if applicable. Please explain the reason(s) if the items are not included. Examples might include: a written management letter was not issued; the school did not expend federal funds in excess of the Single Audit Threshold of \$750,000; the management letter response will be submitted by the following date (should be no later than 30 days from the submission of the report); etc.

Item	If not included, state the reason(s) below (if not applicable fill in N/A):
Management Letter	N/A
Management Letter Response	N/A
Form 990	N/A
Federal Single Audit (A-133)	N/A
Corrective Action Plan	N/A

Riverhead Charter School
Statement of Financial Position
as of June 30

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 10,968,981	\$ 8,645,138
Grants and contracts receivable	131,842	130,491
Accounts receivables	1,719,975	1,854,709
Prepaid Expenses	250	2,930
Contributions and other receivables	-	-
Other current assets	-	60,179
TOTAL CURRENT ASSETS	12,821,048	10,693,447
<u>NON-CURRENT ASSETS</u>		
Property, Building and Equipment, net	\$ 16,818,014	\$ 17,409,670
Restricted Cash	3,370,671	3,391,272
Security Deposits	-	-
Other Non-Current Assets	-	-
TOTAL NON-CURRENT ASSETS	20,188,685	20,800,942
TOTAL ASSETS	<u>33,009,733</u>	<u>31,494,389</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 55,554	\$ 71,071
Accrued payroll, payroll taxes and benefits	1,188,351	1,049,216
Current Portion of Loan Payable	293,857	293,857
Due to Related Parties	-	-
Refundable Advances	-	-
Deferred Revenue	-	-
Other Current Liabilities	581,988	599,323
TOTAL CURRENT LIABILITIES	2,119,750	2,013,467
<u>LONG-TERM LIABILITIES</u>		
Loan Payable; Due in More than One Year	\$ 18,945,149	\$ 19,234,225
Deferred Rent	-	-
Due to Related Party	-	-
Other Long-Term Liabilities	-	4,480
TOTAL LONG-TERM LIABILITIES	18,945,149	19,238,705
TOTAL LIABILITIES	21,064,899	21,252,172
<u>NET ASSETS</u>		
Unrestricted	\$ 11,896,280	\$ 10,218,977
Temporarily restricted	48,554	23,240
Permanently restricted	-	-
TOTAL NET ASSETS	11,944,834	10,242,217
TOTAL LIABILITIES AND NET ASSETS	<u>33,009,733</u>	<u>31,494,389</u>

Riverhead 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	\$ 10,422,819	\$ -	\$ 10,422,819	\$ 9,389,628
State and Local Per Pupil Revenue - SPED	194,953	-	194,953	166,220
State and Local Per Pupil Facilities Revenue	-	-	-	-
Federal Grants	159,016	-	159,016	385,655
State and City Grants	-	-	-	-
Other Operating Income	19,508	-	19,508	30,583
Food Service/Child Nutrition Program	350,558	-	350,558	496,247
TOTAL OPERATING REVENUE	11,146,854	-	11,146,854	10,468,333
EXPENSES				
Program Services				
Regular Education	\$ 8,514,416	\$ -	\$ 8,514,416	\$ 7,956,938
Special Education	274,346	-	274,346	248,962
Other Programs	-	-	-	-
Total Program Services	8,788,762	-	8,788,762	8,205,900
Management and general	819,668	-	819,668	699,515
Fundraising	-	-	-	-
TOTAL EXPENSES	9,608,430	-	9,608,430	8,905,415
SURPLUS / (DEFICIT) FROM OPERATIONS	1,538,424	-	1,538,424	1,562,918
SUPPORT AND OTHER REVENUE				
Interest and Other Income	\$ 85,641	\$ -	\$ 85,641	\$ 23,461
Contributions and Grants	-	-	-	-
Fundraising Support	72,327	-	72,327	35,137
Investments	-	-	-	-
Donated Services	-	-	-	-
Other Support and Revenue	6,225	-	6,225	50,920
TOTAL SUPPORT AND OTHER REVENUE	164,193	-	164,193	109,518
Net Assets Released from Restrictions / Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS	1,702,617	-	1,702,617	1,672,436
NET ASSETS - BEGINNING OF YEAR	\$ 10,242,217	\$ -	\$ 10,242,217	\$ 8,569,781
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	\$ 11,944,834	\$ -	\$ 11,944,834	\$ 10,242,217

**Riverhead Charter School
Statement of Cash Flows**

as of June 30

	<u>2020</u>	<u>2019</u>
CASH FLOWS - OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 1,702,617	\$ 1,672,436
Revenues from School Districts	-	-
Accounts Receivable	132,712	(1,706,607)
Due from School Districts	-	-
Depreciation	606,109	620,405
Grants Receivable	(1,351)	47,147
Due from NYS	-	-
Grant revenues	-	-
Prepaid Expenses	2,680	18,163
Accounts Payable	123,618	121,555
Accrued Expenses	-	-
Accrued Liabilities	-	-
Contributions and fund-raising activities	-	-
Miscellaneous sources	-	-
Deferred Revenue	-	-
Interest payments	(8,375)	(8,033)
Other	15,924	15,925
Other	2,022	6,370
NET CASH PROVIDED FROM OPERATING ACTIVITIES	<u>\$ 2,575,956</u>	<u>\$ 787,361</u>
CASH FLOWS - INVESTING ACTIVITIES	\$	\$
Purchase of equipment	(14,453)	(109,216)
Other	60,179	(213)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>\$ 45,726</u>	<u>\$ (109,429)</u>
CASH FLOWS - FINANCING ACTIVITIES	\$	\$
Principal payments on long-term debt	(305,000)	(295,000)
Other	(13,440)	(13,440)
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>\$ (318,440)</u>	<u>\$ (308,440)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ 2,303,242	\$ 369,492
Cash at beginning of year	12,036,410	11,666,918
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 14,339,652</u></u>	<u><u>\$ 12,036,410</u></u>

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

		2020							2019	
No. of Positions	Program Services				Supporting Services			Total	Total	
	Regular Education	Special Education	Other Education	Total	Fundraising	Management and General	Total			
Personnel Services Costs										
Administrative Staff Personnel	14.00	\$ 663,297	\$ 21,372	\$ -	\$ 684,669	\$ -	\$ 458,191	\$ 458,191	\$ 1,142,860	\$ 979,270
Instructional Personnel	62.00	3,548,902	114,350	-	3,663,252	-	-	-	3,663,252	3,202,455
Non-Instructional Personnel	1.00	40,639	1,309	-	41,948	-	4,421	4,421	46,369	78,092
Total Salaries and Staff	77.00	4,252,838	137,031	-	4,389,869	-	462,612	462,612	4,852,481	4,259,817
Fringe Benefits & Payroll Taxes		948,841	28,769	-	977,610	-	103,022	103,022	1,080,632	773,650
Retirement		345,238	12,928	-	358,166	-	37,744	37,744	395,910	455,625
Management Company Fees		-	-	-	-	-	-	-	-	-
Legal Service		19,405	625	-	20,030	-	2,111	2,111	22,141	16,609
Accounting / Audit Services		51,430	1,657	-	53,087	-	5,594	5,594	58,681	54,178
Other Purchased / Professional / Consulting Services		151,779	4,891	-	156,670	-	16,509	16,509	173,179	147,287
Building and Land Rent / Lease		-	-	-	-	-	-	-	-	-
Repairs & Maintenance		261,351	8,421	-	269,772	-	18,972	18,972	288,744	293,292
Insurance		77,223	2,488	-	79,711	-	5,606	5,606	85,317	94,644
Utilities		122,804	3,957	-	126,761	-	8,915	8,915	135,676	130,519
Supplies / Materials		250,531	8,072	-	258,603	-	25,824	25,824	284,427	249,878
Equipment / Furnishings		11,220	362	-	11,582	-	815	815	12,397	15,415
Staff Development		17,747	572	-	18,319	-	1,929	1,929	20,248	35,295
Marketing / Recruitment		1,528	51	-	1,579	-	167	167	1,746	2,311
Technology		41,286	1,330	-	42,616	-	2,997	2,997	45,613	25,973
Food Service		269,859	8,695	-	278,554	-	-	-	278,554	444,209
Student Services		-	-	-	-	-	-	-	-	-
Office Expense		56,676	1,826	-	58,502	-	6,165	6,165	64,667	65,810
Depreciation		548,607	17,677	-	566,284	-	39,825	39,825	606,109	620,405
OTHER		1,086,053	34,994	-	1,121,047	-	80,861	80,861	1,201,908	1,220,498
Total Expenses		\$ 8,514,416	\$ 274,346	\$ -	\$ 8,788,762	\$ -	\$ 819,668	\$ 819,668	\$ 9,608,430	\$ 8,905,415

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.

Riverhead Charter School

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

PROJECTED BUDGET FOR 2020-2021							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	12,768,254	119,000	-	-	-	12,887,254	
Total Expenses	12,429,669	-	-	-	-	12,429,669	
Net Income	338,585	119,000	-	-	-	457,585	
Actual Student Enrollment	690	5	-	-	-	-	
Total Paid Student Enrollment	-	-	-	-	-	-	
PROGRAM SERVICES							SUPPORT SERVICES
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
REVENUE							
REVENUES FROM STATE SOURCES							
Per Pupil Revenue	CY Per Pupil Rate						
Riverhead Charter School	\$17,891.00	8,587,680	60,000	-	-	8,647,680	assume rollover student enrollment at blended rate
William Floyd UFSD	\$15,805.00	1,422,450	20,000	-	-	1,442,450	assume rollover student enrollment at blended rate
Longwood CSD	\$16,127.00	1,209,525	29,000	-	-	1,238,525	assume rollover student enrollment at blended rate
South Country CSD	\$17,794.00	195,734	5,000	-	-	200,734	assume rollover student enrollment at blended rate
Other Districts	\$17,355.00	559,561	5,000	-	-	564,561	assume all other districts at \$17,355 blended rate - stayed flat
		11,974,950	119,000	-	-	12,093,950	
Special Education Revenue		-	-	-	-	-	
Grants							
Stimulus		-	-	-	-	-	
Other		-	-	-	-	-	
Other State Revenue		-	-	-	-	-	
TOTAL REVENUE FROM STATE SOURCES		11,974,950	119,000	-	-	12,093,950	
REVENUE FROM FEDERAL FUNDING							
IDEA Special Needs		-	-	-	-	-	
Title I		120,000	-	-	-	120,000	stay flat - no increase
Title Funding - Other		87,000	-	-	-	87,000	stay flat - no increase
School Food Service (Free Lunch)		217,800	-	-	-	217,800	program)
Grants							
Charter School Program (CSP) Planning & Implementation		-	-	-	-	-	
Other		35,000	-	-	-	35,000	applied for REAP grant
Other Federal Revenue		-	-	-	-	-	
TOTAL REVENUE FROM FEDERAL SOURCES		459,800	-	-	-	459,800	
LOCAL and OTHER REVENUE							
Contributions and Donations, Fundraising		10,000	-	-	-	10,000	stay flat
Erate Reimbursement		15,000	-	-	-	15,000	
Interest Income, Earnings on Investments,		100,000	-	-	-	100,000	
NYC-DYCD (Department of Youth and Community Developmt.)		-	-	-	-	-	
Food Service (Income from meals)		-	-	-	-	-	
Text Book		-	-	-	-	-	
Other Local Revenue		208,504	-	-	-	208,504	Federal Subsidy QSCB interest
TOTAL REVENUE FROM LOCAL and OTHER SOURCES		333,504	-	-	-	333,504	
TOTAL REVENUE		12,768,254	119,000	-	-	12,887,254	
EXPENSES							
ADMINISTRATIVE STAFF PERSONNEL COSTS	No. of Positions						
Executive Management	1.00	205,000	-	-	-	205,000	promotion to Superintendent
Instructional Management	2.00	250,000	-	-	-	250,000	2 principals - Elementary and Middle School
Deans, Directors & Coordinators	6.00	535,000	-	-	-	535,000	2 DCI's, 2 Dean of Students, Dir of Spec Ed, Dir of Academics
CFO / Director of Finance	1.00	130,000	-	-	-	130,000	flat increase for management
Operation / Business Manager	1.00	55,000	-	-	-	55,000	assume 2% increase
Administrative Staff	5.00	305,000	-	-	-	305,000	assume 2% increase
TOTAL ADMINISTRATIVE STAFF	16	1,480,000	-	-	-	1,480,000	
INSTRUCTIONAL PERSONNEL COSTS							
Teachers - Regular	33.00	2,050,000	-	-	-	2,050,000	assume 2% increase and 2 new teachers
Teachers - SPED	-	-	-	-	-	-	none, dual tchr we have 1 ICT classroom in every grade level
Substitute Teachers	5.00	200,000	-	-	-	200,000	none
Teaching Assistants	-	-	-	-	-	-	none
Specialty Teachers	27.00	1,439,000	-	-	-	1,439,000	assume 2% increase and 2 new teachers

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

Riverhead Charter School

PROJECTED BUDGET FOR 2020-2021

July 1, 2020 to June 30, 2021

Assumptions

DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable

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

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Total Revenue	12,768,254	119,000	-	-	-	12,887,254
Total Expenses	12,429,669	-	-	-	-	12,429,669
Net Income	338,585	119,000	-	-	-	457,585
Actual Student Enrollment	690	5	-	-	-	-
Total Paid Student Enrollment	-	-	-	-	-	-

PROGRAM SERVICES SUPPORT SERVICES

REGULAR EDUCATION SPECIAL EDUCATION OTHER FUNDRAISING MANAGEMENT & GENERAL TOTAL

Aides	2.00	100,000	-	-	-	100,000	assume 2% increase
Therapists & Counselors	2.00	160,000	-	-	-	160,000	hired 1 additional social worker, assume 2% increase
Other	-	-	-	-	-	-	
TOTAL INSTRUCTIONAL	69	3,949,000	-	-	-	3,949,000	
NON-INSTRUCTIONAL PERSONNEL COSTS							
Nurse	-	-	-	-	-	-	
Librarian	-	-	-	-	-	-	
Custodian	2.00	95,053	-	-	-	95,053	assume 2% increase
Security	-	-	-	-	-	-	
Other	-	120,000	-	-	-	120,000	after-school program, NYS test help, community liason
TOTAL NON-INSTRUCTIONAL	2	215,053	-	-	-	215,053	
SUBTOTAL PERSONNEL SERVICE COSTS	87	5,644,053	-	-	-	5,644,053	
PAYROLL TAXES AND BENEFITS							
Payroll Taxes	-	515,486	-	-	-	515,486	assume 8% of salaries
Fringe / Employee Benefits	-	686,297	-	-	-	686,297	assume 2 additional family plan plus 3% increase
Retirement / Pension	-	617,650	-	-	-	617,650	assume 5% increase
TOTAL PAYROLL TAXES AND BENEFITS		1,819,433	-	-	-	1,819,433	
TOTAL PERSONNEL SERVICE COSTS		7,463,486	-	-	-	7,463,486	
CONTRACTED SERVICES							
Accounting / Audit	-	84,700	-	-	-	84,700	stay flat
Legal	-	65,824	-	-	-	65,824	stay flat
Management Company Fee	-	-	-	-	-	-	
Nurse Services	-	-	-	-	-	-	
Food Service / School Lunch	-	476,589	-	-	-	476,589	
Payroll Services	-	-	-	-	-	-	
Special Ed Services	-	-	-	-	-	-	
Titement Services (i.e. Title I)	-	-	-	-	-	-	
Other Purchased / Professional / Consulting	-	251,131	-	-	-	251,131	assume 10% increase plus \$25,000 HS matters (curriculum)
TOTAL CONTRACTED SERVICES		878,244	-	-	-	878,244	
SCHOOL OPERATIONS							
Board Expenses	-	35,148	-	-	-	35,148	assume 10% increase
Classroom / Teaching Supplies & Materials	-	127,110	-	-	-	127,110	flat
Special Ed Supplies & Materials	-	-	-	-	-	-	
Textbooks / Workbooks	-	76,625	-	-	-	76,625	flat
Supplies & Materials other	-	11,214	-	-	-	11,214	flat
Equipment / Furniture	-	6,007	-	-	-	6,007	flat
Telephone	-	47,150	-	-	-	47,150	assume 5% increase
Technology	-	140,485	-	-	-	140,485	all Middle School 1 to 1 for chromebooks
Student Testing & Assessment	-	-	-	-	-	-	
Field Trips	-	8,680	-	-	-	8,680	
Transportation (student)	-	-	-	-	-	-	
Student Services - other	-	1,275	-	-	-	1,275	assume 3% increase
Office Expense	-	38,161	-	-	-	38,161	assume 15% increase
Staff Development	-	32,353	-	-	-	32,353	flat
Staff Recruitment	-	4,208	-	-	-	4,208	flat
Student Recruitment / Marketing	-	1,275	-	-	-	1,275	
School Meals / Lunch	-	-	-	-	-	-	
Travel (Staff)	-	14,520	-	-	-	14,520	stay flat
Fundraising	-	14,470	-	-	-	14,470	stay flat
Other	-	100,071	-	-	-	100,071	incl emergency fund expense (COVID-19)
TOTAL SCHOOL OPERATIONS		658,752	-	-	-	658,752	

Riverhead Charter School

PROJECTED BUDGET FOR 2020-2021							Assumptions
July 1, 2020 to June 30, 2021							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	12,768,254	119,000	-	-	-	12,887,254	
Total Expenses	12,429,669	-	-	-	-	12,429,669	
Net Income	338,585	119,000	-	-	-	457,585	
Actual Student Enrollment	690	5				-	
Total Paid Student Enrollment	-	-				-	
PROGRAM SERVICES				SUPPORT SERVICES			
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
FACILITY OPERATION & MAINTENANCE							
Insurance	204,189	-	-	-	-	204,189	assume 10% increase for additional students and staff and HS Location
Janitorial	127,121	-	-	-	-	127,121	assume 30% increase for three buildings COVID-19
Building and Land Rent / Lease	1,625,460	-	-	-	-	1,625,460	from amortization schedule
Repairs & Maintenance	464,971	-	-	-	-	464,971	assume 10% increase plus \$50,000 for small repairs
Equipment / Furniture	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
Utilities	340,315	-	-	-	-	340,315	assume 5% increase from utilization
TOTAL FACILITY OPERATION & MAINTENANCE	2,762,056	-	-	-	-	2,762,056	
DEPRECIATION & AMORTIZATION	667,131	-	-	-	-	667,131	flat
DISSOLUTION ESCROW & RESERVES / CONTIGENCY	-	-	-	-	-	-	
TOTAL EXPENSES	12,429,669	-	-	-	-	12,429,669	
NET INCOME	338,585	119,000	-	-	-	457,585	
ENROLLMENT - *School Districts Are Linked To Above Entries*							
	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED				
Riverhead Charter School	480	2	482				
William Floyd UFSD	90	1	91				
Longwood CSD	75	1	76				
South Country CSD	11	1	12				
Other Districts	34		34				
TOTAL ENROLLMENT	690	5	695				
REVENUE PER PUPIL	18,505	23,800	-				
EXPENSES PER PUPIL	18,014	-	-				